Strengthening cooperation with business sectors against illegal trade in wildlife
Final Report

Report for EC DG Environment
Ref: Specific contract no. 070202/2015/707476/ETU/ENV.E2
Strengthening cooperation with business sectors against illegal trade in wildlife

Customer:
European Commission DG Environment

Customer reference:
Specific contract no.
070202/2015/707476/ETU/ENV.E2

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Date:
13 November 2015

Ricardo Energy & Environment reference:
Ref: ED61083- Issue Number 3

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Executive summary

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) aims to ensure that trade in over 35,000 animal and plant species does not threaten their survival. The Convention has 181 Parties, including all Member States (MS), and the EU itself, which must adhere to its rules. CITES is implemented in the EU through the EU Wildlife Trade Regulations. The necessary enforcement provisions must be transferred into national legislation and supplemented with national laws, as these matters remain under the sovereignty of each MS.

Well-regulated, sustainable, legal trade can bring benefits to wildlife, as well as to local communities that depend on it. However, illegal wildlife trade (IWT) can threaten the survival of some species and undermine the rule of law and sustainable development. It is impossible to measure the exact scale of the IWT but the figures are likely to be in the billions of US Dollars. A truly global issue, it has been described by former US Secretary of State Hilary Clinton as “a global challenge that spans continents and crosses oceans” and as a “national security issue, a public health issue and an economic security issue”. The 28 Member States of the European Union (EU) form one of the world’s largest consumer markets for legal wildlife and wildlife products.

The IWT is increasing at an alarming rate. This has raised its profile with the highest levels of government and many high-level commitments have been made over the past two years, which have specifically addressed the business sector. A European Commission (EC) Communication, on 7 February 2014, launched a consultation on the EU approach against wildlife trafficking. The Communication and subsequent consultation recognised that there are many gaps and weaknesses in the existing approach to tackling the IWT. The regulatory frameworks appear to be in place but MS’ approaches are limited due to various factors. It has been acknowledged that all relevant actors need to be engaged in the fight against the IWT, including those in the private sector whose trade could be corrupted and infiltrated by illegal wildlife products.

Although there are no EU regulations on corporate social responsibility (CSR), the EC promotes CSR and encourages enterprises to adhere to international guidelines and principles. Business motivations for tackling the IWT can be presented as risks and rewards. The risks are that neglecting IWT in business supply chains may lead to negative company image, loss of customer trust, poor relationships with other stakeholders, regulatory risk and depletion of the resource base on which some companies depend. The rewards are possibilities of market leadership, enhanced reputation, good relations with regulatory authorities and other stakeholders, long-term stability of supply and lowering of supply management costs. There are many private-sector initiatives against the IWT, which can be categorised into: certification schemes; individual company CSR; and multiple company CSR. Other initiatives are tackling various issues in relation to illegal trade or biodiversity more generally from which lessons may potentially be drawn for engaging business in preventing the IWT.

The overall objective of this study was to provide the European Commission’s (EC) Directorate-General for the Environment with input and ideas for further developing cooperation with relevant business sectors in order to prevent the IWT. Specific objectives were:

- To analyse existing models of cooperation with business sectors against IWT;
- To analyse, if applicable, pros and cons of models used in other areas of EU policies against illegal trade;
- To review and analyse how the EU political and regulatory framework could be used to strengthen the commitment of business against IWT;
- To propose suitable models for engaging relevant business sectors in the fight against IWT.

The IWT sectors on which this study focused can be separated into two rather different groups:

- Sectors involved in importing wildlife products into the EU (i.e. luxury industry; pet sector; and traditional Chinese medicine – TCM);
- Sectors facilitating trade in the EU (transport, courier and online trading).

In relation to each of these sectors, this study found that:

- The luxury industry’s use of exotic skins is characterized by a relatively small number of actors with several luxury brands being owned by larger companies that also own skin tanneries, as well as captive-breeding facilities. In 2012, skins were the second highest CITES-listed wildlife commodity imported by volume and value into the EU (excluding caviar extract). It is estimated
that this trade was worth over EUR167 million in 2012, with reptiles representing the majority of the estimated value (92%). However, less is known regarding private sector engagement for other luxury products, such as furs, shahtoosh, ivory and caviar. The luxury industry’s engagement in preventing IWT is well-developed in relation to reptile skins it uses and it has established several ongoing initiatives to address potential issues. The Python Conservation Partnership provides a good example of a business-led initiative to ensure legal and sustainable sourcing of python skins, which is embedded in a wider CSR policy on sustainability.

- Business engagement in the wildlife-pet sector appears low, despite the fact that the EU is one of the main importers of live reptiles globally. Research undertaken by this study suggests that only a few individual companies that trade in exotic live reptiles ostensibly operate with legality as a key operational component. The nine EU member organizations (excluding those that deal in fish or aquarium animals) of the European Pet Organization (EPO) represent the pet industry from seven out of the 28 MS, indicating that organization of actors in this sector is less developed than in other sectors. The EPO is a general pet organization, which is not focused on exotic pets and nor are its national members. The sector has received considerable criticism in relation to animal welfare issues, which have been central to many of the actions it has taken. This focus means that the pet sector’s awareness of the seriousness of the IWT and the role that the sector could play in addressing it appears to be generally low. However, there are signs that it may be possible to promote more active engagement, which may create opportunities for addressing traceability issues.

- The TCM sector remains elusive to attempts to assess business engagement in tackling IWT. This project sent emails to, and followed up with, eight major EU TCM associations and federations hoping to engage on their, or their members’, efforts in tackling IWT. Only two replies were received stating that the illegal wildlife products were not relevant to their operations. The UK case study presented on TCM, Operation Charm (OC), includes an apparently rare example of business sector engagement by TCM associations and companies. It is clear from OC, and the evidence provided from the TCM sector in general, that activities related to tackling IWT in TCM have focused on awareness raising. Although research has attempted to find EU-wide business efforts related to the sector, including through internet searches and discussion with contacts, little is known about whether or not efforts are currently being made elsewhere in the EU, particularly in relation to ‘active’ efforts. A number of companies in the EU, particularly in the UK, which manufacture herbal products, are using the FairWild certification scheme for sourcing selected wild-plant ingredients.

- Engagement of transport companies in tackling IWT has been low but, globally at least, has seen a recent surge in renewed efforts, particularly in relation to air transport. More targeted efforts to address the IWT are generally focused on discussion and identification of possible actions and remain at an early stage prior to the development of concrete actions. As a general rule the issue of IWT is relatively new to the transport sector. Little attention has been placed on this issue by EU-based airlines and, therefore, there remain clear gaps in current efforts for tackling IWT. There are several examples of international discussions that have engaged the business sector that have been undertaken, and in some cases structures have been set up to support the development of recommendations and, in the future, to develop concrete actions. At the individual airline level, several airlines have also separately instigated bans for some wildlife products on their planes.

- Many couriers maintain their own cargo operations, so there is a clear overlap with the activities of transport companies. Until very recently, efforts made by courier companies to tackle IWT have been very limited. Globally, there are now increased efforts by several NGOs to raise awareness of the issues of wildlife trade amongst courier companies and attempt to define measures that can be employed by them. To date, however, EU-based courier business engagement in tackling IWT has been minimal.

- Online trading has seen a boom during the last 20 years but this does not appear to have been matched by business efforts to stop trade in illegal wildlife products. Online trading companies’ existing wildlife trade policies vary widely, from those that maintain a short statement to those that provide links to national legislation, and further to those who maintain a more comprehensive policy, particularly eBay. However, customer access to relevant wildlife policies also often requires considerable effort, a process that could be made easier through existing online systems. It appears that in many cases businesses that do maintain clear wildlife trade policies provide limited enforcement, with many cases of wildlife products’ listings evident
in clear breach of company policy. Capacity issues related to enforcement of wildlife policy, including an ability to identify coded descriptions of wildlife products and identification of such products, are a clear limiting factor in business’ policy enforcement. Businesses do not appear to escalate cases to law enforcement agencies, though do engage and provide relevant information when requested directly by the agencies.

High-priority recommendations for how the EC and MS could strengthen cooperation with business sectors against the IWT are set out below.

**Sector-specific recommendations**

- The EC could promote greater business engagement by the luxury industry in preventing IWT by:
  - Encouraging the Python Conservation Partnership partners to consider also engaging with the CITES authorities of consumer countries (such as Italy and Germany) to ensure that considerations of the authorities issuing the relevant import documents are also taken into account;
  - Using existing initiatives to encourage the development of new CSR policies or adaptation of existing ones to cover IWT.

- The EC and MS could raise awareness of the need for the exotic pet sector to engage in preventing IWT by convening workshop(s) in MS and/or at the EU level to provide information to businesses engaged with importing exotic pets.

- The EC and MS could promote greater business engagement by the TCM sector in preventing IWT by:
  - Conducting further research to assess:
    - Awareness and use of illegally and unsustainably sourced and traded endangered species in TCM preparations;
    - Awareness and understanding of relevant regulations such as CITES and the EU Wildlife Trade Regulations;
    - The volume, value and composition of wild plant and animal species used in TCM and other medicinal products in the EU.
  - Considering an ‘Operation Charm’ style approach for countries or particular ‘hotspot’ cities where research suggests awareness of relevant laws and regulations are poor, and where use of endangered species is of concern.

- The EC and MS could encourage TCM businesses that wish to prevent IWT to:
  - Introduce policies related to the use of wildlife in TCM trade and use (where absent), and encourage memberships to adhere to those policies.

- The EC and MS could encourage NGOs that wish to prevent IWT by the TCM sector to:
  - Conduct awareness-raising and capacity-building activities for businesses on ‘best practice’ standards and certification schemes, such as FairWild.

- The EC and MS could encourage transport and courier businesses that wish to prevent IWT to:
  - Develop and adopt a proactive corporate policy against IWT, linked to CITES and the EU Wildlife Trade Regulations;
  - Convene fora to explore options for developing standards for airline screening procedures;
  - Develop simple toolkits to support training of employees, including sub-contracted ground handling agents, and enable them to implement existing and new approaches to control IWT.

- The EC and MS could promote greater business engagement by the online trading sector in preventing IWT by:
  - Convening workshops in MS to provide information to businesses engaged with online trading (that includes wildlife and wildlife products) and encourage cooperation between business, NGOs and enforcement agencies.

- The EC and MS could encourage online trading businesses that wish to prevent IWT to:
  - Prioritise the development of corporate policies against the IWT;
Strengthening cooperation with business sectors against illegal trade in wildlife

- Work closely with enforcement agencies and NGOs to develop real-time monitoring of online illegal wildlife trade;
- Engage promptly with national enforcement agencies, where listings breach CITES or Wildlife Trade Regulations, to ensure coordinated response to criminal activity.

The EC and MS could encourage NGOs that wish to prevent IWT by online trading to:
- Support businesses in their efforts to stop online IWT through conducting website research, and providing results to appropriate enforcement agencies where listings are found to be in breach of CITES and/or EU/national Wildlife Trade Regulations.

Wider recommendations for sectoral groups
- In relation to sectors importing wildlife products into the EU, the EC and MS could foster business-led or business-only initiatives through conferences and facilitation with the particular aim of establishing a ‘coalition of the willing’ to tackle IWT.
- In relation to sectors facilitating trade in the EU, the EC and MS could:
  - Conduct feasibility studies on establishing multi-stakeholder agreements with online platforms, transport companies, and couriers, which establish best practice and relationships between IWT stakeholders and business;
  - Model business engagement in preventing the IWT on the EC MoU on the sale of counterfeit goods via the internet, which provides an excellent model of engagement and procedures;
  - Engage with transport companies, couriers and online platforms, by illustrating the scale of the issue in their particular sector.

Overarching recommendations (derived from existing business engagement in preventing IWT)
- The EC and MS could use global initiatives relevant to sectoral efforts to inform and engage business with efforts in the EU.
- The EC or MS could use existing mechanisms or structures (such as the European Pet Organisation) for engagement with business on wildlife trade issues, except where such mechanisms or structures are missing.
- MS enforcement authorities should be engaged as early as possible where the IWT is directly addressed (such as the listing of repeat offenders on online marketplaces).
- The EC or MS should encourage initiatives to develop mechanisms for monitoring implementation and conducting evaluation of the effect of the initiative.
- The EC should encourage MS to increase penalties for companies and individuals convicted of involvement in the IWT.
- The EC and MS should support the establishment or strengthening of links between the business and enforcement communities at the EU level through business sector engagement with the EU Wildlife Trade Enforcement Group.
- The EC and MS should encourage business associations to enforce strict membership requirements, including adherence to national and international regulations on IWT.

Overarching recommendations (derived from business engagement in addressing illegal trade more generally)
- The EC and MS could seek to engage with the market leaders to demonstrate best practice, especially where IWT is a pervasive issue within a sector.
- The EC and MS could attempt to engage with CEOs of businesses, where possible, and the status of the party who is undertaking this engagement could be recognised.
- The EC and MS could ensure that initial communication with business encourages recognition of the scale of IWT as a serious problem and its role and responsibilities in trying to address it.
- The EC and MS could encourage establishment of Key Performance Indicators (KPIs) at the start of any initiative and ensure that progress against KPIs is transparent.
- The EC and MS could seek to encourage direct dialogue between stakeholders, wherever possible, under the Chatham House Rule.
# Table of contents

1 **Introduction** ................................................................................................................................. 1  
  1.1 The nature of the problem ............................................................................................................... 1  
  1.1.1 The illegal wildlife trade – European context ............................................................................. 1  
  1.1.2 The European regulatory environment ....................................................................................... 3  
  1.1.3 Engagement with business ......................................................................................................... 4  
  1.2 Objectives of this study ................................................................................................................... 6  
  1.3 Output and final outcome ............................................................................................................... 6  
  1.4 Study framework ............................................................................................................................ 7  

2 **Method** ........................................................................................................................................... 7  
  2.1 Task 1: Consideration of models .................................................................................................... 7  
  2.1.1 Task 1a: Categorise all business sectors according to issues relating to the IWT ............... 8  
  2.1.2 Task 1b: Analysis of existing models of cooperation with business sectors against the IWT ................................................................................................................................. 8  
  2.1.3 Task 1c: Analysis of existing models used in other areas of EU policies against illegal trade ........................................................................................................................................... 9  
  2.1.4 Task 1.3d: Identification of sectors where business engagement against IWT is limited or non-existent and could be reinforced ........................................................................ 10  
  2.2 Task 2: Review of EU policy and regulatory frameworks ............................................................. 10  
  2.2.1 Task 2a: EC tools and instruments used to encourage business initiatives to prevent illegal trade in wildlife .............................................................................................................. 10  
  2.2.2 Task 2b: EC tools and instruments used to encourage business initiatives to prevent illegal trade more generally ........................................................................................... 10  
  2.2.3 Task 2c: EC tools and instruments that might be used to encourage business initiatives to prevent illegal trade in wildlife ............................................................................... 11  
  2.3 Task 3: Recommendations .......................................................................................................... 11  
  2.3.1 Task 3a: Recommended actions ................................................................................................ 11  
  2.3.2 Task 3b: Prioritising recommended actions .............................................................................. 11  
  2.4 Task 4: Stakeholder engagement ................................................................................................. 11  

3 **Results** .......................................................................................................................................... 12  
  3.1 Task 1a: Categorise all business sectors according to issues relating to the IWT ................. 12  
  3.2 Task 1b: Analysis of existing models of cooperation with business sectors against the IWT ........................................................................................................................................... 12  
  3.2.1 Initial review of existing initiatives ............................................................................................ 12  
  3.2.2 Case studies .............................................................................................................................. 12  
  3.2.3 Key insights from IWT case studies ......................................................................................... 31  
  3.3 Task 1c: Analysis of existing models used in other areas of EU policies against illegal trade ........................................................................................................................................... 32  
  3.3.1 Initial review of existing initiatives ............................................................................................ 32  
  3.3.2 Case studies .............................................................................................................................. 32  
  3.3.3 Key insights from illegal trade case studies ............................................................................. 45  
  3.4 Task 1.3d: Identification of sectors where business engagement against IWT is limited or non-existent and could be reinforced ................................................................. 47  
  3.4.1 Luxury industry ......................................................................................................................... 47  
  3.4.2 Pet sector ................................................................................................................................... 48  
  3.4.3 Traditional Chinese medicine .................................................................................................. 49  
  3.4.4 Transport/courier sector .......................................................................................................... 50  
  3.4.5 Online trading ......................................................................................................................... 52  
  3.4.6 Zoo sector .................................................................................................................................. 53  
  3.4.7 References .............................................................................................................................. 54  
  3.5 Task 2: Review of EU policy and regulatory frameworks ........................................................... 56  
  3.5.1 Task 2a: EC tools and instruments used to encourage business initiatives to prevent illegal trade in wildlife .............................................................................................................. 56
3.5.2 Task 2b: EC tools and instruments used to encourage business initiatives to prevent illegal trade more generally ............................................................................................................. 57
3.5.3 Task 2c: EC tools and instruments that might be used to encourage business initiatives to prevent illegal trade in wildlife ........................................................................ 59

4 Recommendations (Task 3) .............................................................................................................. 61
  4.1 Sector-specific recommendations .................................................................................................. 61
    4.1.1 Luxury industry .......................................................................................................................... 61
    4.1.2 Pets sector .................................................................................................................................. 62
    4.1.3 Traditional Chinese medicine (TCM) .......................................................................................... 62
    4.1.4 Transport/courier sector ............................................................................................................ 64
    4.1.5 Online trading ............................................................................................................................ 65
  4.2 Wider recommendations for sectoral groups ............................................................................... 67
    4.2.1 Sectors importing wildlife products into the EU ....................................................................... 67
    4.2.2 Sectors facilitating trade in the EU ............................................................................................ 68
  4.3 Overarching recommendations .................................................................................................. 68
    4.3.1 Recommendations derived from existing business engagement in preventing the illegal wildlife trade ................................................................................................................. 68
    4.3.2 Recommendations derived from business engagement in addressing illegal trade more generally ........................................................................................................................................ 69

Appendices

Appendix 1  Key business sectors
Appendix 2  Examples of existing initiatives
Appendix 3  Categorisation of sectors according to issues relating to the IWT
Appendix 4  Sectors importing wildlife products into the EU categorised according to issues relating to the IWT
Appendix 5  Standard list of questions for semi-structured interviews
Appendix 6  Initial review of business initiatives to prevent illegal trade in wildlife
Appendix 7  Initial review of business initiatives to prevent illegal trade
1 Introduction

1.1 The nature of the problem

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) aims to ensure that trade in over 35,000 animal and plant species (as listed in the CITES Appendices) does not threaten their survival. The Convention has 181 Parties, including all Member States (MS), and the EU itself, which must adhere to its rules.

Well-regulated, sustainable, legal trade can bring benefits to wildlife, as well as to local communities that depend on it. However, illegal trade in wildlife can threaten the survival of some species and undermine the rule of law and sustainable development. The scope and extent of illegal trade – by its nature – are difficult to gauge. Illegal trade in wildlife may take very different forms, for example:

- Illegal import of wildlife souvenirs by tourists unaware of relevant regulations;
- Live animals being shipped with the required legal documents but in inappropriate conditions;
- Deliberate large-scale smuggling of elephant ivory by organised criminal groups.

Sometimes, the trade appears legal and takes place with appropriate documentation, however, the documents may have been obtained by misleading the issuing authorities, for example:

- Declaring the source of specimens as captive-bred when, in fact, taken from the wild;
- Declaring that a wildlife artefact is for personal use, e.g. as a hunting trophy, when it is, in fact, intended for sale. The scale and nature of the illegal wildlife trade (IWT) appears to have changed over the recent years indicating the increasing involvement of organised criminal groups.

It is impossible to measure the exact scale of the IWT but the figures are likely to be in the billions of US Dollars. A truly global issue, it has been described by former US Secretary of State Hilary Clinton as “a global challenge that spans continents and crosses oceans” and as a “national security issue, a public health issue and an economic security issue”.

The IWT is increasing at an alarming rate. Data analysis from the Elephant Trade Information System (ETIS), which demonstrates that the illegal trade in ivory has risen sharply over recent years and continues largely unchecked and that a surge in rhino poaching has reached new levels, indicate that the issues need to be tackled more effectively. While efforts to prevent the IWT focus on iconic species, such as tigers, rhinos and elephants, a wide range of animal and plant species are affected.

The rate at which the IWT is increasing has raised its profile with the highest levels of government and many high-level commitments have been made over the past two years, such as the London Declaration, UN General Assembly Resolution on Wildlife Trafficking and the Kasane Statement. Many of these commitments have specifically addressed the business sector, for example, the Kasane Statement encourages countries to engage with the transport industry within their countries to raise awareness of the role that the sector can play in tackling the IWT.

The IWT not only impacts on global biodiversity but supports criminal organisations involved in the illegal arms trade, money laundering and drug smuggling. In reflection of the nefarious groups involved, over 1,000 rangers have been killed by poachers worldwide. Source and transit countries suffer from a loss in state revenues, loss of options for livelihoods and spread of disease.

1.1.1 The illegal wildlife trade – European context

The 28 MS of the European Union (EU) form one of the world’s largest consumer markets for legal wildlife and wildlife products. In 2011, the EU was ranked as the largest consumer of fisheries products.

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1 http://www.cites.org/
2 http://www.state.gov/secretary/20092013clinton/m/2012/11/200294.htm
3 http://www.traffic.org/home/2013/12/2/new-figures-reveal-poaching-for-the-illegal-ivory-trade-could.html
and as the second greatest importer of timber and timber products (Palin et al., 2013; Oliver, 2013). As such, it is a prominent consumer market for animal and plant species regulated through CITES.

The IWT operates alongside the legal regulated trade. Europol has said that the EU “remains one of the most important markets for the trafficking in endangered species”.

For example in 2010, it was estimated that:

- The value of illegal timber imported into the EU was EUR 3.8 billion, or around 15% of the total import value (WWF UK, 2012);
- About 270 tonnes of illegal bushmeat per year pass through Paris Charles de Gaulle Airport, one of Europe’s busiest airports (Chaber et al., 2010).

Another indication of the scale of the illegal trade is provided by the seizures of illegal wildlife products made by MS. The EU Trade in Wildlife Information eXchange (EU-TWIX) system, managed by TRAFFIC on behalf of the MS, includes a database of seizures of CITES-listed species in the EU. It currently holds information on over 40,000 seizures reported by EU CITES enforcement authorities since 2000. An average of around 2,500 seizures is reported each year. The majority of these wildlife seizures can be classified as “international”, i.e. they relate to wildlife being smuggled into the EU. A breakdown of recent seizures of wildlife across MS is presented in Figure 1, which highlights key areas of the IWT. It can be seen trade in medicinal products and ivory represent a substantial proportion of the number of seizures. However, this is not necessarily representative of their contribution to the illegal trade in wildlife, as the proportion of seizures that comprise medicinal products and ivory may reflect their relative ease of detection and/or enforcement effort. This is not always the case for medicinal plants products which, while proportionally the largest number of wildlife seizures, are often very difficult to identify at both the species level and even at the familial level, resulting in increased complexity in monitoring and controlling legality within the plants trade. The volume of the different wildlife commodities seized may also show a different distribution.

Figure 1: A percentage breakdown by type of the number of wildlife seizures across MS (2013) Source EC/TRAFFIC

<table>
<thead>
<tr>
<th>Type of Wildlife Seizures</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicinals</td>
<td>32%</td>
</tr>
<tr>
<td>Ivory</td>
<td>14%</td>
</tr>
<tr>
<td>Coral</td>
<td>10%</td>
</tr>
<tr>
<td>Live reptiles</td>
<td>10%</td>
</tr>
<tr>
<td>Reptiles (bodies, parts, derivatives)</td>
<td>9%</td>
</tr>
<tr>
<td>Birds (bodies, parts, and derivatives)</td>
<td>6%</td>
</tr>
<tr>
<td>Live plants</td>
<td>3%</td>
</tr>
<tr>
<td>Caviar</td>
<td>5%</td>
</tr>
<tr>
<td>Invertebrates (bodies, parts and derivatives)</td>
<td>2%</td>
</tr>
<tr>
<td>Timber</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>

Comprising:

- 19% plant-derived medicinals
- 13% animal-derived medicinals

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16 http://ec.europa.eu/environment/cites/pdf/Overview%20significant%20seizures%202013.pdf
The European Commission (EC) published a Communication on the IWT on 7 February 2014\textsuperscript{17} with the aim of drawing attention to the urgency of addressing the issue. The Communication recognised that existing approaches were not working adequately, that a new holistic approach was required to address both supply and demand, and that new actors were needed in the fight against the IWT. The Communication launched a stakeholder consultation on whether an EU Action Plan should be adopted, as recommended by the European Parliament and, of particular relevance for this study, on the role of the private sector. Responses to the consultation underlined the following salient points\textsuperscript{18}:

- The severity of the IWT;
- The need for a European Action Plan, as called for by the European Parliament;
- The need to tackle the demand for illegal wildlife through awareness raising and demand reduction;
- The need to reach out to the private sector;
- The need to address illegal trade conducted over the internet and by mail.

1.1.2 The European regulatory environment

CITES is implemented in the EU through two main regulations:

- Council Regulation (EC) No. 338/97 (as amended) on the protection of species of wild fauna and flora by regulating trade therein (the Basic Regulation); and

This set of regulations is also known as the EU Wildlife Trade Regulations. It is directly applicable in all MS. The necessary enforcement provisions must be transferred into national legislation and supplemented with national laws, as these matters remain under the sovereignty of each MS.

Other EU rules that are relevant to the illegal trade in wildlife include:

- Directive 2008/99/EC on the protection of the environment through criminal law (commonly referred to as the ‘Environmental Crime Directive’) includes coverage of illegal trade in wildlife, and was to be transposed by MS by December 2010;
- Wider veterinary regulations, for example, the International Air Transport Association Regulations (IATA) regulations for the air transport of live animals, International Animal Health Code, Chapter1.4. (OIE) IATA – Global;
- The Convention on Biological Diversity (CBD), a global treaty, which provides strategic guidance for source countries.

\textsuperscript{17} http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52014DC0064
\textsuperscript{18} http://ec.europa.eu/environment/cites/pdf/responses_consultation_WildlifeTrafficking.pdf
Although there are no EU regulations on corporate social responsibility (CSR), the EC promotes CSR and encourages enterprises to adhere to international guidelines and principles (see Section 1.1.3).

1.1.2.1 Issues hindering effective implementation

A wide range of issues hinder effective implementation of the EU Wildlife Trade Regulations and other relevant EU rules. An important issue has been the misuse of different “derogations” in the regulations. Criminal groups have taken advantage of the complexity of rules on wildlife trade; in particular, that the same species can be subject to different trade regimes depending on its origin or its products. An example is the trade in hunting trophies, which had been exempt from certain restrictions on trade.

The EU continuously updates and, where needed, tightens its domestic rules to ensure stricter monitoring. Nevertheless, there are large discrepancies between the 28 MS with regard to legal frameworks, capacities, and resources available to enforce the EU Wildlife Trade Regulations. Day-to-day implementation and enforcement of the regulations is the responsibility of different national authorities (e.g. customs, police, or inspection services) in each of the MS. Often these authorities have no formal mechanism to co-ordinate their activities or exchange intelligence on IWT, although some tools or fora exist, such as EU-TWIX or the EU Enforcement Group. The EU’s single market means that efforts to prevent illegal trade in wildlife are only as strong as the chain’s weakest link. This was reflected in stakeholders’ responses to the consultation on IWT launched by the Communication on 7 February 2014 on whether an EU Action Plan should be adopted and on the role of the private sector:

“In sum, what is missing so far is a coordinated and comprehensive approach to wildlife trafficking, addressing both the supply and demand side, and involving all relevant actors in different policy areas”

This lack of cooperation both at EU and national levels remains one of the main challenges in addressing IWT across the EU.

1.1.3 Engagement with business

As recognised by the EC in its Communication\(^\text{20}\), and the subsequent consultation on the IWT, there are many gaps and weaknesses in the existing approach to tackling the IWT. The regulatory frameworks appear to be in place but MS’ approaches are limited by inadequate funding, specialist expertise or a lack of drive to change the status quo. It is acknowledged that all relevant actors need to be engaged in the fight against the IWT, including those in the private sector whose trade could be corrupted and infiltrated by illegal wildlife products.

Businesses carry with them the potential for significant resources, the political weight to force change, and a direct link to consumers and suppliers. Governments may, therefore, be able to leverage private sector support as well as encouraging actions in relation to CSR to tackle IWT. The practical engagement of companies, however, depends not only on potential linkage that result in a strong “business case” for biodiversity but also on regulatory compliance, the importance of environmental and social concerns, and their significance to the corporate agenda, in general. Socially responsible businesses need to understand how their products and services impact on the legal trade in protected species, what are the associated risks to their operations, and the role that they should be playing in addressing these aspects of their operations.

Successful integration of biodiversity concerns in business operations also depends on having an appropriate enabling environment: the framework and applicaton of laws, regulations, taxes, incentives, social norms and voluntary agreements within which companies operate. For businesses to value biodiversity, it must ultimately become more profitable to conserve than to ignore or destroy.

CSR activities undertaken by business can help prevent illegal trade in wildlife. Possible CSR activities that could be taken and the motivations for such activities are detailed below:

- **Certification schemes:** where the initiative provides a certification that a good has been sourced legally and sustainably (e.g. Marine Stewardship Council, Forest Stewardship Council, Fair to Nature, and FairWild).
  
  Businesses take part in certification schemes for a number of reasons:
  
  - Possible price premiums;
  - Reputational risk associated with not being certified;


Strengthening cooperation with business sectors against illegal trade in wildlife

- Access to new markets;
- Marketing appeal;
- A genuine interest in securing independent verification of the sustainability of their practices.

**Individual company CSR**: an action undertaken by a company alone. Of particular relevance to this study are the following:

- Supply chain analysis (e.g. Nissan’s approach\(^\text{21}\));
- Partnerships with NGOs or public bodies to tackle an environmental or social issue (e.g. the Water Futures Partnership between SABMiller WWF UK and GIZ\(^\text{22}\), as well as sustainability CSR and procurement partnerships between WWF Germany and Germany’s largest supermarket and retailer corporation, EDEKA\(^\text{23}\));
- Philanthropy (e.g. Boeing’s Corporate Philanthropy\(^\text{24}\)).

Motivations for undertaking such activities include:

- Setting a business apart from its competitors;
- Providing businesses with marketing opportunities;
- Attracting consumers to ‘ethical’ companies;
- Mitigating against potential regulatory changes;
- Promoting employee engagement and morale;
- Altruism.

**Multiple company CSR**: actions taken by a collection of businesses to tackle an environmental issue, including:

- Industry-wide initiatives that catalyse awareness, acceptance and action to ensure sustainability (e.g. Together for Sustainability from leading chemical companies\(^\text{25}\));
- Reporting initiatives (e.g. the Global Reporting Initiative\(^\text{26}\), Carbon Disclosure Project\(^\text{27}\)).

Sector-wide approaches are attractive to businesses for the following reasons:

- Industries can work together to self-police;
- Businesses would rather be in on an initiative to avoid reputational damage;
- The potential to mitigate against regulatory changes.

Most EU businesses operate in some capacity in global markets. Supply chains for products sold in the EU reach most corners of the world. For this reason, if an EU business adopts a strict CSR policy to ensure a sustainable/ethical/legal supply chain, which does not facilitate environmental/social harm, it may have a global impact. For example, in the aftermath of the collapse of the Rana Plaza garment factory in Bangladesh, which killed 1,200 low paid workers, major retailers suffered significant reputational damage and, as a consequence, agreed to undertake inspections of all garment factories in Bangladesh\(^\text{28}\).

1.1.3.1 The IWT and the private sector

The reasons for tackling the IWT from a business perspective can be presented as risks and rewards. On the risk side, neglecting the IWT in business supply chains may lead to negative company image, loss of customer trust, poor relationships with other stakeholders, regulatory risk and depletion of the resource base on which some companies depend. On the opportunity side are possibilities for market leadership, enhanced reputation, good relations with regulatory authorities and other stakeholders, long-term stability of supply and lowering of supply management costs.

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\(^\text{22}\) [http://www.wwf.org.uk/about_wwf/working_with_business/companies_we_partner/sabmiller.cfm](http://www.wwf.org.uk/about_wwf/working_with_business/companies_we_partner/sabmiller.cfm)

\(^\text{23}\) [https://www.edeka.de/nachhaltigkeit/unseres-wwf-partnerschaft/die-kooperation/index.jsp](https://www.edeka.de/nachhaltigkeit/unseres-wwf-partnerschaft/die-kooperation/index.jsp)


\(^\text{26}\) [https://www.globalreporting.org/Pages/default.aspx](https://www.globalreporting.org/Pages/default.aspx)

\(^\text{27}\) [https://www.cdp.net/](https://www.cdp.net/)

Strengthening cooperation with business sectors against illegal trade in wildlife

For some industries, at present, the benefits of tackling the IWT are unclear. These benefits and the costs of the IWT need to be communicated, a potential opportunity in relation to the output from this project.

A range of business sectors have been unwittingly or deliberately infiltrated by the IWT, as detailed in Appendix 1:

- Sectors importing wildlife products into the EU (i.e. luxury industry, including textiles, cosmetics etc.; pet sector; safari hunting industry; tourism; traditional Chinese medicine (TCM); timber; and fisheries);
- Sectors facilitating trade in the EU (i.e. online trading and internet companies; and courier and freight companies);
- Sectors whose activities impact on wildlife conservation outside the EU and can facilitate illegal trade (i.e. extractive industries; and agri-business).

These businesses have potential to be the key drivers and facilitators of action to tackle the IWT within Europe. In addition, financial sectors (banks, insurance companies, investment companies, etc.) inadvertently provide financial services or even investment funds to companies involved in the IWT.

Many initiatives against the IWT exist within the private sector and examples are presented in Appendix 2, categorised into: certification schemes; individual company CSR; and multiple company CSR.

1.1.3.2 Relevant initiatives in other sectors

Initiatives in other sectors are tackling various issues in relation to illegal trade or biodiversity more generally from which lessons may potentially be drawn for engaging business in preventing the IWT (Appendix 2). Initiatives that seek to promote legal and sustainable trade more generally may combat illegal trade (explicitly or implicitly) and, thus, may also be of interest, although not included in Appendix 2 (e.g. The B Team – a collection of business leaders who are putting people and planet alongside profit; the Global Reporting Initiative – provides reporting standards for sustainability; and Triple Bottom Line – an accounting framework that takes into account the three pillars of sustainability: people, planet, and profit).

1.2 Objectives of this study

The overall objective of this study was to provide the EC’s Directorate-General for the Environment with input and ideas for further developing cooperation with relevant business sectors in order to prevent the IWT. Ideas were to be based on the experiences of individual MS, not only with regard to the IWT but also to other forms of illegal trade.

Specific objectives were:

- To analyse existing models of cooperation with business sectors against IWT;
- To analyse, if applicable, pros and cons of models used in other areas of EU policies against illegal trade;
- To review and analyse how the EU political and regulatory framework could be used to strengthen the commitment of business against IWT;
- To propose suitable models for engaging relevant business sectors in the fight against IWT.

1.3 Output and final outcome

The output of this project was this report which:

- Maps out the various on-going initiatives of business engagement and partnership of relevance for addressing IWT;
- Analyses a few initiatives in terms of their:
  - Composition and functioning;
  - Purposes and activities;
  - Added value;
- Identifies:
Strengthening cooperation with business sectors against illegal trade in wildlife

- Models in other areas of EU policy against illegal trade, as far as they can assist in developing initiatives in the area of IWT;
- The sectors for which business engagement against IWT is limited or non-existent and could be reinforced;
- How EU policy and tools could be used to strengthen the commitment of business against IWT;
- The suitability of the different models for the various sectors involved.

The final outcome of this project was the identification of recommendations for further developing cooperation with relevant business sectors in order to prevent the IWT.

1.4 Study framework

As specified in the Study Request, in order to achieve the objectives of this study, the project carried out a series of three distinct tasks. In addition, we carried out stakeholder engagement (Task 4) across Tasks 1, 2 and 3 in order to inform their delivery.

2 Method

2.1 Task 1: Consideration of models

<table>
<thead>
<tr>
<th>Task 1 Objectives:</th>
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<tbody>
<tr>
<td>• To analyse existing models of cooperation with business sectors against IWT;</td>
</tr>
<tr>
<td>• To analyse, if applicable, pros and cons of models used in other areas of EU policies against illegal trade;</td>
</tr>
<tr>
<td>• To identify sectors where business engagement against IWT is limited or non-existent and could be reinforced.</td>
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</tbody>
</table>

A systematic approach was taken to Task 1 to identify as many models as possible of business engagement against:

- IWT that could be successfully transposed to other sectors; or
- Illegal trade more generally that could be successfully used to prevent IWT.

It comprised four separate sub-tasks:

Task 1a:

- Categorise all of the business sectors according to issues relating to the IWT;
- Group the sectors into ‘clusters’ that have issues in common.

Task 1b:

- Undertake an initial review of existing initiatives in relation to the IWT;
- Select those initiatives that provide models that best address priority issues;
- Review each of the selected models in more detail.

Task 1c:

- Undertake an initial review of existing initiatives in relation to the illegal trade more generally;
- Select those initiatives that provide models that best address the issues common to each cluster;
- Review each of the selected models in more detail.

Task 1d:

- Identify sectors in each cluster of sectors where business engagement against IWT is limited or non-existent and could be reinforced by deployment of the model(s).

Input was sought from relevant stakeholders in relation to Tasks 1b, 1c and 1d (see Task 4).
2.1.1 Task 1a: Categorise all business sectors according to issues relating to the IWT

TRAFFIC has a deep understanding of the IWT. In TRAFFIC’s experience, the issues for the EU vary sector by sector according to:

- The **main cause(s)** of illegal trade, i.e. a lack of awareness, negligence, and/or organised crime;
- The **role(s)** of the sector as a consumer of illegal wildlife goods, a facilitator of trade in illegal wildlife, and/or as an agent in activities beyond the EU that encourage exploitation of wildlife;
- The **detectability** of the illegal trade in wildlife (e.g. as indicated by the number of seizures/specimens seized or their value);
- The potential **impact on profit** within the sector of preventing the illegal trade in wildlife;
- The **focal species** involved.

A first step was to categorise all of the sectors identified in the Study Request according to each of these issues using a simple tabulation (see Appendix 3). While this was informative, it did not enable the project team to cluster the sectors, as had been originally intended. At a high level, the projects terms of reference already clustered sectors according to whether they: import wildlife products into the EU; facilitate trade in the EU; or impact on wildlife conservation outside the EU and can facilitate illegal trade.

A further table was developed (Appendix 4) focused on sectors that import wildlife products into the EU, which sought to cluster sectors by columns in relation to either the ‘Mode of illegality’ or ‘Products’ related to each sector. This was potentially a more helpful aid to clustering sectors but the heterogeneity of individual sectors meant that further detailed consideration could lead to completion of all boxes in relation to all sectors thereby rendering the tabulation useless. The specificity of models to individual companies or parts of sectors could also mean that, rather than identifying how a model could be transposed to other sectors, recommendations might address how a model might be promoted to other companies within a sub-sector, then across a sector, before seeking to replicate it more widely.

Appendices 3 and 4 were reviewed at the inception meeting, DG Environment agreed that the approach to Task 1 should be revised to focus more on the relative priority of different sectors in relation to the IWT and less on ‘clusters’ of sectors that have common issues. It was agreed that key priorities were the luxury industry, pet sector, TCM, transport and courier companies, and online trading.

2.1.2 Task 1b: Analysis of existing models of cooperation with business sectors against the IWT

2.1.2.1 Initial review of existing initiatives

TRAFFIC has excellent knowledge of existing initiatives and stakeholders in relation to the IWT. Building upon an initial list of initiatives (Appendix 2), the project team gathered evidence on existing global initiatives to tackle IWT from the internet and from relevant public- and private-sector stakeholders. This included engagement through EU TWIX (http://www.eutwix.org/; an initiative to assist national law enforcement agencies, including CITES Management Authorities and prosecutors, in their task of detecting, analysing and monitoring illegal activities related to trade in fauna and flora covered by the EU Wildlife Trade Regulations) to encourage national law enforcement agencies to help identify existing initiatives and possible case studies.

2.1.2.2 Case studies

An initial review of the list of existing initiatives was used to identify six possible case studies in relation to the high priority sectors. This list was revised and agreed following discussions with DG Environment on 19 June (Table 1) on the basis that further approval would be sought if it continued to evolve. DG Environment’s concerns about the scale of trade in reptiles as pets led to its inclusion as a possible case study even though a specific initiative had not been identified. The list of case studies was quite UK-centric. Hence, Table 1 identifies where a possible non-UK focus was also investigated.
It was originally proposed that a maximum of four case studies would be selected. However, a more flexible approach was adopted where investigation into all of these possible case studies was progressed to a point where it became clearer which warranted greatest attention.

Building upon the initial review of the existing initiatives, each of these models was further analysed in terms of:

- Who they involve (e.g. EU suppliers, importers, retailers, NGOs, enforcement agencies);
- What they seek to do (i.e. their objectives and activities);
- What they have achieved to date (e.g. conservation impact, reduced need for enforcement, or added value compared with a purely governmental approach; although success may be difficult to assess as most initiatives are at an early stage);
- How readily the model could be transposed to other sectors within the relevant cluster (i.e. its replicability, scalability and adaptability).

This analysis relied, in part, on engagement with the key stakeholders.

### 2.1.3 Task 1c: Analysis of existing models used in other areas of EU policies against illegal trade

#### 2.1.3.1 Initial review of existing initiatives

Ricardo Energy & Environment and SIA ELLE have an extensive knowledge of existing initiatives that seek to prevent illegal trade in other (non-wildlife-related) goods. The project team gathered evidence for existing global illegal trade initiatives from the internet and from relevant stakeholders and drew on available research findings/information relevant to this study.

#### 2.1.3.2 Case studies

The initial review of existing initiatives was used to identify six possible case studies worthy of follow up. This list was revised and agreed following discussions with DG Environment on 19 June (Table 2). Unfortunately, following lengthy discussions, the international courier company selected as a possible case study was unwilling to participate in the study for commercial reasons and an alternative could not be identified.

As in Task 1b, it was originally proposed that a maximum of four case studies would be selected. However, again, it was agreed that a more flexible approach would be adopted where investigation into all of these possible case studies was progressed to a point where it became clearer which warrant greatest attention. Building upon the initial review of the existing initiatives, each of these models was further analysed in the same way as in Task 1b.
Table 2: Possible case studies of business initiatives to prevent the IWT

<table>
<thead>
<tr>
<th>Sector</th>
<th>Possible case study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courier</td>
<td>Company identified was unwilling to contribute to the study</td>
</tr>
<tr>
<td>Diamonds</td>
<td>Kimberley Process (KP) Certification Scheme</td>
</tr>
<tr>
<td>International trade</td>
<td>EC MoU on Sale of Counterfeit Goods</td>
</tr>
<tr>
<td>Cross-sector</td>
<td>Biodiversity in Good Company</td>
</tr>
<tr>
<td>Cross-sector</td>
<td>Global Business Coalition Against Human Trafficking (gBCAT)</td>
</tr>
<tr>
<td>Cross-sector</td>
<td>World Economic Forum (WEF) – Partnering Against Corruption Initiative (PACI).</td>
</tr>
</tbody>
</table>

2.1.4 Task 1.3d: Identification of sectors where business engagement against IWT is limited or non-existent and could be reinforced

From the initial review of existing initiatives in Task 1b and development of the case studies, the project team identified sectors where business engagement against IWT appears to be limited or non-existent and could be reinforced by deployment of the model(s) identified in Tasks 1b and 1c.

2.2 Task 2: Review of EU policy and regulatory frameworks

Task 2 Objectives:
- To review and analyse how the EU political and regulatory framework could be used to strengthen the commitment of business against IWT.

Following feedback at the Inception Meeting, the approach to this task was re-focused to comprise the following three sub-tasks:

- Task 2a: Identification of EC tools and instruments used to encourage business initiatives to prevent illegal trade in wildlife;
- Task 2b: Identification of EC tools and instruments used to encourage business initiatives to prevent illegal trade more generally;
- Task 2c: Identification of EC tools and instruments that might be used to encourage business initiatives to prevent illegal trade in wildlife.

2.2.1 Task 2a: EC tools and instruments used to encourage business initiatives to prevent illegal trade in wildlife

This sub-task sought to identify and review the use of EC and other governmental bodies’ tools and instruments that have encouraged the establishment of initiatives reviewed in Task 1b, particularly those which were the subject of the case studies. However from the evidence compiled for Task 1b, it was found that the use of EC and Member States tools and instruments were only indirect drivers of the initiatives. Hence, the study team did not consider how the tools, instruments and best practices might be used more widely as part of this task. Instead, the application of these indirect drivers were considered in Tasks 2c and 3, as appropriate.

2.2.2 Task 2b: EC tools and instruments used to encourage business initiatives to prevent illegal trade more generally

This sub-task sought to identify EC and other governmental bodies’ tools and instruments that have been used to encourage business initiatives to prevent illegal trade more generally, as reviewed in Task 1c. EC support for each initiative that was the subject of an illegal trade case study was systematically collated and, where applicable, MS support also described. Consideration of how the tools and instruments could be applied to the IWT was considered in Tasks 2c and 3.
2.2.3 Task 2c: EC tools and instruments that might be used to encourage business initiatives to prevent illegal trade in wildlife

This sub-task sought to identify existing EC tools and instruments that might be used to encourage business initiatives to prevent the IWT. This included some of the tools and instruments identified in Task 2a and 2b. Categories of tools and instruments were established through brainstorming by the project team. A rapid review of the EC’s website was undertaken, using keywords relating to the main causes of the IWT (i.e., lack of awareness, negligence, criminal activity), in order to identify examples of such tools and instruments.

2.3 Task 3: Recommendations

**Task 3 Objectives:**
- To propose suitable models for engaging relevant business sectors in the fight against IWT

**Outputs:**
- The outputs of Task 3 include a final report presented to the Commission.

Task 3 was led by Ricardo-AEA with input from TRAFFIC and ELLE.

This task comprised two sub-tasks:

- Task 3a: Recommend actions
- Task 3b: Prioritise recommended actions

2.3.1 Task 3a: Recommended actions

Recommendations for how the EC and MS could strengthen cooperation with business sectors against the IWT were drawn from:

- Key insights from consideration of the analyses of existing models of cooperation with business sectors against the IWT (Task 1b) or used in other areas of EU policies against illegal trade (Task 1c);
- Identification of sectors where business engagement against IWT is limited or non-existent and could be reinforced (Task 1d);
- The review of EC tools and instruments used to encourage business initiatives that were the subject of the case studies or that might be used in that regard (Task 2).

The recommendations comprise:

- Sector-specific recommendations in relation to each of the sectors on which this study has focused;
- Wider recommendations that address sectoral groupings; and
- Overarching recommendations relevant to all sectors.

2.3.2 Task 3b: Prioritising recommended actions

The priority of each recommendation was ranked as 1 (High), 2 (Medium) or 3 (Low) by each member of the project team individually and other key experts within their respective organisations. The scores were then averaged and the resultant values divided into three classes each covering a third of the range thereby identifying overall High, Medium and Low priorities.

2.4 Task 4: Stakeholder engagement

In order to ensure that the study captured as comprehensive a picture as possible of relevant current business initiatives and to ensure that suitable recommendations could be drawn from the evidence considered, a broad range of stakeholders was consulted, including key EU stakeholders and selected third country/international stakeholders. The stakeholder engagement:

- Informed the identification and review of case studies in relation to existing IWT initiatives and initiatives in other sectors in Task 1;
• Identified all relevant evidence, issues relating to policy implementation, and potential gaps in the policy framework in Task 2.

Initial contact with stakeholders was made either by phone or email explaining the aim of the study and the interviews. To support this initial approach, we used a letter of support for the study from DG Environment, which we drafted.

A standard list of questions was developed for the semi-structured interviews (Appendix 5), although some flexibility was required to tailor the interviews to each case study and stakeholder in order to secure as much relevant information as possible. To ensure consistency across the stakeholder consultation team members, an initial briefing meeting was held to detail our approach to carrying out interviews and collection of information. Stakeholders were asked to score potential recommendations via email.

Securing input from stakeholders proved challenging. The timing of the project during the summer holiday period meant that many people were unavailable for interview or simply failed to respond. Some companies were unwilling to disclose details of their cooperation in initiatives, and in one instance led to an initiatives exclusion as a potential case study in Task 1c.

3 Results

3.1 Task 1a: Categorise all business sectors according to issues relating to the IWT

As explained in Section 2.2.1, Appendix 3 categorises all of the IWT sectors identified in the Study Request according to key issues using a simple tabulation, and Appendix 4 clusters the sectors by columns in relation to either their ‘Mode of illegality’ or ‘Products’. However, neither approach was used to focus subsequent elements of Task 1, which instead focused on those sectors agreed with DG ENV as the key priorities: the luxury industry, pet sector, TCM, transport and courier companies, and online trading.

3.2 Task 1b: Analysis of existing models of cooperation with business sectors against the IWT

3.2.1 Initial review of existing initiatives

The evidence in relation to each initiative has been tabulated (Appendix 6). Some of the column headings map onto those used in Task 1a to categorise the business sectors (i.e. in Appendices 3 and 4).

3.2.2 Case studies

The final list of case studies that were progressed is provided in Table 3. Findings in relation to each of these case studies are detailed below. Copies of all interview notes approved by respondents are recorded in an Addendum. Although some interview notes were not approved, they have still been used, insofar as possible, to inform presentation of the case studies.

<table>
<thead>
<tr>
<th>Case study</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Skin trade (pythons and crocodiles)</td>
</tr>
<tr>
<td>2</td>
<td>Live-reptile trade</td>
</tr>
<tr>
<td>3</td>
<td>Operation Charm</td>
</tr>
<tr>
<td>4</td>
<td>Airlines, UK Customs</td>
</tr>
<tr>
<td>5</td>
<td>eBay</td>
</tr>
</tbody>
</table>
3.2.2.1 Luxury industry – Skin trade

Introduction
Launched in November 2013, the Python Conservation Partnership (PCP) is a global research and capacity building initiative focused on sustainability, transparency, animal welfare and local livelihoods issues related to the international trade in python skins. It aims to contribute to the improved sustainability of the python-skin trade and help facilitate industry-wide change.

Stakeholders engaged in consultation for this case study were:

- Dr Helen Crowley, Kering’s Head of Sustainable Sourcing and PCP Chair;
- Dan Natusch, IUCN Boa and Python Specialist Group (IUCN BPSG);
- Guy Morgan, Business for Social Responsibility (BSR);
- Massimiliano Rocco, WWF/TRAFFIC Italy;
- Marco Valentini, former chair of the EU Scientific Review Group (SRG)29;
- CITES expert from Italy, who wishes to remain anonymous.

Supplementary information was sourced through the Kering, IUCN and BSR websites, including: outputs from the PCP; an example of Kering’s similar efforts with crocodiles; and Kering’s sustainability target progress reports1.

Stakeholders
The key partners involved in the PCP are:

- Kering, a French luxury goods company present in over 120 countries (Kering brands include Gucci, Bottega Veneta, Brioni, Saint Laurent, etc. http://www.kering.com/)
- The International Trade Centre (ITC), the joint agency of the World Trade Organization and the United Nations (http://www.intracen.org/)

The initiative is led by a steering committee comprising:

- Kering (Dr Helen Crowley, Chair)
- IUCN SSC Boa and Python Specialist Group (Dan Natusch/Tomas Waller, Coordinator)
- ITC (Alexander Kasterine)
- Gucci (one of Kering’s largest luxury brands)
- Government representatives and CITES authorities (for Vietnam, Indonesia, Malaysia – the main exporters of python skins globally)
- The CITES Secretariat
- Key external expert advisors, e.g. the EcoHealth Alliance – animal health and welfare experts.

The steering committee is responsible for directing the initiative and reviewing the findings of the PCP.

Each partner brings their expertise to the group, e.g. IUCN on conservation issues, ITC on facilitating sustainable trade, and Kering on disseminating and actively translating the PCP research findings into a language that is digestible by other businesses in the industry, drawing out the practical information for businesses, as described by BSR.

The initiative aims to combine science-based and pragmatic approaches to trade issues. IUCN BPSG stressed they have been given full autonomy regarding the scientific research that they conduct under the PCP. A Letter of Intent was signed by the partners, which sets out how the partners work together.

29 Established under the EU Wildlife Trade Regulations, the Scientific Review Group (SRG) consists of representatives from the MS’ Scientific Authorities and discusses various scientific questions relating to the application of CITES in the EU. The group is chaired by the EC. (http://ec.europa.eu/environment/cites/srg_en.htm)
It also includes, *inter alia*, that the main goal of the partnership is to contribute to the improved ecological and economic sustainability of the python-skin trade through cooperation on research to inform more sustainable, humane and traceable trading that delivers significant local livelihood benefits.

Kering has a majority stake in the Caravel Tannery, Italy that specializes in sourcing and tanning of exotic skins. According to the tannery's website, they work with a range of skins, including python, crocodilian and other reptile skins. As explained by Kering, the luxury brands buy the python skins they use from the tanneries and, thus, these tanneries have a key role in the supply chain and in ensuring that the PCP research findings and recommendations are taken on board. The Caravel Tannery is on the steering committee of PCP and, hence, is one of the main implementers of the recommendations. Kering stated that the Caravel Tannery also sells skins to brands other than those owned by Kering and thereby can have an impact reaching beyond Kering brands. The tannery is described by Kering as a key driver in founding the PCP along with Gucci, which was also involved in the inception of the PCP.

**Objectives of the initiative**

The PCP aims to contribute to the improved traceability and sustainability of the python-skin trade and help facilitate industry-wide change. It seeks to support participating businesses (Kering and its luxury brands), as well as the broader luxury industry that uses python skins. The python-skin supply chain is very complex and much less-researched or known than that for crocodilian skin (crocodiles, alligators and caimans are also listed under CITES and widely used in the luxury sector), Kering explained that while a considerable body of research has been gathered since the 1970s on the crocodilian-skin trade and crocodilian conservation more generally, there has been much less scientifically-grounded information available regarding the conservation and trade of pythons. Kering, along with other stakeholders in the industry, recognized the need for research in order to better understand the supply chain. While trading in pythons skins can be conducted legally under CITES, Kering has been keen to understand how this can be achieved in the most sustainable way and, thereby, also support livelihoods of relevant local communities.

The steering group has agreed a programme of research on the python trade for 2013-2015, focused on: sustainability, transparency, animal welfare and local livelihoods. The research aims to contribute to the delivery of CITES. A science-based approach and scientifically-validated findings will be assured by IUCN BPSG’s leadership of the research and by peer review of the research findings. The issues addressed and the recommendations coming out of the research are intended to answer directly practical questions relevant for the industry. It is also an important aim of the initiative to make the findings widely available to stakeholders, including to high-end luxury businesses using python skins (many of which do not employ wildlife biologists) in order to improve management across the supply chain. The research findings of the PCP are made publically available.

The research programme aims to cover five key areas:

1. Monitoring wild capture to improve sustainable sourcing;
2. Differentiating between captive-bred and wild animals through innovative technology;
3. Developing and promoting the highest standards of animal health and welfare;
4. Exploring ways to improve captive breeding; and
5. Better understanding the impacts of the python trade on local livelihoods.

The research is financed by Gucci, Kering and ITC with each funding specific projects directly rather than having a common pool of funding.

**Contributions**

In order to articulate their commitment towards sustainability, in April 2012, Kering “committed to attaining a series of self-imposed Sustainability Targets” across their brands. These sustainability targets provide a comprehensive framework in which the PCP has been embedded. The targets encompass several environmental and social impacts of the business, for example, ranging from raw material sourcing to use of water and packaging. Specifically, the targets include that “100% of precious skins and furs in Kering’s products will come from verified captive breeding operations or from wild, sustainably managed populations by 2016. Additionally suppliers will employ accepted animal welfare practices and humane treatment.”

According to Kering’s 2014 progress report on their sustainability targets, the PCP was developed and launched by Kering in 2013 “to help address challenges and to contribute to improving the sustainability of the python trade, and to ultimately help facilitate industry-wide change.” Information obtained through
the interviewing other stakeholders confirmed that Kering took the lead in founding the initiative, however, several other specific factors driving its establishment were also noted, including:

- According to BSR, initial research in 2010-11 that aimed to map the supply chain and identify concerns, which was undertaken by their Sustainable Luxury Working Group (SLWG); and
- According to IUCN BPSG, existing collaboration and good relationship between several of the members of the PCP, such as the relationship between Gucci and IUCN BPSG, and the relationship that developed between ITC and IUCN BPSG in conducting work to publish a report on The trade in South-East Asian python skins in 2012.

Around the same time, there was general recognition among the different stakeholders of the need to address python-skin trade issues, as also noted by BSR. This was reflected by other new initiatives and events, such as the establishment in January 2013 of the Responsible Ecosystems Sourcing Platform (RESP), a Swiss-based non-profit organization. RESP has an 'International Working Group on Reptile Skins', which was initially convened in 2011 under the umbrella of the United Nations Conference on Trade and Development (UNCTAD) but reportedly became the main driver for the creation of RESP. October 2013 also saw the organization of a meeting on the 'Findings of the UNCTAD/CITES traceability scoping study for trade and sustainable sourcing of python skins'.

Establishment of the PCP was motivated by a need to improve sustainable, humane sourcing and welfare of the python-skin trade. It seeks to support companies by providing research needed for understanding key issues in the trade. The luxury industry is increasingly cognizant of CSR considerations and of the impacts that the trade is having on the ground in relation to nature conservation and livelihoods. Consumers, media, and the wider public have also been asking questions about the impacts of the trade and, in general, about the supply chain. One of the interviewees confirmed that at least in Italy, there is significant pressure from the public on companies to certify that the animals used in luxury products have been obtained legally and ethically (M. Rocco, WWF Italy, pers. comm.).

Through development of the PCP, Kering has taken the lead on trying to ensure that they source python skins sustainably and also make the information, findings and recommendations arising from the PCP research available to other companies in order to achieve broader engagement. Through making use of the findings of PCP research and following through the recommendations of PCP reports, engaged businesses reduce legal risk through compliance with CITES, and reduce operational and reputational risk through sustainable use of species listed in the CITES Appendices. Furthermore, sustainability and livelihood issues impact on the supply of products, and the quality of those products. The goal is that improved management and sustainable trade will improve financial benefits for businesses. The representative of BSR explained that businesses in the luxury industry are interested in ensuring a sustainable (and high) quality of high-quality skins, which was a key motivation for setting up PCP by Kering. IUCN BPSG conveyed a similar view that both Gucci and Kering have been very conscious of the belief that the sustainability of their business (and profit) depends on the sustainability of the natural resources that they use and the related need to ensure that the trade is sustainable. This was described as a ‘win-win’ situation with conservation and businesses also seeing positive impacts. BSR observed that there has been a recent trend in the luxury industry for luxury brands to buy or obtain majority stakes in tanneries, and in some cases also in captive breeding facilities, in order to exercise not only greater control over the quality, quantity, and price but also sourcing of skins.

Achievements

As the PCP was only launched in November 2013, tangible achievements to date are limited. However, engagement of source countries in the initiative from an early stage is considered by both Kering and IUCN BPSG to be a success that facilitates the PCP’s engagement with sustainability issues and with local communities. One concrete action that has already been taken in Viet Nam, an important source of python skins, was a capacity building workshop to raise python farmers’ awareness of animal welfare issues and improve management of the traceability of skins.

A report has been published to promote understanding of issues related to the trade in python skins and further research findings (e.g. on livelihood aspects, the sustainability of wild harvest, and traceability – testing of tags) are to be published before the end of 2015 and in early 2016. According to Kering, the report’s findings are already being used by Kering luxury brands to inform sourcing practices. This was confirmed by IUCN BPSG, which provided examples of recommendations that Kering brands are reportedly ready to take on, including introduction of precautionary size limits on skins, and influencing where they sourced from. Further evidence of has not yet been made available.
The NGO interviewee raised possible concerns regarding the extent to which companies may be willing to decrease or suspend imports of python skins, if needed. They quoted specific examples (though unrelated to PCP research findings) where information had come to light suggesting that trade was unsustainable or illegal (e.g. through mis-declaration of the source of the skins) regarding specific species/country combinations, yet imports had reportedly continued regardless. It is, however, noted that the imports could only continue following the advice from the relevant EU CITES Scientific Authority to the relevant CITES Management Authority in favour of issuing the necessary import permits for the species/countries concerned. According to the CITES Trade Database, in addition to Italy, Germany is also an important importer of python skins to the EU, which will be further processed and used in Italy by the luxury industry (CITES expert from Italy, pers. comm.) The CITES expert from Italy also pointed out that proving any suspicions over possible mis-declarations of the source of the skins (whether of wild-caught origin or captive bred) is difficult for importers to prove.

The PCP has also made sure that the research findings are shared in the relevant CITES fora; for example the report on trade in python skins\(^5\) was made available as an ‘Information document’ at the 27\(^{th}\) meeting of the CITES Animals Committee meeting held in Veracruz in 2014. PCP has also organized “side-events” at bigger CITES meetings, such as at the most recent meeting of the Animals Committee (AC28, held at Tel Aviv on 30 August – 3 September 2015), which provided an update on delivering the PCP’s programme of work. Kering has also played an active role in encouraging the wider industry to adopt practices and approaches recommended by the PCP, presenting at meetings of the BSR Sustainable Luxury Working Group (SLWG, see further information about BSR below) where the information has been received with true interest.

IUCN BPSG suggested that a great strength of the PCP is that the participants, as individuals, are highly committed, passionate, like-minded and without pre-conceptions.

The future

The PCP was established because the python-skin supply chain presents complex issues (e.g. different countries have different legal frameworks and practices, and there are many unknowns). It will take time and resources to understand this complexity. Commercial companies normally seek quick answers while research into biological issues, such as estimating population numbers and levels of sustainable harvesting, usually take longer. This means that there is a need to carefully manage expectations of the pace at which the PCP can deliver findings to businesses.

The PCP’s research on sustainability and legality of using wildlife resources requires ongoing monitoring of the biological resources being used and subsequent adaptive management by companies, if necessary. For many businesses this is an approach that may require a change of mindset, especially for businesses that are used to a fixed approach. Sourcing wildlife commodities requires ongoing commitment and monitoring not “one-off certification”.

While the current 2013-2015 research programme is focused on better understanding the fundamental issues related to legal and sustainable sourcing for businesses, Phase II (2016 onwards) is expected to address specific implementation issues based on Phase I recommendations (e.g. testing of new traceability systems, recommendations for supply chains).

According to IUCN BPSG, as a next step, the luxury industry using python skins needs to cooperate to ensure that the research findings and recommendations of the PCP are followed by the business as a whole. The initiative could also be opened up to other industry players to ensure wider uptake of the findings. BSR suggested that in terms of wider impacts of the initiative, the involvement of other brands would appear to be a necessary next step to ensure more traction and wider uptake of the findings.

Relevance for wildlife trade

Although the PCP initiative has only been launched recently, the broad multi-stakeholder engagement that incorporates the entire supply chain is perceived by Kering and other stakeholders as an effective model to help inform companies how to develop responsible sourcing practices. The combination of pragmatism and a peer-reviewed, science-based approach suggests that recommendations made by the PCP are more likely to be listened to by business and, if acted upon by business, are more likely to have authority with policymakers, enforcement agencies, the media and the public in ways that best address legal and reputational risks. As the PCP includes companies within its membership, it can also provide a feedback mechanism where EU-based business requirements and recommendations can be fed back directly to source countries and potentially dictate improved management practices by local suppliers.
The relevance of the initiative to the IWT is considerable. The PCP, through its research, has the potential to provide recommendations that, if acted upon, could benefit all stakeholders in the trade chain, including: better livelihoods of local communities; increased humane practices and sustainability for the species in question; improved management practices for source-country state and private sector actors; and enhanced sourcing standards (and provenance) and product quality for consumer markets. For businesses engaged in this model, the aim is that these benefits directly translate into reduced legal, operational and reputational risks married to potentially considerable financial benefits.

In 2014, Kering and ITC established a similar initiative, the Madagascar Crocodile Conservation and Sustainable Use Programme (MCCSUP)\(^6\), in relation to crocodilian skins. Much more information is already available about crocodilian conservation and skin trade\(^7\), so the need for any new initiatives is to focus on certain geographic areas or certain species, about which less is known. Under the MCCSUP a multi-year programme has been developed to support the monitoring and sustainable management of the trade in Nile Crocodiles from Madagascar\(^8\). This initiative also involves a Kering-owned tannery that focuses on crocodilian skin tanning.

### Additional relevant information

IUCN BPSG also noted during the interview that some companies in the luxury industry have had negative experiences when engaging with external consultants or proposed initiatives perceiving that some promise solutions but are only interested in money and provide disappointing outputs. Some companies have, thus, become wary of engaging with external stakeholders, especially when their motivations are unclear. The respect and trust that have built up among the PCP partners appears to be an important factor in making this initiative a success.

There are other types of approaches to the skin trade that are not business-led and Kering mentioned government-led initiatives in the USA that involve use of a levy/tax on alligator skins to fund conservation research, e.g. the ‘Louisiana Alligator Resource Fund’ has been established by law within the ‘Louisiana Wildlife and Fisheries Conservation Fund’, “to actively fund research on all aspects involved with alligator conservation and to develop the techniques needed to enhance the commercial alligator industry”\(^7\). Hence, this approach has similarities with the PCP. Prerequisites for such a system is the existence of good governance to ensure a well-managed wild harvest (e.g. ranching) in the range state.

BSR is a global non-profit organization that works with its network of more than 250 member companies to build a just and sustainable world. BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. BSR’s role is to catalyse change within business by integrating sustainability into strategy and operations, and to promote collaboration among companies and their stakeholders for systemic progress toward a just and sustainable world. BSR’s Sustainable Luxury Working Group (SLWG) focuses on:

- Providing a forum for dialogue among luxury sector actors and stakeholders to pre-emptively identify, understand, and prioritize emerging sustainability issues in the luxury industry’s value chains; and
- Coordinating common approaches for implementing solutions to avoid duplication, maximizing economies of scale, and ensuring applicability and usefulness for business.

SLWG company members are Cartier, Chloë, Kering, LVMH, Mulberry Group, Ralph Lauren, Tiffany & Co. Each year, the SLWG organizes and facilitates up to three telephone meetings and one face-to-face meeting to discuss work and share deliverables.

SLWG was established in 2009 and topics identified as being of relevance to all of the member companies included animal products, in particular skins and hides and the development of high-level principles for sourcing that could address issues across supply chains. Some research was carried out by BSR to map sourcing of exotic and bovine skins. Regarding exotic skins, a need for due diligence and work with tanneries was identified, however, there was a lack of information about the supply chain. Hence, a field visit to Indonesia and Malaysia was organized by BSR, which was conducted with the participation of some companies, including Gucci, at the end of 2010. The findings of this field visit suggested that: some of the CITES export quotas set were unsustainable; there was smuggling of skins; some aspects of the CITES system were broken; and there were animal welfare issues (e.g. inhumane killing).
BSR has taken steps to promote open discussions in their working groups. They use the Chatham House Rule\textsuperscript{30}, focus on “pre-competition” issues where it makes sense for businesses to collaborate, and emphasise that companies are “in the same boat” when it comes to addressing sustainability issues. BSR described companies’ openness as variable depending on the company concerned, however, stated that companies appreciate knowing what other companies are researching (even without getting to know all the details). BSR stressed that any initiatives involving businesses need to be more than just “talking shops”, and that it is helpful for companies to agree collectively to a common set of standards/principles and focus on how these can be implemented in collaboration through a tangible work plan.

BSR suggested that openness to share information and transparency are usually compromised in a multi-stakeholder setting due to a lack of trust. The BSR approach of business-only (and business-led) discussions facilitated by BSR was suggested as one that facilitates open discussions. It was noted that some companies take a more open/transparency approach/business model, while others are more closed in that respect (the open source approach by Google vs. Apple type approach was used as an analogy).

BSR suggested that the EU Action Plan against IWT should take note of existing collaborations and ongoing work in order to identify and focus on sectors where business engagement is lacking or has been limited.

The former chair of the SRG described the luxury industry as a very specific and limited market with relatively few actors (e.g. compared to the timber industry where operators are required by EU law to demonstrate due diligence in ensuring that timber placed on the EU market originates from legal sources). They suggested that if a company starts to verify/certify sustainability of sourcing, competition will inevitably oblige other companies to follow suit if they are not to lag behind, i.e. ensuring sustainability of sourcing and animal welfare confers competitive advantage in this market, especially in the EU and the USA.

Conclusions

- The PCP provides a good example of a business-led initiative to ensure legal and sustainable sourcing of python skins, which is embedded into Kering’s wider CSR policy on sustainability.
- The PCP steering committee includes a wide range of stakeholders however the initiative has not engaged CITES authorities of consumer countries (such as Italy and Germany) to ensure that considerations of the authorities issuing the relevant import documents are also taken into account.
- In addition to publishing its research findings, the initiative actively reaches out to other players in the industry to try to ensure wider uptake of the recommendations.
- The case study also covers a range of different aspects that can help make the collaboration with the business sector successful, for example how to encourage open discourse, or how/why to build trust.
- The case study also illustrates that the sector is relatively well aware of IWT and has been taking steps to address it.

References


\textsuperscript{30} When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed. - See more at: https://www.chathamhouse.org/about/chatham-house-rule


3.2.2.2 Pets sector – Live-reptile trade

Introduction

The exotic live-reptile trade in the EU is huge, particularly in Germany, and involves a large range of traders and breeders. For instance, there are many more actors and businesses of varying sizes than use exotic-reptile leather in the luxury industry, which can be characterized by the dominance of a dozen or so larger companies. While there are some companies that have traded exotic live-reptiles for many years, the sector is dynamic with new businesses (or actors not legally established as such) appearing in the market and then operating for a few years. Furthermore, the numerous actors appear to be comparatively less organized into associations, organizations or initiatives than an MS or EU level than in other wildlife trade sectors (e.g. as described in Section 3.2.2.1, key players in the luxury industry using skins are part of various initiatives, such as BSR - SLWG1 or RESP2).

The website of the European Pet Organization (EPO)3 lists a total of 11 national member organizations. These include a number of organizations that are not relevant to this case study: two non-EU organizations (from Norway and Switzerland); two members that focus on aquarium fish (the Italian Association of Fish and Aquariums – AIPA, and the Ornamental Aquatic Trade Association – OATA, UK) and an entity focused on organizing pet fairs in Italy (Zoomark). EPO is described on its website as “the European organization with which national pet trade associations in Europe collaborate in order to strengthen their position on European and other international issues”. National members of EPO are from only six of the 28 MS (if those representing fish and aquarium animals are excluded), which reflects that actors in this sector are less organised than in other wildlife trade sectors.

Based on the interviews conducted as part of this case study, it appears that some traders of exotic live reptiles are responsible, particularly those who have been in the business for a considerable time, and follow the relevant regulations (including welfare, CITES and tax regulations). However, it seems that other traders and breeders are less scrupulous, pay little attention to one or more of the regulations, and are motivated predominantly by short-term profit. One of the interviewees (Marco Valentini, former chair of the SRG, pers. comm.) also highlighted that some keepers of exotic animals are interested in obtaining rare and uncommon species or special colour morphs/ variations, which makes them less interested in addressing illegal and unsustainable trade. It was also pointed out that this sector, in general, appears to be less sensitive to sustainability and conservation concerns, as compared with other wildlife trade sectors, such as the luxury industry described in Section 3.2.2.1 (Marco Valentini, pers. comm.).

Germany, as one of the largest importers of live reptiles in the EU4, is the focus of this case study. The largest general pet association (i.e. including cats and dogs) in Germany is the Pet Trade and Industry Association (Zentralverband Zoologischer Fachbetriebe, ZZF)5, founded in 1949. According to its website, ZZF represents the professional, economic and socio-political interests of the entire German pet industry. It has specialized sections/working groups that focus on issues, such as retail and pet grooming. ZZF also owns the Economic Community Pet Trade & Industry (WZF), a service company
for the pet industry. Although none of the existing working groups focus on exotic pets, or reptiles in particular, their website has several articles that deal with the keeping of exotic animals. Notably, during the 2013 presidential elections, ZZF reacted strongly to an element in one of the political parties’ manifestoes, which suggested that the import of pet specimens of wild origin should be banned. The website also has a very brief sub-page dedicated to the IWT in which “ZZF calls for the prohibition of commercial imports into the EU of wild specimens protected in the country of export” and quotes an example from Germany, where species (rays) protected in their country of origin appeared in commercial trade in Germany. Based on the interview with the director of ZZF, Richard Wildeus, the organization is focused on animal welfare considerations (also in relation to wild-caught specimens). This is reflected by their so-called ‘Heidelberger Decisions’, which they adopted in 1991 and contain self-imposed restrictions regarding the trade of pets, including a ‘red list’ of species, which should not be offered for sale by any ZZF members (for further information see Section 3.4.2).

In the absence of any identified large business-led initiative to tackle illegal trade in exotic live-reptiles in the EU, this case study mainly focuses on a small company, which wishes to remain anonymous, based in Germany. It was proposed by the German CITES Management Authority, as the company takes concerted steps to ensure due diligence. The case study is based on information provided by the German CITES Management Authority, the company owner, and information sourced through the company’s website. Interviews were also undertaken to characterize the pet sector in other MS, for instance in Italy, but these appeared to be less organized than in Germany.

Stakeholders
- Small company trading reptiles
- German CITES Management Authority

Objectives of the initiative
The company’s objective is to operate a sustainable long-term business that legally and sustainably sources and trades reptiles of high quality, in order to maintain a good reputation and maximise its commercial success.

Motivations
The company states that it has been motivated to establish and maintain responsible and legal processes for sourcing reptiles because it understands that:

- Operating legally in accordance with the relevant German regulations is an essential prerequisite to staying in business long term and thereby maximizing commercial success. The company’s desire to operate legally has been bolstered by the recognition and respect it has earned from the public enforcement authorities.

- A good reputation is an essential ingredient for business success. The company aims to deliver healthy, unstressed animals and thereby secure and maintain a good reputation with customers.

- Import of specimens that are wild caught can confer greater risk on supply than if they are captive-bred. This varies according to species, but confining wild specimens can make individuals stressed and sick, which impacts on profitability. Conversely, very recently wild-caught specimens of some species are likely to be healthier than captive-bred individuals kept in poor conditions (see below).

- Maintaining good relations with knowledgeable source-country exporters and understanding captive-breeding operations is important for the supply of good quality specimens. In many cases, poor captive-breeding facilities can result in negative health issues. For example, disease transmission can occur quickly when large populations of species are housed, resulting in high mortality rates.

Achievements
In order to prevent the import of any falsely declared specimens, the company takes concerted steps to ensure due diligence before ordering a first shipment from an exporter or breeder, for example, securing information on a facility, such as the number of parental stock held, the number offspring produced per year, photos of young specimens, and photos of the facility that indicate the level of care. The import does not proceed if anomalies are encountered. In cases where due diligence suggests that the proposed export consignment is in order but on receipt there are indications that specimens are, for example, wild caught and not captive-bred, then further imports from that exporter are not pursued. The
company also attempts to obtain references about exporters, although they are hard to secure from fellow importers, as concerns regarding competition mean most are reluctant to disclose such information.

The company’s owner is keen to visit his business partners in source countries to view their methods for keeping and breeding animals. However, lack of time and the impact of associated costs on profitability inhibit him from doing so.

Having developed detailed knowledge of species requirements, the company attempts, as far as possible, to import specimens during the most appropriate season for their acclimatisation and maintenance, taking into account the regulatory demands of initial quarantine.

The future

The company has not attempted, and does not plan, to engage extensively with other reptile traders in Germany or elsewhere in the EU. It claims that reasons include: the strength of competition between traders; a sectoral culture of non-disclosure; and presence of short-term businesses seeking a quick profit who do not adhere diligently to regulations or pay appropriate taxes. The company does not foresee any change in its motivations to establish and maintain responsible and legal processes for sourcing reptiles.

Relevance for wildlife trade

The company’s motivations for establishing its mode of operation are of wide relevance to individual companies involved in the pet trade not just those importing reptiles. The approach taken by the company relies on its detailed understanding of legal and welfare issues to scrutinise potential suppliers. It demonstrates the advantages that can accrue both to businesses and to prevention of the illegal trade of developing and utilising corporate knowledge of legal processes, supply chains, and welfare standards. However, the case study also demonstrates the limited extent to which potentially relevant associations include reptile traders and/or focus on exotic pets.

Additional relevant information

The company owner expressed his concern over the uneven implementation of and an inconsistent application of the EU WTR across the MS, which is sometimes further complicated by stricter national measures. He implied that the businesses that have to comply with less strict implementation/enforcement have an unfair advantage on the EU market. According to the company owner, the EU import restrictions (SRG negative opinions and import suspensions) often do not serve their purpose and, instead of stopping the trade to the EU, drive the trade onto the illegal market. The price of “banned” species often goes up after the introduction of such restrictions, creating a perverse incentive for some (unscrupulous) traders to trade more in these species. The company owner also suggested that the demand for restricted species does not appear to decrease following the imposition of a restriction/ban.

Conclusions

- The due diligence mechanism described in the case study could be developed into a protocol or guidelines that could provide guidance to the sector.
- In a market that can be characterized by a large number of actors, the pressure to incorporate some CSR (or sustainable sourcing) principles into their practices appears to be lower (as compared with the luxury industry, where ensuring sustainability of sourcing and animal welfare confers competitive advantage on companies)
- Actors within the sector are highly competitive.
- Actors’ awareness of their responsibilities to prevent the IWT is low and, hence, their engagement with the issue is where the luxury industry was about 10 years ago.
- There are some structures and tools in place (with a current focus on animal welfare), especially in Germany, that could be used or expanded also to address species conservation and the IWT.

References

5. German Pet Trade and Industry Association (ZZF) website accessed on 22 October 2015 at www.zzf.de

3.2.2.3 Cross-sector (TCM focus) – Operation Charm

Introduction

Operation Charm (OC) was originally established by the London Metropolitan Police in 1995 to investigate intelligence provided by TRAFFIC regarding illegal trade in TCM in London. In 2006, the initiative became an umbrella operation covering all investigations in London into illegal trade in endangered species. There was also a desire to adopt a preventative approach and raise awareness of the trade. In order for the police to be able to continue concentrating on enforcement and investigation, OC became a formal partnership, led by the London Metropolitan Police, with the Greater London Authority (GLA) (replaced in 2008 by World Animal Protection WAP), WWF, the International Fund for Animal Welfare (IFAW), WildAid and the David Shepherd Wildlife Foundation (DSWF). These NGOs were engaged to support the initiatives campaigns and activities by assisting in design and delivery of strategy development, creating messaging, identifying key audiences, disseminating messages, and monitoring impact. Budget, staff resources and celebrity and media contacts were also contributed by NGOs.

The initiative targeted those involved with endangered species’ trade, including: businesses (retailers, wholesalers and traders of illegal wildlife products); existing and potential customers of illegal wildlife products; and business associations. A TCM campaign, which finished in 2008, specifically engaged the London Chinatown Chinese Association of TCM (LCCATCM) and the Federation of TCM (FTCM) to distribute campaign messaging more widely.

Stakeholders consulted for this case study were Heather Sohl and Sarah Goddard (former and current Species Policy Officer for WWF UK respectively), Ian Knox (former Head of the Wildlife Crime Unit, Metropolitan Police) and Professor Bo-Ying Ma (Chairman of the Federation of Traditional Chinese Medicine). Supplementary information was sourced through the OC website. A current member of staff at the Metropolitan Police Wildlife Crime Unit was approached but an interview was not forthcoming.

Stakeholders

Founded by London Metropolitan Police

Current partners: WAP, WWF, IFAW, WildAid and DSWF

Previous partners (until 2008): GLA; LCCATCM; FTCM

Objectives of the initiative

OC was a crime prevention initiative aimed primarily at reducing consumer demand for products that utilise endangered species through:
Law enforcement, using intelligence-led policing in cooperation with other relevant UK and foreign agencies, both government and non-government

Targeted media use (e.g. leaflets, information sheets, press releases, newspaper articles), concentrating on a specific area of wildlife crime, e.g. TCM, usually resulting from an enforcement action, to raise consumers' and traders’ awareness of the law and various issues in relation to the trade in endangered species

Engagement with trade and practitioner associations to raise traders’ awareness, conducting seminars (two at New Scotland Yard and one at City Hall), a sticker scheme (TCM), and random monitoring of shops

Use of public outreach opportunities including exhibitions of seized specimens (e.g. at Parliament several times, Horseman Museum, Kings Cross-St Pancras Train Station and many other smaller scale venues around London), production of information pamphlets and postcards, and lectures to selected groups, including colleges and universities (e.g. South Bank University and Islington College).

Motivations
The initiative was originally motivated by CITES, EU and UK legislation and the need to tackle the issue of TCM derived from endangered species, as well as open trade of endangered species raw body parts. Adherence to Chinese legislation related to use of endangered species' in TCM products was also stated by the FTCM as a key motivation for Chinese stakeholders. From 2007, the OC broadened out to include all endangered species trade in London with the intention of increasing importers’ and traders’ compliance with the law, and reducing consumer demand.

Achievements
OC managed to achieve some success through law enforcement, targeted media use, engagement with trade and practitioner associations, and use of public outreach opportunities (e.g. with over 70 TCM shops pledging not to sell TCM derived from endangered species). However, specific targets were not set and OC’s impact was not systematically monitored due to a lack of capacity and resources, including an inability to digitised information. The TCM campaign was also dependent on the involvement of Trading Standards, and once their involvement ceased (due to availability of resources) activities were restricted. However, there was limited monitoring of traders’ uptake of a sticker scheme and random inspections by the police of outlets displaying stickers. This random inspection identified that the TCM campaign led to a dramatic decline in the availability of TCM, indicating increased understanding by traders that TCM products derived from endangered species are not permitted under UK legislation. Although not a TCM ingredient, associated with this awareness raising activity a decrease was recorded in the availability of shahtoosh, a material made from the wool of the Tibetan Antelope.

Anecdotal evidence suggests that traders were generally interested in understanding the laws that affected their business and were keen to comply with those laws. An OC fact sheet was downloaded over 100,000 times following the launch of OC indicating the level of consumer interest in understanding the issues.

In 2006, at the relaunch of OC (when its membership had been expanded), the Chairman of the FTCM, Professor Bo-ying Ma, spoke in favour of OC indicating broad association support for the initiative. Furthermore, Professor Ma also stated that the initiative acted as a springboard for awareness raising on endangered species use in TCM more broadly, with FTCM members across the UK provided with the OC materials. Supplementary information on Chinese law on use of endangered species in TCM was also used to reinforce messaging to, and compliance by, traders and sellers of TCM products in the UK. Messaging is also reiterated at FTCM conferences and Annual General Meetings (AGMs).

In 2006, at the same time as the OC relaunch, a report was prepared for the UK Department for Environment, Food and Rural Affairs (Defra) that discussed plant-based alternatives to animal ingredients in TCM, further raising awareness of issues relating to the use of endangered species in TCM products.

The future
Discussions were held with other countries on implementing OC but no formal launch was organised.

As OC’s TCM campaign has now finished, any future OC activities in the UK are dependent on the Metropolitan Police’s priorities on CITES-related issues in the London area; and wildlife crime priorities that are set by the national Wildlife Crime Conservation Advisory Group (an informal advisory body to
Strengthening cooperation with business sectors against illegal trade in wildlife

the UK Wildlife Crime Tasking and Co-ordination Group)\(^6\). Further activities are also dependent on available funding. Further information on future plans will inform this case study in due course through discussions with the Metropolitan Police, but is dependent on their availability.

**Relevance for wildlife trade**

OC has clearly benefitted from the enforcement authority’s collaboration with NGOs, and appears to have been welcomed by the business sector. OC is not driven by the business sector, but engages with them closely to raise awareness of the issues and seek commitment not to sell TCM products that include endangered species. OC has targeted consumers of TCM products through the sticker scheme. Businesses have displayed a sticker on their premises showing their support for OC and demonstrating to their customers that they neither wish to sell nor encourage the consumption of endangered species’ products. This approach addresses the potentially significant role businesses can play in demand reduction associated with endangered species products.

Although few measures of success were officially established, anecdotal evidence through engagement with traders, pledge signatories and website factsheet downloads have suggested some measure of success in both raising awareness and, through ad hoc investigations, a reduction in endangered species-containing traded products within London. Indications suggest that businesses engaged with the OC in London have been keen to engage in the initiative in order to better understand their legal obligations (of which many were unaware) and to enhance their reputation with consumers.

The indications of success would imply that the OC initiative has significant relevance for preventing IWT, and could be replicated in other UK cities, as well as major centres of commerce throughout the EU. Discussion amongst Metropolitan Police staff engaged with OC in 2008 suggested that, although not originally planned, there would be merit for the OC initiative to be rolled out nationally, though this was not implemented at the time. This view was also supported by the FTCM, though Professor Ma was of the opinion that wholesale companies, traders and clinic doctors follow the UK and Chinese laws to the letter and do not trade or use endangered species in the trade and application of TCM in the UK.

Furthermore, discussions were also held with other EU countries regarding similar efforts in their countries and, although no formal launch was held, some components of OC were enacted (details not currently available).

**Conclusions**

- Prior to this initiative many TCM companies in London were unaware of the legality of endangered species being used in TCM products.
- The initiative provided clear and understandable information to support efforts to stop endangered species being traded and sold.
- Signed commitment by TCM traders and shops, combined with ad hoc monitoring visits by enforcement officers, helped to ensure that participants kept to the initiative’s objectives.
- The initiative took a holistic approach to tackling the consumption of endangered species by addressing:
  - Adherence to national laws through law enforcement;
  - Supply reduction through targeting traders and businesses; and
  - Demand reduction by raising consumers’ awareness;
- An evaluation strategy is needed to assess the success of such initiatives.

The initiative benefitted from multi-stakeholder participation with distinct roles: TCM Associations and Federations provided ‘scientific’ support to ensure that TCM would not be harmed by the exclusion of endangered species in TCM products; enforcement agencies ensured that TCM businesses kept to commitments made, and also raised awareness among other fora (universities, parliament etc.); and NGOs supported messaging and funding.

**References**

2. Operation Charm factsheet. Accessed on August 28 2015 at http://www.davidshepherd.org/download.php?x=&f=T3BlcmF0aW9uX0NoYXJtX0ZhY3RTaGVldF8yMDEzLnBkZg==&e=0709677d2413d9009e3a756817f9e374
3. Strengthening cooperation with business sectors against illegal trade in wildlife

Introduction

This case study describes an ‘initiative’ that is a collaboration between organisations that work in concert but maintain their own policies relating to repatriation/rehoming of endangered wildlife. The British Airways Environment Programme (BAEP) involves the repatriation and rehoming of wildlife seized by enforcement authorities, while the UK Border Force maintains a Wildlife Rehoming Policy, as described below. While the initiative is a part of the BAEP, the repatriation and rehoming of wildlife is undertaken under the auspices of the Cargo section of parent company International Consolidated Airlines Group (IAG), a British-Spanish multinational airline holding company based in London, UK and with its registered office in Madrid, Spain. In terms of revenues (as of 2010) IAG is reported to be the sixth largest airline company globally, and the third largest in Europe after Lufthansa group and Air France-KLM. IAG has several subsidiaries, the main ones being British Airways, Iberia, Aer Lingus and Vueling. The repatriation and rehoming of wildlife by IAG Cargo also engages the subsidiary airlines.

The initiative has a fairly ad hoc implementation process and is dependent on/restricted by several elements, including: the engagement by UK enforcement officials with source countries; EU rehoming sites; and availability of flights to appropriate destinations.

Stakeholders contacted for the case study were Guy Clarke (Border Force Officer, National CITES Team, Border Force Heathrow) and Grant Miller (Senior Border Force Officer, National CITES Team, Border Force Heathrow); Rob Quest (Assistant Director, Animal Health and Welfare Services, Markets and Consumer Protection, City of London Corporation); and Gabriella Tamasi (Global Product Manager Premium Products for IAG Cargo). Guy Clarke, Rob Quest and Gabriella Tamasi were interviewed.

Stakeholders

Stakeholders engaged in the initiative include:

- UK Border Force – seizes illegal wildlife and follows up on repatriation/rehoming;
- City of London Corporation – maintains the holding facilities for seized wildlife;
- UK CITES Management Authority (Joint Nature Conservation Committee JNCC) – provides permission to seize/rehome;
- British Airways/IAG Cargo – transports animals for repatriation/rehoming;
- Re-homing sites (e.g. zoos etc.);
- Authorities of the country of origin (including embassies in London) – provide permission for repatriation where appropriate.

Objectives of the initiative

The objectives of the initiative are to repatriate endangered animals upon request from the UK government and agreement with the government of the country of origin, or to re-home endangered animals if repatriation is not an available option.

Motivations

The various stakeholders have different motivations for engaging in the initiative. Those involved in enforcement (e.g. Border Force, Corporation of London and the UK CITES Management Authority) have engaged with the BAEP based on necessity and facility. The enforcement authorities’ remit with regards to wildlife repatriation or rehoming requires them to engage in the process (the Border Force have their own Wildlife Rehoming Policy), and collaborating with the BAEP helps them to fulfil their responsibilities. Achieving success within the collaboration enhances confidence in their abilities and
processes, boosting their reputation. Likewise, organisations providing re-homing sites and authorities of countries of origin benefit from enhanced reputations from being involved. In some cases this may also have potential financial benefits (e.g. where zoos re-home endangered species and put them on public display). For BA/IAG Cargo, the initial interest in the rehoming/repatriation element, as mentioned in the interview, was twofold: firstly, as an element of broader CSR (CSR) policy; and secondly, to support enforcement efforts, not just in relation to IWT but also with regard to illegal activities more generally. The IAG Cargo ‘Product Overview’ for live animals states “To safeguard the wellbeing of the animals we carry, all consignments are handled in full compliance with the IATA Live Animal Regulations (LAR) and the Convention on International Trade in Endangered Species (CITES)”. Press releases surrounding repatriation efforts also indicate clear reputational benefits from supporting protection of endangered species, and biodiversity conservation in general.

Achievements

Each of the stakeholders in the initiative play a distinct role, and each role is critical as to the success of any repatriation or re-homing of endangered species. The initiative addresses all live wildlife imported by any of the sectors, and success is dependent on countries wanting/having the facilities to receive repatriated wildlife, or countries in the EU being able to re-home wildlife. There is no specific sector that is more successful than any other, as it depends on the possibility of repatriation/re-homing at any given time.

To illustrate achievements, an example is provided on the repatriation of iguanas to the Bahamas4,5. On 3 February 2014, 12 CITES-listed San Salvador rock iguanas were seized by Border Force officers at Heathrow airport. The iguanas were placed in the ‘holding’ facilities of City of London Corporation’s Animal Reception Centre at Heathrow while Border Force officer sought advice from JNCC on what to do with the specimens (requests from the CITES Management Authority of the Bahamas were also taken into account). Following agreement with JNCC, the Border Force officers contacted the Bahamas High Commission in London and agreed a process for repatriation of the iguanas. Subsequently, and through collaboration with BA, the iguanas were flown back at no cost and returned to their native habitat. An investigation by the National Crime Agency (NCA) resulted in the smugglers receiving 12 month sentences. This achievement is an excellent example of private and public sector collaboration to tackle IWT across borders.

In most cases, repatriation to the country of origin is the preferred mechanism. However, such cases of repatriation are not frequent, and re-homing is often the usual procedure. There are several issues that countries from which the endangered species originate must take into account, which affect whether or not specimens are repatriated. These issues include: financial cost (of particular concern for poorer source countries); availability of suitable facilities (such as adequate quarantine facilities, also often linked not only with cost but also with capacity); and disease (releasing diseased specimens into wild populations could have potentially severe consequences). Due to these considerations countries of origin often refuse to accept specimens back, and in these cases the Border Force must work with stakeholders to re-home specimens where possible.

Re-homing may involve: zoos with expertise; conservation parks; specific societal and educational establishments; or animal homes (which are not disclosed to ensure animal safety). The specimens remain UK crown property and must be returned to the UK on request, although any offspring become the property of the establishment where the animal is rehomed. Animals are always housed at nil cost. One condition of re-homing is that there must be no commercial trade from the seized animals or their offspring. For some specimens, such as hybrid cats, the animals may be neutered prior to re-homing, as they are of no conservation value and at high risk of commercial trade. The engagement of BA in this collaboration reduces overall costs, as transportation is provided free or at a reduced cost.

Although not a focus of the case study, operational considerations should also be mentioned. Currently, screening of bags/goods focuses on security issues, such as screening for explosives, weapons and drugs. Screening is not generally conducted for wildlife due to the complexity of the process and the current capacity of the airlines in recognising and identifying wildlife and wildlife products prohibited for trade. This lack of screening suggests a possible loophole for IWT across borders.

The future

The initiative faces several challenges. As mentioned above, these include: the interest and capacity of countries of origin; and availability and suitability of facilities in the EU for re-homing. Furthermore, capacity in the UK is limited, and time requirements for repatriation and re-homing are considerable, meaning that cases can only be processed one at a time. Quarantine time is six months and if
repatriation or re-homing in the EU is not possible then the UK Border Force must usually bear the costs. These challenges mean that there have been few actual examples of where the UK Border Force has worked with BA to repatriate animals, in fact, only twice in 20 years; most recently, the repatriation of iguanas to the Bahamas. However, the UK Border Force has re-homed wildlife at appropriate establishments within the EU separately from engagement with BA in collaboration with other airlines. Repatriation, and, therefore, engagement of BA and other airlines, is mostly conducted ad hoc. It is particularly dependent on available flights, space etc. at any given point in time. The initiative is expected to continue for the foreseeable future with all stakeholders committed to collaborating.

The role of BA/IAG Group in this initiative is lauded but efforts by the UK public authorities in repatriation and re-homing are not confined to one airline company. In fact, the UK Border Force engages with other airlines, many of whom are also open to assisting conservation efforts, e.g. Virgin Airways. The UK Border Force acts on the principle that if ‘we have a problem, can you help?’ and engages with airlines who are in a position to do so.

Relevance for wildlife trade

The initiative described in this case study has relevance for wildlife trade on several fronts. The initiative itself is about re-homing or repatriation of wildlife. However, the role and efforts of the UK Border Force are critical in stopping IWT into the UK. As their name suggests, they are the front line against illegal import of wildlife. In that sense, they have a substantial impact on reducing IWT through enforcing wildlife trade laws and acting as a deterrent to illegal wildlife smugglers. Agreements with countries of origin, and EU rehoming centres, incorporating the policy of non-disclosure of animal re-homing, ensures the safety of illegally traded and seized wildlife. Engagement with BA/IAG Group ensures a lowering of costs and secure transportation of endangered species to new homes. As mentioned under ‘Motivations’, involvement in the initiative is beneficial in various ways for each of the stakeholders. However, the initiative is highly dependent on two elements: source country capacity, regulations and interest, which remain the key limiting factors in efforts to repatriate specimens; and the availability of suitable institutions, as the limiting factor for re-homing of specimens. In combination, these two factors have limited successful efforts to a relatively small number of examples.

While this initiative focuses primarily on live animals in transit, many other cases of IWT involve transportation of animal parts and derivatives. Broader initiatives, which could include engagement of enforcement agencies through intelligence-sharing and increased screening for products, would further efforts to prevent the IWT.

Conclusions

- The case study demonstrates clear collaboration between the business (BA/IAG Cargo) and enforcement agencies, with the business-led initiative providing a critical role to support ‘frontline’ enforcement policy and its implementation.
- The presence of a wildlife policy linked to CITES and national requirements is the basis for further efforts to stop IWT for both live specimens and products. Such a policy could led to clearer materials to inform shippers and deter illegal activities, whether conducted through ignorance or oversight, or through determined criminal elements.
- The business does not provide proactive screening of goods which could support further efforts in tackling IWT. However, to be effective in targeting IWT, increased screening and improved targeting of shipments, cargo and baggage would require a substantial increase in the capacity of airline (and contracted) staff.

References


3.2.2.5 Online trading – eBay

Introduction

Founded in 1995, eBay Inc. is an American multinational corporation and e-commerce company, providing consumer-to-consumer and business-to-consumer and business-to-business sales services via the internet. Today, eBay is a multi-billion dollar business with operations localized in over thirty countries, including the UK, France, Germany, Italy and other European countries. The company manages a global online marketplace in which people and businesses buy and sell a broad variety of goods and services worldwide. eBay has several policies regarding the restriction of trade of goods, including its ‘Animals and wildlife products policy’¹, which was established in 1995 but expanded to its current format in 2006/7.

This case study considers eBay’s business efforts to stop trade of illegal wildlife products through their marketplace. The International Fund for Animal Welfare (IFAW) has engaged with eBay since 2004 through their own initiative ‘Ending wildlife crime online’², which aims, among other things, to support eBay’s efforts to stop online IWT.

Stakeholders engaged in consultation for the case study included Wolfgang Weber (Senior Director/Legal Counsel/Business Ethics Officer for eBay Regulatory and Legal/Government Relations) and Tania McCrea-Steele (Global Lead for IFAW Wildlife Trade Campaign). Supplementary information was sourced from the UK Border Force and through the IFAW and eBay websites, including the online eBay ‘Animals and Wildlife Products Policy’¹.

Stakeholders

eBay Inc.

NGOs, most notably IFAW.

National enforcement agencies.

Objectives of the initiative

eBay’s ‘Animals and Wildlife Products Policy’ seeks to “protect native and endangered species” and “follow laws, government regulations, and international treaties on animals and wildlife”.

Motivations

eBay’s motivations for pursuing their ‘Animals and Wildlife Products Policy’ are to:

- Reduce operational and reputational (and associated financial) risk through protecting native and endangered species
- Provide a safe and reliable environment for eBay market users; and
- Reduce legal risk through compliance with national and international laws and legislation.

These motivations are perceived by their marketplace users as good business practice. IFAW seeks to support eBay’s efforts to stop and prevent the trade of illegal wildlife products in contravention of eBay’s policy.

Achievements

The ‘Animals and Wildlife Products Policy’ was initiated by eBay in 1995. The policy was expanded in 2006/7 due to the challenges involved in identifying illegal goods, and included the banning of all ivory products. This policy expansion was supported by evidence arising from IFAW reports³,⁴,⁵ that highlighted the scale of IWT in the online marketplace, particularly in ivory. eBay has put in place measures to identify and act on trade listings that contravene its ‘Animals and Wildlife Products Policy’. Implementation of these measures is challenging, particularly with regard to identification of wildlife products (e.g. ivory), as sales descriptions are disguised and as a minority of ‘offenders’ continue to trade products that contravene the policy. IFAW has supported eBay’s actions through providing monitoring for wildlife product listings on eBay (the results are included in their published reports). IFAW also supports eBay’s work through: assisting in the identification of ivory, other wildlife product postings and associated traders, which results in greater effectiveness of filtering of postings that attempt to avoid detection through mis-description; and making recommendations to eBay on how to stop this abuse of their policy.
Evidence suggests that online trade of wildlife products, particularly ivory, through the eBay marketplace, has generally decreased since 2008. According to eBay, the policy and its corporate enforcement has reduced overt IWT effectively, so that only a very few traders may be continuing IWT through eBay. This assessment is supported by a recent IFAW report\(^7\), which has suggested that trade in ivory through the eBay marketplace has reduced in many countries, including France, Germany, Belgium and the Netherlands (though it should be noted that there are concerns remaining from the German CITES Management Authority that ivory continues to be available on the German eBay site). eBay has also noted success in Italy and Spain. This apparent reduction in IWT reflects eBay’s policy and corporate enforcement (including through the removal of listings and banning of traders that flout eBay’s ‘Animals and Wildlife Products Policy’) and the support provided by NGOs, such as IFAW. It should also be noted that increasing obfuscation of listings may also result in fewer prospective buyers being able to identify products.

The relationship between UK enforcement agencies and eBay is positive, with the UK National Wildlife Crime Unit (NWCU) maintaining a contact point who liaises with eBay regarding investigations. Although eBay does not itself escalate investigations with enforcement authorities, eBay has provided information on traders that contravene their policies or other laws to enforcement authorities (e.g. UK Border Force), which have resulted in investigations. In January-February 2015, following information received by TRAFFIC from an eBay user, the UK National Wildlife Crime Unit (NWCU) and Preston Wildlife and Rural Crime Officers seized furs from several endangered species. The perpetrator was issued with a caution\(^6\), although it is unclear if eBay engaged with the police on this case. The mode of stakeholder engagement is important, and caution must also be taken to ensure that initiatives, such as the one described in this case study, avoid potential risks of compromising ongoing, sometimes separate, investigations by enforcement authorities. Such risks can be mitigated by effective stakeholder cooperation.

Notwithstanding the achievements outlined above, significant challenges remain. While IFAW’s recent report\(^7\) recognised the success of eBay’s policy and its enforcement of ivory cases in several EU countries mentioned above, it also noted that the same success in relation to ivory has not been observed in the UK where listings of ‘possible ivory’ have increased. This has been attributed, in part, to the larger quantities of ivory present in the UK (perhaps from previous colonial occupations of many countries) and sellers trying to circumvent eBay policies.

As a consequence eBay has introduced tougher preventative measures on their site and has taken stronger sanctions against traders who flout eBay’s ‘Animals and Wildlife Products Policy’ since the beginning of 2015. There is evidence that these measures have significantly reduced circumvention of eBay polices.

**The future**

eBay is sustaining efforts to identify disguised ivory and other wildlife products, remove listings that contravene their policies, suspend accounts of traders that flout their policies, and work with national enforcement agencies. IFAW is maintaining support for eBay’s efforts in this regard through the provision of information that increases the efficiency of filters to catch traders that seek to disguise wildlife products (including ivory). However, as mentioned above, it is important that all stakeholders work in concert to avoid potential risks of compromising ongoing investigations.

**Relevance for wildlife trade**

It is clear from research by many organisations, including IFAW and TRAFFIC (which has worked with other online market platforms in Japan\(^8\) and China\(^9\)), that global online commerce is increasingly being used to further many forms of illegal trade. This substantially increases the potential threats posed by the IWT, especially, as there are few international legal controls addressing wildlife trade that are targeted at e-commerce (e.g. CITES). The ‘Animals and Wildlife Products Policy’ established by eBay is of considerable relevance in this context for wildlife trade in the EU, particularly in relation to casual and/or opportunistic traders and buyers. eBay has demonstrated that determined corporate efforts can help to stop and prevent overt (and identified covert) IWT online. Support provided by other organisations has served to strengthen eBay’s efforts, broaden its capacity, and provide a monitoring mechanism with which to tackle IWT. Coordinated engagement with national enforcement agencies assists in criminal investigations.

An unfortunate consequence of limited wider controls targeting online IWT is that efforts by eBay and supporting agencies is simply likely to shift trade of illegal wildlife products to other e-commerce platforms that have less robust policies and enforcement (as implied by broader research conducted by
IFAW, TRAFFIC and others, and suggested in a review of the UK Control of Trade in Endangered Species (COTES) legislation\(^9\); and also to social media sites, which would require engagement with different types of corporate stakeholders (e.g. FaceBook). The efforts being made by eBay, supported by other organisations, such as NGOs and national enforcement agencies, could provide a suitable model for other e-commerce businesses trading in wildlife products to follow. Such companies need to begin by developing an appropriate and rigorous policy that, at the very least, is consistent with CITES and EU wildlife trade laws, and further engage with relevant national enforcement agencies in investigations. Companies could act together to eliminate IWT, through business-to-business engagement or business roundtables. Companies could thereby not only reduce their legal risk but also provide a safe trading environment, which would enhance their reputation, encourage consumer- and trader-confidence, and ultimately increase online sales.

Conclusions

- It is important that e-commerce companies have a strong, clear and accessible wildlife trade policy.
- While the policy forms the basic structure, active corporate enforcement of the policy (e.g. through removal of listings and the banning of persistent offenders) is vital to prevent illegal trading. However, such efforts should include national enforcement agencies, as they are responsible for possible criminal investigations.
- Collaborative efforts by all stakeholders, including NGOs and through business-to-business cooperation, can assist in both policy development and its enforcement.
- Capacity building is a crucial element to ensure success. A range of capacity-building activities can be conducted by various stakeholders, including enforcement agencies and NGOs. Such efforts could include supporting businesses in understanding key wildlife issues, species and product identification, and national regulations and legislation.
- Continued monitoring of IWT online will map changes in IWT patterns, including both online marketplaces and social media sites. Patterns in IWT will dictate how business, enforcement agencies’ and NGOs’ efforts should be targeted effectively.

References


3.2.3 Key insights from IWT case studies

3.2.3.1 Key insights from all cases

The IWT initiatives selected are quite varied. With the possible exception of the PCP, enforcement is a key theme. The participation of enforcement agencies acts as a driving force to varying degrees within projects, but is often of primary importance. Hence, legal (and associated reputation and financial) risks associated with the wildlife trade are major motivations for business engagement in many initiatives.

Active multi-stakeholder collaboration is also a common element (with the exception of the live-reptile trade case study). In each of the case studies where multi-stakeholder collaboration was apparent, the specific roles of the stakeholders are well defined, especially those roles important for successful initiative outcomes. The role of NGOs in collaborations is or has generally been seen as supportive, although BSR (interviewed for the PCP case study) suggested that openness to share information and transparency are usually compromised in a multi-stakeholder setting due to a lack of trust.

Initiatives that demonstrate the most success to date (British Airways Environment Programme, Operation Charm and eBay) have reputational benefits as a key motivation for business participation.

Many of the initiatives are relatively recent, and resulting impacts limited. However, all case studies demonstrate outcomes that indicate some success in business sector efforts to tackle IWT.

3.2.3.2 Luxury industry – Key insights from Python Conservation Partnership

- By ensuring legal and sustainable trade, illegal trade is also addressed.
- Science-based and pragmatic approaches to trade issues can be combined to good effect.
- Aiming to secure direct recommendations for the company can also allow it to reach out to the wider industry.

3.2.3.3 Pets sector – Key insights from live-reptile trade

- A good reputation makes good business sense.
- Cooperation in the sector is limited because of the level of competition and the lack of transparency.
- A lack of industry-wide action hampers tackling the IWT.

3.2.3.4 TCM – Key insights from Operation Charm

- Monitoring and evaluation has not been not implemented, and so its success is hard to judge.
- The initiative could easily be adapted at relatively low cost for other cities/countries.
- The engagement of TCM associations/federations was key to successful engagement of TCM companies.
- The initiative involved enforcement agencies (in law enforcement), businesses and traders (in supply reduction) and consumers (in demand reduction) in a broad approach to tackling IWT.

3.2.3.5 Transport sector – Key insights from British Airways Environment Programme

- Many airlines also have policies similar to BA’s Environment Programme and assist when in a position to do so.
- Some other EU national enforcement agencies, similar to the UK Border Force, have similar activities (e.g. Netherlands) and associations.
- The network of entities involved can be quite extensive, and operate according to specific national roles but often in an informal manner (e.g. airlines help when they can).

3.2.3.6 Online trading – Key insights from eBay

- eBay’s IWT policy is broader than legally required by CITES in order to ease practical monitoring.
Strengthening cooperation with business sectors against illegal trade in wildlife

- Stakeholders (eBay users) appear generally responsive to restrictions placed on product trade and react positively.
- The involvement of NGOs has helped to identify suspected infringements in eBay policy on IWT.
- Lack of a coordinated response by NGOs, businesses and enforcement agencies on illegal listings could risk criminal investigations.
- eBay provides information to enforcement agencies on request, but does not actively escalate cases on its own.
- Recorded cases of ivory, which is the most traded wildlife product on national eBay marketplaces, have decreased in recent years, with the exception of the UK where they have increased.

3.3 Task 1c: Analysis of existing models used in other areas of EU policies against illegal trade

3.3.1 Initial review of existing initiatives

The evidence in relation to each initiative has been tabulated (Appendix 7). At this stage further initiatives may yet be identified.

3.3.2 Case studies

The final list of case studies that have been progressed is provided in Table 4. Current findings in relation to each of these case studies are detailed below. Copies of all interview notes that have approved by respondents are recorded in an Addendum.

Table 4: Case studies of business initiatives to prevent illegal trade

<table>
<thead>
<tr>
<th>Case study</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Kimberley Process (KP) Certification Scheme</td>
<td>Diamonds</td>
</tr>
<tr>
<td>2  EC Memorandum of Understanding on the sale of counterfeit goods via the Internet</td>
<td>Online trading</td>
</tr>
<tr>
<td>3  Biodiversity in Good Company</td>
<td>Cross-sector</td>
</tr>
<tr>
<td>4  European Business and Biodiversity Platform</td>
<td>Cross-sector</td>
</tr>
<tr>
<td>5  Global Business Coalition Against Human Trafficking (gBCAT)</td>
<td>Cross-sector</td>
</tr>
<tr>
<td>6  World Economic Forum (WEF) – Partnering Against Corruption Initiative (PACI).</td>
<td>Cross-sector</td>
</tr>
<tr>
<td>7  Courier companies</td>
<td>Cross-sector</td>
</tr>
</tbody>
</table>

3.3.2.1 Diamonds – Kimberley Process

Introduction

Conflict diamonds (often referred to as blood diamonds) are diamonds that have been traded to fund wars. They were first exposed by Global Witness in 1998, which identified that the diamond trade was a funder of civil war in Angola. Southern African diamond-producing states met in Kimberley, South Africa in May 2000 to eradicate the trade in conflict diamonds. The UN followed this industry lead by adopting a resolution in December 2000 to create a certification scheme for rough diamonds.

The Kimberley Process Certification Scheme (KPCS) was established in 2002 after negotiations between key stakeholders and came into force in 2003. This is a well-known initiative that appears to have been successful in eradicating an illegal trade within a sector. The buy-in from multiple stakeholders and the level of success that has been reported are of particular interest.
As part of this case study, the project team spoke to Feriel Zerouki, Head of Government and Industry Relations at the De Beers Group of Companies. A number of other stakeholders were approached but, unfortunately, opportunities for further interviews were not forthcoming.

Stakeholders

The Kimberley Process (KP) has 54 participants representing 81 countries, including nation states and economic integration organisations. All these participants are able to trade in rough diamonds. The World Diamond Council (of which De Beers are Member) represents industry, as one of the pillars of the KP alongside governments and civil society. De Beers has been actively involved in the KP since its inception.

The KP organises two meetings a year: a plenary and an intersessional. Working groups meet at each meeting to discuss rules and procedures, or statistics surrounding the KP. Government, industry and civil society attend these working groups to discuss the agenda points and issues raised throughout the year. On an ongoing basis, the chairs of the working groups set up conference calls.

Global Witness was a key observer to the process at the inception of the KP, but withdrew their support in 2011 after the Kimberley Process certified exports from a mine in Zimbabwe. Partnership Africa Canada has played a significant role within the KP and remains involved in the process.

Participants in the KP process appear to be engaged and committed to the process. The requirement for full consensus on KP decisions forces governments to engage fully in the KP process. Achieving consensus is both an advantage and a disadvantage for the KP. It means that decisions take time and it forces difficult conversations, but also means that there is considerable buy-in from governments. Without full consensus, there is a risk of isolating countries and leaving them behind.

All members of the United Nations General Assembly voted to support the process. It was the first instance of industry cooperating with the UN, governments and civil society to address a humanitarian issue.

Objectives of the initiative

The objective of the KP is to stem the flow of conflict diamonds. This is a very narrow focus which is seen as a key strength of the KP, as it enables buy-in from participant countries and companies.

Motivations

The motivations for joining the KP are quite clear. Companies require a Kimberley Process certificate in order to export rough diamonds to participant countries. Hence, securing KP certification is fundamental for diamond companies and exporting countries.

De Beers got involved in the KP from the start because it was the right thing to do. De Beers took action when the horrors of conflict diamonds were brought to its attention, and diamond products (not De Beers directly) were associated with funding conflict. Action was led from the top of the company.

De Beers also wanted to protect the legitimate diamond trade from the reputational damage caused by conflict diamonds. De Beers was considered a market leader and the industry looked to the company to see how it would deal with the issue.

De Beers has gone beyond the requirements of the KP by establishing a programme called the ‘Best Practice Principles’, which is rolled out throughout the supply chain. De Beers employs auditors every year to ensure that movement of rough diamonds adheres to the KP.

Achievements

The KP was intended to create a regulatory framework for the trade in rough diamonds and was successful in doing so. The KP now claims less than 1% of diamonds are conflict diamonds. The KP has been extremely successful, especially given the difficulties of organising so many different players (across governments, civil society and industry).

It has been argued that the achievements of the KP are undermined by poor reporting and a lack of transparency when non-compliance is present. This undermines assurances that 99% of diamonds are conflict-free and, together with the withdrawal of Global Witness from the KP, calls the success of the KP into question. It is beyond the scope of this study to fully assess the impact of the KP but it is important to note that detractors exist.
The future

The KP is seeking to engage with more countries to address the 1% of diamonds that do not fall under the KP. Another task is to expand the definition of conflict diamonds to include other issues, as desired by civil society and expected by consumers. This will be a difficult process of negotiation. Particular wording and definitions were agreed for conflict diamonds at the inception of the KP and these need to be updated.

Relevance for wildlife trade

A key aspect of the KP is that companies cannot trade with participant countries without KP certification. This has resulted in extensive buy-in from the UN, governments and industry. It means that, unlike with other voluntary certification schemes, the KP is an absolute requirement for countries and companies looking to trade with participant countries. This has many potential synergies with implementation of CITES.

Some of the issues raised by conflict diamonds and addressed by the KP overlap strongly with the IWT. The link between IWT and security is of increasing interest to many parties and may encourage further action against IWT, as with conflict diamonds. IWT has also been addressed at a UN level (e.g. Resolution A/RES/69/314 on ‘Tackling the illicit trafficking in wildlife’, and Security Council sanctions on the Democratic Republic of Congo for its ivory trade) but without the resultant industry engagement seen with the KP.

The relevance of transposing the KP to the wildlife trade is dependent on the characteristics of conflict diamonds, which are:

- Illegal and/or unethical products infiltrating a legal supply chain;
- Traded on an extremely large scale, which is hugely important to exporting countries that fulfil solid demand from importing countries;
- Subject to action at a UN and national level due to the horrors supported by conflict diamonds and the scale of the issue.

The closest similar wildlife trade sector is the timber industry due to its scale and the types of issues faced. There is existing analysis of whether a KP-like initiative could be applied to the timber trade (IRIN, 2010) but the benefits over and above CITES are unclear.

It is also important to emphasise the importance of the KP’s narrow focus on conflict diamonds, which has been cited as a source of its success. Any initiative which seeks to replicate the KP should not have too broad a target.

References

3.3.2.2 Online trading – EC Memorandum of Understanding on the sale of counterfeit goods via the internet

Introduction

The EC Memorandum of Understanding (MoU) on the sale of counterfeit goods via the internet \(^1\) came about after meetings between rights holders and internet platforms in 2009 and 2010 \(^2\). This followed on from the EC stating that it favoured voluntary approaches between stakeholders to tackle counterfeiting \(^3\). The MoU commits signatories to undertake particular actions and procedures to prevent and tackle the listing of counterfeit goods online. It provides an example of the EC driving an agreement between two private parties to tackle an illegal trade and, therefore, an interesting case study.

As part of this case study, the project team spoke to Helge Kleinwege, Legal Officer in the EC DG for Internal Market, Industry, Entrepreneurship and SMEs, Chris Sherwood, Head of Public Policy at Allegro Group (party to the MoU as an internet platform), and to a representative of a multinational company that did not wish to take part in the study (party to the MoU as a rights holder).

Stakeholders

Rights holders (e.g. Nike, Burberry, Lego, Motion Picture Association) and internet platforms (e.g. Amazon, eBay) are signatories to the MoU. During the initial assessment period signatories met regularly to discuss various issues including operational circumstances. A total of 33 companies and trades associations signed the MoU; together covering 39 internet sites \(^3\).

The EC facilitated development of the MoU but is not a signatory to it. The EC provides administrative and logistical support \(^2\). It is the work of one part-time person to administrate the ongoing activities of the MoU \(^3\).

Reaching agreement between parties was not easy. The two sets of stakeholders had agreed to set aside interpretations of the law, but with large legal teams and ongoing litigation between parties discussions were difficult \(^4\). Internet platforms were hesitant to agree to anything that would result in a general monitoring obligation (as allowed under the e-commerce directive) but rights holders believed internet platforms should do everything in their power to prevent infringement of intellectual property (IP) \(^3\). Discussions were held in Brussels which was seen as the most convenient location for all parties \(^4\).

Now that the MoU is in place, bilateral meetings are held twice a year between MoU signatories to discuss issues relating to the implementation of the MoU \(^3\).

Objectives of the initiative

The EC launched the process because it felt something had to be done to tackle the sale of pirated and counterfeit goods on the internet \(^3\). The MoU establishes a code of practice for its signatories, which aims to promote trust in the marketplace \(^3\).

Motivations

For rights holders, the motivation for getting involved lies in profit. The MoU provides the means of preventing infringement of their copyright. For internet platforms, the motivation could come from a moral obligation to co-operate with the MoU, as counterfeit goods are being sold on their platforms, as well as the reputational risk associated with having illegal products on their platform \(^3\). These motivations were underlined by the EC exerting political pressure on potential signatories to meet and agree an MoU \(^3\). Signatories to the MoU also recognised that “cooperation is much better than litigation” \(^5\), which is unappealing to business.

Achievements

Measuring successes and achievements has been difficult because no monitoring and evaluation framework was established at the start of the MoU process and it is difficult to implement key performance indicators (KPIs) ex ante \(^3\). But the MoU has been identified as significantly reducing the time it takes to take down counterfeit goods from internet platforms \(^3\).

An EC report to the European Parliament in 2013 on the functioning of the MoU found that it works but that vigilance is still required from all signatories \(^2\). It was recommended that the MoU should continue for another two years with an extension to its membership. Rights owners have said a lot of counterfeiting activity has moved to social media sites \(^4\). The extent to which this is a result of the MoU is difficult to ascribe when coupled with the general trend in online activity towards social media.
Mutual trust was identified as a significant contributor to the success of the MoU. Other factors identified include:

- Clear incentives for signing the MoU;
- Safeguards that provide legal certainty for each signatory;
- A very focused initiative with a clear objective;
- High commitment from stakeholders;
- Flexibility to allow for a change in circumstances.

Chris Sherwood of Allegro reported that initial discussions were held behind closed doors with no journalists present which was a valued approach. The threat of media exposure was used by the EC as a “stick” to encourage agreement on the text of the MoU.

The EC had a valuable part to play in the signing of the MoU. The EC provided strong leadership at a senior level, which meant that senior staff in stakeholder companies became engaged. According to Chris Sherwood of Allegro, the EC did a great job of drafting the text, knowing when to contribute and to step away from discussions.

The future

The MoU will try to reach out to new signatories but this is complicated by the lack of transparency that surrounded the initial MoU. New signatories may be reluctant to sign something that they did not shape, and the MoU contains certain clauses (e.g. a moratorium on litigation against internet platforms) that means the MoU is unattractive to new signatories. Another key task is to determine the success of the MoU through the development of KPIs.

The EC in its 2013 assessment of the MoU in 2013 considered that its text did not need to be amended. However, it did propose that potentially the EC role could be extended from a basic facilitator role to a remedial mediation function.

Relevance for wildlife trade

The most obvious area of relevance for the IWT of an EC-led MoU is online trade. IFAW already works with a number of internet platforms to prevent IWT (see Section 3.2.2.5, eBay case study). However, this case study highlights a number of key issues that may not have been considered.

Protecting rights holders’ copyright is the fundamental driver for their involvement in the MoU. They are able to justify deploying significant resources in monitoring internet platforms for counterfeit items because their copyright is being infringed. However, in the case of the online wildlife trade, it is unclear who has the motivation, beyond NGOs who have limited resources, to monitor internet platforms for IWT items.

The EC played a key role in getting the MoU established. It exerted political pressure and the threat of media exposure on parties and plays a convening and administrative role for the MoU. This suggests that the EC can play an active role in establishing agreements between parties.

Establishing KPIs from the outset for EC-led initiatives is key to providing assurances that evidence-based policy has been pursued. KPIs were not identified before the MoU was progressed and it has since been difficult to gain agreement to KPIs. In addition, it is vital to make sure that early engagement in any initiative is transparent to ensure later entrants understand the implications of becoming a signatory.

The possibility of replicating this MoU with regard to the wildlife trade raised general concerns from Chris Sherwood of Allegro that the potential burden of complying with too many such initiatives could undermine an internet platform’s business model. Hence, any problem to be tackled should be clearly defined and quantified before seeking to establish a new MoU. In common with other case studies, the MoU’s narrow focus has been cited as a key reason for its success.

References


3.3.2.3 Cross-sector – Biodiversity in Good Company

Introduction

The ‘Biodiversity in Good Company’ initiative was launched during the 9th Conference of the Parties (CoP) to the Convention on Biological Diversity (CBD) in Bonn, Germany, May 2008, by the German Government (Federal Ministry of Environment). When public funding ended in 2011, companies decided to sustain the initiative on their own. The ‘Biodiversity in Good Company’ initiative is now a company-driven registered association. ‘Biodiversity in Good Company’ contributes to increasingly integrating the private sector into the implementation process of the CBD.

The initiative is a platform for member companies to learn from each other and discuss how to improve their biodiversity management. By signing the initiative’s Mission Statement and Leadership Declaration, the companies commit themselves to:

1. Analyse corporate activities with regard to their impacts on biological diversity;
2. Include the protection of biological diversity within their environmental management systems and to develop biodiversity indicators;
3. Appoint a responsible individual within the company to steer all activities in the biodiversity sector and to report to the Management Board;
4. Define realistic, measurable objectives that are monitored and adjusted every two to three years;
5. Publish activities and achievements in the biodiversity sector in the company’s annual, environmental, and/or CSR report;
6. Inform suppliers about the company’s biodiversity objectives and integrate them accordingly;
7. Explore the potential for cooperation with scientific institutions, NGOs, and/or government institutions with the aim of deepening dialogue and continuously improving their corporate management systems vis-à-vis the biodiversity domain.

In developing this case study, the project team spoke to the Managing Director of ‘Biodiversity in Good Company’ and one of the first co-ordinators of the initiative.

Stakeholders

Businesses are members, and are the primary target group. Communications are also targeted at wider stakeholder groups (society, politicians, NGOs). The initiative’s members are small-, medium-, and large-scale companies, primarily from Germany, Brazil and Japan. In the Mission Statement and Leadership Declaration, members pledge to integrate the protection of biodiversity into their corporate management systems. Currently, 26 companies are members of the initiative. There are ongoing efforts to attract new members, continue the dialogue, and enhance biodiversity management across the broad spectrum of businesses that are part of the initiative.

Objectives of the initiative

The primary objective is to integrate biodiversity into the business operations of member companies. This is achieved by:

- Encouraging companies to integrate biodiversity and ecosystem services into their environmental and sustainability management systems and practices;
- Supporting individual companies’ commitment and gaining new members;
- Participating in the development of biodiversity business cases and practical business opportunities for action;
- Serving as a platform for learning from each other ‘in good company’ on how to improve biodiversity management;
- Providing exemplars and working together to develop public awareness that mobilizes businesses’ potential for innovation;

• Engaging in national and international dialogue with civil society and governments and forging new alliances to achieve common goals.

In order to increase awareness about common responsibility, catalyze ecologically-sound solutions and foster environmental alliances, members of the initiative cultivate and engage in a dialogue between business, politics, science, NGOs and society on a national and international level.

**Motivations**

The primary motivation for companies signing the Leadership Declaration is to minimize the impact of their operations on nature, to include biodiversity in environmental management systems, and regularly report on their achievements. Improving the image of their business and strengthening public relations were also mentioned by respondents as a strong reason to be part of the initiative.

According to experience built up so far, it has been easiest to address companies that have:

- Biodiversity as a part of their corporate identity (e.g. natural products);
- Very direct impacts and manage the land (e.g. pit and quarry industry);
- High dependencies on biodiversity and ecosystem services (e.g. the food industry);
- Critical resources and huge challenges in supply chain management (e.g. retail).

Currently, risks are often stronger drivers than opportunities for companies. Heidelberg Cement is an example of a company that wanted to introduce strong biodiversity management. Its reasons were that:

- It wants to be seen as a positive force in the conservation of biodiversity;
- It views promotion of biodiversity during and after quarry operations as an important contribution to long-term resource sustainability.

However, in many cases, there is no direct “business case” for biodiversity, therefore, there is little motivation for companies to take action.

**Achievements**

The initiative has been successful in raising awareness and securing greater commitment from business to biodiversity conservation.

It is a pioneering initiative that was the first of its kind. Publicly funded in the first phase, it was a challenging and successful step to transform it into a member-driven association. This resulted in well-structured, although small organisation (with 1.5 employees).

During CBD COP10, the creation of other national Business and Biodiversity Platforms was agreed. The CBD’s Secretariat is helping to facilitate the process, the CBD’s Global Partnership for Business and Biodiversity is now established, and a number of national platforms have since been created. Nevertheless, there are a number of features that are unique to the German initiative, including regular reporting every two years. In addition, it is one of only a few initiatives that charges members a fee in order to sustain the organisation. The Leadership Declaration guarantees a minimum commitment and actions, although the actions taken depend on choice and capacity of the company.

**The future**

Meaningful interactions between the company network and the Ministry for the Environment, and broader dialogue involving the federations, was started in 2013. There are ongoing efforts to recruit new members and to continue to raise awareness of biodiversity and share best practice among the member companies.

**Relevance for wildlife trade**

At the moment there is limited direct overlap with the wildlife trade. No concerns about IWT have been raised directly by the coordinators. Some companies, however, claim to have taken their own steps with regard to wildlife trade, but these seem to be individual efforts at the moment. However, the initiative does provide some key insights for preventing the IWT. As identified, the motivation for joining such an initiative is strongest in those industries that have a direct tie to the issue at hand (in this case biodiversity), be it through dependence on the supply chain or having a significant impact on the issue. With such strong motivation to tackle an issue, businesses can act independently, as they do so here to make real progress in committing to operational changes.
Although led independently by the private sector at present, the role played by the German Government in supporting the initiative in its initial phase should not be underestimated. The initiative also aligns itself with the CBD and, although the benefits of doing so are not immediately apparent, the opportunity to take part in an international process may attract businesses and mean that more support may be available to the initiative.

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3.3.2.4 Cross-sector – European Business and Biodiversity Platform

Introduction
Following on from CBD decisions with regards to business and biodiversity in 2007, the EC expressed commitment to launching a multi-stakeholder Business and Biodiversity Platform (B&B). The Platform became operational in late 2009. It was established and managed for the first three years by a consortium led by the IUCN Regional Office for Europe. After Phase 1 (2009-2012), the EC took over the management and coordination roles and currently coordinates the Platform.

As part of this case study, the project team spoke to the coordinator of the initiative (who spoke in a personal capacity) and a corporate/NGO member of the initiative.

Stakeholders
Businesses are members and the primary target group. Communications are also targeted at wider stakeholder groups (society, politicians, NGOs). All members have the opportunity to comment on the outputs and the work of the B&B Platform. Currently, there are about 250 members with new members joining on a monthly basis. Most importantly, many of the multinationals and SMEs are actively working with the EC to deliver the Platform's workstreams. There are various levels of membership: full membership; associate membership; NGO membership; etc.

Objectives of the platform
The B&B Platform has an important role to play in delivering on the objectives of the EU Biodiversity Strategy to 2020. Taking into account the present policy context, the range of activities internationally and in MS, and the experience gained from the first phase, the activities of the B&B Platform in Phase 2 are focused on:

- Providing an EU-level forum for a sustained and strategic dialogue concerning the delivery of objectives under the EU Biodiversity Strategy to 2020;
- Working with business to develop tools and approaches that promote the integration of biodiversity considerations into business practice;
- Supporting actions being undertaken by MS by encouraging and promoting potential synergies between different national actions and between the EU-level and the national level;
- Promoting better communication, increased awareness and improved co-ordination in relation to business and biodiversity activities.

In contrast to the first phase of the B&B Platform, which focused on six priority sectors (agriculture and food supply, forestry, extractive industries, tourism and the financial sector), the Platform is currently open to all business sectors, NGOs and national authorities.

Phase 2 of the B&B Platform is taking a different approach from the previous phase in terms of business engagement. The EC is working with businesses on three workstreams in order to deliver tangible results. These include:

- Accounting for Natural Capital;
- Innovation for biodiversity and business, and
- Access to finance and i-financing mechanisms for biodiversity-related business activities.
To encourage strategic dialogue, the Platform established a Bureau of Advisors aiming to bring together high-level representatives of companies, MS, NGOs and EC services in order to steer the work and make strategic recommendations on the Platform’s activities.

**Motivations**

Primary motivations for corporate engagement are:

- Improved brand/image and corporate responsibility (how consumers see them);
- Risk management (to reduce supply chain risks; also to be prepared in light of future regulations).

Management of biodiversity risks are of particular importance for companies with a large environmental/biodiversity footprint, such as aggregates and building materials industry.

Some service providers (e.g. Earthmind EURL; a specialized biodiversity consultancy) see the Platform as an opportunity to expand their business contacts and to develop their operations and services.

**Achievements**

The key outputs of the Platform include:

- The Platform website, which provides information in relation to the priority sectors regarding the introduction of biodiversity, challenges, benefits, stakeholders, best-practice examples and guidance, and how to integrate biodiversity into business activities.
- Newsletters for the registered stakeholders.
- A series of sector-specific workshops, hosted by the EC in Brussels, to provide the Platform’s participants with the opportunity to present their best case studies, discuss the principles of best-practice implementation and to discuss criteria for benchmarking and award schemes.
- Sectoral guidance documents, which include the development of best-practice guidance concerning the main risks, responsibilities and opportunities for companies in relation to nature and biodiversity conservation.
- Sectoral work plans for the coming years, which describe the tasks for the further development of the Platform through an integrated and coordinated approach.
- A review of international award schemes recognizing excellence in business performance for each priority sector while focusing on environmental performance. Based on this review, a proposal was prepared for the EU Business & Biodiversity Platform Award Scheme.

Membership in the EU B&B Platform gives organisations a number of benefits, including:

- Recognition, improved brand identity and business reputation through opportunities to showcase activities at the EU-level and participate in pioneering work in the workstreams. Demonstrating that companies are a pioneer in environmentally responsible activities. Full members are able to use the B&B logo on their materials.
- Risk Management – manage supply chain risks through sustainable sourcing of supplies. Ensuring that companies are pioneering environmental sustainability in order to reduce risks related to possible future legislation.
- Opportunities to directly engage with the EC.
- Opportunities for networking with peers and mutual learning through sharing experiences, networking and collaborating with like-minded organisations.
- A quarterly newsletter focusing on progress and outputs from the workstreams, signposting new content on the Platform’s website, and links to other relevant developments.
- Links to other networks at the national and international level.

A strength of the B&B Platform is the compilation and sharing of good practice. The Platform also seems to have a reasonable degree of success with the financial sector, which is otherwise difficult to address when the focus is on biodiversity (i.e. it is technically complex subject, which is not normally a competence of the financial sector).
The future

For the near future, it is envisaged that the B&B Platform will continue with the current workstreams into 2016 with a slightly different focus whilst maintaining its overall thrust. The Platform will plan the workstream activities for 2017 onwards, which will be decided together with its stakeholders.

Relevance for wildlife trade

The IWT has never been a specific issue for the B&B Platform to address, but the promotion of sustainable and legal trade of biodiversity goods and services certainly has been a key focus of the Platform.

The Platform is a good example of a European-led initiative that provides best practice for businesses looking to improve their biodiversity standards.

References

3. Interview Report Frank Vorhies.

3.3.2.5 Cross-sector – Global Business Coalition Against Human Trafficking

Introduction

The Global Business Coalition Against Human Trafficking (gBCAT) is a private sector coalition working to tackle the issue of human trafficking in supply chains. It is a high profile coalition with members from large multinational corporations that was cited by President Obama in a speech against human trafficking.

gBCAT is an example of a business-only initiative with NGOs deliberately excluded; an interesting model to consider as part of this study.

As part of the research for this case study, the project team spoke to Robert Rigby-Hall, Co-Chair of gBCAT.

Stakeholders

The corporations involved in initiative are: Manpower Group; Microsoft; Travelport; Coca-Cola; Ford; Cision; Delta; Carlson; NXP; LexisNexis; and Hilton.

gBCAT holds four meetings per year: two are face-to-face; two are by phone. Members of gBCAT committees also talk regularly by phone. Members of the coalition are charged a fee, which varies according to the size of the company.

As a strictly business-led coalition, it has caused concern among anti-trafficking groups, as "Corporations lack the 'skills and knowledge' to address the problem's root causes." gBCAT decided not to have NGOs as members, but it does intend to have an advisory board of NGOs in the future. The premise of the coalition was for corporations to come together to talk about a topic that is a very emotional issue. It is felt within gBCAT that NGOs have a simplistic view that does not take into account the logistical or operational difficulties associated with tackling human trafficking in supply chains.

Objectives of the initiative

The initiative came about in 2010 when a group of employees of LexisNexis (global online legal, tax and regulatory content, and technology company) were looking to tackle rule-of-law issues. The group engaged with the ex-U.S. Ambassador at Large, directing the Office to Monitor and Combat Trafficking in Persons, and together began speaking to companies that would be interested in coming together and tackling the issue of human trafficking.

The central idea of gBCAT was to create a safe haven for companies to speak about the issues surrounding human trafficking and what they are doing about it without feeling under attack from NGOs and the press. There were three priorities for the initial group of (c.10) companies:
Strengthening cooperation with business sectors against illegal trade in wildlife

- Raising awareness and providing training;
- Combating human trafficking for sex in the travel and tourism;
- Combating human trafficking in the supply chain.

Now, gBCAT states its mission is: “To mobilize the power, resources and thought leadership of the business community to end human trafficking, including all forms of forced labor and sex trafficking”\(^5\). This is to be achieved through provision of operational guidance, best practice and details of how human trafficking affects business. It also aims to provide networks between businesses, NGOs and government for knowledge-sharing purposes.

gBCAT has four areas of focus:

- **Supply chains**
  This work is organised through a subcommittee whose mission “is to reduce risks of human trafficking in business operations by exchanging best practices and sharing information among companies, and by developing tools to prevent, detect and eradicate forced labor in supply chains”\(^6\). The subcommittee is working on a supply-chain toolkit, which includes a policy assessment tool, a tool for assessing product risk to forced labour, and strategies for mapping supply chains\(^5\).

- **Sex trafficking**
  A subcommittee on sex trafficking has a mission “to develop innovative policies and tools to address sex trafficking, especially in the travel and hospitality industry”\(^5\). The subcommittee is working on a Sex Trafficking Toolkit including strategies to detect sex trafficking, policies for how to handle such instances amongst other activities\(^5\).

- **Human trafficking and training**
  gBCAT provides training materials and operational guidance for business to understand the impact of human trafficking on their business. gBCAT planned to develop extra modules to the Microsoft human trafficking e-learning tool\(^5\).

- **Communication and outreach**
  gBCAT seeks to collaborate with governments, NGOs and international organisations. It also organises forums and conferences\(^5\).

**Motivations**

Robert Rigby-Hall was a founder of the initiative and was of the opinion that migrant and slave labour was difficult to stop unless corporations got involved, which was a key motivation behind establishing the initiative\(^3\).

In joining the initiative, companies have recognised that not only is tackling human trafficking in supply chains the right thing to do but it can also help them meet legislative requirements and act as a market differentiator. Robert Rigby-Hall suggested that companies were also following the example of Apple when they worked hard to tackle human rights issues in their supply chains after receiving bad press\(^3\).

**Achievements**

gBCAT is a safe place for companies to come together and talk about an emotionally-charged topic that could potentially result in bad PR. Robert Rigby-Hall advocated that it is a great place to share and get information on tackling human trafficking and for businesses to test what they are doing with other organisations\(^3\). He cited a particular example of a business that was unsure of how to deal with an issue regarding workers’ rights in Asia but which found a solution through working with another gBCAT member\(^3\).

The achievements of the initiative are not well publicised. The gBCAT website is not updated regularly and outputs from sub-committees have not been published.

**The future**

gBCAT initially decided not to hire an executive director, which Robert Rigby-Hall said was recognised as a bad decision. Businesses are busy with competing priorities. gBCAT has now hired an Executive Director, which will bring focus to gBCAT and drive the initiative forwards\(^3\).

gBCAT has not actively recruited new members of the coalition but this a planned for the second half of the year. gBCAT sub-committees each have a future work plan.
Relevance for wildlife trade

Human trafficking potentially affects all companies that employ people and is of particular concern for those companies with long, international supply chains. This large potential pool of companies with interests in the issue is reflected in gBCAT’s membership including some of the world’s largest companies. The target companies for an initiative tackling wildlife trade will be a lot smaller. Would a similar business-led initiative work at the scale of sectors within the wildlife trade?

Human trafficking and IWT may operate using similar criminal networks and some criminal groups may be operating in both areas. Thus, action to tackle these criminal networks in one area may have an impact on the other.

Providing a confidential space for businesses to discuss issues in their supply chain is an interesting model. gBCAT was driven by the feeling that business engagement is promoted if companies do not feel pressured and chastised by NGOs. This does not necessarily imply that any initiative to tackle the IWT should deliberately exclude NGOs, NGOs are a source of valuable information and resources. However, it does suggest that any engagement with business should be sensitive to the fact that companies value confidentiality and the freedom to speak about issues within their own supply chain without fear of criticism.

It was considered to be a mistake not to hire an executive director at the beginning of the initiative. This is a valuable insight for any initiative that could be taken forward. Without dedicated resources an initiative risks losing momentum and focus.

References

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3.3.2.6 Cross-sector – World Economic Forum Partnering Against Corruption Initiative

Introduction

The World Economic Forum (WEF) Partnering Against Corruption Initiative (PACI) is the leading global business voice on anti-corruption and transparency. Nearly 100 companies are party to this cross-industry initiative, which brings together business leaders, governments and international organizations committed to addressing corruption, transparency and associated risks on a global platform.

PACI signatories agree to PACI Principles for Countering Corruption. This includes a commitment to zero tolerance of bribery and corruption. PACI has also established PACI Vanguard for those CEOs with aspirations to tackle corruption beyond that which is set out in PACI Principles.

This case is of interest to this study because it achieves buy-in from business at the CEO level. It is a well-publicised initiative that has been running for a number of years.

As part of this case study, the project team interviewed Pedro Rodrigues de Almeida, Head of the Basic Industries Directorate at the World Economic Forum (WEF) and the Head of Transparency International’s Business Integrity Programme, who spoke from her perspective as a board member of PACI.

Stakeholders

Established in 1971, the WEF seeks to promote public and private cooperation through collaborative efforts. It holds annual (notably at Davos) and regional meetings. It also has a number of communities, networks and centres, which promote the ‘unique value’ of the WEF. PACI is considered to be one of the strongest collaboration projects in the WEF.
PACI undertakes high-level engagement with governments, business and civil society in “high-growth markets” to tackle corruption. Philippines and Nigeria had PACI “strategic dialogues” in 2014.\(^2\)

The WEF interacts with the B20 Coalition, which brings together leading independent business associations (representing more than 6.7 million small, medium and large companies) from G20 economies. PACI is one of the network partners on the B20 taskforce on transparency and anti-corruption.\(^1\)

The WEF hosts the PACI initiative and employs a dedicated team of three people to work on it full time.\(^1\) WEF resources are supported by other individuals or organisations on a case-by-case basis. The WEF also holds events alongside other organisations with a focus on drawing in stakeholders from government and civil society.\(^1\)

Notably, PACI actions are taken at the highest levels within the business sector. The CEOs of signatories commit to the PACI Principles, and this reflects the weight given to the initiative.\(^1\)

Objectives of the initiative

Corruption is an important issue that affects the business community, and was the primary impediment to conducting business in 22 out of 144 economies in 2013-14, according the WEF Global Competitiveness Report.\(^2\)

PACI was formed in 2004 originally by CEOs from WEF Engineering and Construction, Metals and Mining and Energy Industries before it was expanded to all WEF members with the aim of creating a level playing field for all business.

PACI’s objectives have been listed as follows:\(^3\):

- To create a common language on corruption and bribery valid for all industries;
- To provide a platform for top-level commitment from companies;
- To support companies in implementing their commitment and to work on appropriate means for compliance and verification.

Rodrigues de Almeida stated during interview that the role of the initiative is not to control and monitor but to create a community that is engaged, to raise awareness of the issues through the B20, and to ensure they are speaking to the right people.\(^1\)

Motivations

Companies’ motivations for joining PACI may include:

1. Self-interest to help create a world without corruption that allows them to expand to more markets.
2. The altruistic opportunity to support the eradication of corruption in poorer countries and, thereby, promote economic development.
3. The potential to enhance its reputation of a company through the caché of the WEF and the involvement in a worthy cause.

Achievements

Rodrigues de Almeida suggested that, with its community-building goals, it is difficult to measure PACI’s successes or achievements and that in his opinion quantitative metrics are not that important. However, one indication of success is that the initiative it has been running for 12 years.

The future

The original idea was to create a safe space for discussion and a level playing field across the different sectors where PACI was called upon to intervene. However, Rodrigues de Almeida suggested that the private sector is now well placed in creating compliance programmes and, therefore, does not require PACI for that specific purpose. Therefore, he felt that PACI needs to look to other areas where WEF could make a big difference, which could include an advocacy role. He also suggested another challenge is localising efforts at a national and regional level.\(^1\)

Relevance for wildlife trade

Corruption can affect all international business and, hence, receives more recognition than IWT. It could, therefore, be challenging to gain the same traction with WEF from the same number of CEOs in relation to the IWT.
A particular strength of PACI has been the caché of WEF, which has been key to attracting business. It has also meant that engagement has occurred at the CEO level. Whether an organisation of similar stature to WEF could be used to attract high-level business leaders to tackle the issue of IWT requires more research.

It was suggested by Rodrigues de Almeida during the course of this case study that it is possible for a small group of committed companies to set the agenda for an industry. This could be relevant for the IWT where market leaders in industries afflicted by the wildlife trade could set best practice for those industries.

PACI has sought global engagement through the B20 Coalition, which makes recommendations to the G20. Initiatives to tackle IWT could also establish a presence at global conferences, such as CITES, which discuss IWT to provide a business contribution at these events.

It should also be recognised that corruption and corrupt institutions are key facilitators of IWT, therefore, stamping out corruption may have a positive impact on tackling IWT. These links could be utilised through a collaboration between initiatives in the separate areas of IWT and corruption.

References

3.3.2.7 Courier company case study

The project team engaged extensively with a leading courier company in order to secure their input to this study. Unfortunately, for commercial reasons they declined to take part. DG Environment was not able to identify another courier company that is taking active steps to prevent the illegal trade in wildlife and that was willing to take part in this study, so the project team was unable to undertake a case study in relation to this sector.

3.3.3 Key insights from illegal trade case studies

3.3.3.1 Key insights from all cases

The majority of initiatives provide communities or spaces where businesses can discuss best practices in tackling a particular issue. Businesses appear to value communities where they are free to speak freely without fear of criticism from NGOs.

It has been shown that a targeted focus is important for these initiatives. An initiative with too broad a scope increases the complexity in reaching agreement between parties.

All of the initiatives are voluntary although some companies are compelled to sign up (either through operational necessity or political pressure). Particularly successful outcomes have been secured where motivations for joining are tied to maximising profit (Kimberley Process, EC MoU). The motivation for joining is also particularly strong when the reputational risk associated with not doing so is large (e.g. gBCAT whose members looked to the example of Apple, and the Kimberley Process (KP) where the issue of conflict diamonds threatens the integrity of the industry).

No initiative demonstrated a clear impact on the issue it was set up to address. Business practices may have changed, but the final impact on biodiversity or corruption, for example, was not clearly demonstrated. The lack of monitoring and evaluation was a common theme in the initiatives analysed. It is beyond the scope of this study to cover this shortfall and evaluate the final impact of each initiative.

3.3.3.2 Key insights from the KP

- The KP addresses 99% of the trade in diamonds.
- Consensus is required for all decisions, as part of the KP.
- It was important for De Beers, as market leaders, to get involved to protect the integrity of the diamond trade.
• The KP has the buy-in of governments.
• The KP has been successful in cleaning an industry of a particular supply-chain issue.
• The KP’s narrow focus on conflict diamonds has helped to ensure its success.
• The engagement of De Beers, who sought to protect the integrity of the diamond industry has been key.
• The engagement of governments made it possible, as export has only been granted to those countries with KP certificates.

3.3.3.3 Key insights from the EC MoU on counterfeiting
• Discussions were difficult because internet platforms were wary of any commitment to monitor their platforms.
• EC played a purely facilitative role but did exert political pressure to get the stakeholders to meet.
• The fact that the discussions took place behind closed doors was a key attraction to businesses, but the threat of media exposure was used by the EC as a “stick” to encourage agreement on the text of the MoU.
• There was some sense that there was a moral obligation to tackle the issue.
• A lack of transparency potential deters new signatories. Attracting new signatories has been difficult because the initial agreement was made behind closed doors. Some provisions in the MoU put off some potential participants while attracting others.
• A monitoring and evaluation framework to support evidence-based policy making should be established before an MoU is signed.
• The engagement of internet platforms is vital for preventing IWT. However, while the incentive to tackle counterfeit goods is clear from the rights holders’ perspective, who would act on behalf of the rights holders in the case of the wildlife trade?

3.3.3.4 Key insights from Biodiversity in Good Company
• Although the initiative seems reasonably successful (mostly due to governmental support at an early stage and political momentum, due to Germany hosting CBD COP9), there are only 26 member companies after 8 years (declining from 42 in 2008).
• The initiative has many good aspects, e.g. a leadership declaration, membership fees, regular reporting (every two years), integration of biodiversity into environmental management systems, and annual meetings with presentations/sharing of experience.
• So far, the initiative does not directly address the IWT, neither is there a plan to discuss this issue in the foreseeable future.
• Governmental support was a critical element for establishing the initiative.

3.3.3.5 Key insights from EU Business and Biodiversity Platform
• The Platform appears to be engaged in a lower level of activity now compared with the first three years, when sectoral meetings were held, and more direct interaction with the business community took place, etc.
• The Platform’s strength of is compilation and sharing of good practice.

3.3.3.6 Key insights from gBCAT
• The private sector values the confidential space to talk without pressure from NGOs and the press.
• Businesses can go to gBCAT to get support from members who have gone through similar issues.
• There is a fee for membership of the coalition in order to support the initiative.
• A central driver of the initiative is business recognising that tackling human trafficking is the right thing to do.
• It was considered to be a mistake not to hire an executive director at the beginning of the initiative, as the initiative lacked focus.
3.3.3.7 Key insights from WEF PACI

- A strength of this initiative has been the involvement of the WEF, which attracted businesses and encouraged engagement at the CEO level. WEF has also provided a dedicated resource for the initiative.
- A small group of committed companies may be able to set the agenda for an industry.

3.4 Task 1.3d: Identification of sectors where business engagement against IWT is limited or non-existent and could be reinforced

While some sectors maintain high business inputs into tackling IWT (for example the timber sector where ‘Operators’ and traders are obliged through the EU Timber Regulation to conduct due diligence when ‘first placing’ timber on the EU market), general indications suggest that for most sectors business inputs to date have been far lower. In some sectors business engagement is beginning to increase rapidly, both within the EU and internationally, with an acknowledgement that increased efforts need to be made and planning underway to develop appropriate actions. This is particularly true for the transport and online trading sectors, though the efforts of many other sectors are acknowledged. A description of general efforts and current gaps in efforts to tackle IWT are made for those sectors that have been selected as the basis for case studies.

3.4.1 Luxury industry

The luxury industry’s use of exotic skins can be characterized by a relatively small number of actors with several luxury brands being owned by larger companies that also own skin tanneries, as well as captive-breeding facilities. Based on the research conducted for this case study, there was an increasing interest in mapping out the sourcing of python skins from 2009-10 onwards. There is evidence of business interest in understanding the sourcing and the supply chain, at least partly due to reputational concerns, which coincided with the interests of several other stakeholders from the conservation community and beyond. One of the drivers directing attention to this issue, in addition to the actual business interest, could have been the setting up of BSR’s SLWG and the research and work conducted under this global initiative. Since 2009, the SLWG has provided a platform for information sharing among several high-end luxury companies, which is likely to have catalysed wider interest and engagement in addressing the questions related to the sustainable sourcing of skins used by the luxury industry.

In parallel, bilateral discussions and relationships developed between different stakeholders, for example between ITC and IUCN BPSG through the work conducted to publish in 2012 the report (The trade in South-East Asian python skins¹). Around the same time, a general recognition of the need to address python-skin trade issues could be clearly observed among the different stakeholders, as also noted by BSR. This was marked, for instance, by the setting up of initiatives/events addressing the python-skin trade, such as the establishment of the Swiss-based non-profit organization, Responsible Ecosystems Sourcing Platform (RESP) in January 2013. RESP has an ‘International Working Group on Reptile Skins’, initially convened in 2011 under the umbrella of the United Nations Conference on Trade and Development (UNCTAD), which was reportedly the main driver of its creation. RESP, a global initiative, also has businesses as members, including from Europe (e.g. the LVMH Group, Giorgio Armani and Chanel).

Considering the context above together with the PCP case study, as an example of an initiative led by an individual business, the luxury industry has clearly been conscious of the need to address illegal and unsustainable trade in the exotic skins it uses and established several ongoing initiatives to address potential issues. In 2012, skins were the second highest CITES-listed wildlife commodity imported by volume and value into the EU (excluding caviar extract)². It is estimated that this trade was worth over EUR167 million in 2012, with reptiles representing the majority of the estimated value (92%)². However, less is known regarding private sector engagement for other luxury products, such as furs, shahtoosh, ivory and caviar.

In summary, the luxury industry’s engagement in preventing IWT is well-developed in relation to reptile skins but there is a need to:

- Ensure ongoing business engagement;
Widen the scope and out-reach of existing initiatives;
Consider the need to undertake further research into other luxury goods, which may be warranted.

### 3.4.2 Pet sector

Although the EU has been one of the main importers of live reptiles globally (the EU was the top global importer of live reptiles by value, based on legal trade data\(^3\)) and, thus, has had a responsibility to ensure that this trade is legal and sustainable, private sector engagement in the wildlife-pet sector appears low, in general. The case study explore and further research undertaken by this project suggest that, in the exotic live-reptile trade at least, there is little engagement in tackling IWT, with only a few individual companies who ostensibly operate with legality as a key operational component.

While the European Pet Food Industry Federation (FEDIAF)\(^4\) represents the pet food industry in 26 European countries via 18 national or regional pet food industry associations, the website of the European Pet Organization (EPO)\(^5\) lists 11 national member organizations, including two organizations from Norway and Switzerland, i.e. from outside the EU. EPO is described on its website as “the European organization with which national pet trade associations in Europe collaborate in order to strengthen their position on European and other international issues”. The nine EU member organizations of EPO represent the pet industry from seven MS, out of the 28 MS, which confirms that the organization of the actors in this sector is likely to be less developed than in other sectors. It is also noted that EPO is a general pet organization and is not focused on exotic pets. The same is true for the national members of EPO, with no apparent sign of working groups or specialized sections focusing specifically on exotic wildlife and related issues.

The research identified a UK-based association, the Reptile and Exotic Pet Trade Association (REPTA), which clearly focuses on exotic pets and reptiles, although it is not a formal member of EPO. According to the REPTA website, it “was formed to represent the opinions of the reptile and exotic trade with a view to ensuring that no unreasonable legislation … concerned with the campaign by extremist animal rights campaigners to end the keeping/trading of exotic species”, which highlights that this organization’s focus is on animal welfare.

The website of the Pet Trade and Industry Association (Zentralverband Zoologischer Fachbetriebe, ZZF) in Germany has several articles that deal with the keeping of exotic animals. There is also a very brief sub-page dedicated to illegal trade in wildlife\(^7\) in which “ZZF calls for the prohibition of commercial imports into the EU of wild specimens protected in the country of export” and which quotes an example from Germany, where species (rays) protected in their country of origin appeared in commercial trade in Germany.

ZZF has adopted the so-called “Heidelberger Decisions” regarding animal welfare in pet trade, which contain self-imposed restrictions regarding the trade of pets and which apply to all ZZF members. These commitments go beyond the legal requirements (e.g. to provide detailed consultations to specialist businesses/retail shops on the humane and responsible handling of pet animals). Compliance with these self-imposed restrictions is integral to ZZF’s basic programme and is, therefore, binding for ZZF members\(^6\). The specific provisions of the Heidelberger Decisions include, for example:

- A call for prohibiting price promotion/advertisement of animals, as ZZF believes that, if animals are advertised with low prices (as other commodities), this will negatively impact the responsible handling of live pets;
- A commitment not to offer any animals for sale if the business selling them cannot meet all the conditions for their keeping (e.g. dietary, “housing” and environmental conditions);
- No animals are to be sold if they have been subjected to inappropriate welfare conditions during harvesting or transport. Those animals that require special care, must be labelled as such to call the customers’ attention to the need for special skills to ensure the welfare of these animals and that these animals may not be sold before a detailed consultation has been conducted.

According to the ZZF website, the Heidelberger Decisions, originally adopted in 1991, have been updated over the years, along with the species lists in their Annexes, which restrict sale of certain species. While these guidelines currently concentrate on animal welfare considerations, these may still provide an example of an existing tool that could be expanded upon to address the IWT.

The pet sector, in general and also in Germany, has received considerable criticism from animal welfare organizations and like-minded members of the public. As a result, animal welfare issues have been
central to many of the actions undertaken by the various pet associations. For example, a lot of the due
diligence procedures adopted in this sector focus on addressing animal welfare considerations and aim
to ensure and demonstrate best practice in animal welfare. Businesses and their associations in the pet
sector appear to have built up some distrust towards engaging with civil society stakeholders, in general,
as result of these pressures.

The focus on animal welfare issues means that the awareness of existing pet associations, both at
national and EU levels, of the seriousness of the IWT and the role that the pet sector could play in
addressing it appears to be generally low and the issue little considered. However, there are signs that
it may be possible to raise awareness and promote more active engagement. In addition to the articles
on the ZZF website on illegal exotic reptile trade, the website of the Dutch pet trade association, Dibevo,
reports on a CSR Industry Plan⁹ that currently focuses on animal welfare, energy saving, sustainable
procurement and transport, conservation of water resources and transparency and communication with
society. Tools, such as this CSR plan, could be expanded to address IWT. Equally, the establishment
of specialized structures (e.g. working groups) within the existing associations could provide a first step
to ensuring greater commitment and engagement by the pet sector in addressing IWT.

If the engagement with the business sector can be enhanced, there will likely be opportunities for
addressing traceability issues, just as has been the case regarding the luxury-skin industry.

In summary, there is:

- Low awareness of the role that the sector could play in addressing IWT and bias towards
  focusing on animal welfare issues;
- Little openness of the sector to engage with ‘external’ stakeholders;
- A low level of organization within the sector
- No focused, larger-scale initiative within the sector that might act as an exemplar.

### 3.4.3 Traditional Chinese medicine

The TCM sector remains elusive to attempts to assess business engagement in tackling IWT. This
project sent emails to, and followed up with, eight major EU TCM associations and federations hoping
to engage on their, or their members’, efforts in tackling IWT. Only two replies were received stating
that the issues (illegal wildlife products) were not relevant to their operations.

The case study presented on TCM, Operation Charm (OC)¹⁰, includes an apparently rare example of
business sector engagement by TCM associations and companies. OC ran from 1995 – 2008 but has
recently seen no further activity.

OC seems to have been part of a more concerted effort to prevent the trade and use of endangered
species in TCM in the UK. In 2006 the UK Department for Environment, Food and Rural Affairs (Defra)
commissioned a detailed report on plant-based alternatives to animal ingredients in TCM, which
supported OC messaging on the prohibition of endangered species’ ingredients in TCM¹¹. Furthermore,
while the OC focused on London, the Chairman of the UK Federation of Traditional Chinese Medicine
(FTCM) stated that OC materials and messaging were provided to FTCM members across the UK, and
messaging is reiterated to this day at conferences and Annual General Meetings (AGMs). The Journal
of Chinese Medicine maintains an ‘Endangered Species Campaign’ which provides information on
alternatives to several endangered species’ ingredients in TCM¹². The Register of Chinese Herbal
Medicine (RCHM), which was established in 1987 to regulate the practice of Chinese Herbal Medicine
in the UK, also supports the prohibition of use of endangered species in TCM products and states on
their website “the RCHM has always condemned the illegal trade in endangered plant and animal
species, and our members are subject to strict rules which prohibit the use of any such material”¹³.

It is clear from the case study on Operation Charm, and the evidence provided from the TCM sector in
general, that activities related to tackling IWT in TCM have focused on awareness raising. OC itself was
an ‘active’ approach to information dissemination (including checks on traders and shops), while other
efforts appear to be more ‘passive’ and rely solely on provision of information. Since the end of OC in
2008, there has been no indication that further ‘active’ efforts are currently being pursued in the UK.

Although research has attempted to find EU-wide business efforts related to the sector, including
through internet searches and discussion with contacts, little is known about whether or not efforts are
currently being made elsewhere in the EU, particularly in relation to ‘active’ efforts. In the Netherlands,
the national Director of the World Federation of Chinese Medicine Societies (WFCMS) attended two
TCM workshops in China hosted by TRAFFIC, and stated that he would provide information on the

stopping of use of endangered species in TCM products to his members, some of whom had been using endangered species in their products. Also in China, TRAFFIC and the China Association of Traditional Chinese Medicine and China Wildlife Conservation Association have supported a concerted effort by leading national TCM companies to support national and CITES regulations on wildlife trade, and make ‘zero tolerance’ declarations on the trade and use of endangered species in TCM products.

Complementing the efforts addressing the trade in animals with sustainability and legality of trade in plants, and building around the TCM industry leaders approach, TRAFFIC together with WFCMS, Zhejiang Welcome Pharmaceutical Ltd. (Welcome) and WWF China implemented the project ‘Engaging the private sector in sustainable management of medicinal plants —the multiplier effect (abbreviated EGP MAPs)’ over 29 months finishing in July 2015. Funded under the EU-China Environmental Governance Programme, the project has contributed to the global theme of corporate environmental responsibility focusing on establishing green supply chains among TCM stakeholders.

The project used the FairWild Standard, as a best-practice framework for sustainable wild harvesting and equitable trade in plants. Eleven principles of the FairWild Standard cover social, environmental and economic aspects of sustainability, and include requirements to comply with relevant national laws. The project also worked with a CSR framework, aiming to demonstrate the success of an innovative industry-led approach to sustainable and legal use of wild resources. The EU is a major destination market for wild plants, including those used for medicinal purposes, and it is growing year-on-year. A number of companies in the EU, particularly in the UK, which manufacture herbal products, are using the FairWild certification scheme for sourcing selected wild plant ingredients, including: frankincense essential oil from Kenya; ayurvedic ingredients from India; and liquorice root from Kazakhstan, Spain and Georgia. These plants, however, often contain ‘hidden ingredients’ that consumers are unable to recognize. Even the companies’ manufacturing and retailing the products are often unaware of the extent to which the ingredients that they use are wild collected (potentially illegally) because supply chains are complex and often include multiple processors and traders. Increased awareness of industry, as well as industry associations, is needed to address the issue of potentially unsustainable and illegal trade in wild plants, thereby serving to support the survival of species and livelihoods of people.

In summary, while gaps in available information remain, general gaps appear to be:

- Detailed understanding of EU-wide TCM business sector efforts to tackle illegal trade and use of endangered species in TCM products;
- Broader development of, and accessibility to, wildlife (animals and plants) trade policies by EU TCM associations, federations, other influential TCM institutions and companies;
- Broader awareness raising on IWT, including laws, by TCM associations or federations for their memberships;
- Broader awareness raising on volume, value, and composition of wild plant species used in TCM and other medicinal products in the EU, and awareness and capacity-building for ‘best-practice’ standards, including certification (e.g. FairWild);
- Concerted collaborative efforts between enforcement agencies, TCM companies and associations, practitioners (particularly relevant to TCM sector) and NGOs in tackling the use of endangered species in TCM.

3.4.4 Transport/courier sector

3.4.4.1 Transport companies

To date relatively few business sector examples are available of actual development of actions targeting IWT in the EU. Engagement of transport companies in tackling IWT has been low but, globally at least, has seen a recent surge in renewed efforts, particularly in relation to air transport. At the association level, the Geneva-based International Air Transport Association (IATA), which represents 250 airlines, primarily major carriers with approximately 84% of total Available Seat Kilometres air traffic, has recently signed an MoU with the CITES Secretariat to cooperate on reducing IWT. Given IATA’s membership, this overarching agreement has the potential to translate into individual airline efforts to tackle IWT. Building on this MoU, Mr. John Scanlon from the CITES Secretariat also addressed the Air Transport Action Group (ATAG) Global Sustainable Aviation Summit 2015 held in Geneva on 29 September 2015, an event that represented the entire air transport industry. The event highlighted the role of the transport sector in the IWT, and included recommendations for airports to raise traveller awareness on transport of restricted wildlife products and associated penalties. Given the interest and current levels of engagement of the airline sector, it may be that efforts to develop concrete action with airlines initially
will subsequently fuel interest and engagement by other parts of the transport sector, such as shipping and container vessels (and associated logistics companies, see below).

More targeted efforts to address the IWT are generally focused on discussion and identification of possible actions and remain at an early stage prior to the development of concrete actions. As a general rule the issue of IWT is relatively new to the transport and logistics sectors, and little attention has been placed on this issue by EU-based airlines and, therefore, there remain clear gaps in current efforts for tackling IWT. There are several examples of international discussions that have engaged the business sector that have been undertaken, and in some cases structures have been set up to support the development of recommendations and, in the future, to develop concrete actions. Two recent international examples are a workshop held by TRAFFIC, the World Customs Organisation (WCO), IUCN and USAID in Bangkok for representatives of several airlines, logistics companies, freight forwarders and customs brokers to identify priority actions by the various stakeholders, including businesses\textsuperscript{19,20}; and a workshop in Abu Dhabi for the airline Etihad Airways\textsuperscript{21}. In 2015, a Transport Task Force was established by the UK-based United for Wildlife\textsuperscript{22}, which is a collaboration of 7 conservation organisations convened by the Royal Foundation, to address how the transport sector can assist in combating the IWT. While detailed Task Force recommendations are not expected until December 2015, both these examples, as well as others\textsuperscript{23}, have identified broad areas where there are current gaps and, therefore, where the business sector can assist efforts. These areas include: actions associated with awareness raising for both internal and external audiences; capacity building and improved procedure development; and industry partnerships, and policy and guidelines improvement to strengthen information sharing and coordination between transport sector companies and enforcement agencies. Given the international nature of the transport and logistics sectors, these areas are appropriate for the EU, as well as other regions globally.

At the individual airline level, several airlines have also separately instigated bans for some wildlife products on their planes. For example, many airlines, including EU-operators (e.g. FinnAir, Lufthansa and KLM) have blanket bans on the transport of shark fin. More broadly, numerous airlines, including EU-based operators, have put in place product embargos for CITES-listed species. However, given that several airlines have placed blanket bans on all CITES-listed products, including legal trophies, this approach does not always form part of the fight against illegal trade.

Of the three largest EU-based airlines, Lufthansa Group Cargo and IAG Cargo both refer specifically to IATA Live Animal Regulations (LAR) and CITES regulations on their websites\textsuperscript{24,25}, while KLM Cargo refers to membership of the IATA Live Animal and Perishable Board (LAPB) and the Animal Transportation Association (ATA), neither of which make obvious reference to CITES\textsuperscript{26}.

The case study presented in this report describes collaborative engagement between British Airways/IAG Cargo and the UK Border Force. This collaboration is fairly ad hoc in that cooperation regarding repatriation or re-homing of wildlife occurs on a needs basis. The collaboration is not isolated, however, and the UK Border Force engage with several airlines, such as Virgin Airways, depending on availability and flight routing. This type of collaboration is also in operation in other EU countries, for example the Netherlands, though the extent of cooperation in individual countries is unclear. The case study provides an example of where business engagement works, and also where gaps remain. British Airways engagement with UK authorities works well within the confines of the relevant policies, and is keen to assist where requested and where logistically feasible. Successful repatriation of specimens, while a rare occurrence, serves to raise awareness of wildlife trade issues. Both these examples link directly to actions identified internationally as priorities for increased engagement of businesses in tackling IWT: engagement of authorities; and awareness raising. However, in reference to the actions identified above, there is clearly more that can be done to broaden concerted efforts to tackle IWT. For example, scanning of baggage is undertaken but not specifically for wildlife products, partly as a result of capacity but also likely due to the lower perceived importance of IWT versus transportation of other prohibited goods (such as weapons, drugs, etc.).

3.4.4.2 Couriers

There is a clear overlap between the activities of transport companies and couriers, given that many couriers (such as DHL, FEDEX etc.) maintain their own cargo operations. Until very recently, efforts made by courier and logistic companies to tackle IWT have been very limited. Globally, there are now increased efforts by several NGOs to raise awareness of the issues of wildlife trade amongst courier, logistic and transport companies, and attempt to define measures which can be employed by these sectors. An example is the recent workshop held by TRAFFIC, the World Customs Organisation (WCO), IUCN and USAID in Bangkok (see above). Another workshop was held by TRAFFIC in Singapore on 3
October 2015 for DHL. The workshop was organized to raise awareness of the risks that illegal wildlife traffickers pose to transport and logistics companies and to identify and discuss measures that can be taken to combat the IWT. In Beijing, China, in March 2015, TRAFFIC engaged leading logistics companies, including EMS, DHL, FedEx, TNT and SF, which together account for 95% of the parcel courier market in China. The event, strongly supported by the State Forestry Administration, Forest Police, China Wildlife Conservation Association (CWCA) and China Express Association, engaged senior business representatives in publicly supporting zero tolerance declarations for IWT and use, and served to raise awareness of the problems of IWT. United for Wildlife is also targeting this sector to work with companies to develop ‘zero tolerance’ policies for their employees, and develop targeted strategies to combat IWT (see also Section 3.4.4.1, ‘Transport companies’ above). To date, however, EU-based courier business engagement in tackling IWT has been minimal.

### 3.4.4.3 Summary of transport/courier sector gaps

In summary, general gaps for both the transport/courier sector are:

- Awareness-raising materials for corporate employees, contracted staff and other airline and courier personnel on risks associated with wildlife trade;
- Training materials on wildlife trade for courier, airline and airport staff;
- Awareness-raising materials for passengers, including listing endangered wildlife as a prohibited good at online and airport check-in, in-flight information on IWT, and public service announcements amongst other efforts;
- Comprehensive and easily-accessed information related to IWT, including adherence to CITES and EU Wildlife Trade Regulations, on courier and airlines’ Cargo websites;
- Corporate declarations of ‘zero tolerance’ approaches towards IWT and use within CSR policies;
- Comprehensive screening of baggage/goods for wildlife and wildlife products;
- Comprehensive analytics on patterns of wildlife trade routes, hubs and high risk countries; and provision of analytical intelligence to national border enforcement agencies to support enforcement efforts against illegal wildlife smuggling;
- Development of wildlife trade-specific policies, standards, guidelines and protocols at both industry association level and company level;
- The development of whistle-blower systems for personnel to report suspicious activity anonymously to law enforcement agencies;
- Secure communication channels for collaborative partnerships between companies and enforcement agencies

### 3.4.5 Online trading

Online trading has seen a boom during the last 20 years, and the case study provided on eBay demonstrates the popularity and ease of online trading. This rapid growth in the sector has often not appeared to have been matched by business efforts to stop illegal wildlife products being traded on their sites. A notable exception in Europe is eBay which since 1995 has included an ‘Animals and Wildlife Products Policy’ that targets endangered species’ products, though the recent 2014 IFAW report ‘Wanted Dead or Alive, exposing online wildlife trade’ remains one of the most comprehensive assessment of online wildlife trade currently, suggests that enforcement of the policy had been limited at the time the report was published.

IFAW has produced a series of reports based on research of online trading of wildlife products spanning the last 11 years (their research programme started in 2004). These documents show how trade of wildlife products in many countries has changed over the years, including the development of corporate policies against the trade of illegal wildlife products and changes in the number of listings. The most recent report ‘Wanted dead or alive’ (2014) describes the results from a period of six-weeks’ research into 280 online marketplaces in 16 countries, 5 of which were in the EU (Belgium, France, Germany, Netherlands, Poland and the UK). Patterns of wildlife trade listings vary from country to country: in the UK, ivory listings are in the majority (38% of all listings, a reported 47% increase since 2008 on marketplace sites surveyed); in Poland, the listings are dominated by tortoises and turtles, and primates (c.31% and 23% respectively); in the Netherlands, frogs dominate the listings (c.27%); in Germany, turtles and turtles comprise c.71% of listings; in France ivory, exotic birds and tortoises and turtles...
are the majority (c.37%, 27% and 23% respectively); and in Belgium ivory and exotic birds maintain the majority of listings (c.47% and 21% respectively).

Several large companies, particularly eBay and its subsidiaries (such as Gumtree), are receiving NGO support to develop, improve and/or implement wildlife trade policies. These can also include declarations of ‘zero tolerance’ by company leaders (as has occurred in China with Alibaba)\(^3\). While several companies have developed or improved policies, with or without NGO support, it is evident from an examination of online marketplaces that there are still many that have not developed policies. Existing corporate wildlife trade policies vary widely, from those that maintain a short statement to those that provide links to national legislation, and further to those who maintain a more comprehensive policy, such as Google\(^3\) and, particularly, eBay\(^3\). However, customer access to relevant wildlife policies also often requires considerable effort, a process that could be made easier through existing online systems.

If the development and maintenance of a robust company wildlife trade policy is a key first step, enforcement is equally important to ensure that criminal elements do not operate in contravention of business policy. It appears that in many cases businesses that do maintain clear wildlife trade policies provide limited enforcement, with many cases of wildlife products’ listings evident in clear breach of company policy. The case study with eBay has also highlighted capacity issues related to enforcement of wildlife policy, including an ability to identify coded descriptions of wildlife products and identification of such products. These capacity issues are relevant for other online marketplaces and are a clear limiting factor in business’ policy enforcement.

The Czech Republic has passed legislation that covers online trading\(^3\). The legislation requires that when distance trading CITES species, a notice ‘CITES – obligatory documents’ must be made clearly visible as part of the sales advertisement. For online trading, this notice can be a link to information on CITES requirements at the Ministry of Environment website. This step has been supported by some NGOs but with limited capacity little enforcement of online wildlife trade legislation per se has been implemented (Mgr. Zdeněk Novák, Czech CITES Management Authority (MA), pers. com.). Efforts to date have included administrative penalties (fines) placed on companies who have allowed sale of products containing CITES-listed species without providing requisite information requirements on CITES for trade in CITES-listed species; and the confiscation of products offered on the internet. For more serious cases the CITES MA has coordinated with the national customs department dealing with internet criminality.

The level and mode of collaboration between business and national enforcement agencies is limited. For many businesses in this sector, identified cases of illegal trade online are dealt with in a specific way, usually through de-listing of sales advertisements and warnings to sellers and, in the case of repeat offenders, banning of sellers from further operation. However, businesses do not appear to escalate cases to law enforcement agencies, though do engage and provide relevant information when requested directly by the agencies.

Direct business cooperation engagement, for example joint capacity development activities, remains a further gap. Few examples of this mechanism exist, of note is a workshop organised by the German CITES Management Authority in April 2015 in Germany and attended by several German companies who operate online (Franz Böhmer, German CITES Management Authority, pers. com). This meeting provided an opportunity for discussions though it is not yet apparent if any direct business cooperation has resulted from the meeting.

In summary, general gaps are:

- Presence of detailed wildlife trade policies consistent with CITES and EU Wildlife Trade Regulations;
- Easy access to wildlife trade policies;
- Publicised declarations of ‘zero tolerance’ to IWT;
- Active and robust enforcement of wildlife trade policies;
- Comprehensive collaboration between businesses, NGOs and national enforcement agencies;
- National legislations that includes specific reference to online wildlife trade;
- Limited business to business engagement related to capacity for tackling IWT.

### 3.4.6 Zoo sector

Although the zoo sector was not originally identified as a priority for consideration by this study, the European Association of Zoos and Aquaria (EAZA) expressed an interest in contributing information.
Historically, zoos acquired animals from the wild for displaying to the general public. In recent times, however, and through concerns predominantly related to sustainability of wild collection for zoo display, the zoo community changed its policy on acquisition of wild animals. This policy\(^{34}\), specifically tailored to the European Association of Zoos and Aquaria (EAZA), states that:

‘All EAZA members will endeavour to ensure that animals acquired are preferentially born in captivity. This is best achieved by direct zoo to zoo contact, but does not preclude the receipt of animals resulting from confiscation or rescues. It is recognised that there is a legitimate need for conservation breeding programmes, education programmes or basic biological studies, to (incidentally) obtain animals from the wild. These acquisitions should be in accordance with relevant (inter-)national legislation and aimed at building up self-sustainable populations in the EAZA region. Members must be confident that such acquisitions will not have a deleterious effect upon the wild population and are obtained only from sustainable sources. Members will have to cooperate with existing [European Endangered Species] EEP (and [European StudBook] ESB) programmes as opposed to operating solely on institutional level (also see Section 2.4 EAZA Members and EEP Participation). Where captive bred animals are acquired from private or commercial breeders, care should be taken on the origin of these animals and the breeding techniques used. In some cases, e.g. aquaculture of some freshwater species outside the country of origin, negative environmental effects may mean that sustainably-caught wild fish are more ethically and environmentally appropriate. Wild-sourcing should preferentially support certification schemes or in situ programmes where the supply of sustainably caught species provides livelihoods for local communities and is a conservation tool e.g. for some butterflies and fish.’

This policy complies with international legislation and serves to address concerns over legal (or illegal) wildlife acquisition. Zoos can provide an important mechanism for tackling IWT – through enforcement of the policy, thereby providing a model for acquisition by other establishments that maintain wild specimens; and through awareness raising of the illegal trade in wildlife. Given the broad membership of EAZA (and zoo associations in general), and the diverse demographic of visitors (‘more than 140 million people visit EAZA members each year, equivalent to approximately one in five European citizens’)\(^{35}\), zoos can play an important, and potentially effective, role in raising awareness of the issues surrounding the IWT, including opportunities that link to other business efforts, for example the publicising of alternatives to the use of endangered animal species in TCM.

EAZA membership is subject to strict requirements including ‘compliance with national and international legislation regarding animal and plant acquisition, possession and transport’. All organisations must undergo a screening process, which can take over a year, before achieving accreditation as an EAZA member\(^{36}\). Membership also provides several benefits, including opportunities to acquire animals from other members; improved technical support through EAZA; comparison of marketing opportunities between members; increased training opportunities for members; and improved networking opportunities, among others\(^{37}\). Adherence to EAZA membership requirements can, therefore, be a powerful mechanism to tackle and prevent IWT within the zoo sector, and can be an exemplar for similar efforts by membership organisations in other sectors.

3.4.7 References

2. UNEP-WCMC. 2015. EU wildlife trade 2012 Analysis of the European Union and candidate countries’ annual reports to CITES 2012. UNEP-WCMC, Cambridge

Ricardo in confidence

Ref: Ricardo/ED61083/Issue Number 3
Strengthening cooperation with business sectors against illegal trade in wildlife


13 Register of Chinese herbal medicine (RCHM) briefing papers. Accessed on October 12 at http://www.rchm.co.uk/media.html


15 FairWild website accessed on 22 October 2015 at www.fairwild.org

16 Why Go Wild website accessed on 22 October 2015 at www.whygowild.com


3.5 Task 2: Review of EU policy and regulatory frameworks

3.5.1 Task 2a: EC tools and instruments used to encourage business initiatives to prevent illegal trade in wildlife

The EC has created an environment in which MS and businesses are compelled to act and comply with CITES provisions. The EU Wildlife Trade Regulations provide uniform standards across all MS for meeting CITES provisions. CITES authorities at a MS level are key stakeholders in many of the initiatives. The incentives for MS to apply these rules effectively is likely to be a key driver in their involvement in these initiatives.

Beyond the indirect application of the EU Wildlife Trade Regulations, the EC has not been identified as a direct driver of business engagement in the fight against the IWT. Therefore, it cannot be said that specific tools or instruments, other than the wildlife regulations available to the EC, necessarily encouraged the business initiatives listed in Table 6 (below).

At a MS level:

- The British Airways Environment Programme operates EU-wide with regard to repatriation or re-homing of specimens. The mechanism that engages UK enforcement officials is specific to the UK. The Dutch enforcement agencies operate a similar mechanism in the Netherlands. It is not known if any other EU country have other similar mechanisms.
- The online marketplace eBay operates throughout the EU and maintains a similar mechanism in those EU countries.
- Operation Charm is (or, specifically for TCM, was) restricted to the UK only.

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Table 6. EC or Government support used to encourage engagement in the IWT case studies

<table>
<thead>
<tr>
<th>Case study</th>
<th>EC or Government support</th>
<th>Degree of support</th>
<th>EC or Government tools used to encourage engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skin trade</td>
<td>As partners - International Trade Centre (ITC) joint agency of the World Trade Organization and the United Nations, CITES Secretariat, Government Representatives/CITES authorities</td>
<td>Low</td>
<td>None</td>
</tr>
<tr>
<td>Live-reptile trade</td>
<td>Government’s CITES Management Authority sets requirements for trade in reptiles.</td>
<td>Medium/High</td>
<td>Legislation</td>
</tr>
<tr>
<td>Operation Charm</td>
<td>Driven by the London Metropolitan Police</td>
<td>High</td>
<td>Funding/ Legislation/ Enforcement</td>
</tr>
<tr>
<td>British Airways</td>
<td>Extensive engagement of involvement of UK authorities: UK Border Force, City of London Corporation, UK CITES Management Authority</td>
<td>High</td>
<td>Considerable engagement</td>
</tr>
<tr>
<td>Environment Programme</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>eBay</td>
<td>Ensures eBay breaks no national or international laws. Engagement of enforcement authorities: UK Border Force, UK National Wildlife Crime Unit</td>
<td>Medium</td>
<td>Legislation/ Enforcement</td>
</tr>
</tbody>
</table>

3.5.2 Task 2b: EC tools and instruments used to encourage business initiatives to prevent illegal trade more generally

It can be seen in Table 7 (below) that government action (including EC action) is a key driver in the establishment of many of the initiatives in the cases analysed for the illegal trade. Of particular interest, with a high level of applicability to the IWT, are the KP Certification Scheme, EC MoU on the sale of counterfeit goods via the internet, and the European B&B Platform.

The KP commits participants (and the European Union is one) to only trade in diamonds that are certified. Legislation has been passed to implement the minimum standards of the KP at a European level requiring that importers of diamonds are obliged to comply with the process. The EC have, therefore, not necessarily encouraged the establishment of the initiative (apart from maybe supporting the resolution at the UN) but have ensured that business engage with it by passing legislation.

The EC MoU on the sale of counterfeit goods via the internet utilised political pressure to encourage engagement in the initiative. The EC recognised the opportunity for a voluntary solution to the problem of counterfeiting, which negates the need for regulation. The EC used high-level engagement to communicate this opportunity with business. The EC also provide administrative and facilitation support to the MoU on an ongoing basis.

The European B&B Platform was initiated by the EC and is currently responsible for the platform.
## Table 7. EC or Government support used to encourage engagement in the illegal trade case studies

<table>
<thead>
<tr>
<th>Case study</th>
<th>EC or Government support</th>
<th>Degree of support</th>
<th>EC or Government tools used to encourage engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>KP Certification Scheme</td>
<td>Supported at its inception by a UN resolution</td>
<td>High</td>
<td>UN Resolution</td>
</tr>
<tr>
<td></td>
<td>Governments are participants and signatories to the process</td>
<td></td>
<td>EU Regulation</td>
</tr>
<tr>
<td></td>
<td>The European Union adopted a regulation which established an EC Kimberley Process Certificate which must accompany all diamonds being shipped in and out of the EU.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC Memorandum of Understanding on the sale of counterfeit goods via the Internet</td>
<td>Convened and administered by the EC</td>
<td>Medium/High</td>
<td>Political pressure</td>
</tr>
<tr>
<td></td>
<td>But not signed by the EC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biodiversity in Good Company</td>
<td>Founded by the German Government driven in part by the Convention on Biological Diversity</td>
<td>Medium/High</td>
<td>CBD</td>
</tr>
<tr>
<td></td>
<td>Government support withdrawn in second phase</td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Business and Biodiversity Platform</td>
<td>Launched by the EC driven by the Convention on Biological Diversity</td>
<td>High</td>
<td>CBD</td>
</tr>
<tr>
<td></td>
<td>Involved in the delivery of workstreams</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Business Coalition Against Human Trafficking (gBCAT)</td>
<td>Minimal involvement, but said could be inspired by potential or actual legislative requirements</td>
<td>Low</td>
<td>None known</td>
</tr>
<tr>
<td>World Economic Forum (WEF) – Partnering Against Corruption Initiative (PACI).</td>
<td>Governments are partnership members and targets of engagement</td>
<td>Medium</td>
<td>None known</td>
</tr>
</tbody>
</table>

The only initiative listed above that focuses attention at a MS level is Biodiversity in Good Company which operates in Germany. No particular tool or instrument was used to set up the initiative.
3.5.3 Task 2c: EC tools and instruments that might be used to encourage business initiatives to prevent illegal trade in wildlife

A wide range of categories of tools and instruments that the EC uses more generally could be utilised in encouraging business initiatives against the IWT: legislation; strategies; incentives; online platforms; conferences and stakeholder dialogue; research; international dialogue. These tools or instruments could be used to promote business engagement in IWT and thereby increase the likelihood of the formation of initiatives in a range of ways, for example, by:

- Making legal, financial, reputational or operational risks to companies more explicit, for example, through: increasing the profile of legislation, regulations and guidance; promoting certification; or increasing monitoring of the trade and its enforcement;
- Encouraging MS to strengthen penalties for companies and individuals convicted of involvement in the IWT;
- Strengthening understanding of the extent to which the IWT infiltrates supply chains through commissioning research and improvement in the provision of IWT data;
- Increasing business awareness, e.g. through funding government agencies, NGOs and other interested parties to develop targeted web-based campaigns, online platforms, conferences, workshops and knowledge exchange fora;
- Promoting cooperation with enforcement agencies and NGOs through establishing voluntary agreements;
- Increasing consumer awareness and thereby demand for legal products through funding media campaigns.

The relative merits of each of the categories of tools or instruments is explored below. Some of them have been used by the initiatives that were the focus of the case studies, others are yet to be utilised by the EC in relation to the IWT. Further examples are provided here, particularly where the latter is the case, which have been drawn from the rapid review of the EC’s website.

Legislation

The provisions set out in Council Regulation 338/97 and associated Commission Implementing Regulations in relation to the wildlife trade are not being enforced effectively. As noted in the Summary of the responses to the stakeholder consultation on the EU approach against IWT, the existing legal framework does not require changes, just being ‘reinforced’ in particular areas and being uniformly applied in all Member States. This is important if the EC is to strengthen cooperation with business sectors against the IWT.

Strategies

The EC is developing an EU Action Plan against IWT, which is currently in a ‘roadmap’ phase. This presents an opportunity to include business engagement at the heart of European action to prevent the IWT. Also of particular interest is the EU Strategy on CSR and the European Multi-stakeholder Forum on CSR, which provides an existing network through which IWT issues could be raised across businesses in Europe. The status of the CSR strategy 2015-2019 is uncertain but it provides a key opportunity for the inclusion of IWT in discussions.

Economic incentives

Economic incentives utilise a business-profit motive to drive a particular behaviour. Economic incentives will force business to pay for undertaking a particular ‘negative’ activity or pay the business for undertaking a ‘positive’ activity. The key types of economic incentives are permit trading, taxes, subsidies, liability rule, penalties and information disclosure. Some of these incentives are not applicable to IWT because they are not intended to address illegal behaviour.

At present the only economic incentives that are used to address the IWT are penalties. However, unless these penalties are enforced adequately at a sufficient scale they will not encourage business engagement in preventing the IWT.

33 http://yosemite.epa.gov/EE%5Cepa%5Ceed.nsf/webpages/EconomicIncentives.html
It is possible that subsidies could be applied to legal wildlife trade products in order to support the development of an ethical trade in a particular market. This would provide an incentive to business to establish a standards/certification system that differentiates illegal and legal wildlife products. However again, the incentive must be adequate and available at a sufficient scale if it is to business engagement in preventing the IWT.

The choice of economic incentive applied in each market is dependent on the type of market failure that is being addressed and requires further research as to what types of incentive might be of most relevance to different IWT sectors.

Online platforms

The EC has considerable experience in creating online platforms for knowledge exchange and engagement with stakeholders. For example:

- The Online Resource Efficiency Platform (OREP)34;
- The EU B&B Platform35;
- Open Education Europa36.

Whether an online IWT platform would engage a significant number of businesses is unclear.

Conferences and stakeholder dialogue

A number of initiatives identified in the preceding sections have been borne out of conferences and stakeholder meetings. The EC could take the lead or fund MS or NGOs to engage with businesses and foster the development of initiatives to tackle IWT. How to engage with business for this purpose is discussed elsewhere in the report, but the EC MoU on the sale of counterfeit goods via the internet provides a good example.

Examples of initiatives which have utilised stakeholder dialogue, led by the EC or involving it within a partnership, include:

- EC MoU on the sale of counterfeit goods via the internet, which convened meetings between stakeholders with the intent of signing an MoU;
- European Consensus Conference on Homelessness – Coordinating the Fight Against Homelessness in Europe37, which sought a shared understanding of issues to develop policy and was organised by the EC in collaboration with FEANTSA.
- The BLUED MED initiative for blue growth and jobs in the Mediterranean38.
- Workshops, seminars, conferences, which were intended to raise awareness with respect to discrimination and were organised across MS39.

Research

In the Summary of the responses to the stakeholder consultation on the EU Approach against IWT respondents felt that the best way of generating political commitment was to expose the full scale of IWT in Europe. The same can said for business.

Businesses will not necessarily act upon a specific issue until it is clear that it is significant and can be tackled through business action. IWT is an area of considerable uncertainty and businesses have reported being uncertain about the need to engage on the issue. A programme of research tailored to business audiences, which attempts to illustrate the scale of the problem in each sector would drive engagement and thereby support initiatives.

Examples of research with a business focus include:

- Much of the work on the EU B&B platform, which is tailored for business audiences and promotes their engagement in biodiversity issues40.

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34 http://blogs.ec.europa.eu/orep/
36 http://www.openeducationeuropa.eu/
37 https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=24&cad=rja&uact=8&ved=0CC8QFjADoBRgFQoTCKJXKj8CA5ocFJUk8kAcQwaQ2vRn&url=http%3A%2F%2Fec.europa.eu%2Fsocial%2FBlbsServlet%3FdocId%3D6355%26langId%3Den&usg=AFQjCNFPzZTDGdSaC9_ZD3jnhnhtyBkg&sig2=9QFXcMuuWodT3jrbZPQOG&bvm=bv.106130839,d.Y2I
40 http://ec.europa.eu/environment/biodiversity/business/index_en.htm
International dialogue

The EC could utilise its position at a number of high-level international discussions to raise the issue of IWT. The EC engages with a number of parties, as part of trade negotiations, and specifically with business at forums such as the World Economic Forum, which could be used to put IWT at the heart of discussions.

4 Recommendations (Task 3)

Recommendations for how the EC and MS could strengthen cooperation with business sectors against the IWT are set out below, which draw upon:

- Key insights from consideration of the analyses of existing models of cooperation with business sectors against the IWT (Section 3.2.3) or that are used in other areas of EU policies against illegal trade (Section 3.3.3);
- Identification of sectors where business engagement against IWT is limited or non-existent and could be reinforced (Section 3.4);
- The review of EC tools and instruments used to encourage business initiatives that were the subject of the case studies or that might be used in that regard (Section 3.5).

The recommendations comprise:

- Sector-specific recommendations in relation to each of the sectors on which this study has focused;
- Wider recommendations that address the sectors in two separate groups;
- Overarching recommendations relevant to all sectors.

Recommendations are highlighted in bold and their relative priority is identified in brackets as HIGH, MEDIUM or LOW PRIORITY.

4.1 Sector-specific recommendations

It is clear from the information provided in Section 3.4 that to date there have been variable levels of engagement by businesses in tackling IWT. In general, in sectors where there is progress, business engagement has been limited. This restricted the choice of appropriate case studies, which were, as a result, very specific. The specificity of engagement does not allow identification of particular models for businesses to follow. Therefore, recommendations provided in this section also draw more broadly on the identification of sectors where business engagement against IWT is limited or non-existent. In some cases, the recommendations are influenced by business sector efforts from outside the EU, but which are also appropriate to MS. Several broader sectoral recommendations deriving from other sector engagements globally are also provided.

4.1.1 Luxury industry

The case study and the research conducted for this project focused on the luxury reptile-skin trade. It can be characterized by the activities of a few market leaders that have had an influence over other actors. Through the case study, it became clear that the sector has a strong awareness of IWT issues, in general, and has been addressing these issues in a range of ways and through various fora, including global initiatives. The Python Conservation Partnership (PCP) provides a good example of a business-led initiative to ensure legal and sustainable sourcing of python skins, which is embedded in a wider CSR policy on sustainability. The following recommendations have been derived from the case study.

The EC could promote greater business engagement in preventing IWT by:

- Engaging with relevant existing initiatives, such as the BSR Sustainable Luxury Working Group (SLWG), to explore wider uptake of PCP or other recommendations, as needed. (MEDIUM PRIORITY)

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• Encouraging the PCP partners to consider also engaging with the CITES authorities of consumer countries (such as Italy and Germany) to ensure that considerations of the authorities issuing the relevant import documents are also taken into account. (HIGH PRIORITY)

• Using existing initiatives to encourage the development of new CSR policies or adaptation of existing ones to cover IWT. (HIGH PRIORITY)

The EC and MS could monitor the business engagement in preventing IWT by:

• Engaging with existing initiatives to identify any remaining gaps in addressing IWT in this sector. (LOW PRIORITY)

4.1.2 Pets sector

The case study and the wider research conducted for this project suggest that the sector can be characterized by a large number of businesses of varying sizes, and is in a state of constant flux; many new companies and individual traders appear on the market, but only some stay in business for any length of time. Competition is high in this sector but sourcing does not appear to provide a competitive advantage. Accordingly, there is a lack of awareness of IWT issues and the role businesses may play in addressing IWT. In keeping with the instability of some of the actors in the sector, as well as the high-level of competition described by some of the stakeholders interviewed, there appears to be little organization of the sector (especially in relation to the exotic pet trade).

The pets sector organizations and associations involving business that do exist have a strong focus on animal welfare issues, which is reflected by their websites, CSR policies, etc. The sometimes heated discourse on animal welfare issues seems to have resulted in some hesitance by the pets sector to engage with external stakeholders.

Although some other sectors have been investigated more closely in this report, the pets sector appears to be the least advanced regarding business engagement in addressing IWT. Nevertheless, there are organizational structures, both at the national and regional levels, as well as existing tools and policies (including the due diligence mechanism described in the case study), that can be drawn upon to begin developing this sector’s engagement in tackling IWT.

The following priority recommendations derive from the case study and the related research:

**The EC and MS could raise awareness of the need for the exotic pet sector to engage in preventing IWT by:**

• **Convening workshop(s) in MS and/or at the EU level to provide information to businesses engaged with importing exotic pets (HIGH PRIORITY).** Face-to-face meeting(s) with the European (e.g. European Pet Organization – EPO) and national pet associations could be organized to pave the way for the workshop(s), with the wider participation of the industry. Such meetings would aim to build trust in the process and provide transparency of the motivations of the approach. The workshop could serve to raise awareness of the levels of illegal trade as well as its impacts, and to take the first steps in engaging the business sector. It could explore and agree a roadmap for improving the sector’s engagement in addressing IWT and could cover the following issues, among others:
  
  o Existing tools and approaches that could be expanded or adapted to cover IWT (e.g. the Dutch Pet Association’s general CSR policy, the German ZZF’s Heidelberg Decisions or the due diligence approach described in the case study);
  
  o How to ensure wider engagement of the sector in the fight against IWT;
  
  o Identification of the most appropriate format/forum for continuing engagement with the sector.

The workshop should engage stakeholders that provide the best available representation of the sector, such as the EPO and its members, as well as relevant organizations, such as the German Herpetological Society (Deutsche Gesellschaft für Herpetologie und Terrarienkunde, DGHT). The merits could be considered of organizing closed, “business-only sessions” and/or “business and enforcement only” sessions at MS or EU level (for example with the EU Wildlife Trade Enforcement Group).

4.1.3 Traditional Chinese medicine (TCM)

From the case study, there are four themes or focal areas that should be targeted:
• Research
It is unclear from research conducted, and responses received from most TCM associations or Federations, as to the level of business engagement in tackling IWT within MS. For this reason further research should be conducted to assess both business engagement and the use of endangered species in TCM products.

• Policy development
The engagement of TCM associations and federations, as a platform, is critical for TCM company engagement. The case study has shown that some associations or federations and prominent resource sites for TCM practitioners have wildlife trade policies in place. However, such policies could be given greater prominence on association and federation websites.

• Engagement with enforcement agencies
While it was not possible to undertake a project-based evaluation of the case study, the mode of engagement of enforcement agencies and the corporate sector (including support from the TCM associations and federations) appeared to operate well, with random spot checks on establishments engaged in the initiative serving to demonstrate a perceived increase in business compliance.

• Awareness raising
The Operation Charm case study provides a model for raising awareness of national laws on wildlife trade and the solicitation of commitment by companies not to sell products containing endangered species. A similar targeted approach could be feasible in many MS. Examples provided from international efforts to stop the trade of endangered species in TCM products are also applicable in the EU context, and provide a broader perspective on the efforts being made by the UK Federation of Traditional Chinese Medicine (FTCB). Examples include the recent event in China where leading TCM companies renounced the use of endangered species protected by CITES and Chinese national legislation in medicinal products.

The following recommendations have been derived from the case study.

**The EC and MS could promote greater business engagement in preventing IWT by:**

• Conducting further research to assess:
  - Awareness and use of illegally and unsustainably sourced and traded endangered species in TCM preparations (HIGH PRIORITY);
  - Awareness and understanding of relevant regulations such as CITES and the EU Wildlife Trade Regulations (HIGH PRIORITY);
  - The volume, value and composition of wild plant and animal species used in TCM and other medicinal products in the EU (HIGH PRIORITY).

This research should be implemented in collaboration with the relevant EU-based TCM associations and federations.

• Considering an ‘Operation Charm’ style approach for countries or particular ‘hotspot’ cities where research suggests awareness of relevant laws and regulations are poor, and where use of endangered species is of concern (HIGH PRIORITY). This approach, while dependent on funding and political will, consists of lead implementation by relevant national enforcement agencies with the clear support of TCM associations and federations, together with support from NGOs (e.g. through funding, communications, monitoring and evaluation implementation). A monitoring and evaluation plan should be included to assess changes in compliance with relevant laws.

**The EC and MS could encourage businesses that wish to prevent IWT to:**

• Introduce policies related to the use of wildlife in TCM trade and use (where absent), and encourage memberships to adhere to those policies (HIGH PRIORITY). Such policies could seek to implement best practices in transparent, sustainable and legal sourcing of wild-harvested ingredients (e.g. through the compliance with the FairWild Standard). Businesses should include TCM associations, federations, companies and other influential TCM-related organisations (such as research journals).
• Start or continue to support messaging against the use of endangered species protected by CITES and the EU Wildlife Trade Regulation through appropriate conferences and Annual General Meetings (MEDIUM PRIORITY).

• Consider the convening of major TCM companies in the EU to raise awareness on IWT (MEDIUM PRIORITY). This could include ‘zero tolerance’ commitments from senior representatives of the companies.

The EC and MS could encourage NGOs that wish to prevent IWT to:

• Conduct awareness-raising and capacity-building activities for businesses on ‘best practice’ standards and certification schemes, such as FairWild (HIGH PRIORITY).

4.1.4 Transport/courier sector

For the Transport/courier sector, there are three themes or focal areas that should be targeted:

• Policy development
  For some companies, clear links to the CITES regulations do exist. However, in other cases, there is little acknowledgement, and little easily-accessed information for prospective traders. Traders wishing to transport goods that are live specimens of species (or their parts or derivatives) listed in the CITES Appendices could be provided with further easily accessible information to inform them about CITES restrictions, or where to access the relevant information.

• Engagement with enforcement agencies
  Current business engagement in the EU in many cases already exists, such as the BA/AIG Cargo engagement with the UK Border Force. However, the type of engagement could be broadened further, beyond cooperation on the repatriation or re-homing of specimens, to intelligence sharing. Furthermore, there is a current lack of clear guidelines and protocols on procedural issues related to compliance, reporting and cooperating with relevant authorities.

• Awareness raising and process
  Currently, awareness of wildlife trade issues, including the regulations and ‘what to look for’, is limited among relevant airline and courier staff. Efforts could be expanded to build capacity for relevant staff (including contracted staff) and through the development of, and training on, guidelines on tackling suspected IWT.

The following recommendations have been derived from the case study. Broader sectoral recommendations derived from other transport sector engagements globally are provided in Box 1 (below). Transport/courier sector recommendations derived from United for Wildlife (UfW) are currently unavailable. It is suggested that these should also be considered when they are made available, which is likely to be in December 2015.

The EC and MS could encourage businesses that wish to prevent IWT to:

• Develop and adopt a proactive corporate policy against IWT, linked to CITES and the EU Wildlife Trade Regulations (HIGH PRIORITY). Such a policy could include zero tolerance to IWT and commitments from staff not to endorse or engage in IWT activities, as part of Corporate Codes of Conduct.

• Convene fora to explore options for developing standards for airline screening procedures (HIGH PRIORITY). For example, standards could include: checking of bookings and cargo declarations; enforcement agency checks, such as by customs and quarantine; use of x-rays. These should be implemented in collaboration and consultation with relevant enforcement agencies and international agencies (WCO, Interpol, UNODC).

• Engage relevant NGOs and other expert organizations, including enforcement agencies, to develop analytical tools (MEDIUM PRIORITY). Such tools would provide a better understanding of how wildlife traffickers exploit the transport sector, which could subsequently provide information on improved targeting of enforcement resources.

• Develop simple toolkits to support training of employees, including sub-contracted ground handling agents, and enable them to implement existing and new approaches to control IWT (HIGH PRIORITY). Support should be offered by relevant NGOs and expert organisations to assist with toolkit development, as appropriate.
Consider and act upon broader transport sector recommendations provided in Box 1 (below), as appropriate (MEDIUM PRIORITY).

**Box 1: Transport/courier sector recommendations derived from other sectoral engagements globally**

The EC and MS could encourage businesses that wish to prevent IWT to:

- Include illegal wildlife products in existing protocols and guidelines used to control other types of illicit commodities.
- Consider becoming an Authorized Economic Operator (AEO) under the World Customs Organization’s Framework of Standards to Secure and Facilitate global trade (SAFE), if not already members.
- Raise awareness among employees, clients and passengers of the risks associated with illegal IWT as a part of training on corporate policies or codes of conduct.
- Consider conducting outreach and awareness raising to passengers through e.g. in-flight magazines and videos, Public Service Announcements (PSAs), inclusion of wildlife products among forbidden items, pre-flight and targeted messages in e-tickets.
- Review and improve cargo acceptance rules, increase screening of packages and strengthen internal due diligence, as appropriate.
- Consider providing Customs with advance information and pre-arrival manifest of passengers/cargo/courier for more targeted risk assessment.
- Develop and apply irregular ‘red flag’ patterns e.g. unusual routing or large irregular passenger luggage to trigger more thorough screening; and share relevant information with other agencies and partners, if not already being conducted.

**4.1.5 Online trading**

From the case study and gaps analysis there are four themes or focal areas that should be targeted:

- **Legislative development**
  Lessons from the Czech Republic have suggested that incorporating specific legislation that includes online trade can support national enforcement efforts in tackling IWT.

- **Policy development**
  As mentioned in Section 3.4, while some online trading companies have developed wildlife trade policies many have not, and those that do exist vary greatly in their scope.

- **Engagement with enforcement agencies**
  This is a critical area to address. While all stakeholders can assist with addressing IWT online, working individually can raise potential obstacles with corporate and legal enforcement. Multi-stakeholder dialogue engaging enforcement agencies is essential to avoid potentially jeopardising investigations.

- **Capacity building and systems development**
  Violation of corporate policies can occur for several reasons, from unwitting postings (due to lack of awareness of company policies and/or wildlife trade laws) to criminal activity. While the latter requires concerted investigative efforts together with law enforcement, the former could be addressed by improving capacity to assess and monitor (wildlife) listings, and by developing or strengthening existing guidelines for traders, and ensuring availability of information.

The following priority recommendations have been derived from the case study. Broader sectoral recommendations derived from other online trading sector engagements globally are provided in Box 2 (below).

The EC and MS could promote greater business engagement in preventing IWT by:

- **Convening workshops in MS to provide information to businesses engaged with online trading (that includes wildlife and wildlife products) and encourage cooperation between business, NGOs and enforcement agencies (HIGH PRIORITY).**
Assessing results and impacts from the development of legislation, which includes clauses that specifically target online wildlife trade in the Czech Republic (LOW PRIORITY). While initial indications suggest that such inclusion can assist in tackling illegal wildlife trade a more thorough assessment should be undertaken prior to the encouragement of other MS to develop similar legislation.

Supporting the strengthening of business’ capacity on species and product identification, and training on the relevant wildlife trade regulations (MEDIUM PRIORITY).

Considering and acting upon broader online trading sector recommendations provided in Box 2, as appropriate (LOW PRIORITY).

The EC and MS could encourage businesses that wish to prevent IWT to:

- Prioritise the development of corporate policies against the IWT (HIGH PRIORITY). Efforts must be made to ensure that policies are at least consistent with the requirements of CITES and EU Wildlife Trade Regulations and link those policies directly to national legislation, where possible.

- Work closely with enforcement agencies and NGOs to develop real-time monitoring of online illegal wildlife trade (HIGH PRIORITY).

- Engage promptly with national enforcement agencies, where listings breach CITES or Wildlife Trade Regulations, to ensure coordinated response to criminal activity (HIGH PRIORITY). A lack of coordinated response could risk criminal investigations.

The EC and MS could encourage NGOs that wish to prevent IWT to:

- Support businesses in their efforts to stop online IWT through conducting website research, and providing results to:
  - Relevant businesses where listings are found to be in breach of business policy (MEDIUM PRIORITY);
  - Appropriate enforcement agencies where listings are found to be in breach of CITES and/or EU/national Wildlife Trade Regulations (HIGH PRIORITY).

Box 2: Online trading sector recommendations derived from other sectoral engagements globally

The EC and MS could promote greater business engagement in preventing IWT by:

- Considering, through consultation with relevant enforcement agencies, the development and implementation of legislation that includes direct reference to online wildlife trade, and which requires a trader to provide documentary evidence (such as CITES documentation).

The EC and MS could encourage businesses that wish to prevent IWT to:

- Make more clearly available to traders information on corporate policies and regulatory issues. For CITES-listed products pop-up notices should be considered that advise, and require acknowledgement by, traders of their responsibilities under relevant national legislation related to the purchase and selling of products containing CITES-listed species.

- Incorporate a requirement for permitting for the sale of any product containing CITES-listed species.

- Consider a mechanism for requiring the scientific and common names of the species in the advertised listing.

- Share enforcement ‘best practice’ with the CITES E-commerce Working Group.

- Make checks on legal listings of CITES-listed wildlife trade (e.g. those that try to demonstrate compliance with CITES or Wildlife Trade Regulations) to ensure actual compliance with those regulations.
4.2 Wider recommendations for sectoral groups

As noted in Section 1.1.3, the IWT sectors on which this study has focused can be separated into two rather different groups based on their activities:

- Sectors involved in importing wildlife products into the EU (i.e. luxury industry; pet sector; and TCM);
- Sectors facilitating trade in the EU (transport, courier and online trading).

Recommendations that are of wider relevance to one or other of these two sectoral groups, rather than particular to individual sectors, are set out below. In a few cases, they build more generally upon sector-specific recommendations.

4.2.1 Sectors importing wildlife products into the EU

The EC and MS could:

- Promote research to develop a detailed understanding of the drivers of consumer demand (e.g. criminality, lack of awareness, or apathy) that drive IWT in each of the sectors (LOW PRIORITY).
- Use the detailed understanding of consumer demand in each sector, provided by the above research, to assess whether encouraging development of a certification scheme could strengthen cooperation with business sectors against IWT (LOW PRIORITY).
- Foster business-led or business-only initiatives through conferences and facilitation with the particular aim of establishing a ‘coalition of the willing’ to tackle IWT (HIGH PRIORITY).

Companies in these sectors can be involved in the IWT knowingly, or unknowingly through infiltration of their supply chains, or lack of awareness of legislation and regulations.

One approach to tackling the IWT in this group could be to support those companies that have IWT-free supply chains to differentiate themselves from the rest of the market through development of a sector-specific certification scheme. The extent to which a certification scheme would be a success would be dependent on consumer attitudes to the IWT. If consumers are unaware of the potential for IWT in the supply chain then certification schemes could have a significant impact on the market. Certification schemes provide market differentiation (or conformity with market best practice). Companies will, therefore, be keen to market their membership of such schemes through labelling and advertising campaigns. This will not only promote the company but also, by virtue of promoting a certification scheme, raise awareness of the problem of IWT in a particular sector.

One illegal trade initiative focused on a product specific certification scheme: the Kimberley Process Certification Scheme (KP) in the diamond sector. The KP had significant support at its inception from the UN and National Governments, to the extent that imports of diamonds are not allowed without a KP permit. The certification has effectively become a requirement of the industry. This overlaps strongly with the system of CITES permits that already exist for the wildlife trade where import permits are required. CITES has had mixed success perhaps because of the complexity associated with the wildlife trade and the fact that it is not consumer facing. Whether a consumer-facing certification scheme would achieve a much greater impact is uncertain. Another risk in introducing any scheme is if the cost to business associated with partaking in a scheme is not offset by increased revenues (i.e. any price premium multiplied by the change in demand). Whether consumer demand and logistical requirements would support the development of a sector-specific certification scheme requires more research.

If consumers willingly buy an IWT product or do not care in general about IWT then a certification scheme is unlikely to have an impact on demand and those businesses that deliberately operate in the IWT are unlikely to be affected. In this circumstance it is important to change the risk versus reward of partaking in IWT through increasing the probability of detection and level of penalty. Business cannot impact the level of penalty but could possibly increase the probability of detection. Wildlife trade businesses have a proximity to the IWT through interaction with consumers and suppliers. Such interaction is likely to result in considerable intelligence on the IWT. Businesses can, therefore, support enforcement by engaging with enforcement agencies on the provision of intelligence. WEF PACI or gBCAT presents good general models for initiatives to support coalitions of the willing in product sectors. Best practice can be shared among willing participants under these models, including on detecting IWT in their sectors and what to do once detected (where the MoU on the Sale of Counterfeit...
Goods via the internet can provide some direction. The impact of these initiatives will be dependent on the extent of business engagement with the initiative and the market share that participants control.

4.2.2 Sectors facilitating trade in the EU

The EC and MS could:

- Conduct feasibility studies on establishing multi-stakeholder agreements with online platforms, transport companies, and couriers, which establish best practice and relationships between IWT stakeholders and business (HIGH PRIORITY).
- Model business engagement in preventing the IWT on the EC MoU on the sale of counterfeit goods via the internet, which provides an excellent model of engagement and procedures (HIGH PRIORITY).
- Undertake a stakeholder analysis in each of the sectors facilitating trade in the EU (i.e. the transport/courier sector and online platforms) to understand which stakeholders have an interest and power to engage with and enforce the provisions of an MoU (LOW PRIORITY).
- Engage with transport companies, couriers and online platforms, by illustrating the scale of the issue in their particular sector (HIGH PRIORITY).

The general assumption that can be made is that businesses facilitating IWT are unwilling participants of the IWT. This can be as a result of negligence or simply as a result of the difficulty in detecting the IWT in the service they provide. As identified in Section 3.3, engagement with NGOs and enforcement agencies is key in these sectors. Some activity is already being undertaken between individual companies and NGOs and enforcement agencies. A better approach may be to establish blanket agreements across facilitating businesses. A multi-lateral approach which covers a number of stakeholders at once is more efficient than the unilateral approach adopted by NGOs. NGOs may not have the requisite capacity or influence to develop agreements with multiple stakeholders though they can play an important role in certain aspects of engagement, such as training, monitoring, communications, etc. The EC and MS could facilitate such multi-stakeholder agreements.

As demonstrated by the MoU on the sale of counterfeit goods via the internet, the EC has experience of brokering multi-stakeholder agreements. A similar approach with the aim of tackling IWT would allow a multi-stakeholder agreement on best practice and procedures in an area where engagement between stakeholders is key.

One noticeable difference between the IWT and counterfeiting to be tackled under the MoU is that there is no equivalent stakeholder in the IWT to the rights holders under the MoU. Rights holders are strongly motivated to protect their IP and are well resourced to undertake the actions of the MoU. Enforcement agencies or NGOs are motivated to play this role but whether sufficient political pressure or resources are available to enforce action on any agreement is unclear.

Businesses might need convincing of the scale of the IWT problem on their service. Business are reluctant to agree to potentially costly procedures if they are not seen to be cost effective, i.e. adopting extensive process and procedures to tackle what is in their view a minor problem. The scale of the issue facing a sector must be understood and an assessment of the cost effectiveness of any initiative must be undertaken to reassure businesses that the scale of the problem within Europe is significant and requires action by business.

4.3 Overarching recommendations

Overarching recommendations relevant to promoting business engagement in preventing the IWT across all sectors are sub-divided into those drawn from this study’s research focused on business engagement in preventing the IWT and research that has considered lessons from business engagement in addressing illegal trade more generally.

4.3.1 Recommendations derived from existing business engagement in preventing the illegal wildlife trade

- The EC and MS could use global initiatives relevant to sectoral efforts (such as the transport workshop in Bangkok, mentioned in Section 3.4) to inform and engage business with efforts in the EU (HIGH PRIORITY). EU focused efforts could be integrated into global initiatives through several mechanisms, depending on the initiatives, including
through the development of sub-groups or working groups focusing on the EU. Such integration would help to avoid replication of existing initiatives (and thereby creating confusion over initiatives’ implementation), and business sector ‘fatigue’ with engagement on several fronts.

- The EC or MS could use existing mechanisms or structures (such as the European Pet Organisation) for engagement with business on wildlife trade issues, except where such mechanisms or structures are missing (HIGH PRIORITY). This could be extended to the use and adaptation of existing tools, such as the adaptation of corporate policy (including the integration of wildlife trade into CSR) and guidelines, such as the ZZF’s Heidelberger Decisions.

- MS enforcement authorities should be engaged as early as possible where the IWT is directly addressed (such as the listing of repeat offenders on online marketplaces) (HIGH PRIORITY). Not to engage these authorities risks jeopardising potential criminal investigations. Furthermore, information from businesses about illegal activities, where multi-national or organised criminal activity related to IWT is suspected, could be shared on enforcement communications platforms, such as EU TWIX.

- The EC and MS could promote capacity building, as a necessary action for all sectors engaged with wildlife trade (MEDIUM PRIORITY). Understanding of the issues and their inclusion in CSR or other policies/guidelines, as well as laws relating to wildlife trade, promotes their acceptance and use. Stakeholders can play important roles in this regard, including other businesses (lessons learned), NGOs (research, M&E) and enforcement agencies (laws and legislation).

- The EC or MS should encourage initiatives to develop mechanisms for monitoring implementation and conducting evaluation of the effect of the initiative (HIGH PRIORITY). Such mechanisms are critical to inform initiatives’ adaptive management and thereby improve levels of success in tackling IWT.

- The EC should encourage MS to increase penalties for companies and individuals convicted of involvement in the IWT (HIGH PRIORITY), as current opportunity costs/liabilities are relatively low compared to other kinds of illegal trade.

- The EC and MS should support the establishment or strengthening of links between the business and enforcement communities at the EU level through business sector engagement with the EU Wildlife Trade Enforcement Group (HIGH PRIORITY). Although this is mentioned specifically in relation to the pets sector in Section 4.1.1, this recommendation is relevant to any business sector that tackles IWT.

- The EC and MS should encourage business associations to enforce strict membership requirements, including adherence to national and international regulations on IWT (HIGH PRIORITY). Associations should also undertake detailed accreditation evaluation of prospective members to ensure compliance with membership requirements. As exemplified by the European Association of Zoos and Aquaria (EAZA), increased benefits should also incentivise membership.

4.3.2 Recommendations derived from business engagement in addressing illegal trade more generally

- The EC and MS could ensure that the role of NGOs in an initiative is made clear to all stakeholders; it should focus on encouraging improvement as opposed to naming and shaming (MEDIUM PRIORITY). Businesses are sensitive to participation by campaigning NGOs and the presence of the media in discussions. Businesses value the freedom to discuss issues within their operations without fear of castigation by NGOs or the general public.

- The EC and MS could seek to engage with the market leaders to demonstrate best practice, especially where IWT is a pervasive issue within a sector (HIGH PRIORITY). Industry leaders can drive an initiative forward through their market power.

- The EC and MS could attempt to engage with CEOs of businesses, where possible, and the status of the party who is undertaking this engagement could be recognised (HIGH PRIORITY). The conduit through which an initiative is launched is important and drives engagement. Some of the case studies demonstrate that the caché attached to the World Economic Forum (PACI), ex-Secretary of State (gBCAT) and EC Commissioners drove engagement with business at the highest level.
• The EC and MS could utilise the possibility of regulation as a ‘stick’, where feasible (MEDIUM PRIORITY). Effective voluntary approaches can avoid the need for regulation and are favourable for business. The possibility of regulation in the event of an ineffective voluntary initiative could encourage engagement.

• The EC and MS could ensure that initial communication with business encourages recognition of the scale of IWT as a serious problem and its role and responsibilities in trying to address it (HIGH PRIORITY). Business is wary of too many initiatives.

• The EC and MS could encourage establishment of KPIs at the start of any initiative and ensure that progress against KPIs is transparent (HIGH PRIORITY). Any initiative that is at least, in part, publically funded should be able to demonstrate that it is cost effective.

• The EC and MS could seek to encourage direct dialogue between stakeholders, wherever possible, under the Chatham House Rule (HIGH PRIORITY). Many of the case-study initiatives were launched from or based around conferences (e.g. Kimberley Process, Biodiversity in Good Company, European Business and Biodiversity Platform, EC Memorandum of Understanding on the sale of counterfeit goods via the internet, PACI). This demonstrates the importance of getting stakeholders in a room to discuss the issue openly in order to identify solutions.

• The EC and MS could encourage business engagement by demonstrating understanding of the need to address IWT issues iteratively rather than overnight (LOW PRIORITY). Business-led initiatives are unlikely to be revolutionary but more evolutionary in the way that they tackle issues.
Appendices

Appendix 1  Key business sectors
Appendix 2  Examples of existing initiatives
Appendix 3  Categorisation of sectors according to issues relating to the IWT
Appendix 4  Sectors importing wildlife products into the EU categorised according to issues relating to the IWT
Appendix 5  Standard list of questions for semi-structured interviews
Appendix 6  Initial review of business initiatives to prevent illegal trade in wildlife
Appendix 7  Initial review of business initiatives to prevent illegal trade
### Appendix 1 – Key business sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Examples of key IWT issues</th>
<th>Related headlines/seizures</th>
</tr>
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</table>
| **Luxury industry (including textiles, cosmetics etc.)** | • Legality and sustainability of the sourcing  
• Stockpiling of skins in the range states or at transit points (e.g. Singapore) potentially opens opportunities for mixing of legal and illegal skins  
• Issues with the traceability of the supply chain  
• Animal welfare issues (also during slaughter) | • Over 700 kg of ivory and 2 tonnes of pangolin [for Chinese Medicine] scales seized in Uganda. Due to be exported to Amsterdam and onward to Malaysia.  
• France destroys illegal ivory, becomes first country in Europe to crush seized stockpile.  
• Seizure of 8,300 snake, lizard and crocodile skins. Province of Valencia. The remains were going to be turned into belts, bags and wallets. |
| **Pet sector** | • Live reptiles, Aquarium fish – legality and sustainability of sourcing  
• Birds: following outbreak of avian influenza (bird flu) in Asia in 2003-4, the EU restricted the imports of birds (both of wild and of captive bred) origin. Prior to this ban, the EU ranked first as the biggest importer globally of live CITES-listed birds with 70% of global trade entering the EU during 2000-2005. Currently, illegal international trade mainly relates to parrots (e.g. Grey Parrots from Africa and rare parrots from South America). | • Four arrested for allegedly attempting to export 150 native animals to Europe.  
• December 2014: seizure of 170 Radiated Tortoises at Paris-Charles de Gaulle airport while en route between Madagascar and Laos PDR.  
• 114 live Grey Parrots were seized in Hungary near the border with Romania (at Kiszombor). |
| **Safari hunting industry** | • Hunters returning with trophies which will enter the IWT | • Operation RHINO – case of pseudo-hunting – seizure of 22 rhino horns. |

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43 http://www.therakyatpost.com/world/2015/01/26/700kg-ivory-2-tonnes-pangolin-skins-seized-ugandas-airport/#ixzz3PvKgVWPn
44 http://www.huffingtonpost.com/2014/02/06/france-destroys-illegal-ivory-first-country-europe_n_4740449.html
47 http://www.theguardian.com/environment/2015/feb/16/four-arrested-for-allegedly-attempting-to-export-150-native-animals-to-europe
48 http://www.thelocal.fr/20141229/endangered-tortoises-found-at-paris-airport
### Sectors importing wildlife products into the EU

<table>
<thead>
<tr>
<th>Sector</th>
<th>Examples of key IWT issues</th>
<th>Related headlines/seizures</th>
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<tbody>
<tr>
<td><strong>Tourism</strong></td>
<td>• Souvenirs, containing CITES listed species, many as a result of unawareness</td>
<td>• What you should look out for when buying souvenirs[^51]</td>
</tr>
<tr>
<td><strong>TCM</strong></td>
<td>• Some issues relate to unawareness of regulations, some to deliberate infractions.</td>
<td>• Illegal Chinese medicine targeted – Operation Charm UK[^52]</td>
</tr>
<tr>
<td></td>
<td>• Iconic animal species used in traditional Chinese medicinal products: tiger (and other big cats, such as Leopard) bone, bear parts (bile, gall), musk of Musk Deer, Saiga horn, etc.</td>
<td>• Seizure of 19,000 dried seahorses by French Customs at Paris-Charles de Gaulle airport while on route between Madagascar and Hong Kong[^53]</td>
</tr>
<tr>
<td><strong>Timber</strong></td>
<td>• In terms of volume and value, the most important wildlife commodity imported into the EU</td>
<td>• Germany seizes illegal timber in the DRC[^54]</td>
</tr>
<tr>
<td></td>
<td>• Problem areas are based on legality in the trade chain.</td>
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</tr>
<tr>
<td></td>
<td>• Can occur anywhere from harvest to sale (as with anything else).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The key point is the EU operators (who ‘first place’ on the EU market) must conduct due diligence on the timber import to ensure it is not illegal.</td>
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<tr>
<td></td>
<td>• Problem areas include illegal documentation (forged documents, stolen documents, reuse of documents etc.) and having legal documentation that covers up elements of illegality</td>
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<tr>
<td><strong>Fisheries</strong></td>
<td>• IUU Fishing</td>
<td>• Fish worth £4m seized in EU crackdown on illegal fishing[^55]</td>
</tr>
<tr>
<td></td>
<td>• In terms of volume and value, the second most important wildlife commodity imported into the EU</td>
<td></td>
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<tr>
<td></td>
<td>• Faces similar issues as for Timber discussed above</td>
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</table>

### Sectors facilitating trade in the EU

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<thead>
<tr>
<th>Sector</th>
<th>Examples of key IWT issues</th>
<th>Related headlines/seizures</th>
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</thead>
<tbody>
<tr>
<td><strong>Online trading and internet</strong></td>
<td>• Anonymity facilitates the use of the internet and the use of post/courier to shipping</td>
<td>• Wildlife crime study finds 33,000 items worth £7m for sale online[^56]</td>
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<td></td>
<td>• Many times it is unclear from the ads if the required documents are available for the trade and so to tell whether the trade is legal or not.</td>
<td>• Individual received suspended jail term of 10 months for purchase of wildlife parts over the internet[^57]</td>
</tr>
<tr>
<td></td>
<td>• More collaboration with enforcement authorities is required.</td>
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</table>

[^51]: http://assets.wwf.org.uk/downloads/souvenirs.pdf?_ga=1.220265560.155590761.1426601804
[^52]: http://news.bbc.co.uk/1/hi/england/london/6155244.stm
[^54]: http://www.illegal-logging.info/content/germany-seizes-illegal-timber-drc
[^55]: http://www.theguardian.com/environment/2011/apr/19/fish-4m-seized-crackdown-illegal
[^56]: http://www.theguardian.com/environment/2011/nov/25/wildlife-crime-study-sale-online
[^57]: http://www.bbc.co.uk/news/uk-england-london-30409602
Strengthening cooperation with business sectors against illegal trade in wildlife

<table>
<thead>
<tr>
<th>Sector</th>
<th>Examples of key IWT issues</th>
<th>Related headlines/seizures</th>
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<tbody>
<tr>
<td><strong>Sectors importing wildlife products into the EU</strong></td>
<td></td>
<td></td>
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<tr>
<td>Courier and freight companies</td>
<td>• International nature of the shipments provides routes for IWT • Scale of international trade makes detection difficult</td>
<td>• 'Hundreds of reptiles found' in smuggling bust(^{58})</td>
</tr>
<tr>
<td><strong>Sectors whose activities impact on wildlife conservation outside the EU and can facilitate illegal trade</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extractive industries</td>
<td>• The wildlife extracted could be illegal, but this is covered above by timber, and IUU fishing. • The necessary infrastructure for extractive industries also provides access to previously untapped populations of wildlife • Workers in remote locations may drive demand for bush meat • Many issues related to conservation that are not directly related to IWT such as habitat loss</td>
<td>• Trade in orphans and bushmeat threatens one of the democratic republic of the Congo’s most important populations of Eastern Chimpanzees (Hicks et al, 2010)(^{59}) • Laos emerges as key source in Asia’s illicit wildlife trade(^{60}) • Palm oil plantation crime drives illegal logging in Indonesia(^{61})</td>
</tr>
<tr>
<td>Agri-business</td>
<td>• The expansion of Oil Palm plantations has resulted in significant levels of illegal deforestation.</td>
<td></td>
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</tbody>
</table>


\(^{60}\) [http://e360.yale.edu/feature/laos_emerges_as_key_source_in_asias_illicit_wildlife_trade/2126/](http://e360.yale.edu/feature/laos_emerges_as_key_source_in_asias_illicit_wildlife_trade/2126/)

## Appendix 2 – Examples of existing initiatives

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Wildlife trade issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Certification schemes</strong></td>
<td></td>
<td></td>
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<tr>
<td>FairWild Initiative</td>
<td>“Established in 2008, the FairWild Foundation promotes the sustainable use of wild-collected ingredients, with a fair deal for all those involved throughout the supply chain.”&lt;sup&gt;62&lt;/sup&gt;</td>
<td>Wild plant ingredients</td>
</tr>
<tr>
<td><strong>Certification and standards for business</strong></td>
<td></td>
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</tr>
<tr>
<td>Forest Stewardship Council (FSC)</td>
<td>A not for profit organisation which provides support for the sustainable management of the world’s forests&lt;sup&gt;63&lt;/sup&gt;.</td>
<td>Timber</td>
</tr>
<tr>
<td><strong>Certification for sustainable forest products</strong></td>
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<td></td>
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<tr>
<td>Programme for the Endorsement of Forest Certification</td>
<td>“The Programme for the Endorsement of Forest Certification (PEFC) is an international non-profit, non-governmental organization dedicated to promoting Sustainable Forest Management (SFM) through independent third-party certification”&lt;sup&gt;64&lt;/sup&gt;.</td>
<td>Timber</td>
</tr>
<tr>
<td><strong>Certification for sustainable forest products</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine Stewardship Council</td>
<td>Working with fisheries the MSC is an independent non-profit organisation that provides certification for sustainable fishery products&lt;sup&gt;65&lt;/sup&gt;.</td>
<td>Fisheries</td>
</tr>
<tr>
<td><strong>Individual company CSR</strong></td>
<td></td>
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<tr>
<td>IWAY Forest Standard (IKEA)</td>
<td>“The IWAY Forestry Standard, part of the IKEA supplier code of conduct, sets out the minimum criteria for all wood and board supplied to IKEA including no wood that has been illegally harvested.”&lt;sup&gt;66&lt;/sup&gt;</td>
<td>Timber</td>
</tr>
<tr>
<td><strong>Industry-led initiative (CSR)</strong></td>
<td></td>
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<tr>
<td>New Era – Code of Conduct</td>
<td>New Era Health Group has become the first State-owned Chinese company to include a zero tolerance policy towards the use and gifting of illegal and endangered wildlife products within the company’s formal Code of Conduct&lt;sup&gt;67&lt;/sup&gt;.</td>
<td>All</td>
</tr>
<tr>
<td><strong>Driven by business</strong></td>
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<tr>
<td>Cathay Pacific Shark Fin Ban</td>
<td>Cathay Pacific, as well as other airlines have chosen to ban shark fin from unsustainable sources as cargo&lt;sup&gt;68&lt;/sup&gt;.</td>
<td>Transit, Fisheries</td>
</tr>
<tr>
<td><strong>Industry initiative (CSR)</strong></td>
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<tr>
<td>Alibaba MoU on Wildlife Trade</td>
<td>“Wildlife trade monitoring network TRAFFIC and Alibaba Group announced the signing of a strategic Memorandum of Understanding (MoU) to join forces to address the IWT that is devastating threatened and endangered species of wild plants and animals worldwide.”&lt;sup&gt;69&lt;/sup&gt;</td>
<td>Internet platforms</td>
</tr>
<tr>
<td><strong>NGO and private sector joint statement</strong></td>
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<tr>
<td>World Associations of Zoos and Aquaria</td>
<td>“The World Association of Zoos and Aquaria (WAZA) has passed a resolution condemning IWT and committing their 300+ members to ensure legal, sustainable and ethical sourcing of animals in their care.”&lt;sup&gt;70&lt;/sup&gt;</td>
<td>Zoos and aquaria (Pets)</td>
</tr>
</tbody>
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<sup>62</sup> [http://www.fairwild.org/](http://www.fairwild.org/)
<sup>63</sup> [https://us.fsc.org/](https://us.fsc.org/)
<sup>64</sup> [http://www.pefc.org/about-pefc/who-we-are](http://www.pefc.org/about-pefc/who-we-are)
<sup>65</sup> [http://www.msc.org](http://www.msc.org)
<sup>67</sup> [http://www.traffic.org/home/2015/1/13/new-era-health-group-makes-formal-commitment-not-to-tolerate.html](http://www.traffic.org/home/2015/1/13/new-era-health-group-makes-formal-commitment-not-to-tolerate.html)
<sup>69</sup> [https://www.google.co.uk/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8&q=traffic+alibaba&ap=1](https://www.google.co.uk/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8&q=traffic+alibaba&ap=1)
<table>
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<tr>
<th><strong>Leading courier companies in China say “no” to IWT</strong></th>
<th><strong>Industry group CSR</strong></th>
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<tbody>
<tr>
<td>Representatives of 17 leading courier companies operating in China have made a public declaration pledging their zero tolerance towards IWT. The pledge is an important example of how the private sector can take effective measures in combattin IWT.&quot;71</td>
<td>Facilitating</td>
</tr>
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<table>
<thead>
<tr>
<th><strong>United for Wildlife Transportation</strong></th>
<th><strong>NGO-led CSR statement from industry</strong></th>
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<tbody>
<tr>
<td>A collaboration between United for Wildlife (a consortium of conservation NGOs) and the commercial transport sector72.</td>
<td>Facilitating</td>
</tr>
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<table>
<thead>
<tr>
<th><strong>Global Timber Forum</strong></th>
<th><strong>Timber</strong></th>
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<tbody>
<tr>
<td>“The Global Timber Forum is an international communications and networking hub for timber trade federations, national and regional industry bodies, and others in and associated with the sector”73.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>ConLegno</strong></th>
<th><strong>Timber</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>ConLegno Consortium is a private non-profit organization that was created with the aim of protecting the forests and biodiversity, promoting the use of wood, from raw materials to packaging, the structural wood74.</td>
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<table>
<thead>
<tr>
<th><strong>Sustainable Seafood Coalition</strong></th>
<th><strong>Fisheries</strong></th>
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</thead>
<tbody>
<tr>
<td>“The Sustainable Seafood Coalition (SSC) is the first ever cross-industry group in the UK to tackle seafood sustainability using their influence as a seafood business.”75</td>
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</tbody>
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<table>
<thead>
<tr>
<th><strong>The Expert Panel on Legal and Traceable Wild Fish Products</strong></th>
<th><strong>Fisheries</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>“The Expert Panel on Legal and Traceable Wild Fish Products is a multi-disciplinary expert group convened to promote a global framework for ensuring the legality and traceability of all wild caught fish products.”76</td>
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<thead>
<tr>
<th><strong>Python Conservation Partnership</strong></th>
<th><strong>Luxury goods</strong></th>
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<tbody>
<tr>
<td>A collaboration between Kering, the International Trade Centre and the IUCN. The aim of the collaboration is the sustainability of the python trade77.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Responsible Ecosystems Sourcing Platform (RESP)</strong></th>
<th><strong>Luxury goods</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>“RESP is a platform of luxury companies, governments and institutions revolutionising the global trade system of the fashion, cosmetics and jewellery industries to create positive impacts through sustainable use of biodiversity and natural resources”78.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Roundtable on Sustainable Palm Oil</strong></th>
<th><strong>Cross industry</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>“The Roundtable on Sustainable Palm Oil RSPO aims to transform markets to make sustainable palm oil the norm. As a not-for-profit association, we unite stakeholders from the palm oil industry to develop and implement global standards for sustainable palm oil. We have over 2000 members globally that represent 40% of the palm oil industry, covering all sectors of the global commodity supply chain.”79</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>FishPopTrace</strong></th>
<th><strong>Fisheries</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>“FishPopTrace is a collaborative project involving 15 research groups (from the EU, Norway and Russia), specialized in fish population genetics, molecular biology, proteomics, microchemistry and biochemistry, experts in wildlife forensics, stakeholders of the fisheries industry and, as a scientific consultant, a senior staff member of the US National Oceanic and Atmospheric Administration (NOAA).80)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Cross-sector (NGO, research, private sector) project</strong></th>
<th><strong>Cross-sector (NGO, research, private sector) project</strong></th>
</tr>
</thead>
</table>

---

74 [http://www.conlegno.eu/it/chi-siamo](http://www.conlegno.eu/it/chi-siamo)
75 [http://sustainableseafoodcoalition.org/](http://sustainableseafoodcoalition.org/)
76 [http://solutions-network.org/site/legaltraceablefish/](http://solutions-network.org/site/legaltraceablefish/)
78 [http://resp.ch/](http://resp.ch/)
80 [https://fishpoptrace.jrc.ec.europa.eu/about](https://fishpoptrace.jrc.ec.europa.eu/about)
<table>
<thead>
<tr>
<th>Initiative</th>
<th>Description</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operation Charm</strong></td>
<td>“Operation Charm was launched by the Metropolitan Police in 1995. It is the only current police initiative against the illegal trade in endangered species in the UK and uses a combination of law enforcement and publicity in London.”81 “Partnership between Police, NGOs and Chinese Medicine Associations”</td>
<td>Chinese medicine</td>
</tr>
<tr>
<td><strong>Initiatives in other relevant sectors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EU Business Biodiversity Platform</strong></td>
<td>“The European Business and Biodiversity (B@B) Platform provides an EU level forum for sustained and strategic dialogue about the links between business and biodiversity. Through three separate thematic workstreams, the Platform will deliver tangible results by working with business to develop tools and approaches that integrate biodiversity considerations into business practice. The B@B Platform also helps to coordinate and to raise awareness of innovative national and international initiatives, and showcase business best practices at EU level.”82</td>
<td>Biodiversity</td>
</tr>
<tr>
<td><strong>Biodiversity in Good Company</strong></td>
<td>“A cross-sectorial collaboration of companies that have joined forces to protect and sustainably use our worldwide biological diversity. Through this commitment they contribute to the Convention on Biological Diversity (CBD). Its aim is to halt the dramatic loss of ecosystems, species and genetic diversity.”83</td>
<td>Biodiversity</td>
</tr>
<tr>
<td><strong>PharmaCrime</strong></td>
<td>A conference and project on “Counterfeit medicines and organised crime: identification of effective investigations practices in Europe”84. “Partnership across government and private sectors.”</td>
<td>Pharmaceuticals</td>
</tr>
<tr>
<td><strong>Interpol partnerships</strong></td>
<td>INTERPOL works closely with partners in the public and private sectors to achieve its goals of combating the trafficking of illicit goods. We currently partner with more than 40 different industry sectors and a number of cross-industry associations and representative bodies that offer financial and operational support.85</td>
<td>Illicit goods</td>
</tr>
<tr>
<td><strong>EC MoU on Sale of Counterfeit Goods</strong></td>
<td>“On 18th April 2013 the EC released its first report evaluating the effectiveness of the Memorandum of Understanding (MoU) on the sale of Counterfeit Goods via the Internet. The MoU, signed by some 33 e-commerce platforms and major brand owners in May 2011, aims at establishing a code of practice in the fight against the sale of counterfeit goods over the Internet while enhancing collaboration among its signatories. It focuses on disrupting the supply side of the counterfeit market in order to efficiently eliminate the online availability of counterfeit goods.”86</td>
<td>Counterfeit goods on the internet</td>
</tr>
<tr>
<td><strong>Interpol and pharma industry initiative against counterfeit goods</strong></td>
<td>“… a new initiative from INTERPOL to fight the growing threat of fake medicines. The joint venture between INTERPOL and 29 major global pharmaceutical companies aims to protect the health of patients around the world by ensuring their access to safe and effective medicines.”87</td>
<td>Pharmaceuticals</td>
</tr>
<tr>
<td><strong>Business Action to Stop Counterfeiting and Piracy (BASCAP)</strong></td>
<td>BASCAP unites the global business community to more effectively identify and address intellectual property rights issues and petition for greater commitments by local, national and international officials in the enforcement and protection of IPR.88</td>
<td>Intellectual property rights</td>
</tr>
<tr>
<td><strong>Global Business Coalition Against Human Trafficking (gBCAT)</strong></td>
<td>“To mobilize the power, resources and thought leadership of the business community to end human trafficking, including all forms of forced labor and sex trafficking.”89</td>
<td>Human trafficking</td>
</tr>
</tbody>
</table>

---

81 http://www.operationcharm.org/  
82 http://ec.europa.eu/environment/biodiversity/business/index_en.html  
84 http://www.pharmacrime.eu/index2010.htm  
89 http://www.gbcat.org/#about

Ricardo in confidence

Ref: Ricardo/ED61083/Issue Number 3
## Appendix 3 – Categorisation of sectors according to issues relating to the IWT

<table>
<thead>
<tr>
<th>Sector</th>
<th>Main cause(s)</th>
<th>Role(s)</th>
<th>Detectability</th>
<th>Impact on profit</th>
<th>Conservation impact</th>
<th>Focal items</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxury industry</td>
<td>Lack of awareness</td>
<td>Negligence</td>
<td>Organised crime</td>
<td>Consumer</td>
<td>Exploitation around FII</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>Pet sector</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>High</td>
</tr>
<tr>
<td>Safari hunting industry</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>High</td>
</tr>
<tr>
<td>Tourism</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>High</td>
</tr>
<tr>
<td>TCM</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>High</td>
</tr>
<tr>
<td>Timber</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>Medium</td>
</tr>
<tr>
<td>Fisheries</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>High</td>
</tr>
<tr>
<td>Online trading</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>Medium</td>
</tr>
</tbody>
</table>
## Strengthening cooperation with business sectors against illegal trade in wildlife

<table>
<thead>
<tr>
<th>Sector</th>
<th>Main cause(s)</th>
<th>Role(s)</th>
<th>Detectability</th>
<th>Impact on profit</th>
<th>Conservation impact</th>
<th>Focal items</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courier and logistics</td>
<td>Lack of awareness 2</td>
<td>Negligence 1</td>
<td>Organised crime 3</td>
<td>Exploitation beyond EU 1 High</td>
<td>Medium Low High Medium Low Medium Low</td>
<td>All</td>
<td>Unwitting carriers of international IWT</td>
</tr>
<tr>
<td>Transport companies</td>
<td>Lack of awareness 2</td>
<td>Negligence 1</td>
<td>Organised crime 3</td>
<td>Exploitation beyond EU 1 High</td>
<td>Medium Low High Medium Low Medium Low</td>
<td>All</td>
<td>Unwitting carriers of international IWT</td>
</tr>
<tr>
<td>Extractive industry</td>
<td>Lack of awareness 1</td>
<td>Negligence 2</td>
<td>Organised crime 3</td>
<td>Exploitation beyond EU 1 High</td>
<td>Medium Low High Medium Low Medium Low</td>
<td>All</td>
<td>Creates new infrastructure which facilitates IWT</td>
</tr>
<tr>
<td>Agro-business sector</td>
<td>Lack of awareness 2</td>
<td>Negligence 1</td>
<td>Organised crime 3</td>
<td>Exploitation beyond EU 1 High</td>
<td>Medium Low High Medium Low Medium Low</td>
<td>All</td>
<td>Illegal timber Driving illegal activity to create palm oil plantations</td>
</tr>
</tbody>
</table>

### Definitions

- **IWT** – as defined by Directives and Regulations.
- **Lack of awareness** – the extent to which a business sector is unaware it is engaging in the IWT.
- **Negligence** – the level at which a business sector’s negligence (no checks on supply chains etc.) results in its involvement in the IWT.
- **Organised Crime** – how pervasive is organised crime in the sector and the extent to which it drives the IWT.
- **Consumer** – is the business sector engaged selling an IWT item, or using an illegal item as part of its supply chain.
- **Facilitator** – is the service provided by the business sector utilised by the IWT.
- **Exploitation beyond EU** – does the business sectors activity in other countries support the IWT.
- **Detectability** – how easy it is to identify that a sector in engaged in the IWT.
- **Impact on profit** – in tackling the wildlife trade what will the impact be on a business’s profit.
- **Conservation impact** – in tackling the wildlife trade what will the impact be on conservation.
- **Focal Items** – what are the main illegal wildlife items traded as part of that sector.
- **Comments** – additional information.
### Appendix 4 – Sectors importing wildlife products into the EU categorised according to issues relating to the IWT

<table>
<thead>
<tr>
<th>Sector</th>
<th>Mode of illegality</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Infiltrate legal supply chain EU</td>
<td>Infiltrate legal supply chain non-EU</td>
</tr>
<tr>
<td>Luxury industry</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Pet sector</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Safari hunting industry</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Tourism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TCM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timber</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fisheries</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Definitions**

**Mode of illegality:**
- Infiltrate legal supply chain EU – wildlife product enters legal supply chain inside EU;
- Infiltrate legal supply chain non-EU – wildlife product enters legal supply chain outside of EU;
- Criminal trade – wildlife trade product passes through purely illicit channels on way to consumer;
- Lack of awareness – wildlife trade product is sourced or trafficked through lack of awareness.

**Product:**
- Illegal good directly competing with legal good – where illegal wildlife product is direct competitor of legal good;
- Illegal good entering supply chain – where illegal product enters supply chain of legal product;
- Illegal good unique criminal – where illegal product is unique and therefore attractive to consumers who buy it illegally;
- Illegal good unique awareness – where illegal product is unique and therefore attractive to consumers who buy it with lack of awareness.
# Appendix 5 – Initial review of business initiatives to prevent illegal trade in wildlife

<table>
<thead>
<tr>
<th>Certification Schemes</th>
<th>Inception date</th>
<th>Sector</th>
<th>Description</th>
<th>Issue that initiative seeks to address</th>
<th>Mode of action</th>
<th>Mode of illegality</th>
<th>Operational issue</th>
<th>Started by</th>
<th>Involved</th>
<th>Business buy-in</th>
<th>Significance of the trade</th>
<th>Conservation impact</th>
<th>Comments</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>FairWild</td>
<td>2010</td>
<td>Luxury, TCM</td>
<td>A certification scheme for legally and sustainably sourced wild plants • Also include social considerations • Offers a Total Quality Management System • Works with brokers, operators, distributors and processors, manufacturers and marketers</td>
<td>Illegal and unsustainable harvesting of wild plants</td>
<td>Certified supply chains</td>
<td>Infiltrate legal supply chain</td>
<td>Illegal good entering supply chain, illegal good competing with legal good</td>
<td>Multiple NGOs and members of private sector</td>
<td>TRAFFIC, WWF, IUCN, ProFound, German Government, private sector board members</td>
<td>Med</td>
<td>High</td>
<td>Med</td>
<td>• European and US participating companies • Ensures best practice for industry</td>
<td><a href="http://www.fairwild.org/">http://www.fairwild.org/</a></td>
</tr>
<tr>
<td>Forest Stewardship Council (FSC)</td>
<td>1994</td>
<td>Timber</td>
<td>Not for profit organisation • Global forest certification • Two components: forest management and chain of custody certification</td>
<td>Unsustainable forestry</td>
<td>Certified supply chains</td>
<td>Infiltrate legal supply chain</td>
<td>Illegal good entering supply chain, illegal good competing with legal good</td>
<td>NGOs and business</td>
<td>FSC but partners with private sector and NGOs</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>• Claim to have the strictest standards out of all timber certifications • FSC sets own global standards</td>
<td><a href="http://www.fsc-uk.org/">http://www.fsc-uk.org/</a></td>
</tr>
<tr>
<td>Programme for the Endorsement of Forest Certification</td>
<td>1999</td>
<td>Timber</td>
<td>World’s largest certification scheme for timber • Caters to small non-industrial private forests</td>
<td>Unsustainable forestry</td>
<td>Certified supply chains</td>
<td>Infiltrate legal supply chain</td>
<td>Illegal good entering supply chain, illegal good competing with legal good</td>
<td>National Organisation</td>
<td>PEFC endorses national systems of certification, many private sector stakeholder members</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>• PEFC adapts to national standards</td>
<td><a href="http://www.pefc.org/">http://www.pefc.org/</a></td>
</tr>
<tr>
<td>Marine Stewardship Council (MSC)</td>
<td>1996</td>
<td>Fisheries</td>
<td>MSC sets standards against which independent certifiers test fisheries</td>
<td>Unsustainable seafood</td>
<td>Certified supply chains</td>
<td>Infiltrate legal supply chain</td>
<td>Illegal good entering supply chain, illegal good competing with legal good</td>
<td>Founded by Unilever and WWF</td>
<td>Fisheries, independent certifiers</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>• 30% shoppers in 10 global markets recognise label</td>
<td><a href="http://wwf.panda.org/what_we_do/how_we_work/conservation/marine/sustainable_fishing/sustainable_seafood/">http://wwf.panda.org/what_we_do/how_we_work/conservation/marine/sustainable_fishing/sustainable_seafood/</a> <a href="https://www.msc.org/about-us/">https://www.msc.org/about-us/</a></td>
</tr>
</tbody>
</table>

## Individual Company Corporate Social Responsibility (CSR)
<table>
<thead>
<tr>
<th>Name</th>
<th>Inception date</th>
<th>Sector</th>
<th>Description</th>
<th>Issue that initiative seeks to address</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Era – Code of Conduct</td>
<td>2015</td>
<td>Luxury industry</td>
<td>• Zero tolerance policy towards the use and gifting of illegal and endangered wildlife products within the company’s formal Code of Conduct</td>
<td>Business gifts of wildlife products</td>
</tr>
<tr>
<td>IWAY Forest Standard</td>
<td>2012 (?</td>
<td>Timber</td>
<td>• Part of the supplier code of conduct for all wood and board supplied to IKEA</td>
<td>Un sustainable timber</td>
</tr>
<tr>
<td>Cathay Pacific Shark Fin Ban</td>
<td>2012</td>
<td>Courier and freight</td>
<td>• Cathay Pacific agreed to no longer carry shark fin from unsustainable sources</td>
<td>Un sustainable shark fin</td>
</tr>
<tr>
<td>Alibaba MoU on Wildlife Trade</td>
<td>2014</td>
<td>Online trading and internet</td>
<td>• Strategic MoU signed with TRAFFIC to address IWT</td>
<td>Online IWT</td>
</tr>
<tr>
<td>Python Conservation Partnership</td>
<td>2013</td>
<td>Luxury industry</td>
<td>• Collaboration between Kering, the International Trade Centre and the IUCN focusing on sustainability, transparency, animal welfare and livelihoods</td>
<td>Reptile skins</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mode of action</th>
<th>Mode of illegality</th>
<th>Operational issue</th>
<th>Started by</th>
<th>Involved</th>
<th>Business buy-in</th>
<th>Significance of the trade</th>
<th>Conservation impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company CSR policy - significant impact on operations</td>
<td>Criminal trade, lack of awareness</td>
<td>Illegal good competing with legal good</td>
<td>Cathay Pacific and experts including from TRAFFIC</td>
<td>Cathay Pacific and experts including from TRAFFIC</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Company CSR policy - significant impact on operations</td>
<td>Criminal trade, lack of awareness</td>
<td>Illegal good competing with legal good, illegal good unique - criminal, illegal good unique - awareness</td>
<td>Alibaba, TRAFFIC</td>
<td>Alibaba, TRAFFIC</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Company CSR policy - significant impact on operations</td>
<td>Infiltrate illegal supply chain</td>
<td>Illegal good entering supply chain</td>
<td>Kering, IUCN, ITC</td>
<td>Kering, IUCN, ITC</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comments</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A single company but has links to other state-owned industries • Unsure how this is implemented, are gifts refused?</td>
<td><a href="http://www.traffic.org/home/2015/11/13/new-era-health-group-makes-formal-commitment-not-to-tolerate.html">http://www.traffic.org/home/2015/11/13/new-era-health-group-makes-formal-commitment-not-to-tolerate.html</a></td>
</tr>
<tr>
<td>• World’s largest e-commerce firm therefore can provide significant impacts but also requires significant enforcement</td>
<td><a href="http://www.traffic.org/home/2014/10/14/traffic-and-alibaba-group-sign-memorandum-of-understanding.html">http://www.traffic.org/home/2014/10/14/traffic-and-alibaba-group-sign-memorandum-of-understanding.html</a></td>
</tr>
<tr>
<td>• The second phase of the collaboration will implement changes to improve sustainable sourcing</td>
<td><a href="http://www.traffic.org/home/2014/10/14/traffic-and-alibaba-group-sign-memorandum-of-understanding.html">http://www.traffic.org/home/2014/10/14/traffic-and-alibaba-group-sign-memorandum-of-understanding.html</a></td>
</tr>
<tr>
<td>Name</td>
<td>Inception date</td>
</tr>
<tr>
<td>------</td>
<td>----------------</td>
</tr>
<tr>
<td>eBay</td>
<td>2008/9</td>
</tr>
<tr>
<td>British Airways</td>
<td>2015</td>
</tr>
<tr>
<td>Ornamental Aquatic Trade Association (OATA)</td>
<td>2015</td>
</tr>
<tr>
<td>Sustainable crocodile skins</td>
<td>2006</td>
</tr>
</tbody>
</table>

**Multiple Company CSR**

| World Associations of Zoos and Aquaria (WAZA) Resolution | 2015 | Pet sector | • Committing 300+ members of WAZA to ensure legal sustainable ethical sourcing of animals in their care. | Sourcing of animals for zoos and aquaria | Voluntary industry standard - moderate impact on operations | Infiltrate illegal supply chain | WAZA | WAZA | Med | Med | Med | • Focus appears to be in Australasia • 300+ members of trade association likely to adopt best practice anyway | http://www.traffic.org/hom/2015/2/23/zoos-in-australia-join-traffic-in-the-fight-against-illegal.html |

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<table>
<thead>
<tr>
<th>Name</th>
<th>Inception date</th>
<th>Sector</th>
<th>Description</th>
<th>Issue that initiative seeks to address</th>
<th>Mode of action</th>
<th>Mode of illegality</th>
<th>Operational issue</th>
<th>Started by</th>
<th>Involved</th>
<th>Business buy-in</th>
<th>Significance of the trade</th>
<th>Conservation impact</th>
<th>Comments</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading courier companies in China say “no” to IWT</td>
<td>2015</td>
<td>Courier and freight</td>
<td>• 17 courier companies (covering 95% of parcel courier market) made public declaration pledging zero tolerance for IWT</td>
<td>Transport of IWT</td>
<td>Voluntary industry standard - potentially significant impact on operations</td>
<td>Criminal trade, lack of awareness</td>
<td>Illegal good entering supply chain, illegal good competing with legal good, illegal good unique - criminal, illegal good unique - awareness</td>
<td>CITES, TRAFFIC, Post Office</td>
<td>CITES, TRAFFIC, Post Office</td>
<td>Med</td>
<td>High</td>
<td>High</td>
<td>• Large scale · What resources will be implemented to ensure this is the case?</td>
<td><a href="http://www.traffic.org/home/2015/3/11/leading-courier-companies-in-china-say-no-to-illegal-wildlife.html">http://www.traffic.org/home/2015/3/11/leading-courier-companies-in-china-say-no-to-illegal-wildlife.html</a></td>
</tr>
<tr>
<td>United for Wildlife Transportation</td>
<td>2014</td>
<td>Courier and freight</td>
<td>• A collaboration between United for Wildlife (a consortium of conservation NGOs) and the commercial transport sector</td>
<td>Transport of IWT</td>
<td>Working group resulting in recommendations</td>
<td>Criminal trade, lack of awareness</td>
<td>Illegal good entering supply chain, illegal good competing with legal good, illegal good unique - criminal, illegal good unique - awareness</td>
<td>United for Wildlife was established by The Royal Foundation of the Duke and Duchess of Cambridge and Prince Harry</td>
<td>Members of task force from UK Government, Private Sector, NGOS and Transport Sector</td>
<td>Med</td>
<td>High</td>
<td>High</td>
<td>• Unclear what the outputs of the taskforce will be</td>
<td><a href="https://www.worldwildlife.org/stories/prince-william-announces-new-task-force-to-stop-transport-of-illegal-wildlife.html">https://www.worldwildlife.org/stories/prince-william-announces-new-task-force-to-stop-transport-of-illegal-wildlife.html</a></td>
</tr>
<tr>
<td>Global Timber Forum</td>
<td>2013</td>
<td>Timber</td>
<td>• Communication and networking hub for timber trade federations, national and regional bodies and others associated with the sector · Promotes coordination and collaboration and sharing best practice</td>
<td>Environment sustainability not explicitly mentioned as objective</td>
<td>Best practice forum</td>
<td>Infiltrate legal supply chain</td>
<td>Illegal good entering supply chain</td>
<td>Concept came out of the meeting convened by FAO, European Timber Trade Federation and Forest Trust/Tropical Trade Action Plan</td>
<td>Wide variety of stakeholders</td>
<td>Med</td>
<td>High</td>
<td>Low</td>
<td>• Not expressly about environmental sustainability</td>
<td><a href="http://gtf-info.com/gtf/about-the-global-timber-forum">http://gtf-info.com/gtf/about-the-global-timber-forum</a></td>
</tr>
<tr>
<td>ConLegno</td>
<td>2002</td>
<td>Timber</td>
<td>• Not for profit consortium supported by National Associations for Trade and SMES in timber sector in Italy</td>
<td>Illegal and unsustainable timber</td>
<td>Membership of responsible businesses</td>
<td>Infiltrate legal supply chain</td>
<td>Illegal good entering supply chain</td>
<td>Trade associations and SMES</td>
<td>Trade associations and SMES</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td></td>
<td><a href="http://www.conlegno.eu/it/">http://www.conlegno.eu/it/</a></td>
</tr>
<tr>
<td>Name</td>
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<td>Issue that initiative seeks to address</td>
<td>Mode of action</td>
<td>Mode of illegality</td>
<td>Operational issue</td>
<td>Started by</td>
<td>Involved</td>
<td>Business buy-in</td>
<td>Significance of the trade</td>
<td>Conservation impact</td>
<td>Comments</td>
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<tr>
<td>Sustainable Seafood Coalition</td>
<td>2011</td>
<td>Fisheries</td>
<td>A UK partnership of seafood businesses which have adopted voluntary codes of conduct to ensure sustainable seafood</td>
<td>Unsustainable Seafood</td>
<td>Voluntary industry standard - moderate impact on operations</td>
<td>Infiltrate legal supply chain</td>
<td>Illegal good entering supply chain</td>
<td>Client Earth, large retailers, producers and NGOs</td>
<td>High</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>The Expert Panel on Legal and Traceable Wild Fish Products</td>
<td>2013</td>
<td>Fisheries</td>
<td>A panel to promote a global framework to ensure legality and traceability of wild caught fish</td>
<td>Unsustainable and Illegal Seafood</td>
<td>Working group resulting in recommendations</td>
<td>Infiltrate legal supply chain</td>
<td>Illegal good entering supply chain</td>
<td>WWF</td>
<td>Panel made up of NGOs and Private Sector</td>
<td>Med</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsible Ecosystems Sourcing Platform (RESP)</td>
<td>2013</td>
<td>Luxury industry</td>
<td>Operates in four key areas to promote sustainable use of biodiversity and natural resources 1) determining best practice 2) integrating biodiversity into international standards 3) creating information and knowledge sharing tools 4) facilitating information exchange</td>
<td>Unsustainable biodiversity use</td>
<td>Membership of responsible businesses</td>
<td>Infiltrate legal supply chain</td>
<td>Illegal good entering supply chain</td>
<td>Producers and users of wildlife goods</td>
<td>Med</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roundtable on Sustainable Palm Oil</td>
<td>2004</td>
<td>Agribusiness</td>
<td>Formed to promote the use of sustainable palm oil • Operates a certification scheme for sustainable palm oil</td>
<td>Deforestation for palm oil cultivation</td>
<td>Certified supply chains</td>
<td>Infiltrate legal supply chain</td>
<td>Illegal good entering supply chain</td>
<td>WWF, Aarhus United UK, Migros, Malaysian Palm Oil Association and Unilever</td>
<td>High</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation Charm</td>
<td>1995</td>
<td>Cross-sector</td>
<td>A partnership between police authorities and NGOs to stop the IWT in London</td>
<td>IWT</td>
<td>Enforcement activities</td>
<td>Criminal trade, lack of awareness</td>
<td>Illegal good entering supply chain, illegal good competing with legal good, illegal good unique - criminal, illegal good unique - awareness</td>
<td>Metropolitan Police, NGOs as partners, ‘friends’ include Federation of Traditional Chinese Medicine</td>
<td>Med</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Significance of the trade: High, Med, Low
Conservation impact: High, Med, Low

Source: http://sustainableseafoodcoalition.org/

• The panel made recommendations presented in a report and a webinar
• First global meeting emphasised the importance of taking into account Natural Capital
• Has received considerable criticism from NGOs
• Not clear of private sector involvement

http://www.operationcharm.org/about-us/
http://solutions-network.org/site-legaltraceablefish/
http://resp.ch/
http://www.rspo.org/about
<table>
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<th>Conservation impact</th>
<th>Comments</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>FishPopTrace</td>
<td>2008</td>
<td>Fisheries</td>
<td>• Collaboration between different stakeholders</td>
<td>IUU fishing</td>
<td>Best practice forum - recommendi</td>
<td>Infiltrate legal supply chain</td>
<td>Illegal good entering supply chain</td>
<td>Launched under EU Seventh Framework Programme</td>
<td>Research organisation s, fishing industry. EC funded</td>
<td>USAID, National Geographic Society, the Smithsonian Institution and TRAFFIC</td>
<td>Med</td>
<td>High</td>
<td>High</td>
<td>• Finalised in 2011 outputs included reports, media appearances.</td>
</tr>
<tr>
<td>Wildlife Crime Tech Challenge</td>
<td>2015</td>
<td>Cross-sector</td>
<td>• Prize fund for the development of scientific and technological solutions to battle wildlife crime</td>
<td>• Up to $500,000 on offer</td>
<td>1) Detecting transit routes 2) Strengtheninig forensic evidence 3) reducing consumer demand 4) tackling corruption</td>
<td>Funding innovation</td>
<td>All (at supply side)</td>
<td>USAID, National Geographic Society, the Smithsonian Institution and TRAFFIC</td>
<td>USAID, National Geographic Society, the Smithsonian Institution and TRAFFIC</td>
<td>USAID, National Geographic Society, the Smithsonian Institution and TRAFFIC</td>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>• Exciting new initiative, unsure of the focus</td>
</tr>
</tbody>
</table>
Appendix 6 – Standard list of questions for semi-structured interviews

Confidentiality

- Is the respondent happy for their name to be used in the report?
- If not, in what format would they like their interview notes to appear (e.g. John Smith, Manager at DHL, or Manager at DHL, or Manager from a large international courier company?)

Roles

- What role does your organisation play in the initiative?
- What role do you play in the initiative?
- What other organisations are involved and what roles do they play?

Objectives

- Why was the initiative established? (Why? Because….; Why? In order to….)
- Was/Is the initiative motivated by EU or national legislation, regulation, guidance, support or information?
- Who/what does the initiative target?
- What are the intended end results?
- What measures of success have been set?

Corporate motivations

- Why did your organisation get involved in the initiative?
- What did/does your organisation hope to gain from being involved?

Research

- What research has your organisation undertaken before or during its involvement to determine the scope and scale of issues and the (potential) impact of the initiative?

Impact

- How successful has the initiative been in meeting its objectives?
- What impacts on the illegal trade are directly or indirectly attributable to the initiative?

Stakeholders

- Who are seen as stakeholders in the initiative?
- How does the initiative engage with these stakeholders?
- Are all stakeholders committed to the initiative? Why or why not?
- Is the initiative supported by public bodies and if so how?
- Has the initiative considered whether there could be benefits of engaging at a European scale?

What happened well?

- What aspects of the initiative have worked well? Why?
Strengthening cooperation with business sectors against illegal trade in wildlife

If the initiative addresses more than one sector, in which sector(s) has it had greatest success? Why?

What happened not so well?

- What have been the key challenges to achieving the intended end results? How have these been addressed?
- What aspects of the initiative have not worked so well? Why?

More of and differently

- What more could the initiative have done/do to ensure greater success?
- What more could others have done/do to support the initiative (e.g. public bodies)?
- How could the initiative have been/be developed or implemented differently to greater effect?

The future

- What are the initiatives next steps? And why?
- Is your organisation involved in any other similar initiatives?
## Appendix 7 – Initial review of business initiatives to prevent illegal trade

<table>
<thead>
<tr>
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</thead>
</table>
| ISO                       | 1947           | Cross-sector            | - An independent NGO  
- World's largest developer of voluntary international standards  
- Provides standards for health, sustainable development, food, water, cars, climate change, energy efficiency and renewables, services and accessibility. | No one particular issue but provides assurances that products, materials, processes and services reach a certain standard | Certification schemes                                  | Institute of Civil Engineers | NGO with members from 163 countries, 3,368 technical bodies | • Perhaps wildlife trade is already covered by ISO standards  
• Can wildlife trade be included as part of an environmental standard if not included already | http://www.iso.org/i so/home/about.htm                                                                 |                                                                            |
| DHL                       | -              | Courier and logistics   | Unsure of exact scope at the moment need to speak to contact Illegal trade                                                                       | Illegal trade                                                                                          | CSR policy               |                                 | A relevant sector for the wildlife trade                                                                 |                                                                                           |                                                                            |
| Global Reporting Initiative (GRI) | 1997           | Cross-sector            | - GRI has developed a sustainability reporting framework that is used throughout the world  
- It is hoped that through GRI sustainability reporting becomes standardised and is standard practice. | Promotion of sustainability reporting                                                             | Reporting                                                      | Coalition for Environmentally Responsible Economies (CERES) and Tellus Institute | Alliances with OECD, UNEP, UN Global Compact, ISO | • Perhaps wildlife trade is already covered by GRI framework  
• Can wildlife trade be included as part of an environmental reporting if not included already | https://www.globalreporting.org/information/about-gri/Pages/default.aspx                                        |                                                                            |
| Fairtrade International (FLO) | 1997           | Cross-sector            | - Fairtrade International (FLO) is the organisation that coordinates Fairtrade labelling at an international level.  
- Since inception split into two organisations 1) Fairtrade International - sets standards 2) FLOCERT - inspects and certifies orgs | Seeks to address imbalance in trading terms and negative outcomes of existing trade | Certification Scheme                                  | -                                    | 3 producer networks, 25 Fairtrade organisations, Fairtrade International and FLOCERT, large number of partners across wide variety of sectors | • A good example of certification scheme, although not sure applicable to IWT                     | http://www.fairtrade.net/                                                                 |                                                                            |
<table>
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<tr>
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<th>Relevance to wildlife trade</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Accreditation Services International (ASI)</td>
<td>2006</td>
<td>Cross-sector</td>
<td>• Accreditation Services International (ASI) is an independent accreditation body offering international, third party accreditation for voluntary certification schemes.</td>
<td>Sustainability Certification</td>
<td>Accreditation for sustainability standards</td>
<td>Forest Stewardship Council</td>
<td>-</td>
<td>• An accreditation of certification schemes, may come at the next step for any certification scheme for the IWT</td>
<td><a href="http://www.accreditation-services.com/">http://www.accreditation-services.com/</a></td>
</tr>
<tr>
<td>Kimberley Process Certification Scheme</td>
<td>2002</td>
<td>Diamonds</td>
<td>• Requires members of the process to certify rough diamonds as conflict free and stop conflict diamonds entering the supply chain. • Participants can only trade with other members of the scheme</td>
<td>Conflict diamonds</td>
<td>Certification of diamonds</td>
<td>UN, industry, civil society, governments</td>
<td>54 participants form 81 countries covers 99.8% of global production of rough diamonds</td>
<td>• An industry wide initiative which now covers the vast majority of diamonds• There may be technological limitations to what can be applied to IWT</td>
<td><a href="http://www.kimberlyprocess.com/en/about">http://www.kimberlyprocess.com/en/about</a></td>
</tr>
<tr>
<td>Chartered Institute of Procurement and Supply</td>
<td>1932</td>
<td>Cross-sector</td>
<td>• Providing professional qualifications, learning resources, accreditation of purchasing and supply procedures • Seek to develop ‘art and science’ of procurement and supply management.</td>
<td>Procurement and supply chain management</td>
<td>Qualifications, accreditation, training</td>
<td>-</td>
<td>Individual procurement and supply chain professionals</td>
<td>• Educating supply chain and procurement professionals about IWT could have far reaching consequences</td>
<td><a href="http://www.cips.org/en/aboutcips/What-we-do/">http://www.cips.org/en/aboutcips/What-we-do/</a></td>
</tr>
<tr>
<td>Marks and Spencer Plan A</td>
<td>2007</td>
<td>Retail</td>
<td>• Goals set by Marks and Spencer to achieve environmental and ethical goals • 100 commitments up to 2020</td>
<td>Sustainability across entire business</td>
<td>CSR policy</td>
<td>M&amp;S</td>
<td>Partners with wide variety of NGOs</td>
<td>• Perhaps rigorous procurement policies would already cover IWT</td>
<td><a href="http://corporate.marksandspencer.com/plan-a">http://corporate.marksandspencer.com/plan-a</a></td>
</tr>
<tr>
<td>Fashioning an Ethical Industry</td>
<td>2008</td>
<td>Fashion</td>
<td>• EU funded his project run between 2008-2010 by partners in UK, Poland, Austria and the Netherlands • The project supports fashion educators in including social responsibility towards garment workers</td>
<td>Poor working conditions for garment workers</td>
<td>Raising awareness for future members of fashion industry</td>
<td>EU</td>
<td>Universities and schools</td>
<td>• Educating future professionals can have far reaching consequences</td>
<td><a href="http://www.fashioningethicalindustry.eu/start.asp?ID=2279048&amp;b=1256">http://www.fashioningethicalindustry.eu/start.asp?ID=2279048&amp;b=1256</a></td>
</tr>
<tr>
<td>EU Business Biodiversity Platform</td>
<td>2008</td>
<td>Cross-sector</td>
<td>• To promote business action that supports biodiversity • Comprises of information portal, annual meetings, bureau of advisors • Focused on agriculture, forestry, finance, food supply, non-energy extractive industry and tourism • Phase 1 lasted for three years and resulted in increased awareness, best practice examples and National Business and Biodiversity Platforms • Phase 2 work streams include 1) Accounting for Natural</td>
<td>Business biodiversity impacts • Awareness raising</td>
<td>Four different types of member: • Full • Observer • Representative • MS participants</td>
<td>EC</td>
<td></td>
<td>• Shows strong business engagement in biodiversity issue</td>
<td><a href="http://ec.europa.eu/environment/biodiversity/business/index_en.html">http://ec.europa.eu/environment/biodiversity/business/index_en.html</a></td>
</tr>
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</tbody>
</table>
| Biodiversity in Good Company     | 2008           | Cross-sector | Capital 2) Innovation of Biodiversity and Business 3) Access to Finance and Innovative Finance Mechanisms | • Small, medium and large companies from Germany make up biodiversity in Good Company  
• Members have committed to include protection of biological diversity in their operations  
• Public funding ran out after three years, but continued through support of its members | Business biodiversity impacts  
Awareness raising, networking and providing best practice | German Government and business | Small, medium and large business | • Shows strong business engagement in biodiversity issue | http://www.business-s-and-biodiversity.de/en/ |
| Coffee versus Gangs - Kenco      | 2014           | Coffee | • Kenco have started a project in Honduras training vulnerable young people in the coffee trade | Gang  
Training schemes | Kenco | Kenco | • Provides example of corporation engaging with communities directly, in a way related to their product | https://www.coffeegangsg.com/ |
| PharmaCrime                      | 2010           | Pharmacueticals | • A conference and project on “Counterfeit medicines and organised crime: identification of effective investigations practises in Europe” | Pharmaceutical Crime  
Development of best practice and awareness raising | EU, Interpol, European medicine regulators | EU, Interpol, European medicine regulators | • Limited involvement of private sector | http://pharmacrime.eu/ |
| Interpol Partnerships            | -              | Cross-sector | • INTERPOL works closely with partners in the public and private sectors to achieve its goals of combating the trafficking of illicit goods. Currently partners with more than 40 different industry sectors and a number of cross-industry associations and representative bodies that offer financial and operational support | Cross-sector  
Tech development, awareness raising | Interpol | • Mainly tech companies | • Good to see engagement with enforcement agencies  
• Tech aspect could be relevant for online trading | http://www.interpol.int/About-INTERPOL/International-partners/Private-partners |
| EC MoU on Sale of Counterfeit Goods | 2011         | Cross-sector | • Memorandum of Understanding (MoU) on the sale of Counterfeit Goods via the Internet.  
• 33 e-commerce platforms and major brand owners signed MoU in May 2011  
• Set up a code of practice to tackle the sale of counterfeit goods over the internet  
• Aims to disrupt supply side of counterfeit market | Sale of counterfeit goods on the internet  
<table>
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</tr>
</thead>
</table>
| Interpol and pharmaceutical industry initiative against counterfeit goods | 2013 | Pharmaceuticals | • A joint venture between INTERPOL and 29 major global pharmaceutical companies  
• Industry providing funding worth EUR 4.5m | Counterfeit Pharmaceutical Goods | Funding enforcement agency | Interpol and 29 brands | Interpol and 29 brands | • Again different to the IWT in that a direct threat to IP undermines pharma products.  
• But good example of work with enforcement agency | http://www.interpol.int/Crime-areas/Pharmaceutical-crime/Pharmaceutical-Industry-Initiative-to-Combat-Crime |
| Business Action to Stop Counterfeiting and Piracy (BASCAP) | 2004 | Cross-sector | • Its mission is to connect and mobilise business against counterfeiting and piracy, pool resources and expertise, make the voice of business heard by government, create a culture of respect for IP. | Piracy and counterfeiting | Networking and lobbying | International Chamber of Commerce | 21 member companies | • An IP issue not so relevant for IWT | http://www.iccwb.org/advocacy-codes-and-rules/bascap/about/ |
| Global Business Coalition Against Human Trafficking (gBCAT) | 2012 | Cross-sector | • Using resources contained within business community to tackle human trafficking• Provides operational guidance, best practices, and connections for business to tackle human trafficking• A focus on training and education, supply chain issues, raising awareness communication and outreach. | Human Trafficking | Training, awareness raising | - | Large international organisations | • A similar issue to the IWT | http://www.gbcat.org/#about |
| eBay - Global Asset Protection (UK) | 1995 | Internet trading platform | • Provides resources for law enforcement investigations  
• Has a Law Enforcement Portal (LEP) which allows registered law enforcement officers to access user information.  
• Also a Law Enforcement request System (LERS) an online web form for eBay data requests | Engagement with enforcement agencies | Easy access for law enforcement | eBay | Enforcement agencies | • A good example of business making it easier for enforcement agencies  
| Business Alliance for Secure Commerce (BASC) | 1996 | Cross-sector | • Business led initiative, working with governments and international organisations established to promote secure international trade - supply chain security  
• Addresses particular problem of illegal contraband in commercial trade  
• Participants expect to follow BASC security guidelines. Achieve certification  
• USA focus with engagement in Latin America and Caribbean | Concealing contraband in commercial trade | Certification | Business, custom organisations | Business, custom organisations | • Contraband is very similar to illegal wildlife trace  
• Good example of collaboration between customs organisations and business | http://www.wbasco.org/english/documentos/brochure-basc-english.pdf |
<p>| GIA Certification | 1931 | Diamonds | • Established in 1931, GIA is the world’s foremost authority on diamonds, coloured stones and pearls. A public benefit, non | Insecurity in diamond supply chain | Certification | Throughout the diamond industry | - | • Perhaps technological limitations with IWT | <a href="http://www.gia.edu/UK-EN/gia-about">http://www.gia.edu/UK-EN/gia-about</a> |</p>
<table>
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<tr>
<td>Provenance</td>
<td>Cross-sector</td>
<td>Profit institute, GIA is the leading source of knowledge, standards and education in gems and jewellery.</td>
<td></td>
<td>Supply chain transparency</td>
<td>Private sector</td>
<td>• A tech solution</td>
<td><a href="https://www.provenance.org/about">https://www.provenance.org/about</a></td>
</tr>
<tr>
<td>SourceMap</td>
<td>Cross-sector</td>
<td>• Provenance is a real-time data platform that empowers brands to take steps toward greater transparency by tracing the origins and histories of products. With our technology you can easily gather and verify stories, keep them connected to physical things and embed them anywhere online.</td>
<td></td>
<td>Tech platform</td>
<td>Private sector</td>
<td>• Tech solution</td>
<td><a href="http://www.provenance.org/about">http://www.provenance.org/about</a></td>
</tr>
<tr>
<td>Transparency International</td>
<td>Cross-sector</td>
<td>• Works with private sector to promote anti-corruption behaviour • Have produced Business Principles for Countering Bribery along with private sector steering group</td>
<td></td>
<td>Corruption</td>
<td>NGO</td>
<td>• Best practice recommendations</td>
<td><a href="http://www.transparency.org/whatwedo/activity/engaging-the-private-sector-in-the-fight-against-corruption">http://www.transparency.org/whatwedo/activity/engaging-the-private-sector-in-the-fight-against-corruption</a></td>
</tr>
<tr>
<td>Business against Corruption a framework for Action</td>
<td>2011 Cross-sector</td>
<td>• Business Against Corruption is a guide to companies preparing themselves to implement the UN Global Compact’s 10th Principle against Corruption and to deal with corruption in any and every aspect of their operations</td>
<td></td>
<td>Corruption</td>
<td>UN Global Compact, Transparency International, International Business Leaders Forum</td>
<td>• Guide to business complying with regulation (perhaps could be done for CITES)</td>
<td><a href="https://www.unglobalcompact.org/docs/news_events/6.1/business-against-corruption.pdf">https://www.unglobalcompact.org/docs/news_events/6.1/business-against-corruption.pdf</a></td>
</tr>
<tr>
<td>World Economic Forum Partnering Against Corruption Initiative (PACI)</td>
<td>Cross-sector</td>
<td>• Over the past ten years, PACI has become the leading global business voice on anti-corruption and transparency. Comprising nearly 100 active companies, PACI is one of the strongest cross-industry collaborative efforts at the Forum. The initiative creates a more visible, dynamic and agenda-setting platform, working with committed business leaders, international organizations and governments to address corruption, transparency and emerging-market risks.</td>
<td></td>
<td>Awareness raising, regional initiatives, industry projects</td>
<td>100 active companies</td>
<td>• Corruption has strong overlaps with the IWT</td>
<td><a href="http://www.weforum.org/community/partnering-against-corruption-initiative-0">http://www.weforum.org/community/partnering-against-corruption-initiative-0</a></td>
</tr>
<tr>
<td>Name</td>
<td>Inception date</td>
<td>Sector</td>
<td>Description</td>
<td>Issue that initiative seeks to address</td>
<td>Mode of action</td>
<td>Started by</td>
<td>Involved</td>
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<td>Business Against Corruption Africa</td>
<td>2008</td>
<td>Cross-sector</td>
<td>• Collective multi stakeholder action by government and the private sector to tackle corruption. The programme was developed at the invitation of the Commonwealth Heads of Government Meeting (CHOGM) to improve the conditions for doing business and thereby promote investment and sustainable development in Africa.</td>
<td>Corruption</td>
<td>Working partnerships in governance</td>
<td>Commonwealth Business Council, DFID funded</td>
<td>Private, public, civil society</td>
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<tr>
<td>Finance Against Trafficking</td>
<td></td>
<td>Financial Sector</td>
<td>Finance Against Trafficking is working to raise awareness, equip and resource companies to help them effectively address all areas of their business that can be affected by people trafficking and manage the risk and threats to their supply chain, money services, reputational risk and prosecution.</td>
<td>Human Trafficking</td>
<td>Provides audit, risks analysis and training</td>
<td>STOP THE TRAFFIK (NGO)</td>
<td>NGO</td>
</tr>
<tr>
<td>Sedex</td>
<td>2004</td>
<td>Cross-sector</td>
<td>Sedex, the Supplier Ethical Data Exchange, is a not for profit membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains.</td>
<td>Ethical supply chain data</td>
<td>Central space for reporting against labour, health and safety, environmental and ethical standards</td>
<td>UK retailers</td>
<td>Members from 150 countries</td>
</tr>
</tbody>
</table>
| The Ethical Fashion Forum (EFF)               | 2004           | Fashion         | • Industry body for sustainable fashion  
• Launched SOURCE a global platform for sustainable fashion | Unsustainable fashion                | Networking, awareness raising                         | Fashion designers and business                                    | 6000 members in over 100 countries                                       | • Potential for engagement                                               | http://www.ethicalfashionforum.com/about-eth/                             |
| Human Rights and Business Dilemmas Forum      |                 |                 | The Human Rights and Business Dilemmas Forum aims to enhance our collective understanding of human rights themes and to stimulate discussion about the dilemmas responsible multi-national companies may face in their efforts to respect and support human rights when operating in emerging economies. It does so using innovative online feedback mechanisms to allow users to propose, explore and discuss a wide range of dilemmas and potential good practice. The Forum also provides a series of case studies demonstrating real-world dilemmas faced by companies and other organisations around the world - as well as real-world efforts to manage or resolve these dilemmas in a responsible way. Links are included to other relevant websites, resources and initiatives. | Human rights and other ethical issues | Forum, experiencing sharing                                 | UN Global Compact, Verisk Maplecroft, GE Foundation                  | Business                                                                  | • A potential forum to raise the issue of the IWT                     | http://hrbdf.org/abo uf/                                                 |