

## **Case study: Huvina Herbals**

Huvina is a cosmetics and personal care company based in Berlin. It has a basic research department (BRD) tasked with identifying and developing new active and functional ingredients for Huvina products. BRD researchers typically source samples through the Strategic Sourcing Department (SSD). However, samples are sometimes also acquired directly from trade fairs, conferences, colleagues in other laboratories, university collaborations and prospective suppliers.

Huvina also has an Applied Research Department (ARD), which is tasked with developing innovative formulas for the range of Huvina brands. ARD researchers are offered the outcomes of all projects and studies conducted in the BRD. ARD researchers also source samples through the SSD or acquire them directly from trade fairs, conferences and prospective suppliers.

The SSD is tasked to identifying and onboarding suppliers for the fresh and dried plant parts, oils, butters, waxes, raw and standardized extracts, synthetic ingredients, biotechnology-derived ingredients, other active ingredients, highly-processed compounds and fragrance compositions used in Huvina research, formulation and manufacturing activities.

You are hired as a consultant to help develop a due diligence system on ABS for Huvina Herbals. There is almost no awareness of ABS within company management or staff. There is significant concern that any procedures on ABS will intolerably delay innovation and the launch of new products. You are asked to develop a system for due diligence on ABS and a strategy for rolling it out.

### **Questions for discussion:**

1. What should be the scope of the due diligence system on ABS for Huvina Herbals? Which raw material, activities and departments should be included or excluded?
2. What are the key points in which genetic resources or derivatives are entering the company for their utilization? What kinds of checks or controls might you suggest for these points?
3. What would you suggest are some key strategies for successfully developing and deploying the ABS due diligence system for this company?