



THE BODY SHOP

# The Body Shop Modern Slavery Statement

For the financial year 1 January to 31 December 2023

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## Foreword

Since 1976, The Body Shop has endeavoured to protect human rights through our business and employment practices.

In line with our values and the Ethical Trading Initiative Base code, we respect labour rights and do not tolerate any form of modern slavery in our operations or supply chains. This report outlines the key steps we took to prevent and mitigate against all forms of labour exploitation, including modern slavery and human trafficking, from 1 January to 31 December 2023.

This statement has been published in accordance with the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018 (Cth) (MS Act AU). It sets out the steps taken by The Body Shop International Limited (the “**Company**”) and our subsidiaries, during the year ending 31 December 2023, to prevent modern slavery and human trafficking in our business and supply chains.

This statement was approved by the Company's management team on 25 June 2024. On 13 February 2024, Geoffrey Rowley, Anthony Wright and Alistair Massey, each of FRP Trading Advisory Limited (the "Joint Administrators"), were appointed as joint administrators of the Company. As the directors of the Company are no longer able to act on behalf of the Company given its status in administration, the directors are unable to sign this statement. The Joint Administrators are unable to sign this statement as it covers the period of time prior to their appointment as officeholders of the Company. However, the Joint Administrators acknowledge the need to UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018 (Cth) and have approved the submission of this statement, which has been prepared by the Company's management team which oversaw Company's operations for the period 1 January to 31 December 2023.



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## Our business structure and supply chains

### Our structure

The Body Shop offers high-quality, naturally-inspired products that are produced ethically and sustainably.

The Body Shop International Limited has a head office in London and a global office in Littlehampton, UK. The Body Shop was part of Natura &Co Holding until 29 December 2023, when it was sold to AURELIUS. Since 13 February 2024, the affairs, business and property of the Company have been managed by the appointed Joint Administrators, Anthony John Wright, Alistair Rex Massey and Geoffrey Paul Rowley. At the time of writing, The Body Shop International is under administration while continuing to trade.

In the year ending 31 December 2023 The Body Shop total revenue was £612 million. We had 2,328 stores in 83 markets (41% directly operated in 20 markets, and others operated by franchisees), and an e-commerce presence in 61 markets.

Our company employed 7,698 people<sup>1</sup> plus some short-term contract and agency workers. Our franchisees around the world employed around 7,625 people.<sup>2</sup> In addition, 9,484 self-employed consultants in the UK and Australia sold our products through The Body Shop at Home™.

Nine distribution centres handled our products (2 each in the UK and Singapore, and 1 each in the US, Australia, Germany, Hong Kong and Japan). We operated our UK and US distribution centres; local providers run the others.

### Our subsidiaries

We had 27 subsidiary companies to manage our retail operations in specific locations: The Body Shop GA Holdings (Guernsey) Limited, GA Holdings (1979) Ltd, B S Danmark A/S, The Body Shop Svenska AB, The Body Shop Portugal S.A., The Body Shop España S.A.U., The Body Shop Germany GmbH, The Body Shop GmbH (Austria), The Body Shop Benelux BV (Netherlands), The Body Shop Belgium BV (Netherlands), The Body Shop Service BV (Netherlands), The Body Shop Luxembourg Sarl, The Body Shop (France) Sarl, The Body Shop Canada Limited, The Body Shop Air III LLC (USA), Buth-Na-Bodhaige Inc., The Body Shop Australia Pty Ltd, The Body Shop (Singapore) Pte Ltd, The Body Shop International (Asia Pacific) Pte Ltd, The Body Shop Hong Kong Ltd, Mighty Ocean Company Limited (Hong Kong), HSB Hair, Skin & Bath Products Company Ltd (Macau), Cimarrones S.A. de CV, The Body Shop Cosmetics Ireland Limited, The Body Shop New Zealand Limited, The Body Shop Japan Co. Ltd, The Body Shop At Home US LLC, The Body Shop Beteiligungs-GmbH, The Body Shop (Malaysia) Sdn. Bhd, The Body Shop Global Travel Retail Limited, The Body Shop Worldwide Ltd.

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<sup>1</sup> As of December 2023.

<sup>2</sup> Franchisee employee numbers are based on average numbers of employees per store/office.



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### Our supply chains

Over 2,000 suppliers, primarily in the Europe and Asia, provided us with goods for retail, non-retail goods and services, ingredients, materials or packaging. Around 60 direct (tier 1) suppliers' sites accounted for around 40% of our expenditure.

In 2023, most of our goods for resale (over 80% by spend) were in the Accessories, Bath & Body, Fragrance, Gift, Makeup and Skincare categories. As of 31 December 2023, we purchased these from 11 ethically approved manufacturers operating directly or through subcontractors in 18 sites.

#### Tier 1 material suppliers' sites

Ally Beauty Product Manufacture Co., Ltd, Guangdong, China; Avon Operations Polska Sp. z o.o., Masovian Voivodeship, Poland; CangZhou Jung Il Industrial co. Ltd., Hebei, China; Cosmint SpA, Lombardy, Italy; Dongguan Dede Packaging Co., Ltd., Guangdong, China; J-Mode (Shenzhen) Ltd., Guangdong, China; Karl Knauer Poland, Szamotuły County, Poland; Multi Packaging Solutions Tczew Sp. z o.o.. Pomeranian Voivodeship, Poland; Netbridge (Hangzhou) Bathware Co Ltd., Zhejiang, China; Ningbo Longwell Baby & Beauty Products Co., Ltd., Zhejiang, China; Ondal France, Moselle, France; S&J International Enterprises, Bangkok, Thailand; Soapworks Limited Glasgow, Scotland, UK; Sure Fashion Production Co.,Ltd., Guangdong, China; Tatra Spring Polska SP. z o.o., Masovian Voivodeship, Poland; Tinsol Paper Products Dongguan Co Ltd., Guangdong, China; Yangjiang Huihui Beauty Tools Co., Ltd., Guangdong, China; Yi Yu Enterprise Co., Ltd., Taiwan Province, Taiwan.

In 2023, around 60% of our expenditure with suppliers was on non-retail goods and services, particularly logistics and facilities management, marketing and sales, and retail fitout. Our primary tier 1 service suppliers were UK-based: Bolllore (Merseyside), Equans (London), Job & Talent (London) and RTC Europe (Kent).

Our longstanding relationship with many suppliers gives us both insights and influence into their ways of working. Among our material suppliers, we have worked with 4% for more than 20 years, 11% for 10–20 years, 58% for 5–10 years, and 11% for 3–5 years. Just 15% of these suppliers have worked with us for less than 3 years.

In 2023 our supply chain workers were spread across the globe. 54% were in Asia Pacific, 40% in Europe, the Middle East and Africa, and 6% in the Americas region. Over 80% of workers in our supply chains were local to their country of work and just over 10% were immigrants. More than 80% of workers had a permanent employment status and most (53%) of our supply chain permanent workers were women (men 47%).



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## Our governance, management and reporting

### Our governance

The Body Shop was part of the Natura &Co governance structure for almost all of 2023 (until 29 December). The Body Shop Board of Directors, comprising the business unit's CEO and two Natura &Co Holding executives, were responsible for our performance. The board comprised the CEO of The Body Shop International Limited, and the Natura &Co Chief Financial Officer and Chief Legal and Compliance Officer.

The Body Shop Head of Sustainable Procurement presented any issues of concern to The Body Shop Risk and Governance Committee, which met quarterly. Where necessary, this committee escalated risks to The Body Shop Executive Leadership Team, The Body Shop CEO, and Natura &Co Holding executives.

The Natura &Co Human Rights Working Group coordinated human rights frameworks and activities. The Body Shop Ethics Committee received quarterly updates on any current and projected compliance risks and guided ethical conduct throughout our business.

Our employees helped inform decisions on topics that impact the business via feedback meetings, The Body Shop Matters, a representative body, and an annual employee survey. The Body Shop [Ethics Line](#) provides a channel for anyone to report concerns and grievances.

### Our management and reporting of modern slavery issues

Human rights and environmental sustainability are embedded across all The Body Shop activities. Throughout 2023, The Body Shop managed our own sustainable procurement. Our Sustainable Procurement team continued to identify potential social and environmental concerns, manage risks, and improve working conditions in our supply chains.

To help prevent all forms of labour exploitation, we engaged external stakeholders, including the [Ethical Trading Initiative](#), [Sedex](#), specialist consultancies, and fellow members of ethical trade and responsible sourcing working groups, coalitions and frameworks.

The Body Shop complies with all reporting requirements around modern slavery issues. We publish annual Modern Slavery Statements on our consumer-facing websites and share them with key suppliers.



## Our policies relating to modern slavery

Rather than having a standalone modern slavery policy, multiple policies aligned with the [UN Guiding Principles on Business and Human Rights](#) guide our work in this area. We commit to respecting internationally recognised human rights as defined by the [International Bill of Human Rights](#), the [International Labour Organization \(ILO\) declaration on Fundamental Principles and Rights at Work](#), and the [ILO Declaration on Multinational Enterprises](#). The Body Shop updated all relevant policies and processes to reflect our standalone structure. Some of these policies are only published internally.

### Key policies relating to human rights and labour standards

**[Supplier Code of Conduct](#)** – Details the high standards we expect of all suppliers and their supply chains in relation to employment practices, going beyond legal compliance.

**[Human Rights Statement](#)** – Outlines our zero tolerance of any human rights infringements in our supply chains and helps everyone involved with our business to proactively support human rights.

**Critical Materials policies** – Cover ethical and transparent sourcing of [cotton](#), [ethanol](#), [mica](#), [palm](#), [paper](#) and [soy](#), which have an elevated risk of labour and/or environmental exploitation.

**Employment policies** – Robust measures to prevent modern slavery form part of our policies on fair recruitment, employment of young people, hours of work, diversity and inclusion, and working with suppliers.

**[Ethics Line](#)** – Enables anyone working in our operations or supply chains to anonymously report any suspected breach of our codes, policies or standards, online or via a 24/7 telephone service. We have developed a [Grievance and Remediation Guide](#) to enable our suppliers to develop and provide their own grievance and remedy mechanisms.

Other salient policies:

Procurement policies: General Terms of Purchasing, Vendor Onboarding Policy, Procurement policy, Sustainable Procurement Policy and Supplier Guidelines, Information security policies, including Acceptable Use, Security Training and awareness, Data Classification, Access Control, Incident Management, Cloud security, ICT Physical Access, Network and Communication, Security by Design, Mobile Device security, Security Risk and Exception Management, Technology vulnerability, third party security risk management, Cyber security Contract Addendum, Data Privacy Statement for suppliers.

Legal policies: Anti-Trust, Anti-Corruption and Conflict of Interest policies, Competitive Intelligence and Information Exchange policy, Global trade Sanctions policies, Whistleblowing policy, Legal Engagement and Contracting Policy, Delegation of Authorities, Intellectual Property.

## Our approach to prevent and address modern slavery



## Risk mapping and human rights due diligence

In 2023, The Body Shop continued to adopt a human rights due diligence approach to prevent and mitigate any form of labour exploitation in our operations and supply chains.

From external risk mapping and our membership and active participation of ethical trade and responsible sourcing groups, we know that several commodities, sectors and regions pose higher risks of labour exploitation (see page 9). Throughout 2023 we continued to prioritise these areas. This involved mapping 34 tier 2 or tier 3 suppliers that deliver materials or services to tier 1 suppliers.

Across all tiers, suppliers in our human rights due diligence programme spanned 25 countries<sup>3</sup> in 2023, and collectively employed over 30,000 people.

## Managing risks of modern slavery

To prevent all forms of exploitation in our supply chains in 2023, we:

1. **Carefully selected new suppliers** and committed them to our policies.
2. **Strengthened existing suppliers'** understanding, capacity and systems to prevent, uncover and resolve any labour rights issues.
3. **Embedded due diligence** into our global procurement policies and relationships.
4. **Continually monitored** any identified areas of weakness or non-compliance through supplier audits and assessments, and worked with suppliers to address them, in line with our policies.

Our Supplier Code of Conduct details our expectations of our suppliers' respect for employment rights, and specific policies such as our Critical Materials policies cover our sourcing and supply standards in particularly high-risk areas. We worked extensively with our suppliers to identify and mitigate any labour exploitation risks in their own businesses and supply chains, in line with this code and our policies.

Suppliers in the highest risk sectors/areas undergo an ethical audit before we contract them, and regularly thereafter. We require these suppliers to complete a Sedex self-assessment questionnaire (SAQ).

We used [Sedex Members Ethical Trade Audits \(SMETA\)](#) to assess our suppliers' workplace standards. We worked with suppliers to resolve any identified non-compliance, using corrective action plans with defined steps. If that does not resolve the issue to our satisfaction, we may terminate a supplier relationship.

In 2023, we shortened our ethical auditing cycle to every two years. A third party conducted 92 social audits among the 116 active suppliers in our highest due diligence category in tiers 1, 2 and beyond. This covered 78% of these suppliers, including all our manufacturing suppliers of goods for resale.

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<sup>3</sup> Australia, Bangladesh, China, Hong Kong, India, Japan, Nepal, New Zealand, Russia, Singapore, South Korea, Thailand, Austria, Belgium, Czech Republic, France, Germany, Italy, Netherlands, Poland, South Africa, Spain, UK, Mexico, US.



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This process identified no cases of modern slavery in our supply chains. In contrast, 97% achieved Green or Yellow audit ratings. We are working with the remaining 3% to improve their performance.

In 2023, we strengthened several aspects of our approach to prevent and mitigate modern slavery risks. We developed a human rights roadmap to embed human rights due diligence in our supply chains. To support our suppliers and their compliance with our strict standards, we published a Supplier webpage featuring our key human rights due diligence policies.

### Effective partnerships

During the year, The Body Shop actively worked with multiple alliances and organisations to prevent and mitigate all forms of labour exploitation. Through these partnerships, we shared our expertise to help protect workers in multiple sectors around the world. We did this by increasing awareness of key labour rights issues, sharing good practice, and helping to strengthen employment, sourcing and compliance standards.

#### Key partnerships in 2023

**Action for Sustainable Derivatives:** Member

**Ethical Trading Initiative (ETI):** Participated in working groups on General Merchandise, Responsible Purchasing Practices, Logistics and Shipping

**Global Shea Alliance:** Collaborated with the Lorna Young Foundation and several other partners to address issues affecting women shea nut collectors in Ghana, receiving a Sedex [Community and Collaboration Sustainability Award](#)

**International Transport Workers' Federation (ITF):** Collaborated with ETI and the British Retail Consortium to understand and address risks to shipping logistics workers (see page 9)

**Responsible Mica Initiative:** Participated in meetings to learn about and contribute to responsible working conditions in India

**Roundtable for Sustainable Palm Oil:** Member

**Sedex:** Participated in member conference and had a Sustainable Procurement team member serve on the Sedex board to represent us and channel voices from members and suppliers on Sedex governance and responsible procurement issues

**World Fair Trade Organization:** Associate



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## **Trade unions, freedom of association and collective bargaining**

We benchmarked our supply chain workers' freedom of association, collective bargaining agreements, and trade union/workers' committee membership through supplier Sedex SAQs. We used this data to identify areas for improvement and, where appropriate, develop plans to increase workers' participation in collective representation and negotiation.

Over 85% of our suppliers who completed SAQs in 2023 recognise trade unions, with around 15% saying they were members of a union, and 33% having a workers' committee. However, only 51% have collective bargaining agreements. In 2023, we worked with the ITF to map the use of collective bargaining agreements in vessels transporting goods for us (see page 9).





**Specific actions to prevent/remedy labour rights risks in 2023**

<b>Priority category/area</b>	<b>2023 activity</b>
<b>Manufacturing (our operations)</b>	
Goods for resale	All our regular product manufacturers of goods for resale had a minimum SMETA 2 Pillar Audit in place.
<b>Manufacturing (our supply chains)</b>	
Goods for resale/other goods involving critical materials (cotton, palm, ethanol, paper, soy, mica)	Published and implemented our Critical Materials policies.
Some tier 2 and beyond suppliers of shea	Collaborated with the Global Shea Alliance Sustainability Working Group to improve social and environmental conditions.
<b>Facilities management (our operations)</b>	
Cleaning, security and reception	Invited UK third party providers/users of temporary labour services to pilot a tool that we sponsored, to benchmark their recruitment practices. 16 suppliers were asked to join the Responsible Recruitment Toolkit (RRT) and complete a self-assessment. 69% completed some or all of the self-assessment. One of our cleaning services providers participated and its SAQ demonstrated that it meets recruitment practice standards.
Shopfit	Robust partnership arrangement has resulted in stronger collaboration and action to tackle any challenges identified by audits in supplier's third party sites.
Waste and recycling services	1 supplier of waste and recycling services participated in the RRT pilot.
Recruitment and supply of agency/contract, seasonal and temporary workers	Our distribution centre temporary labour provider (Job&Talent) joined the RRT and demonstrated very good recruitment practices. We completed our own self-assessment to identify any opportunities for improvement.
<b>Logistics (our operations and supply chains)</b>	
Warehousing and distribution, road transport and shipping	Worked with the ITF to conduct a human rights due diligence check on vessels transporting our goods. Almost 80% of these vessels had an ITF recognised, legally binding collective bargaining agreement. 5% reported any type of grievance, mostly relating to working conditions (including 1 case of harassment). ITF ship inspectors helped remedy these grievances by sharing guidelines on policies and plans to resolve issues and involve seafarers in this process.



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## Our training and capacity building around modern slavery

In 2023 The Body Shop continued to build awareness and capacity to protect human rights and promote decent working conditions throughout our operations and supply chains.

Key training events in 2023 included over 100 people from our main UK distribution centres taking part in training on spotting the signs of modern slavery, organised with our main distribution centre temporary labour provider.

Two key members of our staff each attended five training sessions on various aspects of the RRT. Our Human Resources and Sustainable Procurement teams also conducted joint self-assessments on that toolkit, to benchmark our own recruitment practices.

We invited our tier 1 product manufacturers and raw material suppliers to a learning session on our Critical Materials policies and their requirements.

## Our progress in 2023

In 2023 we continued to promote workers' rights, and prevent and mitigate risks of modern slavery, throughout our operations and supply chains. Third party audits of our suppliers did not identify any evidence of modern slavery.

Specifically, we:

- Developed and implemented a roadmap to embed human rights due diligence in our business and procurement practices, to enhance our positive impact.
- Continued to address salient human rights risks and protect vulnerable workers throughout our supply chains.
- Adapted our ethical audit programme to conduct more frequent supplier audits (every two years instead of every three).
- Piloted an RRT self-assessment project with a number of suppliers, with positive results.
- Enhanced our understanding of our suppliers' respect for workers' trade unions and collective bargaining agreements.
- Conducted workers' training to help identify the often hidden nature of modern slavery in a high-risk sector.
- Continued to engage with external stakeholders and our suppliers to better understand, monitor, prevent and address any form of labour exploitation.

[www.thebodyshop.com](http://www.thebodyshop.com)