



THE BODY SHOP

SUSTAINABILITY REPORT

2022



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“All of nature – humans, animals, the Earth itself – is interconnected and interdependent. We are all in this together and we are at a crossroads. We have the power to preserve or destroy the sacred interconnections of life on this planet.”

Anita Roddick, Our Founder

FOREWORD

Now more than ever, the world needs businesses to pursue social and environmental justice to help mitigate climate and biodiversity emergencies and growing inequality around the world. At The Body Shop we have always existed to fight for a fairer and more beautiful world. It's what our trailblazing founder Dame Anita Roddick set out to do when she founded The Body Shop in 1976, and it's what continues to drive us forward today.

Being a purpose driven business comes with its challenges. However, we know that as a global business we have a responsibility to try and drive positive behavioural change within both our own organisation and among producers, suppliers, partners, employees and customers. In doing so we also hope to encourage other businesses to do the same.

Our status as a certified B Corporation™ means we're part of a global community of businesses that meet high standards of social and environmental impact, and we're proud to be part of this collective. It helps to hold us accountable as we continue to progress on our journey to being the most sustainable business we can be.

In 2022, we made the first step towards achieving net zero greenhouse gas emissions by understanding the main contributors to our carbon footprint and how we can start to address them. We have a long way to go, but we're determined to get there.

Over the course of the year, we also advanced our work on embedding a human rights approach throughout our business and supply chains, formed a Youth Collective to bring under-represented voices into our Boardroom and launched a three-year global activism campaign to increase youth participation in public life in over 75 countries where we operate.

Whatever the role you played in these achievements, thank you. The year ahead looks exciting and challenging, and I have no doubt that The Body Shop's global collective will continue to push for change.



Christopher Davis
International Director of Sustainability,
Activism and Corporate Communications



THE BODY SHOP: MAKING POSITIVE CHANGE IN THE WORLD

Founded in 1976, The Body Shop became a certified B Corp™ in 2019, confirming that we meet high standards of social and environmental impact.

The Body Shop seeks to make positive change in the world by offering high-quality, naturally inspired products produced ethically and sustainably, and by

campaigning globally for social and environmental justice. Having pioneered the philosophy that business can be a force for good, this ethos is still our driving force.

The Body Shop today is a truly omnichannel business with 2,500 retail locations (owned and franchised) in more than 80 countries; The Body Shop at Home direct to consumer channel in the UK and Australia; and an e-commerce presence in 60 markets.

Our Business Structure

Along with Natura, Aesop¹ and Avon, The Body Shop is part of Natura &Co Holding. Within this global structure, all Natura &Co brands innovate to promote positive economic, social and environmental impact.

Together, we use Natura &Co's **Commitment to Life Sustainability Vision** and various Holding-wide policies to drive our innovations and ambitions in social and environmental justice. But each brand, including The Body Shop, manages its own approach to achieving these aims.



¹ In August 2023, Natura &Co completed the sale of Aesop.

² David Boynton was CEO of The Body Shop throughout 2022 but stepped down on 30 April 2023. Ian Bickley, a Natura &Co Board Director, became Interim CEO from 1 May 2023 and will fulfil this role until a permanent CEO is appointed.



Our Commitment to Life Sustainability Vision

Commitment to Life comprises three pillars that align and unite The Body Shop and our sister brands to tackle urgent global challenges.

Commitment to Life pillar	The Body Shop progress since 2020
Address the climate crisis and protect the Amazon	We've reported our carbon emissions since 2021 and are working on ambitious plans to achieve net zero
Defend human rights and be humankind	In 2022, almost all of our global employees received a living wage. We have also published policies for our critical supply chains (palm oil, mica, paper, alcohol, soy and cotton) and started baselining the six materials and their current level of certification/ traceability, which we have finalised and started implementing for the Natura &Co Human Rights Statement
Embrace circularity and regeneration	We're continuously increasing the recycled and recyclable content of our packaging, and the biodegradable ingredient content in our product formulas

For a full overview of our progress towards Commitment to Life targets, please see the [Natura &Co 2022 Annual Report Sustainability data](#).

Our Strategic Priorities

At The Body Shop, we take a holistic, business-wide and evidence-based approach to achieving our social and environmental targets. This ensures that our priorities and strategies reflect areas where we can have the most direct and indirect impact. While Commitment to Life is our Holding-wide strategy which drives improved social and environmental performance, at The Body Shop we have also used our position as a B Corp to drive improvements across the business.

BEING A B CORP

Since 2019, The Body Shop has been part of the B Corp movement – a global community of like-minded organisations working to create a more just and equitable world. As a Certified B Corp, The Body Shop must meet ever-higher standards relating to their governance, workers, community, customers and the environment. By working together, B Corps strengthen their impact and influence wider business practice.



Our B Corp Performance

In 2022 we prepared for the more stringent standards we must meet in 2023 to recertify as a B Corp. We embedded B Corp approaches in our everyday business practices across every company-owned market and international business function.

Notable achievements driven by being a certified B Corp include:

- Further expanding our Open Hiring Programme (see page 9)
- Devising an Environmental Management System to systematically reduce the global energy, water and waste footprint of our stores and distribution centres (see page 15)
- Improving our supply chain traceability (see page 16)
- Further increasing the recyclability of our packaging (see page 17)
- Using whole carbon lifecycle analyses of key products to help us learn how to dramatically reduce our carbon emissions

Since 2021, we've been growing our B Corp community and developing tools based on the Business Impact Assessment to help our franchise partners drive their own performance and become certified B Corps in their own right, wherever possible.

In 2022 The Body Shop became a founder member of the **B Beauty Coalition**, a global group of over 60 B Corps that collaborate to improve social and environmental sustainability by strengthening business standards and practices. The coalition also makes it easier for beauty customers to make ethical choices.

Our International Director of Sustainability, Activism and Corporate Communications joined the Board during the Coalition formation but stood down as the initiative was established. During the year, the coalition doubled its membership and was recognised as an Elle Green Beauty Star.

SOCIAL JUSTICE

Right from the start, The Body Shop has been a social justice pioneer in our ingredient sourcing, product marketing, advocacy campaigns and our employment policies.

Our values, and being a certified B Corp, commit us to treating all our workers, customers, suppliers and their communities fairly and equitably.

Tackling the challenges facing today's world requires not only systemic change but a 'just transition' to ensure that nobody is left behind. This means moving to a more socially and environmentally sustainable economy in a way that creates a fairer and more equal society. It involves redressing past injustices, building good relationships with each other and our planet, and making decisions in a more equitable and inclusive way. This principle guides everything we do at The Body Shop.

Social justice: Pioneering Business Practices

The Body Shop has pioneered, and continues to pioneer, a range of business practices that seek to have a positive impact within and beyond our global business.

The Body Shop is an active member of **numerous sectoral or commodity-specific coalitions, and ethical trade and responsible sourcing frameworks**. In many cases, we were founder members and/or help lead working groups to improve knowledge and practice. Further information can be found in our **Modern Slavery Statement**.

In 2022 we actively worked with:

- [Action for Sustainable Derivatives](#)
- [Ethical Trading Initiative](#)
- [Global Shea Alliance](#)
- The Indirect Procurement Human Rights Forum
- [International Transport Workers' Federation](#)
- [Mekong Club](#)
- [Responsible Mica Initiative](#)
- [Responsible Recruitment Toolkit](#)
- [Roundtable for Sustainable Palm Oil](#)
- [Sedex](#)
- [World Fair Trade Organization](#)



Social Justice: Governance

All B Corps are required to be ethical and transparent in their social impact. At The Body Shop, good governance enables us to balance stakeholder and shareholder interests and hold ourselves formally accountable in this area.

To meet the needs of our diverse customers and partners, we're striving to make our leadership more diverse. In 2022, 63% of our Senior and Executive Leadership teams were women (2021: 63%), reflecting the fact that most of our employees are female.

We are committed to ensuring that our leaders come from diverse communities, including women, LGBTQ+ people, people with disabilities, and people from ethnically and racially diverse backgrounds. Our priorities for 2023 are continuing to increase leadership representation of people from marginalised identities, and further strengthening our senior leaders' capabilities and skills around inclusion. To include more youth representation in our boardroom, this year we also launched our Youth Collective (see box below).

In 2022 we planned a new sustainability governance structure, which will come into effect from 2023. Under this structure, each Commitment to Life target (including our net zero targets) will have at least one owner at senior leadership level, and at least one reporting champion who will report quarterly performance to our Sustainability team, who will in turn report progress to our Executive Leadership team. Reporting champions will also provide data for our other external reporting requirements.

Alongside this, we're devising two working groups to ensure a cross-functional approach to governance and reporting in relation to our direct and indirect (scope 1, 2 and 3) carbon emissions, and to overcome challenges such as stores where we have less visibility and control over our utilities, and markets where renewable energy is not readily available. The working groups will come into effect from 2023.

Our Youth Collective

In May 2022 we launched our Youth Collective to bring youth voices into key strategic business decisions in The Body Shop's boardroom. We want to give young people the opportunity and the platform to voice their ideas in a space where they can have a real impact.

To be eligible to join the Youth Collective you need to be 30 years old or under and be employed by either The Body Shop or a fellow B Corporation at the time of joining. The Youth Collective is made up of 12 individuals: 50% internal members from The Body Shop and 50% external members from other B Corp organisations.

The Executive Leadership team within The Body Shop and/or the Youth Collective decides on 1-2 topics each quarter that they would like the Youth Collective to make recommendations on. This could be anything from our current activism campaign Be Seen Be Heard, to talent acquisition, to our business strategy more broadly.



The Body Shop and B Lab's Boardroom 2030 Event at COP26

Social Justice: Workers

Fair and decent working conditions have always been important to The Body Shop in both our own operations and supply chains. We are a founding member of the Ethical Trading Initiative, created to improve human rights in global supply chains by developing effective approaches to implementing internationally recognised good labour practices. Ensuring that we take care of our workers is also a key principle of being a certified B Corp, and part of our Commitment to Life sustainability vision. Reflecting these commitments to our people, our employee satisfaction score for 2022 was 74 across two surveys, just short of Glint's global benchmark of 76 (2021: 76 against a global benchmark of 74).

To improve workers' experience and relationship with us, we use **inclusive hiring** practices, offer our employees mental health and other support, and apply best practice standards, policies and tools. We're proud to offer part-time roles and flexible working arrangements to so many of our employees, helping them to fit work around other areas of their life.

In line with our Commitment to Life target to pay all our employees a **real living wage** (higher than the minimum wage) by the end of 2023, 96% were paid at or above this level in 2022 (2021: 100%) and we encouraged our suppliers to do likewise. This is particularly vital during the current cost-of-living crisis. Just as importantly, our rewards are fair and equitable. As assessed by the independent consultancy Mercer, our 'unexplained' pay equity gap in 2022 was -0.77% (2021: -0.8%). This means that almost all differences between women's and men's pay at The Body Shop reflect their different roles, locations or skill levels rather than any underlying inequity.

Approximately 35,410 self-employed **The Body Shop at Home consultants** in the UK, US and Australia (2021: 57,769) earned flexibly in 2022 by selling our products in person or through social media. After huge growth during the height of the COVID-19 pandemic as people sought additional earning and purchasing options, we closed The Body Shop At Home in the US as online and retail sales eclipsed this channel.

All suppliers are required to sign our **Supplier Code of Conduct** which outlines the high standards we expect of all direct suppliers and their own supply chains in relation to human rights and employment practices. In line with best practice we apply extra due diligence in any regions or sectors that are associated with potential labour exploitation or other human rights risks, developing tailored approaches to risks where appropriate. For example, Natura &Co sponsors the **Responsible Recruitment Toolkit**, which aims to help suppliers build their capacity on ethical recruitment practices thereby reducing labour exploitation risks. The Body Shop started rolling out this tool among our labour providers in 2022 and will expand its scope in 2023.

We report on our responsible procurement work in annual **Modern Slavery Statements**.

In 2022 we suspended all 26 stores and e-commerce operations in Russia after the start of the war in Ukraine, while continuing to support the people whose livelihoods depend on our business.

Open Hiring and Targeted Recruitment

Since 2019 we have launched and expanded our inclusive Open Hiring programme, which omits background checks and unnecessary interview questions, helping marginalised people to overcome barriers to recruitment. We now use this approach for all permanent and seasonal entry-level store and distribution centre roles in our four largest markets – Australia, the UK, the US and Canada.

To date, we have recruited 4,500 people through Open Hiring. In 2022, we hired 1,530 people through this approach (2021: 1,407). Our surveys suggest that 73% of our Open Hiring recruits faced at least one barrier to work, particularly a lack of work experience, and that working for us has helped most recruits to improve their workplace confidence and skills. Overall, we gave 34% of open hired seasonal workers longer term roles.

In our four largest markets; UK, US, Australia and Canada, we also practised Targeted Recruitment in partnership with local charities – hiring 236 people (2021: 101) who faced specific employment barriers including a lack of education, homelessness, domestic abuse or being a former prisoner.



Social Justice: Community

The Body Shop aims to have a positive impact on the communities in which we operate.

In 2022 our bespoke Community Fair Trade programme sourced quality ingredients, gift packaging and accessories from 19 producer groups in 15 countries, benefitting over 10,000 people. During the year we purchased 227 tonnes of Community Fair Trade ingredients (2021: 546). This reduction is mainly due to the impact of the COVID-19 pandemic on our global sales.

For 35 years, our **Community Fair Trade** programme has achieved positive social and environmental impact through partnerships with suppliers who share our vision for a better future. Together, we pay fair prices, improve working conditions and support sustainable livelihoods, including for underemployed people such as rural women. Recognising that many of our Community Fair Trade partners live in rural (low-income) communities with limited economic opportunities and those disproportionately affected by the climate emergency, we also help to fund community projects to improve access to education, healthcare, sanitation and water conservation facilities.

For example, we've sourced Community Fair Trade shea butter from Tungteiya Women's Association in northern Ghana since 1994. Over 600 women from 11 villages handcraft shea butter, using traditional methods passed down through generations. Our long-term partnership is helping to provide the women with financial independence and funds to invest in community projects. They have built schools, healthcare and water sanitation facilities benefitting their wider community of approximately 49,000 people.

In 2022, we expanded a pioneering Fair Price approach to 50% of our Community Fair Trade supply chains. This evidence-based approach ensures that all contributions to our Community Fair Trade product ingredients are rewarded fairly, helping workers to achieve a living income. For example, our pricing incorporates time spent collecting water or fuel involved in processing our ingredients.

The Natura &Co Human Rights Statement

In 2022 we published and started applying the **Natura &Co Human Rights Statement** (policy framework) to embed a human rights approach throughout our business and our sister brands. This reflects **the UN Guiding Principles on Business and Human Rights** and meets a Commitment to Life target. We also extended our human rights due diligence approach into key indirect sourcing categories such as waste and recycling.

Our shared Human Rights Statement publicly clarifies our zero tolerance of any human rights infringements in our supply chains, and commits us to integrating human rights management into all standard business practices based on brand-specific risk assessments, benchmarks and gap analyses.

This framework helps all workers, contractors, franchisees and business partners involved with our business to proactively support human rights, particularly among people who are disadvantaged.



Tungteiya Women's Association: Ghana



Antonia Tony Fadipe and Martina Grbac in a The Body Shop store

Social Justice: Customers

At The Body Shop, we strive to have a positive impact on our customers' lives beyond their purchase of our naturally-inspired products.

Ever since 1976, we have aimed to tackle social issues that our customers care about including embracing all forms of beauty, never retouching images of our models and promoting self-esteem so that our customers can feel confident. We have never tested any products or ingredients on animals and have a 100% vegetarian product range. Now we're going one step further, and by 2023 we aim to have all our products 100% Vegan Society certified.

Our products are increasingly inclusive. For example, we developed and tested our ultra-nourishing Jamaican Black Castor Oil range for curly and coily hair types with co-creators from across the globe, including women and men with a range of hair textures. We test all our make-up products across all six tones of the Fitzpatrick skintone scale. In 2022, we expanded our new foundations to 40 shades and co-created our new lipstick assortment with The Body Shop's Solidarity & Engagement Ethnicity Network (SEEN) to create a range of 20 shades to suit all skin tones.

We also enable and equip our customers to fight for the causes that matter to them through our activism campaigns and refill revolution (see page 12). Our new Changemakers' Workshop stores encourage customers to take a stand on social and environmental issues through the Act Bay feature. We champion locally relevant initiatives through these stores, such as collaborating with and showcasing the work of local artists. In 2022, 34% of our directly owned and franchised stores ran locally relevant projects in partnership with local people (2021: 16%). These included ceramic sculptures in Norway, screenprints in the UK, murals in India and the Netherlands, and limited-edition packaging in Japan to raise awareness of environmental issues and body positivity.

“We’re continuing to create an internal environment in which every colleague is supported and valued, and has the tools to reach their potential. Externally, we want any person to see themselves reflected in our stores, our people, our marketing images and our products.”

Nykeba King, Global Head of Inclusion and Belonging



Samson Itodo, Gina Martin, Christopher Davis Jayathma Wickramanayake and Versha Sharma at the launch of Be Seen Be Heard in the UN Headquarters, New York



Social Justice: Activism

At The Body Shop, we've always believed in the power of business as a force for good. For us, this includes using our global presence and voice to influence change outside our business, as well as in our own practices. This is more important than ever.

Activism is in our DNA. Since 1990, we've furthered social and environmental justice through new legislative action or policy changes in over 24 countries.

Our activism strategy has two main strands. Our markets run targeted local campaigns relevant to their communities, with support from global colleagues. Alongside this we're running Be Seen Be Heard, our three-year global campaign to amplify youth voices in public life.

In 2022 we ran 20 targeted **local campaigns** (2021: 16), on issues ranging from LGBTQI+ discrimination to devastating floods in Pakistan here are 4 examples.

1) "Stop Sexual Violence Campaign" – On April 12th the Sexual Violence Crime Bill was approved into law by Indonesian Parliament. It's passage into law will enable survivors to seek justice and hold perpetrators accountable. Since November 2020, The Body Shop Indonesia have been fighting for this cause with petitions, donations, and in-store events.

2) "#SHAREYOURPART" – To support the women & girls affected by the devastating floods last summer, The Body Shop Pakistan collaborated with HER Pakistan to donate 3x period products for every 1 donation received.

3) "Don't Ban Equality" – In the midst of Roe vs. Wade being decided, The Body Shop United States supported Planned Parenthood in their Don't Ban Equality campaign takeover on 13 June. In addition to a 25k donation and a statement alongside over 60 other beauty brands, this national campaign led by abortion rights supporters organised protests across the US.

4) "UNHCR Australia" – In response to the escalating violence in Ukraine and subsequent growing number of refugees surpassing 3 million people, The Body Shop Australia & New Zealand supported UNHCR Australia in a fundraising aim of 20k to assist scaling up assistance both inside Ukraine and in neighbouring countries. This emergency fund helped secure urgent needs like shelter, food, health, water, sanitation support and cash assistance.

In May 2022 we launched **Be Seen Be Heard** in collaboration with the Office of the United Nations Secretary-General's Envoy on Youth. This campaign seeks to promote policy or legislative change in over 75 countries.

The campaign has already driven positive change across the world, including:

- Reducing the voting age in Malaysia
- The Government of New Zealand committing to debating votes for 16-year-olds following a Supreme Court Ruling
- Inspiring 37,000 new young voters to register for the US midterm elections
- A petition delivered to the COP climate change conference in Egypt

“Viewed in isolation, grassroots initiatives are modest: 10 women planting a tree... But from a global perspective their scale and impact are monumental... a powerful front line in the worldwide battle to... build a better world.”

Anita Roddick, Our Founder

ENVIRONMENTAL JUSTICE

One of our core principles at The Body Shop is continually improving the environmental impact of our business sites and practices, the resources we use and our supply chains. As a certified B Corp, B Lab™ also holds us to account in this area.

In 2022, we particularly focused on developing both a carbon reduction plan to help us progress towards net zero carbon emissions, and a business-wide Environmental Management System to improve our effectiveness in this area.



Environmental Justice:

Reducing our impact on the environment

Working Towards Net Zero

To help tackle the climate emergency and limit global warming to 1.5 degrees Celsius above pre-industrial levels, all Natura &Co brands have committed to becoming net zero. This means reducing all direct and indirect greenhouse gas emissions associated with our business and franchises by at least 90% compared with 2020. Our 2022 carbon footprint is reported by Natura &Co [here](#) on page 27.

Carbon reduction planning is a complex process that requires business-wide approaches to understand and assess the best way forward, such as in strategically rationalising our product portfolio. Ambitious plans like this take time to bear fruit. Until our carbon reduction plan is implemented, we expect our carbon emissions to fluctuate in line with our business growth or decline. After that, we will start to see progress towards our short-term carbon reduction targets.

An important part of committing to becoming net zero is following targets that comply with the rules of the Science Based Targets Initiative (SBTi), which has validated our collective Natura &Co target.

In the short term, this process commits us to:

- 80% of our purchased electricity being renewable by 2025
- Reducing our emissions from heating and cooling our stores, using company vehicles and back-up energy sources, and purchasing electricity to zero by 2030 – our emissions from these sources decreased from 5,338 tonnes of CO₂ equivalent (tCO₂e) in 2021 to 3,713 tonnes tCO₂e in 2022 (both market-based³).
- Reducing the carbon associated with our products (including ingredients, packaging, upstream transportation, and post-consumer disposal of sold products) by 42% by 2030

We can't achieve these targets alone as they will require fundamental changes in the way we and others do business. We're engaging stakeholders across our business and supply chain to support this.

Our Carbon Reduction Plan

In 2021, we calculated our carbon footprint for 2020. This gave us detailed insights into the most carbon intensive parts of our business – manufacturing our products, transporting them to our customers, and post-consumer disposal of our sold products.

In 2022, we started a further detailed analysis to complete whole carbon lifecycle analyses for five products that are most representative of our core product portfolio to assess the impact of potential changes. We also commissioned a carbon module to gather supplier environmental data, starting in 2023. This initiative enables us to assess their environmental impact, including carbon emissions and renewable energy usage, facilitating informed reduction planning.

We held cross-functional workshops across our Sustainability, Procurement, Brand, R&D, Freight and Finance teams to inform a detailed carbon reduction plan that we will complete in 2023.

³ A market-based method uses an emission factor that is specific to the electricity that a company has purchased, based on the Greenhouse Gas Protocol.



Environmental Justice: Our Company Sites

In 2022 The Body Shop developed a global, centrally coordinated **Environmental Management System** in line with International Standard ISO14001. This includes global improvement targets and provides best practice procedures and guidance on resource efficiency.

This system covers our global Operations and Real Estate functions, including our stores, distribution centres and offices. Each of our markets must comply with our central Environmental Policy, which commits us to legal compliance and continuous environmental improvement, and also develop their own local plan to contribute to our overall targets.

Every store must enter environmental performance data into our database to track our resource use, waste production and performance improvements. In 2022, 100% of our stores have reported their gas usage, and we have completed a waste and water sample audit along with a landlord survey to better understand where we use water and what type of waste we dispose of regularly. Based on this knowledge, our current focus areas for stores are electricity use, waste disposal, the impacts of our products and procurement, and our potential to influence customer behaviour.

In 2023 we will ensure that all our markets implement plans to achieve their targets and will further improve our data quality and coverage. Aside from that strategic shift, we continued to improve the environmental impact of the everyday operations and business practices in our stores, offices and distribution centres.

At The Body Shop facility in Littlehampton, UK, which already generates electricity via solar panels and uses energy-efficient lighting, we installed additional electric vehicle points and made the car park lighting energy efficient. After six months' service, all permanent employees in active employment at The Body Shop can apply to lease an electric or ultra-low emission vehicle through our new green car benefit scheme, unless doing so alongside other salary sacrifice benefits would cause their income to dip below local living wage rates.

Our biggest global presence is through our stores in around 80 countries. In 2022 we continued to expand our **in-store refill stations**, where our customers can fill recyclable aluminium bottles with haircare products, shower gels or hand washes (the reusable pump is harder to recycle). The Body Shop was a pioneer in this area when we launched our first refill stations back in 1976, and today we're pioneering this approach again.

These refill stations engage consumers in the circular economy. Repeated use of these refillable bottles helps us to reduce waste production, while offering customers an affordable option. As a result, our refillable product lines enjoy higher repeat purchase rates than those in plastic bottles (27% versus 22%, respectively).

In 2022, this scheme prevented approximately 13.5 tonnes of plastic (578,966 bottles) from becoming waste, almost four times as much as in 2021. By the end of 2022 we had refill stations in 793 stores in 53 countries. This fell slightly short of our target of 800 because of delays caused by adjustments to capital investment priorities. In 2023, we aim to make up this lost ground and reach 850 refill stations globally, making our initiative the biggest in-store refill programme in our sector.

Our Changemakers' Workshop stores use more sustainable materials where possible, such as less virgin plastic, certified wood and paper, and fixings that can be broken down at the end of their life. To avoid unnecessary waste, we phase in these designs when we open new stores or refit those that need a refresh. The Body Shop integrates social and environmental considerations into the design of these stores and in 2022 won a POPAI Award for most sustainable permanent display store design.

In 2022 we opened 139 **Changemakers' Workshop stores** (2021: 104) and have so far saved an estimated 6.4 tonnes of virgin acrylic plastic (to end 2022) by using reusable certified wooden product holders on the make-up stands. We opened fewer of these stores than planned due to variable trading conditions at the end of the global pandemic. By the end of the year, 296 (12%) of our owned and franchised stores were Changemakers' Workshop stores. By the end of 2023, 100% of our UK stores will use certified wooden product holders and at least 80% of stores in our other company markets.

Environmental Justice: Our products

Our aim is always to make the highest quality products while creating positive change for our planet and communities around the world. Our Charter for Change is a formulation charter and consumer facing publication for all new and rejuvenated products to keep us committed to this goal through product performance, safety and ethics.

We use ingredients of natural origin wherever we can, sourced in ethical and sustainable ways. We're committed to never testing on animals, reducing waste through our refill stations, and progressing towards a 100% vegan product portfolio by 2023.

In addition, we have signed up to environmental commitments as a member of various industry and commodity-based good practice sourcing partnerships. For example, 57.5% of our palm oil is physically certified as Roundtable on Sustainable Palm Oil (RSPO) Mass Balance (56%) and RSPO Segregated (1.5%). The remaining volumes are covered with RSPO smallholder credits and regular credits, meaning our palm oil is 100% sustainably sourced.

Reviewing and rationalising our product portfolio is a priority focus in our draft carbon reduction plan that will be finalised in 2023. In 2022, we worked with environmental consultancy Bemari on whole carbon lifecycle analyses for five products that are most representative of our core product portfolio, from ingredient sourcing through to post-use disposal by our customers. We used this knowledge to assess the impact of potential changes such as producing product formulations with lower water content to reduce packaging quantities and transport emissions, and using less carbon-intensive ingredients.



Certification or traceability of our purchased materials

As part of Natura &Co's Commitment to Life, we recognise that some materials we use have significant social or environmental concerns. By 2025, The Body Shop aims to have full traceability and/or certification against external, good practice standards of six 'critical materials' that can be associated with environmental and/or human rights risks (see table), using specific supply chain policies⁴.

Critical material	Certification standard	2021 certification level	2022 certification level
Palm oil	Roundtable on Sustainable Palm Oil (RSPO) Mass Balance (MB) and Segregated (SG)	19.1% (18% MB 1.1% SG)	57.5% (56% MB 1.5% SG)
Paper	FSC certified	67.8%	74%
Ethanol	Bonsucro, RedCert, SAI and/or Organic	2.8%	15%
Soy	Organic	0% (incomplete data)	72%
Cotton	Organic, including Global Organic Textile Standard	59.9%	20% (against a higher standard than in 2021)
Mica	Traceability level (there is no global mica certification standard)	95.2%	99%

⁴ The supply chain policies for the six critical materials can be accessed [here](#)

Environmental Justice: Our product packaging

To help us progress towards net zero and reduce our waste production, The Body Shop has committed to 100% of all our packaging materials being reusable, recyclable or compostable by 2030, and 50% of all plastic we use (by weight) to be recycled by that date.

In 2022 we surpassed our recycled plastic target and 90% of our packaging was recyclable (see table) and we continue to adapt our product packaging to improve its environmental credentials. While ensuring that our packaging remains safe, effective and aesthetically pleasing, we:

- **Removed** all unnecessary packaging such as skincare cartons, some transit plastic protections and additional gift packaging layers to reduce our resource, water and energy use
- **Reused** packaging materials by increasing the number of in-store refill stations (see page 15) and firmed up plans to phase out materials that are hard to recycle
- **Replaced** some plastics with infinitely recyclable glass or aluminium⁵, and achieved recycled glass and recycled aluminium increasing post-consumer recycled (PCR) materials. We also substituted flexible plastics used for soap packaging with paper

In the UK, Singapore and Hong Kong, our **Return Recycle Repeat** scheme enables our customers to return packaging to us for repurposing. We operate

this scheme with partners who can guarantee that this packaging is responsibly repurposed. When we identify similarly responsible partners in other countries and for other materials, we may extend this initiative. In 2022 we used 8,342 tonnes of packaging. Through our Return Recycle Repeat scheme, we collected 16.1 tonnes of packaging.

This includes:

- 2.78 tonnes of plastic, aluminium and glass packaging from The Body Shop and other products in Hong Kong, in partnership with Chun Shing
- 11.51 tonnes of hard-to-recycle beauty packaging such as mascara containers and pipettes in the UK, in partnership with Metrisk
- 1.80 tonnes of The Body Shop plastic and aluminium packaging in Singapore, in partnership with Sembcorp

During the year we continued to strengthen our Community Fair Trade **partnership with Plastics for Change in India** to help tackle the plastic pollution crisis and reduce waste plastic. Through this partnership 2,000 previously informal waste collectors are paid a fair price for the plastic waste they collect, whilst also enjoying better working conditions and greater social status. In 2022 we purchased 700 tonnes of plastic waste through this initiative to incorporate in our recycled plastic packaging (2021: 528 tonnes).

In 2022 we also made our packaging labelling more transparent to help our customers recycle it correctly.

Packaging indicator	2021	2022
PCR in plastic packaging	47%	52%
Recyclable packaging	78%	90%
tonnes of plastic packaging used (including tertiary/transport packaging)	3,620	2,239 (52% PCR)
tonnes of wood/paper fibre used in our packaging	1,441	3,011 (0% PCR)
tonnes of metal packaging used	389	277 (24% PCR)
tonnes of glass packaging used	2,214	2,700 (34% PCR)
% of packaging made from plastic	47%	27%
% of packaging made from glass	29%	32%
% of packaging made from wood/fibre	19%	36%
% of packaging made from metal	5%	3%
% of packaging made from other materials (often mixed materials, eg laminated tubes, foil, rubber, textiles and some compound specialist plastics)	Not recorded	1%
Total amount of packaging used	7,664 tonnes, excluding other packaging	8,342 tonnes, including other packaging

⁵ Where local facilities allow.



NEXT STEPS

Next Steps: B Corp

To recertify as a B Corp in 2023 we will deliver the final actions in our B Corp improvement plans and will complete the Disclosure Questionnaire.

We will submit four B Impact Assessments and aim to achieve around 90 points – 8 more than in 2019 – reflecting both our huge level of ambition and considerable external commercial challenges.

Next Steps: Social justice

- After the success of the Youth Collective's first year, we plan to continue this program in 2023. This is an ever-evolving process, and we are learning as we go. Our initiative tracker ensures full transparency on the recommendations that the Youth Collective have put forward so far and means we can keep them up to date with the progress of their recommendations as they are implemented within the business.
- In 2023 our Be Seen Be Heard campaign enters into its second year. This year we move from our first-year goal (educating our audiences on the importance of increasing youth representation in all forms of public life) as we launch petitions in each of the 75+ countries around the world where the campaign is live. These petitions include:
 - The Body Shop South Korea is running a petition, alongside their partners at the Korean Environmental Youth Organisation, to make environmental subjects mandatory in middle and high schools in Korea. They believe that young people deserve to be educated on environmental issues. Their petition has already received over half of their petition target of 50,000 signatures.
 - The Body Shop India has launched a petition alongside the Young India Foundation to lower the age of candidacy in the Lok Sabha (lower house) from 25 to 21 years of age. They are aiming for

greater youth representation in politics and a more equal future for India. They have a target of 2.5 million petition signatures and have received 84,000 so far.

- The Body Shop New Zealand is running a petition with their partners at Make It 16 to lower New Zealand's voting age to 16. They have already surpassed their petition target of 5000 signatures, and currently have over 7400.
- In 2023, we will expand Open Hiring to become the business-as-usual hiring model for entry level store consultant roles in the UK all year round, as well as for select entry level consultant roles all year round in the US and Canada. Additionally, we will continue to use Open Hiring as our primary hiring model during the seasonal period in our UK, US, Canada, and Australia retail stores, as well as our US distribution centre. As a result, we anticipate that we will hire over 1700 people over the course of 2023 (2022: 1530). We are continuing to explore new and exciting partnerships as we progress the program, including recently engaged partners like United Way (US/Canada), Amnesty International (Australia), and TENT (UK). Finally, several of our European markets are engaged in partnerships with charities and non-governmental organizations to support hiring people from disadvantaged and marginalized communities. While they are not yet fully Open Hiring, their steps towards hiring more inclusively through focusing on marginalized communities is a direct extension of the Open Hiring program.
- In 2023, as part of our three Sustainable Procurement Objectives for the year we will develop a human rights roadmap to advance a clear and measurable process to embed human rights due diligence, promoting positive impact and access to remedy.

Next Steps: The Body Shop Strategy

In 2022 we started refining our strategies for the next eight years based on an in-depth Natura &Co global materiality assessment conducted by GlobeScan, along with science-based best practice.

In 2023 we will build a sustainability strategy that will complement Natura &Co's Commitment to Life Sustainability Vision. When devising this strategy and its targets, we will ensure our strategy remains holistic and satisfies all stakeholder needs.

Next Steps: Environmental justice

In 2023 we will:

- Devise a detailed plan to deliver a 42% reduction in our carbon footprint by 2030 compared to 2020, to make significant progress towards achieving net zero status.
- Set targets for all company-owned markets to reduce our electricity and water use, and waste to landfill, and ensure our utilities all come from renewable sources.
- Implement our new sustainability governance structure to monitor our progress and help us achieve our Commitment to Life targets.
- Implement the Environmental Management System that we have developed in 2022.
- Aim to reach the milestone of preventing over 1 million plastic bottles from entering the waste stream through our expanded in-store refill programme, while exploring other ways to increase our product refill offer.





THE BODY SHOP