



THE BODY SHOP

Modern Slavery Statement

For the financial year 1 January to 31 December 2022



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“
**If you do things well,
do them better.
Be daring,
Be first,
Be different,
Be just.**

”
Our Founder, Anita Roddick

Introduction

This report outlines The Body Shop actions in 2022 to prevent, identify and remedy any kind of labour exploitation, including modern slavery.

Modern slavery is a growing global problem that directly affects around 50 million people today – 10 million more than a decade ago. The impact of the COVID-19 pandemic, the war in Ukraine, the cost-of-living crisis and changing labour and immigration laws have all increased vulnerable people’s risks of being exploited in various ways.

Since 1976, The Body Shop has endeavoured to protect human rights through our business and employment practices, and our campaigning. Today, as part of Natura &Co, our shared sustainability vision Commitment to Life, commits us to actively defend human rights and eliminate labour exploitation. To do this, we continuously review potential risks and apply global best practice throughout our operations and supply chains.

In 2022 we started implementing several new systems and policies throughout Natura &Co to strengthen our impact in this area. We launched our Human Rights Statement to embed a human rights approach throughout our business, and specific supply chain policies for six critical materials that can be associated with human rights or environmental risks. We also extended our human rights due diligence approach into key indirect sourcing categories such as waste and recycling.

Modern slavery is too widespread and complex for any business to tackle alone. So we work with experts and partners to identify and address the highest potential risk areas and drive up standards for workers.

I’m proud that The Body Shop, and Natura &Co, are leading performers in preventing and mitigating all forms of labour exploitation. Thank you for your interest in our work, and my thanks to all The Body Shop and Natura &Co colleagues, suppliers and partners for their efforts to ensure our business remains a force for good.



Ian Bickley
Chief Executive Officer



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 and our subsidiaries, during the year ending 31 December 2022, to prevent modern slavery and human trafficking in our business and supply chains.

This statement was approved and signed by Ian Bickley, CEO and Director, and approved by the Board of The Body Shop International Limited on 9th June 2023.

Our structure, business and supply chains

Our business scale and structure

Founded in 1976, The Body Shop became a certified [B Corporation™](#) in 2019. 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 the brand's driving force.

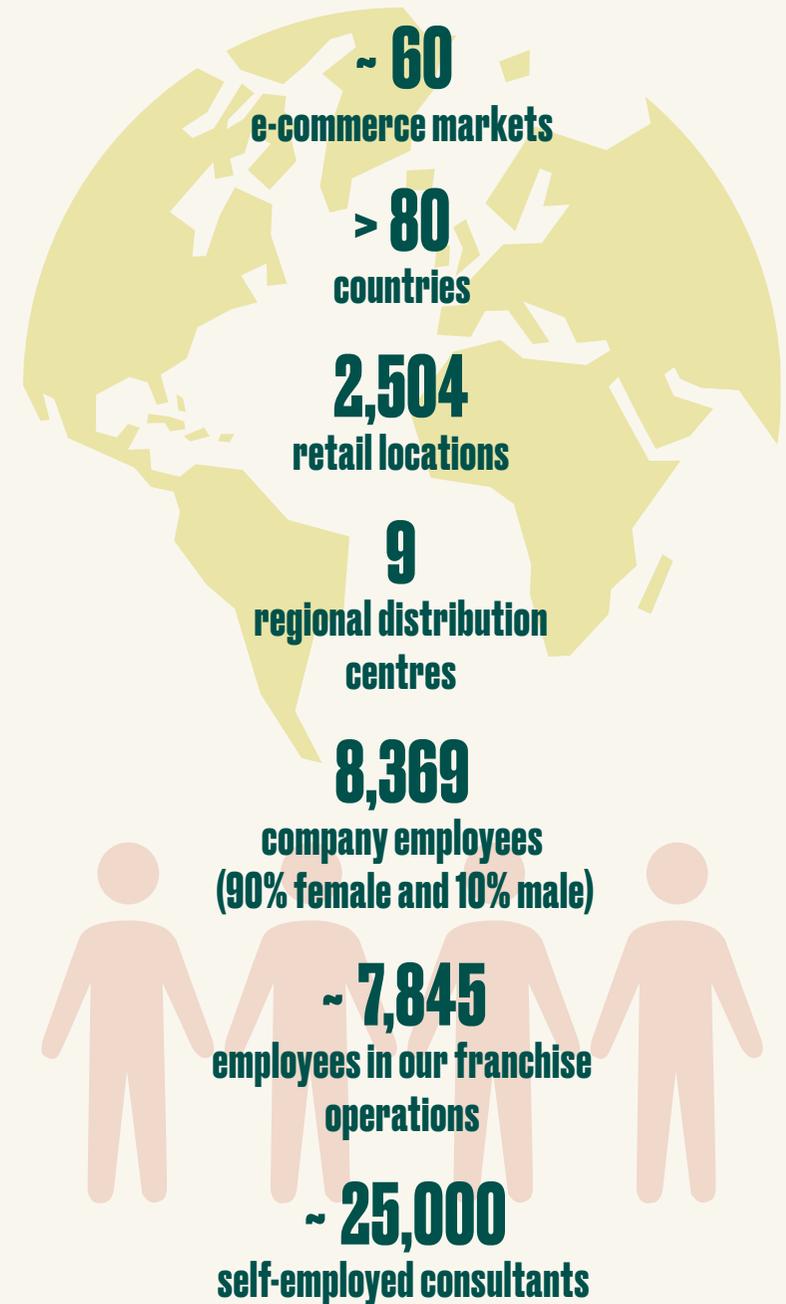
The Body Shop International Limited has a head office in London and a global office in Littlehampton, UK. Along with Natura, Aesop and Avon, The Body Shop is part of the global cosmetics Natura &Co Holding,¹ the world's largest B Corp™.

The Body Shop today is a truly omnichannel business with 2,504 retail locations (38% owned and 62% 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 nearly 60 markets. Our product portfolio includes personal care items, make-up, skin care, fragrance, and gift bags, boxes and accessories.

At the end of 2022, we had 8,369 company employees on permanent, fixed term or seasonal contracts (90% female and 10% male), plus around 7,845 employees in our franchise operations² and some short-term contract and agency workers. In addition, around 25,000 self-employed consultants earn an income by selling our products through The Body Shop at Home™.

Nine regional distribution centres (in the UK, US, Australia, Germany, Hong Kong, Japan and Singapore) deliver our products. We operate our UK and US distribution centres; local providers run the others.



Our subsidiaries

We have subsidiary companies to manage our operations in specific locations. These companies comply with local employment and human rights laws and regulations, as well as The Body Shop global standards.

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.

¹ In late 2022 Natura &Co group changed to a holding structure to support each brand's business units. This structure will continue to evolve in 2023.

² Franchisee employee numbers for 2022 are based on average numbers of employees per store/office as we do not keep records of franchise store employee numbers.

Our structure, business and supply chains

Our supply chains

We know that The Body Shop trade can help to improve working conditions in our supply chains. The policies that guide our supplier relationships are based on best practice standards and frameworks relating to ethical trade, human rights and decent working practices.

Over 2,000 suppliers provide us with goods for retail, non-retail goods and services, ingredients, materials or packaging. In 2022, around two-thirds of our expenditure was on non-retail goods and services from third parties, particularly logistics, IT equipment and services, labour and recruitment providers, and cleaning and professional services. Our main direct suppliers include Fareva Fillcare (UK), Meiyume (UK), S&J International (Thailand), Avon Operations Polska (Poland), Cosmint SpA (Italy), Tatra Spring (Poland), Soapworks Limited (UK), Spectra Private Brands (Asia) (Hong Kong/China), Ondal (France), Zhongshan Fulin Cosmetics (China), Concept 4 (Hong Kong/China).

We have no manufacturing facilities. In 2022, most of our goods for retail (around 80% by spend) were purchased from 11 ethically approved third-party manufacturers.³ Our sister company Avon Operations Polska produced 15% of our product portfolio in Poland.

³ As of 31 December 2022, compared with 29 in 2021.

We have robust manufacturing agreements with our suppliers, all of which stipulate absolutely no use of animal testing. Where relevant, these agreements also require using Community Fair Trade suppliers, and/or traceable or externally certified palm, mica, soy, paper, ethanol and cotton. Our supplier due diligence includes a specific focus on social and environmental considerations.

Following best practice, we use a human rights due diligence approach, paying particular attention to sectors, commodities or regions that pose greater risks of any form of labour exploitation. Our direct (tier 1) suppliers and sub-suppliers (tier 2 and beyond) in our highest due diligence category span 21 countries and collectively employ over 30,000 people.

We also source ingredients, packaging materials, gifts and accessories via our Community Fair Trade programme. Through this programme, we agree fair prices and favourable trading terms to groups of farmers, smallholders and artisans. In 2022 this programme comprised 19 suppliers in 15 countries, providing incomes for thousands of people worldwide (see page 13).



Tea Tree

Our governance, management and reporting

Our governance

As a certified B Corp, The Body Shop International Limited Articles of Association commit us to benefiting people and the planet, not just shareholders.

Our governance structure

The Body Shop governance structure is integrated with Natura &Co. The Body Shop Board of Directors, comprising our CEO and two Holding Executives of Natura &Co, is responsible for our financial, social and environmental performance. The Board comprises the Chief Executive Officer of The Body Shop International Limited, the Chief Financial Officer of Natura &Co and the Chief Legal and Compliance Officer of Natura &Co. The Board's responsibilities and delegations are defined by the [Natura &Co governance framework](#).

Sponsored by our Chief Finance Officer, The Body Shop Risk and Governance Committee meets quarterly to register potential risks, including those relating to labour exploitation. Our Head of Sustainable Procurement presents any issues of concern relating to human rights or labour exploitation to this forum. Where necessary, the committee escalates risks to The Body Shop Executive Leadership Team, The Body Shop CEO, and Natura &Co Holding Executives.

The Natura &Co Human Rights Working Group spans business units and departments, and strategy and operations. It is responsible for leading the development, implementation and

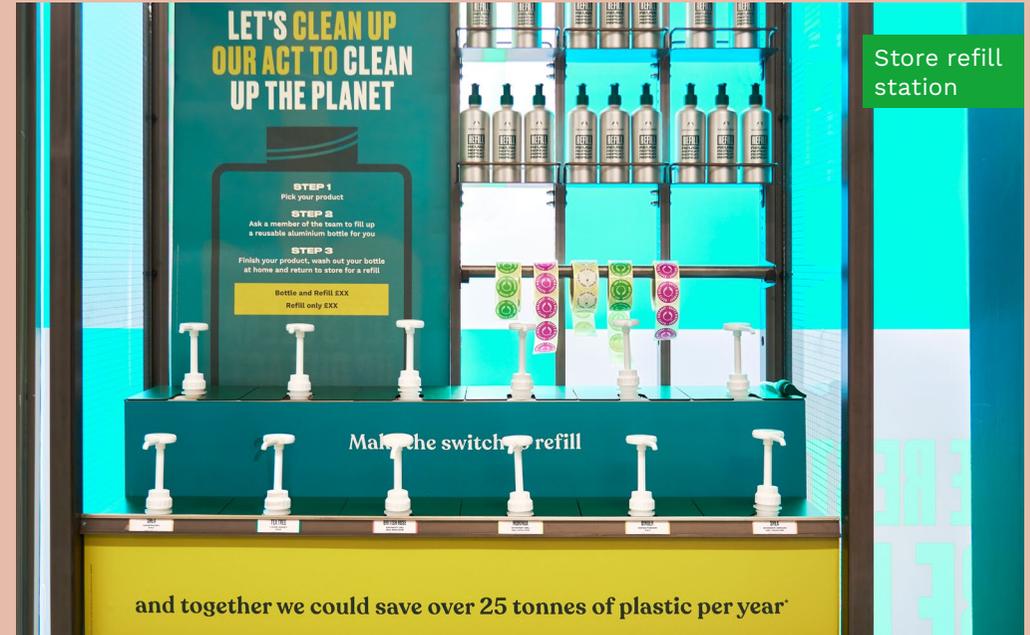
coordination of Holding-level Human Rights frameworks and activities. The Body Shop Ethics Committee, part of the Holding's ethics and compliance programme, receives quarterly progress updates on current and projected compliance risks, and guides us to operate ethically throughout our business.

Our management and reporting of modern slavery issues

By the end of 2022, Natura &Co had fully aligned all sourcing and procurement policies, and vendor onboarding systems, across The Body Shop and its other brands. This will help us to align standards across the Holding company, use our expertise more effectively and give us greater influence over our supply chains.

In late 2022, group-wide sustainable procurement and related functions moved back to individual business units (brands). The Body Shop Sustainable Procurement team continues to collaborate with our sister brands but focuses on addressing social and environmental risks among The Body Shop suppliers.

Under both structures, we identify potential social and environmental concerns, manage risks and improve working conditions in our supply chains by collaborating with stakeholders including the [ETI](#) and [Sedex](#). We embed human rights and environmental sustainability across all The Body Shop operations, via responsible



sourcing policies and supplier guidance. Following recommended good practice, the level of human rights and environmental due diligence we require from our suppliers reflects the level of risk presented by their location, sector and supply chains.

Our employees inform significant decisions on all topics, including labour rights, via town hall feedback meetings, The Body Shop Matters, a representative body that provides two-way communication between our employees and leaders, and quarterly employee surveys on key issues. [The Natura &Co Ethics Line](#) also provides a channel for anyone to report concerns and grievances.

We continue to engage external stakeholders in our efforts to prevent all forms of labour exploitation. These include specialist consultancies, our partners in sectoral or commodity-specific working groups and coalitions, and fellow members of ethical trade and responsible sourcing 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 we share these statements with key suppliers and other stakeholders to help them tackle modern slavery and uphold our high standards.

Our modern slavery policy frameworks

Because modern slavery is just one element of labour exploitation, The Body Shop does not have a standalone modern slavery policy but adopts a wider human rights due diligence approach. Several policies and frameworks guide our efforts to prevent and mitigate any form of labour exploitation in our operations and supply chains. These, which are largely aligned across Natura &Co, mainstream modern slavery concerns in our employment, purchasing and sourcing practices.



Commitment to Life

Natura &Co's Commitment to Life guides operations and value chains throughout the Holding's business units. One of its three pillars is to defend human rights and be human-kind, reflecting the UN Guiding Principles on Business and Human Rights. 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.

This commits The Body Shop and our sister brands to a robust human rights policy, fully traced and/or certified supply chains for six high-risk raw materials by 2025, and specific, measurable targets in how we treat our employees, including pay equity and paying all employees globally at least a living wage.



The Natura &Co Global Supplier Code of Conduct

Before we start a commercial relationship with them, all new The Body Shop vendors must commit to this code of conduct, which is based on internationally recognised human rights standards and frameworks including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, and the Ethical Trading Initiative (ETI) Base Code.

The code outlines the high standards we expect of all direct suppliers and their own supply chains in relation to human rights and employment practices. We ask for their commitment to go beyond legal compliance and commit to positive actions such as responsible recruitment practices and paying living wages.

In 2022, we updated this policy to include broader human rights expectations, including increased focus on vulnerable workers, and protections from harassment and abuse including gender-based violence. The code also requires our suppliers to apply responsible sourcing standards in their own supply chain, and explicitly references service provision, environmental concerns and the intersectionality of many issues.



The Natura &Co Human Rights Statement

In 2022 we published the Natura &Co Human Rights Statement developed with the human rights consultancy Elevate. We started applying this framework, integrating human rights management into all standard business across Natura &Co and publicly clarifying our zero tolerance of any human rights infringements in our supply chains. This reflects a step change across Natura & Co in understanding all forms of human rights risks in relation to our business, and planning appropriate action 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. It promotes decent work, addresses the links between human rights and environmental issues, and focuses on supporting the rights of people who are disadvantaged. A Human Rights Steering Committee oversees strategic planning and makes recommendations in relation to our supply chain.



Natura &Co Critical Materials Policies

We recognise that some materials we use may pose social or environmental risks. Based on risk assessments, Natura &Co prioritised six supply chains that have an elevated risk of labour and/or environmental exploitation (palm oil, cotton, mica, soy, paper and ethanol - see page 18). As part of our Commitment to Life sustainability vision we are working towards full traceability and/or certification of these supply chains by 2025.

In 2022 we finalised Holding-wide procurement policies for these materials and established baseline data on their traceability and/or certification.

We started working towards full traceability/certification by requiring suppliers to provide accurate information on the origin and/or independent certification of these materials.



Aloe Vera

Our modern slavery policy frameworks



Natura &Co Supplier Portal

In 2022, Natura &Co developed a new supplier portal to combine all due diligence for new and existing suppliers in a single system. This system incorporates supplier and, audit management, and industry and supplier risk profiling covering human rights and environmental risks. Following its rollout in 2023, this portal will drive efficiencies in systematically integrating supplier compliance with our policies and enable more focus and impact on human rights issues.



The Body Shop Sustainable Sourcing Charter

Our Sustainable Sourcing Charter outlines our aspirations and shared commitment with suppliers to sourcing in an ethical and sustainable way. It applies to our [Community Fair Trade](#) programme supply chains, and all natural ingredients and materials.

We work collaboratively with [Community Fair Trade](#) suppliers to implement the principles of the charter. The ultimate aim is to help improve people's livelihoods and strengthen community-based businesses. Every year, external certifying body [Ecocert Environnement](#) independently assesses and verifies our [Community Fair Trade](#) programme, and audits 25% of our [Community Fair Trade](#) suppliers against [ETI](#) requirements.



The Body Shop employment policies and employee resources

Our policies on fair recruitment, employment of young people, hours of work, diversity and inclusion, and working with suppliers, include robust provisions to tackle issues relating to modern slavery. All of our employees have access to a wellbeing programme that includes mental health support.



The Natura &Co Ethics Line

Our Ethics hotline enables anyone working in our operations or supply chains to anonymously report any suspected breach of our codes of conduct, policies or standards, online or via a 24/7 telephone service available in 14 languages. To equip our employees and suppliers with the knowledge and confidence to report any signs of potential labour exploitation, we strive to make them aware of specific local risks relating to modern slavery as well as more general risks.

Edelweiss product range





Open hiring

In 2022 we expanded our use of [Open Hiring](#), an inclusive recruitment and onboarding approach that broadens opportunities for economically excluded people by eliminating common barriers to employment such as requiring background checks and previous experience. In partnership with over 20 charities and NGOs, we now use Open Hiring for all in-store and distribution centre seasonal hires in the UK, US, Canada and Australia, and are expanding it to some other roles. Schemes like this are a proven way to provide employment opportunities and rehabilitation help for modern slavery survivors and other victims of abuse.

In Spain The Body Shop partnered with seven NGOs including the Red Cross to better include marginalised people, including victims of violence, trafficked people and refugees, in society and workplaces. Through in-store internships, we provided 43 such people with extensive training in commercial and cosmetics skills, and hired 26% of them. We also recruited 8% of our Christmas hires for our Madrid stores at the Red Cross Job Fair that targeted often-overlooked groups of people.

Open Hire lead and staff member in our Battersea store

Our modern slavery risk assessment and management

How we assess modern slavery risks

At The Body Shop, we take identifying and addressing modern slavery risks in our operations and supply chain very seriously. In 2020, the external consultancy Ergon assessed our risks in these areas. In 2021, working with Elevate, we conducted a group-wide risk assessment that informed the 2022 Natura &Co Human Rights Statement and prioritised human rights risks.

In 2022 we continued to actively participate in industry working groups and collaborate with other organisations, such as ETI, Sedex and the International Transport Workers Federation, to stay informed of emerging supply chain risks. We strive to keep abreast of the latest trends and best practices in identifying and addressing modern slavery risks, and to continuously improve our own risk management practices.

We also work extensively with our suppliers to identify and mitigate any labour exploitation risks in their own businesses and supply chains, in line with our [Global Supplier Code of Conduct](#). In addition, we require suppliers in categories requiring higher levels of due diligence to complete a [Sedex self-assessment questionnaire](#). Suppliers in the highest risk sectors undergo an ethical audit before we contract them, and regularly thereafter. We also incorporate social and environmental criteria in our high-value tendering processes.

Where appropriate, The Body Shop also applies enhanced due diligence in

indirect sourcing categories (such as labour providers, facilities management, cleaning, logistics, and waste and recycling services) to develop tailored approaches to risks.

We regularly review our strategic commercial suppliers using a balanced scorecard approach. And we commission specialist firms to conduct independent ethical audits of our suppliers in locations or sectors identified as high risk for labour exploitation. In 2022, 61 audits were conducted among the 175 active suppliers that fall under our highest level of due diligence. We also worked to align our ethical auditing programme across Natura &Co, moving from a three-year to a two-year audit cycle.

As site visits to some suppliers for [ethical trade audits](#) remained challenging in 2022 because of COVID-19 restrictions and backlogs, we continued to use additional approaches to assess risks in our supply chain. These included desktop assessments, the [Sedex Radar risk assessment tool](#) and other virtual third-party assessments to gain as much insight as possible into working conditions.

Our social audits in 2022 did not uncover any instances of modern slavery. However, we continue to take appropriate actions to address any risks we identify. If, through these social audits, we uncover links to labour exploitation anywhere in our operations or supply chains, we will take appropriate action, in line with our policies.

Overview of highest risks: materials and processes⁴



Managing potential risks of modern slavery

The Body Shop uses a [human rights due diligence](#) approach to understand relevant labour risks and prioritise due diligence efforts in areas of higher risk.

We have full end-to-end transparency of goods and materials in our [Community Fair Trade](#) programme. We know that several commodities, sectors and regions pose high risks of labour exploitation (see map above),

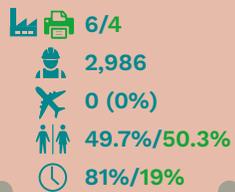
so we focus increased attention in our operations and supply chains in these areas (including tier 2 and beyond) to avoid and mitigate these risks. In 2022, we applied the highest level of due diligence to 61 of our 147 tier 1 in-scope suppliers, including all of our direct suppliers. We also mapped 27 tier 2 or tier 3 suppliers that deliver materials or services to these tier 1 suppliers.

⁴ Based on desktop research of common global risks.

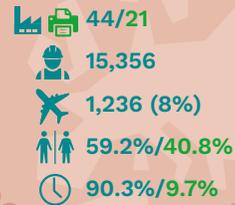
Our modern slavery risk assessment and management

Suppliers in our highest due diligence category

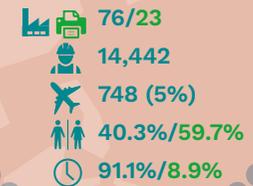
AMERICAS



EUROPE



ASIA-PACIFIC



- Number of tradeable goods suppliers/sites
- Number of non-tradeable goods suppliers/sites
- Number of workers
- Number of migrant workers
- Men workers versus women workers
- Permanent workers versus temporary or agency workers

Our modern slavery risk assessment and management

Community Fair Trade

In 2022, The Body Shop bespoke Community Fair Trade programme incorporated 19 producer groups in 15 countries (see map on following page). We choose to work with suppliers who share our vision and values. Together, we achieve positive social and environmental impact through paying fair prices, improving working conditions, and investing in social and environmental projects to benefit communities.

We have been fair trade pioneers for 35 years and have traded with over 60% of these suppliers for more than 10 years, helping to provide sustainable incomes. This gives us exceptional insights into labour conditions among independent farmers, co-operatives, wild harvesters, home workers and factory settings.

During the year we continued to strengthen our Community Fair Trade partnership with Plastics for Change, our supplier of recycled plastic from India. We purchased over 700 metric tonnes of plastic waste. This partnership engages 2,000 waste collectors, providing them with access to more sanitary working conditions and a fair price for the plastic they collect.

In 2022, independent participatory audits of our Community Fair Trade Brazil Nut Oil from Peru, Marula Oil from Namibia and Coconut Oil from Samoa conducted by Ecocert resulted in us achieving a high overall score of 85% (2021: 86%). We will work with suppliers to address any areas for improvement identified during the auditing process.

We continued applying the consistent and forward-thinking Fair Price approach with our Community Fair Trade producer groups. This approach supports sustainable livelihoods and helps all our Community Fair Trade partners to achieve a living income/living wage by ensuring that all

contributions to making our product ingredients/materials are rewarded fairly.

Working with a specialist consultancy, our suppliers and their workers, and triangulating their findings with external data, we agree prices with our suppliers

based on all their production costs, to cover all time spent producing our ingredients, materials or components. To date, we have applied this approach to over 50% of our Community Fair Trade supply chains and will continue to roll this out across the whole programme.



Women in Ghana producing Shea Butter

Our modern slavery risk assessment and management

Our Community Fair Trade supply chains

- 1** **Wooden Massagers & Textile Bags**
COUNTRY: **India**

- 2** **Handmade Paper Products**
COUNTRY: **Nepal**

- 3** **Cactus Mitts**
COUNTRY: **Mexico**

- 4** **File a Foot & Detangling Combs**
COUNTRY: **Russia**

- 5** **Sesame Oil**
COUNTRY: **Nicaragua**

- 6** **Shea Butter**
COUNTRY: **Ghana**

- 7** **Organic Babassu Oil**
COUNTRY: **Brazil**

- 8** **Soapstone Oil Burners** COUNTRY: **India**

- 9** **Brazil Nut Oil**
COUNTRY: **Peru**

- 10** **Organic Olive Oil**
COUNTRY: **Italy**

- 11** **Marula Oil**
COUNTRY: **Namibia**

- 12** **Hemp Mitts**
COUNTRY: **Bangladesh**

- 13** **Organic Virgin Coconut Oil**
COUNTRY: **Samoa**

- 14** **Organic Aloe Vera**
COUNTRY: **Mexico**

- 15** **Mango Seed Oil**
COUNTRY: **India**

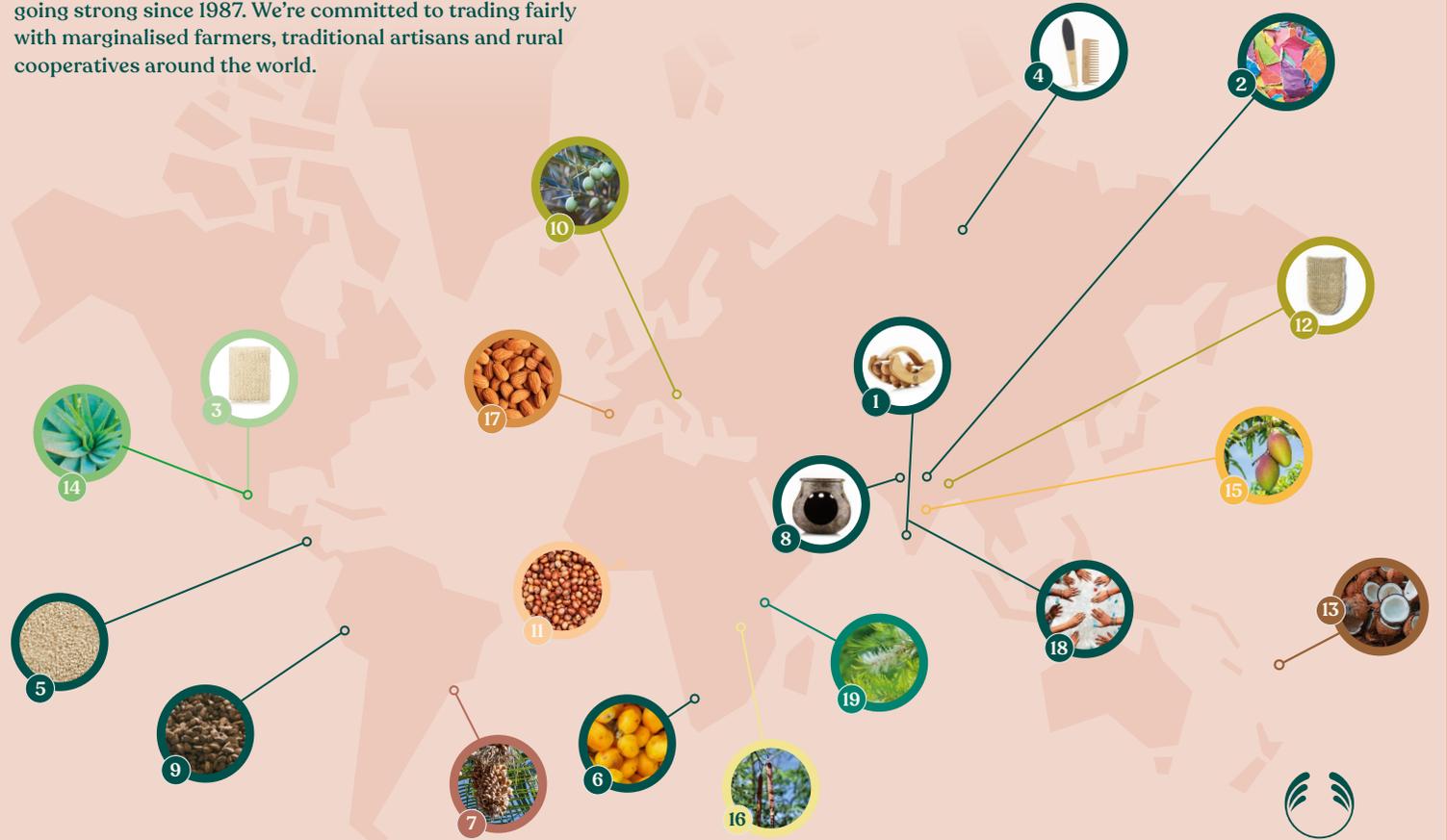
- 16** **Moringa Seed Oil**
COUNTRY: **Rwanda**

- 17** **Organic Almond Oil & Milk**
COUNTRY: **Spain**

- 18** **Recycled Plastic**
COUNTRY: **India**

- 19** **Tea Tree Oil**
COUNTRY: **Kenya**

Our pioneering Community Fair Trade programme has been going strong since 1987. We're committed to trading fairly with marginalised farmers, traditional artisans and rural cooperatives around the world.



Our due diligence processes

Preventing and remedying labour exploitation

Rather than just resolving any labour exploitation identified in The Body Shop operations and supply chains, we aim to prevent all forms of exploitation and ensure that all workers enjoy decent working conditions. To do this, we use several approaches:



Our due diligence processes

Implementing a human rights due diligence approach

Based on human rights due diligence risk assessments, and in addition to our normal due diligence and compliance processes, The Body Shop continues to focus on areas that pose the greatest risk of labour exploitation.

In 2022 we addressed these risks in multiple ways, including: paying at or close to living wage rates of pay for all our directly employed global workers⁵ and on-site agency workers and encouraging our suppliers to do the same; being active in specific responsible sourcing working groups; and including social and environmental criteria in our supplier onboarding and tendering processes.

Most of our human rights due diligence activities relate to direct purchasing of goods for resale. In 2022 we continued to expand our focus to higher risk categories of **indirect** goods and services not for resale, and other priority risk areas identified through geographical, sectoral or thematic risk assessments. Where appropriate, we continue to develop, monitor and review bespoke or enhanced due diligence (see **Table 1** overleaf).

⁵ 96% of our directly employed workers received a living wage in 2022.



Our due diligence processes

Table 1: Priority due diligence areas

Our operations and supply chains		
Priority category/area	Key social risks	2022 activity
Facilities management/ cleaning		Our facilities management company benchmarked the risks detailed in FLEX's report into the UK cleaning sector, confirming that we have robust policies and processes in place to tackle any related issues
Shopfit		Our shopfit supplier developed a global sustainable procurement policy to strengthen policies and extend its scope to lower tier (indirect) suppliers We received a POPAL Award for the most sustainable permanent display store design (see page 17)
Logistics (including warehousing and distribution, road transport and shipping)		As a member of the ETI Logistics Working Group we were involved in several projects including assessing the impact of COVID-19 and the war in Ukraine on workers' human rights We commissioned the International Transport Federation (ITF) to conduct a human rights due diligence health check on vessels transporting our goods to include: <ul style="list-style-type: none"> • The proportion of vessels covered by ITF agreements which incorporate legally binding employment terms, conditions and contracts • An overview of any vessel-specific human rights grievances raised • Any remedy provided by ITF ship inspectors Findings will be addressed in 2023
Waste and recycling Services		Launched the IPRH Modern Slavery Protocol (see case study) Launched our Repeat, Reuse, Recycle initiative in the UK, committing suppliers to social and environmental practices and mandating supply chain visibility as we know that waste and recycling is a high-risk sector for labour exploitation
Cotton, palm, ethanol (sugarcane), paper, soy and mica *Key social risks are material dependent		Started implementing our Critical Materials policies (see Table 2) Engaged in collaborations to strengthen standards and practices (see page 20)
Recruitment and supply of agency/contract, seasonal and temporary workers (including in our own operations)		Changed from an audit to a risk assessment/capacity building approach for labour providers Started rolling out the Responsible Recruitment Toolkit to our direct labour providers in Europe, and contract manufacturers that use a significant number of agency workers. Further rollout postponed to benefit from tool improvements launched in early 2023
Global risks		
Displaced people as a result of migration from conflict-affected regions (e.g. Ukraine, Syria and Afghanistan)		As a member of the ETI Working Group to reduce the risk to workers displaced due to the conflict in Ukraine, we helped develop Guidelines on employment and integration of people displaced from Ukraine in five languages
Xinjian Uyghur Autonomous Region		We did not source any of our products from factories in this region in China Some ingredients known to be at higher risk of labour exploitation are grown in the region and are covered by our Critical Materials policies

- Precarious work (lack of employment protection)
- Sexual harassment
- Freedom of association
- Health and safety
- Supply chain transparency
- Worker exploitation (especially migrant workers)
- Unethical recruitment
- Gender-based inequality
- Seafarers' human rights and crew change crisis
- Impacts on displaced workers
- Forced/child labour
- Low wages/long working hours
- Human rights violations
- Indigenous communities' rights

The Body Shop Store Workshop concept

We integrate social and environmental considerations into our store design. In 2022, we won an award for the most sustainable permanent display store design.

What the judges said:

“A beautiful design that fits The Body Shop brand while pushing sustainability to the limit of what is possible at the moment.”



SILVER
POPAI
UK & IRELAND
AWARDS.22



Our due diligence processes

One way we address key risks is by applying Natura &Co [Critical Materials policies](#) to increase the traceability and attainment of certification standards in key supply chains. In 2022 Natura &Co started to develop baseline data and procurement policies on six materials or ingredients identified as high risk for labour exploitation (see [Table 2](#)).

Alignment across Natura &Co will improve our efficiency in this area and help us progress towards our shared target for these supply chains to be 100% traceable and/or certified by 2025.

Among these supply chains, cotton presents the highest potential risk for modern slavery (forced labour) in specific regions. In 2022, we started implementing a new Natura &Co cotton sourcing policy, using insights from supply chain experts and mapping The Body Shop origins of our tier 1, 2 and 3 purchased cotton to prevent and remedy labour risks.

Table 2: The Body Shop material/ingredient certification/traceability

High-risk material/ingredient	2022 certification level
 Palm oil	57.5% (Roundtable on Responsible Palm Oil Mass Balance or better)
 Paper	74% (Forest Stewardship Council and Programme for the Endorsement of Forest Certification)
 Ethanol	15% (certified against Bonsucro, RedCert, SAI and Organic)
 Soy	72%
 Cotton	20% (organic)
2022 traceability level	
 Mica	99%

2021 data reported at Natura &Co group wide level.



Palm plantation

Our training, awareness-raising and collaboration

Building awareness and capacity internally and among suppliers

The Body Shop trains our employees, workers, suppliers, franchisees and direct sales consultants to drive continuous improvement in labour standards in our operations and supply chains. As well as promoting decent working conditions, we help these groups to understand how their decisions can positively affect human rights.

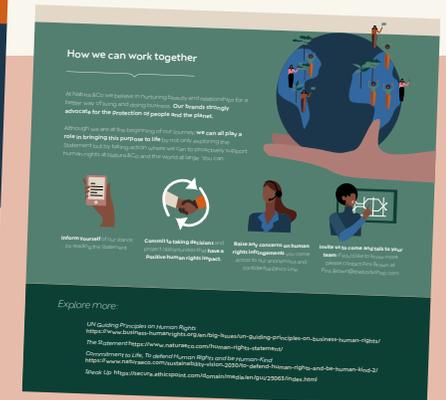
In 2022, we conducted extensive training to ensure that our employees and partners understand the processes, importance and content of our new policies, notably the Natura &Co Human Rights Statement and Critical Materials policies, and the [Responsible Recruitment Toolkit](#).

To ensure that all employees throughout Natura & Co understand how to apply our Human Rights Statement, we developed accessible factsheets in three languages and shared learning through four town hall webinars.

We conducted a significant amount of internal training on the new Natura &Co vendor platform and responsible procurement due diligence, which will become fully operational in 2023. This resource will enable us to combine all areas of supplier due diligence in a single assessment and onboarding process, helping us to ensure compliance with our high standards.



Human Rights Facts Sheets



Our training, awareness-raising and collaboration

Collaborating with others to drive good practice

In 2022 The Body Shop actively worked with multiple alliances and organisations to prevent and mitigate all forms of labour exploitation (see below), often as members of working groups that lead knowledge and practice in specific fields.



Example stakeholder collaboration activities in 2022 included helping develop and submit a Sustainable Mica Policy Framework and Vision to government representatives in the Indian state of Jharkhand, a key mica sourcing region - and other initiatives detailed in **Table 1** (see page 16).

Through these partnerships, we share our expertise to help protect and support employees in multiple sectors around the world. We do this by increasing awareness of key issues, sharing good practice, contributing to employment and sourcing standards, and helping to strengthen assessment and compliance mechanisms.



Waste and recycling

Both the formal and informal waste and recycling sectors present a number of social and environmental risks.

In countries without formal waste management systems, waste pickers in the informal sector are vulnerable to exploitation, harassment and precarious work without employment protections or sanitary working conditions. The Body Shop helps to address this through our Plastics for Change partnership in India (see page 12).

The formal waste sector has a high risk of labour exploitation, including forced and bonded labour.

In the UK in 2021, 12,727 people were identified as potential victims of human trafficking and modern slavery – 20% more than in 2020. (A 2018 report from Hope for Justice indicated that 66% of victims reporting through the UK National Referral Mechanism had worked at a recycling or waste facility during their time in exploitation).

The Body Shop is an active member of the Indirect Procurement Human Rights (IPHR) Waste & Recycling Worker Group. In 2022 the IPHR working group conducted a worker reporting project with eight waste sector companies (involving 276 workers), highlighting employment vulnerability, wage discrepancies and lack of access to their own bank account. It hosted a webinar, drawing attention to these issues and future risks, and supporting collaboration to address them. Most significantly, it launched a Modern Slavery Protocol for the sector – a voluntary agreement and a public pledge to tackle modern slavery.

Our progress against targets

We use key performance indicators to measure our effectiveness in combating modern slavery in our business and supply chains. This **Table 3** shows our 2022 progress in the areas most relevant to modern slavery risks.

KEY:

- We met our 2022 targets
- We made progress towards our 2022 targets but did not fully meet them
- We fell short of our 2022 targets

Table 3: Our progress against targets

Goal	Target	Progress in 2022
<p>To defend Human Rights and be Human-Kind</p> 	<p>Adopt robust human rights policy and practice in line with UN Guiding Principles</p>	<ul style="list-style-type: none"> • Finalised and started implementing the Natura &Co Human Rights Statement
	<p>Full traceability and/or certification for critical supply chains by 2025: palm oil, mica, paper, alcohol, soy and cotton</p>	<ul style="list-style-type: none"> • Published policies and started baselining
	<p>Act on our 2022 priorities</p>	<ul style="list-style-type: none"> • Updated our Global Supplier Code of Conduct • Continued applying a Fair Pricing Approach, reaching 50% of our Community Fair Trade producer groups • Social considerations embedded into global procurement policies, processes, systems and ongoing supplier relationship management • Launched Responsible Recruitment Toolkit to build capacity on ethical recruitment practices

Our priorities for 2023

- 1.** 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.
- 2.** Continue to implement our mechanisms to address salient human rights risks and protect vulnerable workers throughout our supply chain.
- 3.** Further embed a human rights-focused approach into all our business and procurement practices.



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