



THE BODY SHOP



2021

SUSTAINABILITY

REPORT

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“There is no power on Earth apart from business capable of making the changes we desperately need for the continued survival of the planet... Businesses have to put justice and sustainability at the heart of what they do.”

Our Founder, Anita Roddick

FOREWORD

We all know that our world is facing an existential crisis. Our environment is polluted, we are losing biodiversity and global inequalities are increasing. These social and environmental crises and injustices are interconnected, and so are the solutions. We need urgent systems change. And we all have a role to play in making this happen.

The Body Shop has been a leader in social and environmental justice for over 40 years. Now, at this pivotal moment for our planet, we're upping our game. These pages tell the story of how we did this in 2021.

We're dedicated to being the most ethical, sustainable, inclusive and inspiring company we can be. The more we grow, and the more we engage with our customers and other stakeholders, the bigger the difference we can make to people's lives and preserving the health of our planet.

The example we set as a change-making business counts. As a global business comprising of tens of thousands of people and millions of customers, part of a progressive cosmetics group and the ground-breaking B Corp™ movement, we have a powerful platform to influence others and drive change.

In 2021, we upped our game as a B Corp™, both within and outside our business. We devised ways to continuously strengthen our social and environmental impact across our business, guided by departmental and country-level targets. And we joined the B Beauty Coalition to lead global improvements across our sector. Alongside this, we continued to work as part of Natura &Co on our Commitment to Life sustainability plan.

This work is vital and urgent, but challenging. It's only possible because, right across The Body Shop family, thousands of people share the same vision, grit and determination. Thank you all for being part of this story. We have many challenges ahead but, together, we're achieving great things.

David Boynton
CEO



THE BODY SHOP: A FORCE FOR GOOD

Founded in 1976, The Body Shop became a certified B Corp™ in 2019. We seek to make positive change by offering high-quality, naturally-inspired products produced ethically and sustainably, and by campaigning for social and environmental justice around the world. 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 around 2,500 retail locations (owned and franchised) in more than 80 countries, The Body Shop at Home direct to consumer channel in the UK, US and Australia, and an e-commerce presence in 59 markets.

People have always loved what The Body Shop stands for. Now more than ever, they can also love the things we make – and the way we make them.

We're developing our business and meeting people where they love to shop – online, in our stores and through The Body Shop at Home – while constantly seeking to reduce our environmental impact and advance social justice.

We're reaching more people who care about the things we care about, with a rejuvenated range of products that are conscientiously sourced using effective ingredients of natural origin. And we're stepping up our sustainability and activism game.

The best beauty group for the world

The Body Shop is proud to be part of Natura &Co, along with Natura, Aesop and Avon. Together, our ambition is to be the best beauty group for the world – actively working to benefit people and planet.¹

Within our global structure, all Natura &Co brands are innovating to achieve Commitment to Life, Natura &Co's group-wide sustainability vision for 2030.



¹ For more information, see the Natura &Co 2021 Annual Report, available at: www.naturaeco.com/annual-report-2021

Commitment to Life

The three pillars of Commitment to Life steer our shared ambition to help tackle some of the world's most pressing problems:

1 ADDRESS THE CLIMATE CRISIS AND PROTECT THE AMAZON:

By reducing our greenhouse gas emissions to net zero by 2030, and working to protect the rainforest and support its people



2 DEFEND HUMAN RIGHTS AND BE HUMAN KIND:

To support our employees, consultants, representatives and sourcing communities, and people in our supply chains



3 EMBRACE CIRCULARITY AND REGENERATION:

In our packaging, product formulas and through other business investments



All four Natura &Co brands are working towards ambitious targets under each pillar. For example, to address the climate crisis our goal is reaching net zero 20 years before the UN deadline. Our shared commitments to support people include paying all employees at least the real Living Wage by 2023. To defend human rights, Natura &Co will fully trace and/or externally certify six high-risk raw materials (palm oil, mica, soy, paper, ethanol and cotton) by 2025. And to embrace circularity, by 2030 Natura &Co is working to ensure that 100% of packaging is reusable, recyclable or compostable.²

² For more information on Commitment to Life, see: www.naturaeco.com/sustainability-vision-2030



BEING A B CORP™

Why be a B Corp™?

Over 4000 certified B Corps™ are helping to drive a movement, working to transform the global economy to benefit both people and planet. Certified B Corps™, including The Body Shop, seek to create value for all stakeholders – not just shareholders.

Being a certified B Corp™ recognises our positive social and environmental performance, helps us make further improvements, and allows us to join with others to drive the change we all need.

As a B Corp™, we're required to meet the highest externally verified social, environmental and governance standards. And we're part of a community of leaders driving positive change both within and outside our movement, via collaborative working groups and coalitions, and through role modelling pioneering best practice. The strict B Corp™ certification (and recertification) process measures our impact as a business on people and planet through everything we do, and helps us to keep improving.

What this means for The Body Shop

Our B Corp™ certification assesses and influences all aspects of how we do business, not just our products. This includes our governance, how we look after our employees, how we run our facilities, our environmental impact, how we work with our suppliers, as well as our contributions to local communities and wider society.

We're not satisfied with simply being recognised as a B Corp™ – we want to be the best B Corp™ we can be.

To embed B Corp™ triple bottom line principles and standards throughout our business, we use a holistic approach, and decentralised planning and target setting. We have used the impact areas in the B Impact

Assessment to structure this report and demonstrate how we further social and environmental justice.

Over 25 trained, dedicated Sustainability Champions – at least one in each company market and international function – drive social and environmental sustainability performance in every area of our everyday business, from our employment policies to the cleaning materials we use.

Our Sustainability Champions coordinate our action plans and share knowledge and good practice across our markets. They also track progress and assess how we can further improve our impact. Together, these approaches help all parts of The Body Shop work towards the B Corp™ vision of a sustainable economic system that serves people and planet.

This work never stops – **we're constantly improving our social and environmental impact right across our business, right along our supply chains and right around the world.** In 2023, we are planning to submit 20 B Corp™ Impact Assessments to B Lab to verify our performance. Our aim is very ambitious, to achieve 100 points – 18 more than in 2019.

An overview of our B Corp™ progress in 2021

Pages 11-15 in this document show a snapshot of our 2021 performance in the five B Corp™ Impact Areas: governance, workers, community, customers and environment.

In 2021, our Sustainability Champions facilitated the development and implementation of detailed **improvement plans** for each of our company-owned markets and international business functions to embed B Corp™ approaches in our everyday business practices. We also developed tools and processes to **support our head franchise partners to become B Corps™.**

During the year, we prioritised more inclusive employee recruitment strategies, investing in expanding our **Open Hiring** and **Targeted Recruitment** programmes to help marginalised groups overcome chronic barriers to employment.

During COP26 in Glasgow, we tested our new **Youth Collective** model, a group of under-30s who will help to steer our business from 2022. This will amplify the voices of young people, who often go unheard in corporate and multilateral decision-making, including COP. To challenge this injustice, we tested our Youth Collective model by inviting seven young activists to sit alongside our CEO to give live feedback and valuable insights on the key challenges that our business faces over the next decade and how the next generation needs us to step up. This initiative demonstrated the importance of working with young people, amplifying their voices to help businesses make real change, today.

We joined the **B Beauty Coalition**³, a group of over 40 B Corps™ that aims to improve social and environmental sustainability both within and beyond the global beauty industry, by driving up business standards and practices, and strengthening collaboration and learning between companies. Our International Director of Sustainability, Activism and Corporate Communications was elected to the coalition's board, and our Head of Sustainability sits on its steering committee. This means that The Body Shop, alongside other brands, will direct current working groups on defining future priorities and initiatives, and publicising outcomes of the coalition's work.



Testing our Youth Collective model at COP26, November 2021

Certified



®

Corporation

³ For more information, see: www.bcorpbeauty.org

People – workers, customers, suppliers and their communities – sit at the heart of any business. All businesses, but especially B Corps™ like The Body Shop, have a responsibility to treat all their people fairly and equitably. Collectively, responsible businesses can help to counteract many social inequalities and injustices both through their own business practices and by showing others what's possible. The Body Shop has been a social justice trailblazer for more than 40 years, in our sourcing, marketing and campaigning, and our employment policies.

JUST TRANSITION

Achieving a truly sustainable economy is essential for tackling the interconnected challenges of the climate emergency, biodiversity loss and social inequalities. However, how we get there is also important. If the process of change isn't fair and just, the outcome won't be either.

A 'just transition' means moving to a more sustainable economy in a way that's fair to everyone, creating a more equal society. This means redressing past injustices, building good relationships with each other and our shared planet, and more equitable and inclusive decision-making.

This principle and process guides everything we do at The Body Shop, from the way we run our business to how we influence wider change through our activism and as part of the B Corp™ movement.

For example, our **Community Fair Trade** sourcing programme goes further than sourcing quality product ingredients in ethical and sustainable ways, in exchange for a fair price. In many cases we pay our producer groups a premium that they can choose to invest in projects that benefit their wider communities, such as new schools, healthcare facilities or improving water sources. Our dedicated team also provide targeted support which is designed to strengthen the sustainability of these community-based businesses, helping them to reach new customers and increase their positive socio-economic and environmental impacts. This is important because many of our Community Fair Trade partners live in the Global South, in low-income communities that are disproportionately affected by the climate emergency. In our Community Fair Trade programme, we're also pioneering a forward-looking Fair Price approach that builds on our current work to ensure that all labour contributions to these product ingredients, including 'invisible/hidden labour', are rewarded fairly, helping people to achieve a living income or living wage.

We are also founder members of the Ethical Trading Initiative and have contributed to developing their 2021 Just Transition programme to identify, elevate and amplify what businesses need to do.



GOVERNANCE

Good corporate governance – organising ourselves and making decisions in a way that represents the best interests of all stakeholders – is essential for ensuring equity and justice. At The Body Shop, good governance enables us to balance stakeholder and shareholder interests, and hold ourselves accountable via formal mechanisms. This ensures we are ethical and transparent in terms of our social impact.

The Body Shop strives to **increase the diversity of our leaders**. Making decisions based on diverse perspectives is not only the right thing to do, but it makes business sense to meet the needs of our diverse customers and partners. In 2021, 64% of our Senior and Executive Leadership teams were women, reflecting the fact that most of our employees are female⁴. And we're committed to having a gender equal board by 2023. We continue to

support more women and people from under-represented groups to progress to senior roles in our business. As part of Commitment to Life, by 2030, we want at least 30% of our executive and senior leaders to be from under-represented groups such as minority ethnic groups, people with disabilities and/or LGBTQI+ people.

Boardrooms also need to include more youth representation. At COP26, The Body Shop took part in a Boardroom 2030 event with B Lab UK, in which seven young activists shared their insights into future business challenges with our CEO. We used this event to inform the development of The Body Shop **Youth Collective** launching in 2022. From 2022, this advisory body of 12 people from inside and outside the business, all aged under 30, will work with our CEO and Executive Leadership Team to influence our strategy and activism. As well as incorporating more diverse perspectives in our decision-making, this will skill up potential future leaders.



⁴ The data was collected from a sample set that only included male and female as options.

WORKERS

Workers are the driving force behind a company's mission. Treating all workers well and fairly is central to social justice and core pillar of the B Impact Assessment.

That's why, at The Body Shop, we embrace a people-first approach to take care of our workers. This encompasses inclusive hiring practices and mental health support, policies and tools to improve workers' experience and relationship with us, including their salary and benefits. Our commitments to good working practices extend beyond our own employees.

In 2021 we prioritised more inclusive recruitment strategies, to help those facing chronic barriers to employment and ensure that The Body Shop actively supports the communities where we operate, while also taking concrete steps towards increasing the diversity of our business. As part of our commitment to building an environment where all our employees feel they belong, we continue to develop our understanding of what inclusion means for everyone. This involves listening to people whose voices have historically been unheard, while acknowledging the courage that's sometimes required to speak up.

We expanded our **Open Hiring** programme to entry-level store and distribution centre roles in Australia and the UK, as well as the US and Canada (our four largest markets). We recruited 1,306 people using this approach, which omits background checks and unnecessary interview questions, focusing on a person's potential rather than their past.

In these markets, we also partnered with local charities and organisations through Targeted Recruitment – hiring 101 people who faced specific employment barriers including homelessness, a lack of education, or experience of domestic abuse or former imprisonment.

Our commitments to good working practices extend beyond our own employees. Our procurement practices and agreements require our suppliers to treat their employees and other workers fairly. Through our responsible procurement programme, we identify issues, manage risks, implement policies and provide supplier guidance. Our responsible procurement work is detailed each year in our Modern Slavery Statement.⁵

During the year, Natura &Co became a sponsor of the **Responsible Recruitment Toolkit** in recognition of the risks of labour exploitation in relation to recruitment and the supply of temporary labour. This best practice tool aims to assess and build labour providers' capacity in fair and ethical recruitment, through free guidance and training. Natura &Co will start rolling out this tool to our labour providers and suppliers from 2022, to ensure that jobseekers and workers are treated fairly and to avoid labour exploitation at recruitment.

The Body Shop aims to be a great place to work for all our employees, with fair and equitable treatment and rewards. In 2021 we continued to pay all our UK-based employees and agency workers at least the **Real Living Wage** and encourage our suppliers to do the same.



We're on track to pay all The Body Shop employees across the globe a living wage or more by 2023 – 82–100% of our staff are already paid at this rate.⁶

Our **employee satisfaction** score for 2021 averaged 76 across two staff surveys run by independent provider Glint – a similar rate to previous years and higher than Glint's global benchmark of 74.

Increasing numbers of people need or want to earn in a flexible way to balance work with other aspects of their lives. We're proud to offer many part-time and flexible working opportunities, in line with our employment policies. Our 57,769⁷ self-employed **The Body Shop at Home consultants** in the UK, US and Australia can earn at a time and in

a way that suits them, by selling our products in person or via social media with no pressure or targets from us. This has been a particularly important livelihood and sales channel during the COVID-19 pandemic, giving our customers flexibility too.



⁶ In 2021, 100% of our employees around the world received pay at a level that met the real living costs of a single adult, and 82% were paid at a rate that covered the real living costs of a family of two adults and two children.
⁷ As of December 2021.

⁵ For more information, see: www.thebodyshop.com/en-gb/about-us/our-commitment/modern-slavery/a/a00030

COMMUNITY

As businesses, contributing to the economic and social well-being of the communities in which we operate is the basis of building shared and sustainable prosperity for everyone. Through our supplier relations, social engagement, charitable giving, and strong relationships with diverse communities around the world, The Body Shop aims to have a tangible positive community impact.

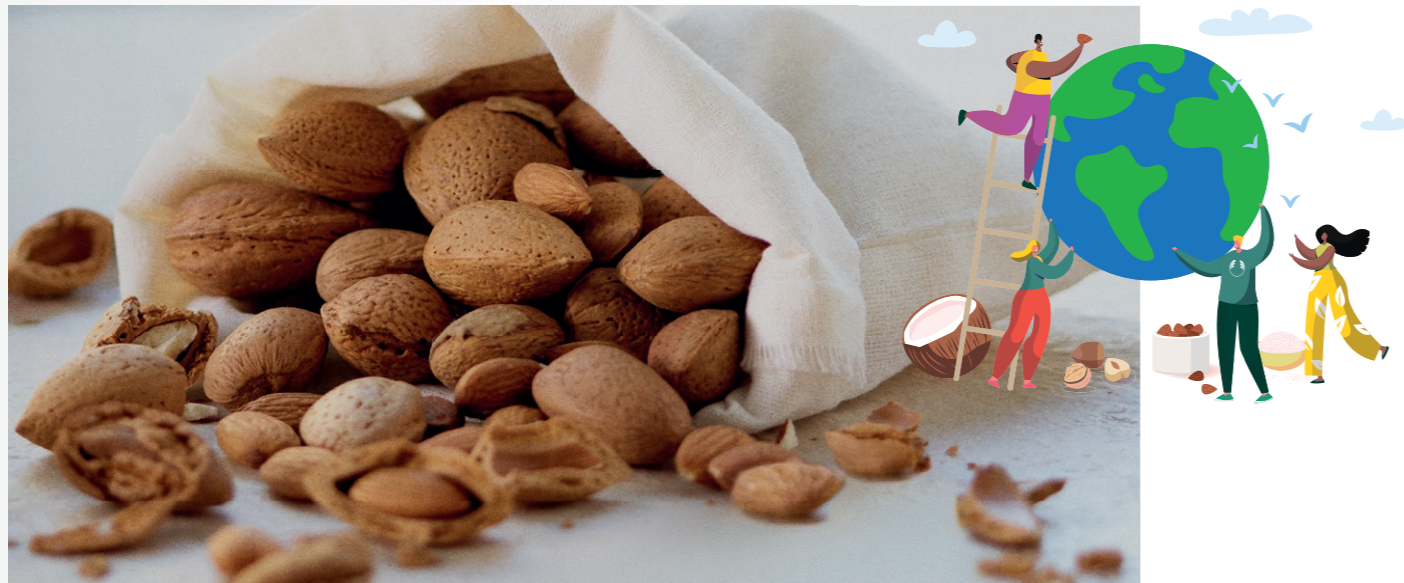
The Body Shop was a fair trade pioneer back in 1987. Ever since, we've ethically and sustainably sourced many of our ingredients, accessories and packaging items in this way. As well as providing great products for our customers, our **Community Fair Trade** programme helps our producers earn sustainable incomes, in safe, equitable and respectful workplaces.

In 2021 this programme comprised 19 suppliers in 15 countries across Africa, Asia, Latin America and Europe, providing fair incomes for over 16,000 people. Altogether, we

purchased 546 metric tonnes of Community Fair Trade ingredients, in addition to Community Fair Trade accessories and packaging materials.

We were able to keep these supply chains open in 2021, despite significant disruption from the global pandemic to global freight operations as well as localised safety measures such as lockdowns, enabling producer groups to keep earning an income. To support their businesses cashflow, we honoured or enhanced our payment terms even when some suppliers experienced production delays.

In 2021 Natura &Co developed and finalised its **Human Rights Statement (policy framework)**⁸, which will go live throughout The Body Shop and our sister brands from mid-2022. To do this Natura &Co benchmarked its activity against three external areas: best practice of other companies in our field; external stakeholder expectations and against key standards such as the Corporate Human Rights Benchmark and the Women's Empowerment principles.



⁸ At the time of writing this report, the Natura &Co Human Rights Statement has gone live and can be accessed here: www.naturaeco.com/human-rights-statement

CUSTOMERS

The Body Shop believes in having a positive impact on our customers' lives beyond purchasing our ethical products. We want all our customers to feel welcomed, listened to and supported at The Body Shop, whoever they are.

We work to address social issues that affect our customers and enable them to champion social and environmental justice through our **activism** (see pages 16-17). We also help them to have a positive impact themselves by enabling them to be part of the self-acceptance and body positive movements, and the **refill revolution** (see page 20). Our new Activist Makers Workshop stores encourage customers to take a stand on social and environmental issues. In addition, 16% of these stores that opened in 2021 specifically reflect local communities through murals or other artworks by local artists that feature local issues and cultural elements.

We care about the things our customers care about. We never test any products or ingredients on animals, we are certified by the Humane Cosmetic Standard, all our products are vegetarian and we're working towards full Vegan Society certification of our products by 2023.

We embrace all forms of beauty, never retouch images of our models and have a long history of actively supporting our customers' self-esteem. Our 2021 **Rise Up With Self-Love Campaign** promoted self-acceptance and mental health among our customers, whatever their background or appearance. This prompted customers from around the world to share more than 2 million acts of self-love via our social media channels, including inspiring stories and tips.

Visibility, representation and inclusion are important to us at The Body Shop. When planning, creating and perfecting new products, we consult our people and customers in multiple countries, including a range of ages, ethnicities, locations and gender identities. In 2021, we reformulated our Shea haircare range to care for curly and textured hair, and launched an expanded range of Fresh Nude Foundation shades to cater for all skin tones. We're also transforming our make-up to embrace trans and non-binary people's needs.



“We want any person to see themselves visible and reflected in our stores, our people, our marketing images and our products.”

Nykeba King, our Global Inclusion and Belonging Manager

ACTIVISM

At The Body Shop, we have activism in our DNA. Since 1990, we've created direct change through new legislative action or policy changes in over 24 countries.

To us, activism means using people power to change laws and policies on global and local issues to achieve social and environmental justice. Right now, the world needs this more than ever.

In 2021, we re-established our activist roots and **finalised a new strategy** to maximise the impact of our activism. Under this strategy, our activism has two main strands. Our markets will run local campaigns relevant to their communities. And, from 2022, we will run Be Seen Be Heard, a three-year global campaign that will unite our whole collective behind a common cause to amplify youth voices in public life.

During the year, we ran 16 local campaigns, taking action on the issues that matter to us and our customers. We also opened over 100 Activist Makers Workshop stores, encouraging customers to get inspired by our activist heritage, while taking a stand on social and environmental issues themselves.

Achieving results through activism is a collaborative – and often long-term – process. But we're determined to keep pushing and keep building on our achievements.



“Activism must be woven into the fabric of business. In a global world, there are no value-free or politically disentangled actions... So we dedicated our business to the pursuit of human rights, of positive social and environmental change, and got on with being an activist organisation pursuing those objectives. That meant action, not just words.”

Our Founder, Anita Roddick



EXAMPLES OF LOCAL CAMPAIGNS IN 2021

Protecting peaceful protest in the UK

For more than 100 years, peaceful protests have enabled UK citizens to influence governments to make positive changes, from recognising gay marriage to ending fracking. They have also helped to shift social attitudes on social and environmental issues, including racial equality and climate change. As a UK-founded business, peaceful protest has been an essential part of our social and environmental activism for decades.

Since November 2021, The Body Shop has been speaking out against the Police, Crime, Sentencing and Courts Bill, which threatens the right to peaceful protest in the UK. In 2021, we used our social platforms, media presence and leadership profile to raise awareness of the bill's implications. Our CEO wrote to the House of Lords' Justice and Home Affairs Select Committee, urging it to challenge the bill. We also joined forces with 100 other UK businesses to send an open letter to the House of Lords to do the same.

Helping Afghan refugees and asylum seekers in Australia

In response to the humanitarian crisis in Afghanistan in 2021, The Body Shop campaigned to pressurise the Australian Government to do more for Afghan refugees and asylum seekers.

We used our social media platforms and store presence to promote UN Refugee Agency and Amnesty International petitions, calling on the Australian Government to accept more Afghans and grant those with temporary protection visas permanent residence. Together, these petitions gained over 55,000 signatures.

We also matched donations, turning an AUD10,000 donation into AUD28,000 to support UN Refugee Agency work in Afghanistan.

Supporting racial justice in the US

The Body Shop has always stood up for equality and human rights. We continue to actively support the Black Lives Matter (BLM) movement, both within our business and in wider society.

In 2021 The Body Shop North America continued to raise awareness of racial injustice and amplify demands for systemic change. We co-signed BLM's seven demands, calling for action to tackle systemic racism in government, law enforcement and the military, and recognised Juneteenth (which commemorates the end of slavery) as a company holiday for all US-based staff.

More broadly, in 2021 we expanded inclusive hiring initiatives to eliminate employment barriers for marginalised populations, and started to provide unconscious bias training and anti-racism workshops for colleagues. We also ensured greater diversity and inclusivity in our hair and make-up products, co-creating new ranges with minority ethnic employees and customers.

Saving cruelty-free cosmetics in Europe

The Body Shop started campaigning to ban animal testing in 1989, the first global cosmetics company to do so. Our activism was instrumental in banning animal testing of cosmetics products in the European Union (EU).

In 2021, in an industry first, we joined forces with Dove, Cruelty Free International, PETA and over 500 other organisations to campaign to uphold this ban, in the face of mandatory animal tests proposed by the European Chemical Agency. We campaigned in all our EU markets, in-store, on social media and via the media. Our European Citizens Initiative to keep the ban attracted over 321,000 signatures in just a few months – a third of the number required to trigger a review by the European Commission.



The health of our planet is vital for our existence. That's why The Body Shop takes bold action to preserve Earth's precious resources and biodiversity, by embracing planet-friendly practices and environmental initiatives. We consider, and constantly strive to improve, the impact of all our everyday activities, including our energy use, the materials we use, how we run our facilities, and our supply chains throughout the world.

Reducing our impact on the environment

As part of the Natura &Co Commitment to Life vision, by 2030 The Body Shop will meet the demands of the Science-Based Targets Initiative and reach net zero greenhouse gas emissions. This includes all direct and indirect emissions resulting from running our business (scopes 1, 2 and 3).

In 2021, Natura &Co conducted a group-wide exercise to establish a baseline to help set Science-Based Targets and track emissions reductions – the first steps towards becoming net zero. Excluding indirect (post-purchase) product use, The Body Shop accounted for around 11% or 260,677 tonnes CO2 equivalent (tCO2e) of total Natura &Co emissions in 2020.

Our company sites

At The Body Shop, we're installing **automatic energy meter readers in our company stores and sites** wherever possible, to help identify where we can use less energy. We've also installed electric car charging points at our global headquarters in Littlehampton, UK.

CIRCULAR ECONOMY

The global 'take, make, waste' economy isn't working for people or planet. The only sustainable economy is a 'circular economy', where waste and pollution don't exist because products and materials are kept in a cycle of constant use and nature is regenerated. A circular economy decouples economic activity from the consumption of finite resources. It's a resilient system that is good for business, people and the environment.⁹

Creating a circular economy is vital. But it requires a massive and hugely complex global transformation in how business works. Ethical business can – and must – be part of the solution. We can't wait for someone else to solve the problem. That's why The Body Shop is upping its sustainability game – orienting our business towards a waste-free, circular economy.

We're embracing circular economy approaches in our **store design and shop fit**. For example, our new Activist Maker Workshop store designs use sustainable materials wherever possible. This means less virgin plastic, using Forest Stewardship Council (FSC)-certified wood and paper, and fixings that can be broken down at the end of their life.



We opened over 100 Workshop stores in 2021, and aim to open a further 200 in 2022.

To avoid unnecessary waste, we're phasing in these new designs when we open new stores or refit those that need a refresh. In 2021, we installed 529 of our new makeup stands – by using flexible, reusable FSC wood product holders we saved approximately 2.6 tonnes of virgin acrylic plastic within that year alone. And we launched over 450 in-store refill stations in 34 countries, approximately half of the countries we trade in (see page 20).

Our products

The Body Shop aims to make the highest quality products with the **lowest possible impact on the planet**, in line with our Charter for Change. We use ingredients of natural origin wherever we can. And we've never tested any products or ingredients on animals.

Now, we're challenging ourselves to go even further by reformulating our iconic products to maintain the highest quality, while having the lightest possible touch on the planet. In 2021 we launched five new and improved haircare ranges made with **Vegan** Silk Protein. We're on track for all our products to be certified by The Vegan Society by 2023, guaranteeing that no animals are harmed at any stage of our product development or manufacturing.

Some of our supply chains are complex, but we're committed to ensuring that our sourcing of raw materials and natural ingredients is as transparent as possible, so we can be sure of **our indirect environmental impact** as well as the impact of our own activities.

Certification or traceability of The Body Shop purchased materials in 2021

By 2025, as part of Commitment to Life, Natura &Co aims to enforce full traceability and/or certification for the critical supply chains of six materials (palm oil, mica, paper, ethanol, soy and cotton – see below).

Where possible, the group is certifying these materials against external, good practice standards.

Palm oil:

19.1% certified as Roundtable on Sustainable Palm Oil (RSPO) Mass Balance (18%) or RSPO Segregated (1.1%). The remaining volumes are covered with smallholder credits (53%)¹⁰ and regular credits (28%), meaning our palm oil is 100% sustainably sourced.

Mica:

95.2% traceable (as no global certification standard is available, though we're a member of the Responsible Mica Initiative and source from a restricted Mica supplier list which includes only members of the Responsible Mica Initiative.)

Paper:

67.8% certified by FSC

Ethanol:

2.8% certified as Bonsucro, Fair For Life, fair-trade and/or organic

Soy:

0% certified (partly because of incomplete data)

Cotton:

59.9% certified as organic, including Global Organic Textile Standard (GOTS).

⁹ Based on the Ellen MacArthur Foundation definition. For more information, see: <https://ellenmacarthurfoundation.org/topics/circular-economy-introduction/overview>

¹⁰ Smallholder Groups we have purchased carbon credits from include: Univanich-Plaipraya Community Enterprise Group, Phanom Land Settlement Cooperatives Limited, Koperasi Unit Desa (KUD) Pemura, KUD Marga Jaya, Perkumpulan Cahaya Putra Harapan

Our product packaging¹¹

At The Body Shop, we're making huge strides in **reducing packaging, and incorporating more recyclable and recycled content.**

Reducing product packaging is the best way to improve our environmental impact in this area, helping to eliminate waste. The Body Shop was the original refill pioneer back in the 1970s, and we're leading the refill revolution again today.

In April 2021, we started a five-year programme of rolling out **refill stations** across our stores. We exceeded our 2021 target by launching over 450 refill stations in 34 countries, which has already prevented over 120,000 plastic bottles from going into circulation.

This is having a positive impact on customer behaviour. In stores with

refill stations, nearly 1 in 5 people (18%) return to refill their aluminium bottles with their favourite products, compared to 15% who repurchase a product in our recycled plastic bottles. By 2023, our planned additional refill stations – some 400 a year – could reduce plastic waste by more than 25 tonnes per year. We also have plans to expand our refill scheme to more products, which will further increase its impact.

As part of Natura &Co, by 2030 our packaging goals are that 100% of our packaging material will be **reusable, recyclable or compostable**, and 50% of the plastic we use will be of recycled content.

When we do use plastics, we maximise our use of post-consumer recycled (PCR) material wherever possible. PCR has a smaller carbon footprint than virgin plastic, which supports our progress towards net



¹¹ See the appendix for additional data on the environmental credentials of the packaging we use, and trends over time.

zero and prevents plastic from becoming waste. In 2021, 47% of our total plastic packaging was recycled (by weight), a significant year-on-year increase. This is because we switched the packaging of some major products from 0% to 100% PCR.¹² By weight, 77.5% of all our plastic packaging was widely recyclable.

In September, we relaunched our **Return, Recycle, Repeat in-store recycling programme** in the UK, Singapore and Hong Kong, enabling our customers to return packaging to us for repurposing. We're operating this scheme with partners who can guarantee that packaging is responsibly repurposed, while respecting labour rights. We'll expand this to other markets where and when supply chain visibility and local partners can give us the same level of assurance. While this means that our progress in this area has been slower than planned, it's important for us to ensure that our environmental schemes have a positive social impact.

We purchased 782 tonnes of Community Fair Trade recycled plastic from India via our partner **Plastics for Change** in 2021 – a significant increase over 2020, when the scheme collected over 400 tonnes of plastic bottles for repurposing. This relationship has both economic and social benefits, as it reduces waste entering the environment and gives waste pickers access to fair incomes and improving working conditions. We use this recycled plastic in our product packing such as shampoo and conditioner bottles as well as our new Body Butter tubs.

Overall, we used 3,620 metric tonnes of plastic packaging in 2021 (including tertiary/transport packaging) – a similar amount to 2019 but slightly more than in 2020. We used 1,441 metric tonnes of wood/paper fibre in



our product packaging, less than in 2020. In line with our policies, 100% of the paper and wood we use is from FSC certified sources.

We're **redesigning our packaging** to use more metal and glass, as these materials are robust so can be reused multiple times and have high global recycling rates so are less likely to become waste. We more than tripled our use of metal packaging to 389 metric tonnes (by weight, 20% of this was recycled and/or certified). Since 2020, we've increased the total weight of our glass packaging to 2,214 metric tonnes. In 2021, 36% of our glass packaging was recycled and/or certified.¹³



¹² It also reflects a data gathering change from recording the packaging units we sold in a year to those we purchased during the year.
¹³ In 2021, 46.6% of our product packaging was made from plastic, of which 47% was PCR, 28.9% was made from glass, 18.8% from wood/fibre, 5.1% from metal, and 0.6% from other materials.

NEXT STEPS

In 2022, The Body Shop will build on our recent achievements and continue upping our game to reduce our environmental impact and drive social and environmental justice.

B CORP™

Each company market and international function will implement the actions in their improvement plan to deliver B Corp™ targets. This will prepare us for our re-certification in 2023.

We are planning to submit **20 B Corp™ Impact Assessments** to prepare for B Corp™ recertification in 2023. This devolved approach allows each of our markets to drive continuous improvements in ways that are most relevant to the local context. This approach is designed to ensure wide ownership of the sustainability agenda across our business, and a more integrated and sustained strategic approach than a box-ticking exercise once every three years.

SOCIAL JUSTICE

We will recruit and **launch a Youth Collective** to work with our CEO and Executive Leadership Team to ensure that our strategic decisions take youth perspectives into account.

In partnership with the United Nations Secretary-General's Envoy on Youth, we will **launch Be Seen Be Heard, a three-year global campaign** calling for more youth voices in the halls of power. Our most ambitious campaign to date, this will aim to make one legislation or policy change in each of the 80 countries where The Body Shop operates.

In 2022, we will be expanding our Open Hiring programme to include training, development and social support too. The Body Shop is working with charity partners to provide training and apprenticeships to equip people with the essential skills and confidence they need to be ready for work in the future. In 2022 we plan to bring in over 1,500 new employees through Open Hiring, with at least 350 coming from communities served by our charity partners. Beyond 2022, we aim to expand our Open Hiring programme to even more markets around the world, as well as piloting Open Hiring for several corporate and global function roles in the UK too.

ENVIRONMENTAL JUSTICE

We will continue to improve our environmental performance to contribute to meeting group-wide Commitment to Life environmental targets.

As part of Natura &Co, we will build on the knowledge from our comprehensive foot printing exercise by evolving our data collection systems and **setting Science-Based Target Initiative goals for scope 1, 2 and 3 emissions.**

Working across our business and as part of our group, The Body Shop will develop **strategic emission reduction plans**, focusing on our greatest sources of emissions – our products, packaging and distribution. To address our indirect emissions from the purchase of electricity (scope 2), we will finish rolling out automatic meter readers wherever feasible.

To make further progress towards group-wide Commitment to Life goals on circularity and regeneration, we will **continue to progress towards full circularity** in The Body Shop packaging and further other regenerative business practices. Around the world, we will open at least **400 more refill stations** in our stores.





THE BODY SHOP



2021

SUSTAINABILITY

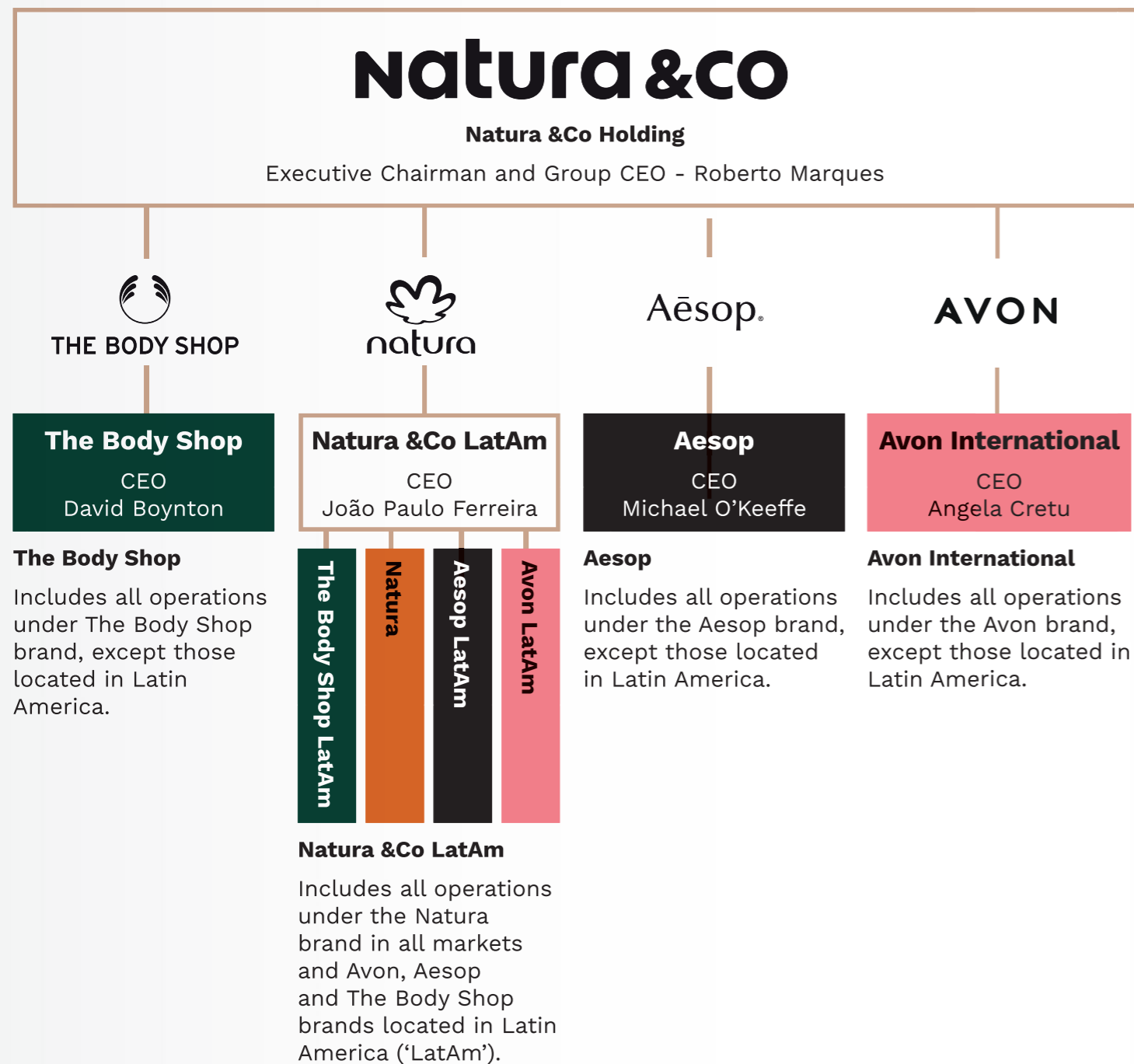
REPORT SUPPLEMENTARY DISCLOSURES

ABOUT THIS DOCUMENT

This document supplements The Body Shop International Ltd¹ 2021 Sustainability Report. In the interests of transparency and enhanced accountability, it provides additional data on our economic, environmental and social sustainability performance from 1 January 2021 to 31 December 2021, in line with global reporting frameworks. Unless otherwise stated, the data relates to our global performance.²

This report does not include The Body Shop LatAm, which covers The Body Shop markets located in Latin America.

Business structure (as of end 2021)



ECONOMIC IMPACT

Customer Satisfaction

At The Body Shop, we monitor customer satisfaction using a survey. The results for 2018–2021 are outlined in the following table.³

Satisfaction measurement	Unit	2018	2019	2020	2021
Satisfied respondents	% of satisfied respondents out of total respondents				
		89%	91%	77%	77%

Product Quality and Recall Management

We had no recalls of products between 2018 and 2021.

Policy Influence

The following table shows our total contributions to UK-based trade associations in 2019–2021, to the British Retail Consortium, the Cosmetic Toiletry and Perfumery Association and the Direct Selling Association.

Organisation Type	2019 Contribution	2020 Contribution	2021 Contribution
Trade associations or tax-exempt groups (such as think tanks)	£25,503	£49,176	£43,156

Code of Conduct Breaches

Ethics & Compliance are managed by Natura &Co as a group-wide function. In 2021, the team received allegations of two code of conduct breaches at The Body Shop. After investigation, both cases were found to be unsubstantiated. These cases are summarised below.

Primary Issue	Unit	Primary Case Outcome
Discrimination	(1) An allegation that a former employee was discriminated against because of their race and sex	Unsubstantiated
	(2) An allegation that an employee has an inappropriate management style	
Retaliation	An allegation that an employee received disciplinary action after reporting misconduct in good faith	Unsubstantiated

¹ Referred to in this document as The Body Shop.

² Some information reported in our 2020 Sustainability Report is not included this year due to data being immaterial to us, data being unavailable or because it is covered by Natura &Co reporting. For more information about our performance as part of Natura &Co, see the Natura &Co 2021 Annual Report, available at: www.naturaeco.com/annual-report-2021

³ In 2021, this survey had a response rate of 4.7%, an increase from 3% in 2020.

ENVIRONMENTAL IMPACT

Operational Eco-efficiency

Our parent group Natura &Co works with The Carbon Trust to produce data on direct and indirect greenhouse gas emissions relating to our business, as outlined in the following tables.

As a business and as a group, our aim is to achieve net zero status by 2030. Our reported carbon emissions for 2021 have decreased due to a better understanding of the data.⁴

Global Direct Greenhouse Gas Emissions (Scope 1) ⁵	Unit	2020	2021
Total emissions	Tonnes of CO2 equivalent	1,182 ⁶	1,046
Data coverage	n/a	100% when extrapolated	100% when extrapolated

Global Indirect Greenhouse Gas Emissions (Scope 2) ⁷	Unit	2020	2021
Total emissions (market-based)⁸	Tonnes of CO2 equivalent	4,091	3,919
Total emissions (location-based)⁹	Tonnes of CO2 equivalent	7,175 ¹⁰	6,776
Data coverage	n/a	100% when extrapolated	100% when extrapolated

⁴ Provisional 2021 data is based on 2020 emissions factors and has not been verified. Final emissions numbers will be updated later in 2022.

⁵ Scope 1 covers direct emissions from company-owned or -controlled sources, as per the Greenhouse Gas Protocol.

⁶ This figure has been updated since our 2020 Sustainability Report, when we reported a provisional figure of 1,161 tonnes.

⁷ Scope 2 covers indirect emissions from generating energy purchased and consumed by a company, as per the Greenhouse Gas Protocol.

⁸ 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.

⁹ A location-based method reflects the average emissions intensity of grids on which energy is consumed, based on the Greenhouse Gas Protocol.

¹⁰ This figure has been updated since our 2020 Sustainability Report, when we reported a provisional figure of 8,335 tonnes.

Energy Consumption

The table below itemises our energy consumption at The Body Shop in 2020–2021 for all available company markets. We aim to reduce non-renewable energy consumption to zero in all countries where renewable alternatives are available.

Energy Consumption	Unit	2020	2021
Total renewable energy consumption (wind, solar, biomass, renewable electricity, hydroelectric, geothermal, etc.)	Megawatt hours (MWh)	5,631	7,589
Total non-renewable energy consumption (nuclear fuels, coal, oil, natural gas, non-renewable electricity, etc.)	Megawatt hours (MWh)	3,770	2,852
Percentage of renewable energy (as % of total energy consumed)	%	60%	73%
Coverage¹¹	n/a	46% of our company stores, 100% of our main offices and 67% of our distribution centres	75% of our company stores, and 100% of our main offices and distribution centres

Water Consumption

The following table shows our fresh water consumption at The Body Shop from 2018–2021. The 2021 data is more representative of our overall fresh water consumption. This data is not directly comparable from year to year and not all of our company markets currently record their water consumption.¹²

Fresh Water Consumption	2018	2019	2020	2021
From municipal water supplies/other water utilities (in cubic metres)	6,077	5,241	3,525	3,538

Waste Disposal

The following table shows our available data on solid waste disposal at The Body Shop from 2018–2021. The 2021 data reflects information from more of our sites so is more representative – it does not indicate an increase in our levels of solid waste disposal.¹³ In 2021, 1 metric tonne of our waste went to landfill and 4,004 metric tonnes were incinerated with energy recovery.

Solid Waste Disposed (in tonnes)	2018	2019	2020	2021
Total waste disposed	823	749	576	3,674
Total waste used/recycled/sold	619	517	348	4,005

¹¹ Not all company markets currently report their energy consumption, though significantly more did so in 2021 than in 2020. These figures exclude all franchisee stores.

¹² 2018–2020 data covers our London and Sussex sites in the UK only, and no stores. 2021 data covers a limited number of sites that have reported their water consumption in the UK, Spain, Portugal and Japan.

¹³ Most of our markets do not currently record their waste disposal. 2018–2020 data covers all solid waste disposed by our London and Sussex sites. 2021 data covers the same metric, and waste from a limited number of sites in the UK and Japan in 2021. The UK is our largest market and the location of our two global headquarters. Japan is our fourth largest national market, based on our 2020 full-time equivalent headcount.

Packaging Materials

At The Body Shop, we continually review the quantity and composition of our product packaging to reduce our environmental footprint. The following table summarises the content and weight of our non-plastic packaging in 2020 and 2021.

Since 2020, we have significantly increased our use of more easily recyclable (and in some cases recycled) metal and glass packaging, in place of plastic. Specifically, we introduced aluminium bottles for our in-store refill scheme and metal tins for our Camomile product range.

Packaging Materials	Total Weight (metric tonnes)		Recycled/Certified Material (% of total weight)	
	2020	2021	2020	2021
Wood/paper fibre	1,944 ¹⁴	1,441 ¹⁵	100%	100% ¹⁶
Metal (such as aluminium or steel)	116	389	n/a	20% ¹⁷
Glass	1,850	2,214	21.5%	36%

At The Body Shop, we specifically measure our progress towards increasing the percentage of our plastic packaging that is recyclable and/or recycled. The following table shows this progress from 2018–2021. Not all figures are directly comparable year on year because of our increasingly strict reporting standards, based on our evolving understanding of the meaning of ‘recyclable’.

Natura &Co has a target to ensure that, by 2030, 100% of the plastic we use in our packaging is recyclable, reusable or compostable, and 50% of it is recycled before we use it. We made significant progress against this last target in 2021, increasing our use of post-consumer recycled (PCR) plastic.

Type of Plastic Packaging	2018	2019	2020	2021
Total weight (metric tonnes) of all plastic packaging	3,824	3,643	3,253 ¹⁸	3,620 ¹⁹
Percentage of recyclable plastic packaging (% of total weight of all plastic packaging)	89%	89%	80%	77.5% ²⁰
Percentage of compostable plastic packaging (% of total weight of all plastic packaging)	0%	0%	0%	0%
Percentage of recycled content within plastic packaging (% of total weight of all plastic packaging)	8%	8%	28%	47% ²¹

14 Excluding wooden pallets (3,370 including wooden pallets).
 15 Including tertiary packaging (pallets/shipping cartons, etc.), we used 4,394 tonnes (of which 1,955 are reusable wood pallets).
 16 We have a standard requirement that all paper and wood products used are from Forest Stewardship Council (FSC) certified sources.
 17 Recycled metal content is limited to our refill bottles, representing 78 tonnes.
 18 Including tertiary/transport packaging.
 19 Including tertiary/transport packaging. The weight of sales packaging alone = 3,575 tonnes.
 20 2021 data reflects a methodology change and a higher threshold for what is considered recyclable. In 2021, we considered packaging made from a limited set of plastics (PET and polyolefins) and in formats that are widely recycled (bottles/caps, etc.) to be recyclable, and considered all other components non-recyclable.
 21 2021 data reflects switching major products from 0% PCR polypropylene plastic (PP) to 100% PCR polyethylene terephthalate (PET) and a methodology change – recording purchased rather than sold units.

SOCIAL IMPACT

Corporate Citizenship and Philanthropy

The value of our corporate citizenship and philanthropic activities and contributions in 2020–2021 are outlined in the following tables. Some of these figures aren’t directly comparable year on year because of methodology changes enabling us to more accurately allocate funds to the categories reported. Currencies are reported in UK £ and may have been converted from local market currencies.

Type of Activity	2020 Total	2021 Total
Charitable donations (cash and product)	£450,000	£38,035 ²²
Community investments (partnership payment or donation made to a partner)	0	£1,484,073 ²³
Commercial initiatives (donations attached to a service)	£1,500,000	£4,151 ²⁴
Total value	£1,950,000	£1,526,259

Type of Contribution	2020 Total	2021 Total
Cash (donations and community investments)	£1,500,000	£1,364,728
Time (employee volunteering during paid working hours)	£4,918 (UK only) ²⁵	£11,023 (UK only)
In-kind giving (product or service donations, projects/partnerships or similar)	£450,000	£403 ²⁶
Total value	£1,954,918	£1,376,154



22 In 2020, global functions donated products worth £450,000 to approximately 50 hospitals, to support healthcare workers during the Covid-19 pandemic. In 2021, only company markets made charitable donations.
 23 Methodology changes have enabled us to more accurately allocate funds to this category.
 24 Reduction compared to 2020 reflects a change in our charitable giving and activism strategy.
 25 The low figure in 2020 is due to Covid-19 restrictions and other factors lowering uptake of volunteering hours, and some inaccurate recording of those hours.
 26 In 2020, global functions donated products worth £450,000 to approximately 50 hospitals, to support healthcare workers during the Covid-19 pandemic. In 2021, only company markets made donations within this category.

Workforce

All workforce data in the following sections relates to The Body Shop payroll employees, including short-term and seasonal employees. It excludes franchisee employees, third-party agency workers and contractors.

We are committed to equality and inclusion across all protected characteristics. By 2030, as part of Natura &Co, we want at least 30% of our executive and senior leaders to be from under-represented groups. The following tables provide a gender breakdown, and a breakdown of minorities, among our employees in 2021.

• Workforce Breakdown: Gender

We monitor several gender indicators across our global workforce, as outlined in the following table covering 2018–2021.²⁷

Indicator	2018	2019	2020	2021
Share of women in total workforce (% of total workforce)	89.1% ²⁸	90.4%	89.9%	90.0%
Share of women in all management positions, including junior, middle and top management (% of total management positions)	66.5%	84.6%	74.8%	70.0%
Share of women in junior (first level) management positions (% of total junior management positions)	72.9%	88.7%	80.0%	71.0%

• Workforce Breakdown: Race/Ethnicity and Nationality

The following table shows the breakdown of our workforce in the UK, USA and Australia in 2021. This data is based on employees' self-identification in our demographic data survey conducted in early 2022.²⁹

Employee Race/Nationality/Ethnicity breakdown		% of total employees based in that country 2021	% of total employees in senior management positions based in that country 2021
UK-based employees	White British	10.1%	5.1%
	White Other European	1.5%	Not available
	All other categories	3.2%	2.2%
US-based employees	White not Hispanic or Latino	10.6%	Not available
	Black	3.3%	Not available
	Hispanic Latino	3.4%	Not available
	All other choices	4.8%	Not available
Australia-based employees	Australian	7.9%	5.2%
	All other choices	30.4%	2.0%

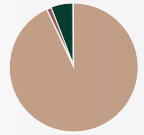
²⁷ We recognise all gender identities, including transgender, non-binary, intersex, and additional gender identities. The information in this table reflects currently available data, and additional gender identities are included in the breakdown of other minorities on page 32 of this report.

²⁸ All figures in this Appendix have been rounded to the same level for consistency, which may have caused minor changes to previously reported figures even though the underlying data and performance have not changed.

²⁹ As low numbers of people chose to disclose this information in our survey, the % of each category is lower than in our employee population. In other markets, the number of respondents was too small to provide meaningful data. 'All other choices/categories' include two or more answer options with less than 20 respondents each. We do not detail which other choices are included to ensure anonymity of respondents.

• Workforce Breakdown: Other Minorities

These results reflect The Body Shop employees who self-reported as having a physical disability or being lesbian, gay, bisexual, transgender, queer, intersex or additional (LGBTQI+) in our demographic data survey conducted in early 2022.³⁰ Age data was reported using our human resources systems, so it fully and accurately represents our employee population as of December 2021.

Diversity Indicator	% of full-time equivalent (FTE) employees 2021	
People with a physical disability	1.3%	
LGBTQI+ people	5.8%	
People <30 years old	43.5%	
People 30–50 years old	45.3%	
People >50 years old	11.0%	

Freedom of Association

In 2018, 11.4% of our global employees were represented by an independent trade union or covered by collective bargaining agreements. In 2019, this figure was 11.3%, in 2020 it was 10.4%, and in 2021 it was 20.3%. Our 2018–2020 data only covered Germany and Sweden. Our 2021 data covers all European company markets except Luxembourg.

Training and Development

In 2020, we invested an average of £197 per full-time equivalent (FTE) post on employee training and development globally. In 2021, despite running more training workshops, this figure reduced to £79 as we facilitated more training internally and conducted more training virtually.³¹

In 2021, we spent an average of 3 hours per FTE post on training and development run by our Global Learning team, but do not have data for all locally run training and development expenditure.³² We also ran a LinkedIn Learning pilot attended by 544 selected employees, at a cost of US\$29 per user.

³⁰ As low numbers of people chose to disclose their data in the survey, the % of each category is lower than in our employee population.

³¹ Based on 5,058 FTE posts (2020) and 5,076 (2021). This does not reflect a reduction in employee training. In early 2020, before the Covid-19 pandemic, we spent more on external facilitators and travel to attend in-person training.

³² Only based on hours of training attended by 1,100 individuals on leadership programmes, measured against our global headcount of 5,076.

Talent Attraction and Retention

The Body Shop employee hiring data in the following table relates to the UK only (our largest market and the location of our two global headquarters). The increase in hires is a result of expanding expertise in our IT department and growing The Body Shop at Home and Digital hubs.

Talent Attraction Indicator	2018	2019	2020	2021
Total number of new employees	143	116	125	269
Average hiring cost (per FTE new hire role)	£4,006	£3,249	£2,485	£2,252

The following two tables highlight our global employee turnover and then our global voluntary employee turnover between 2018 and 2021. In 2020 and 2021, we started breaking down more of these figures by gender³³ and by management level for additional transparency.

Employee Turnover Rate	2018	2019	2020	2021
Total turnover as % of total employees³⁴	47.8%	40.5%	45.0%	56.0%
Total turnover rate – women	n/a	n/a	89.5%	57%
Total turnover rate – men	n/a	n/a	10.5%	42.0%
Total turnover rate – leadership/top management	n/a	n/a	n/a	11.0%
Total turnover rate – junior management	n/a	n/a	n/a	11.0%

Voluntary Employee Turnover Rate	2018	2019	2020	2021
Voluntary turnover as % of total employees³⁵	36.3%	30.5%	20.0%	39.0%
Voluntary turnover rate – women	n/a	n/a	n/a	40.0%
Voluntary turnover rate – men	n/a	n/a	n/a	32.0%
Voluntary turnover rate – leadership/top management	n/a	n/a	n/a	9.0%
Voluntary turnover rate – junior management	n/a	n/a	n/a	10.0%

Employee Engagement

Engagement levels among our global employees from 2019–2021, based on our twice-yearly employee engagement surveys conducted by Glint, are shown in the following table.

Employee Engagement Indicator	2019	2020	2021	2021 Target
Employee engagement level (% of actively engaged employees)	76	78	76	76
Data coverage (% of total employees who responded)	70%	72%	84%	n/a

³³ We recognise all gender identities, including transgender, non-binary, intersex, and additional gender identities. These figures reflect binary genders based on employees' self-reported gender identity.

³⁴ The proportion of employees who left The Body Shop in each calendar year, expressed as a percentage of our total employees.

³⁵ The proportion of employees who chose to leave The Body Shop (such as by resigning or taking retirement) in each calendar year, expressed as a percentage of our total employees.

Employee Support Programmes

At The Body Shop, we value our employees highly. We have numerous initiatives to support and enhance their health and well-being, as outlined below.

• Flexible Working Hours

We offer the option of part-time work schedules to all employees globally (office and store), in line with our local flexible working policies. And we offer flexibility in office-based hours in all our company markets, reflecting Work-Wise principles or a more recent or comprehensive local policy equivalent, such as our UK Ways of Working policy.

• Working From Home/Remote Working Arrangements

Before 2021, we offered a flexible approach to office-based employees, who could choose to work remotely where possible, in line with the principles of the Work-Wise flexible working programme or a local policy equivalent. During the early stages of the Covid-19 pandemic (early 2020 to late 2021), all our offices were closed at times according to local restrictions. We consequently adopted a Remote First approach for all office-based employees, asking them to work remotely whenever possible (remote working isn't possible for store and distribution centre-based roles).

As local restrictions eased in late 2021, we ran a trial, asking office-based employees to attend the office on four days per fortnight on a voluntary basis, and work remotely the rest of the time. Based on that trial, our new Hybrid Working Policy came into effect in early 2022 – asking employees to attend the office on four days per fortnight, and otherwise work remotely.

• Childcare Facilities and Support

We offer some form of contribution to childcare costs in a number of our major company markets. This varies according to local practice but is mainly via tax relief on childcare costs through a payroll deduction system.

In other markets, our employees access relatively generous state benefits, especially

in Europe, the Middle East and Africa (EMEA). We operate an on-site nursery at Watersmead, UK, the larger of our two global headquarters.

• Paid Parental Leave

Paid Maternity Leave

Our policy is to consider the quality of maternity leave in the context of local state maternity benefits and local custom.

Our maternity leave policies exceed the legal minimum in most of our major company markets, where the legally required coverage is minimal or average. In most cases, we top up the statutory minimum maternity pay to 100% of an employee's salary for a longer period.

In markets where the legal minimum period of paid maternity leave is relatively generous (especially in EMEA countries), our employees access government benefits via national social security systems. Most of our employees are store staff, where it isn't customary for employers to top up the local paid maternity leave entitlement.

Paid Paternity Leave

Our policy is to consider the quality of paternity leave in the context of local state benefits and local custom.

Our paternity leave policies exceed the legal minimum in most of our major company markets, where the legally required coverage is minimal or average. In most cases, we top up the statutory minimum paternity pay to 100% of an employee's salary for a longer period.

In markets where the legal minimum period of paid paternity leave is relatively generous (especially in EMEA countries), our employees access government benefits via national social security systems. Most of our employees are store staff, where it isn't customary for employers to top up the local paid paternity leave entitlement.

Work-related Fatalities and Injuries

Between 2018 and 2021, our employees and contractors experienced no work-related fatalities.

The number of people who report having been injured while working in our premises or while on business for us, resulting in time taken off work (our lost-time injury frequency rate) is outlined in the following table. The data reflects all our employees and contractors globally, from 2018–2021.

The Covid-19 pandemic caused data changes in 2020–2021, such as fluctuations in our use of contractors and erratic store closures (most lost-time accidents occur in-store). We are focusing improvement actions in our store rooms and store office areas, with the support of dedicated Market Safety Champions.

Lost-time Injury Frequency Rate	2019	2020	2021	2021
Employees injured requiring time off work (per million hours worked)	2.86	2.48	1.30	1.25
Contractors injured requiring time off work (per million hours worked)	3.79	2.67	6.6	2.79