



BUILDING FOR THE FUTURE

INTERNATIONAL MODERN SLAVERY
STATEMENT 2016/17



INTRODUCTION

The Body Shop International has developed this statement to comply with the UK Modern Slavery Act 2015 Modern Slavery Act 2015 - see legislation.gov.uk. It outlines our commitment to preventing modern slavery across our company and supply chain (all organisations involved in producing and manufacturing our products, accessories and shop fittings).

Section 54 of the Act requires companies to be more transparent about how they tackle modern slavery in their supply chain. This includes detailed information on their structure and relevant policies and systems.

The Body Shop International wants to do everything in our power to end slavery and ensure that our workplaces and those of our main suppliers are free from modern slavery, exploitation and discrimination.

There have been no recorded incidences of modern slavery in The Body Shop International or our supply chain but we are not complacent. We work to prevent modern slavery across all areas of our global business.

We have a zero tolerance approach to modern slavery in our business and supply chain, enforced through strict global policies and procedures. We also work to prevent and tackle the root causes of modern slavery by investing in vulnerable communities around the world and by running high-profile human rights campaigns.



WHAT IS MODERN SLAVERY?

Despite being banned in all countries, various forms of slavery continue today throughout the world.

Modern slavery is complex and can take many forms. Anti-Slavery International defines it as “exploitative labour that places one person in the control of another”.

Someone who is forced to do work they did not choose to do and who is not free to leave is experiencing modern slavery. This might include having to work because of threats, being controlled by an employer, and/or being treated as ‘property’.



OUR STRUCTURE

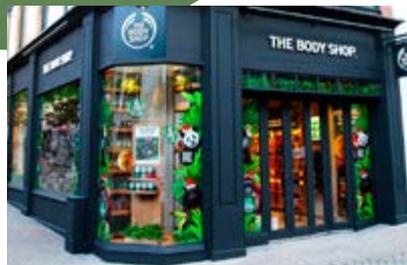
THE BODY SHOP INTERNATIONAL IS A GLOBAL RETAILER OF NATURALLY INSPIRED, ETHICALLY PRODUCED BEAUTY AND COSMETIC PRODUCTS, ESTABLISHED IN 1976. WE HAVE MORE THAN 3,000 STORES IN 66 COUNTRIES, APPROXIMATELY TWO-THIRDS OF WHICH ARE FRANCHISES (RUN BY OTHERS ON OUR BEHALF, IN LINE WITH STRICT AGREEMENTS).

We currently sell more than 1,000 different products in store, via our e-commerce website and through The Body Shop at Home, where consultants sell products at parties in people's homes.

We work with around 120 ethically approved suppliers around the world who manufacture our products. We also work with 27 Community Trade (fair trade) suppliers who provide us with high-quality ingredients and accessories.

In 2016, The Body Shop International directly employed 25,000 people. Our ethically approved suppliers employed more than 40,000 people and over 20,000 smallholders were involved in our Community Trade programme.

The Body Shop International is part of L'Oréal Group. The Body Shop International operates as a distinct entity, with our own Board and Executive Committee, reporting to L'Oréal Group. We work with other members of L'Oréal Group to develop new high-quality products and share best practices.



OUR POLICIES RELATING TO MODERN SLAVERY

THE BODY SHOP INTERNATIONAL HAS A STRONG TRACK RECORD OF TREATING PEOPLE FAIRLY AND CAMPAIGNING FOR OTHERS TO DO THE SAME. WE HELPED ESTABLISH THE ETHICAL TRADING INITIATIVE (ETI) IN 1998.



**ENRICH
NOT EXPLOIT™**
(It's in our hands)

Our story started with Anita Roddick's belief in something revolutionary; that business could be a force for good, and in 1976 The Body Shop was born.

Today our commitment is stronger than ever

ENRICH OUR PEOPLE ENRICH OUR PRODUCTS ENRICH OUR PLANET

We are proud to be original, irrelevant and campaign for what's right; together we can do it.

OUR COMMITMENT

Throughout our history, we have strived to develop comprehensive policies to prevent modern slavery and exploitation in our operations. Our main policies relating to preventing modern slavery are outlined below.

THE BODY SHOP'S ETHICAL TRADE PROGRAMME COMMITS OUR SUPPLIERS TO AVOIDING ALL FORMS OF MODERN SLAVERY, BUT OUR APPROACH TO PREVENTING MODERN SLAVERY GOES FURTHER THAN CHECKING FACTORIES. OUR COMMUNITY TRADE PROGRAMME, OUR GLOBAL ENRICH NOT EXPLOIT™ COMMITMENT AND OUR HUMAN RIGHTS CAMPAIGNS HELP TO TACKLE THE ROOT CAUSES OF THIS COMPLEX PROBLEM.

OUR ETHICAL TRADE PROGRAMME

DEVELOPED IN PARTNERSHIP WITH ETI AND TRADE UNIONS, AMONG OTHERS, OUR ETHICAL TRADE POLICY AND OPERATING PRACTICES AIM TO PREVENT ALL FORMS OF MODERN SLAVERY IN OUR OPERATIONS BY:

ADDRESSING ISSUES

relating to modern slavery in our business and supply chain. Prioritising those most relevant to workers based on good practice and going beyond audits.

IDENTIFYING THE ROOT CAUSES

of labour abuses such as modern slavery by tackling the causes of poverty and by collaborating with other organisations, lobbying governments and changing business practices to protect and improve human and labour rights.

THESE POLICIES ENABLE WORKERS TO ACCESS THEIR RIGHTS BY ENSURING THAT WE AND OUR MAIN SUPPLIERS DO NOT USE FORCED LABOUR, BONDED LABOUR (EXPLOITATIVE LABOUR TO REPAY DEBTS OR SIMILAR) OR COMPULSORY PRISON LABOUR.

OUR COMMUNITY TRADE PROGRAMME

OUR COMMUNITY TRADE PROGRAMME COMMITS US TO PURCHASING OUR MAIN NATURAL INGREDIENTS FROM MARGINALISED COMMUNITIES AROUND THE WORLD. IT ALSO COMMITS US TO WORKING WITH OUR COMMUNITY TRADE SUPPLIERS IN A FAIR WAY AND ENABLING THEM TO TREAT OTHERS IN THE SAME WAY.



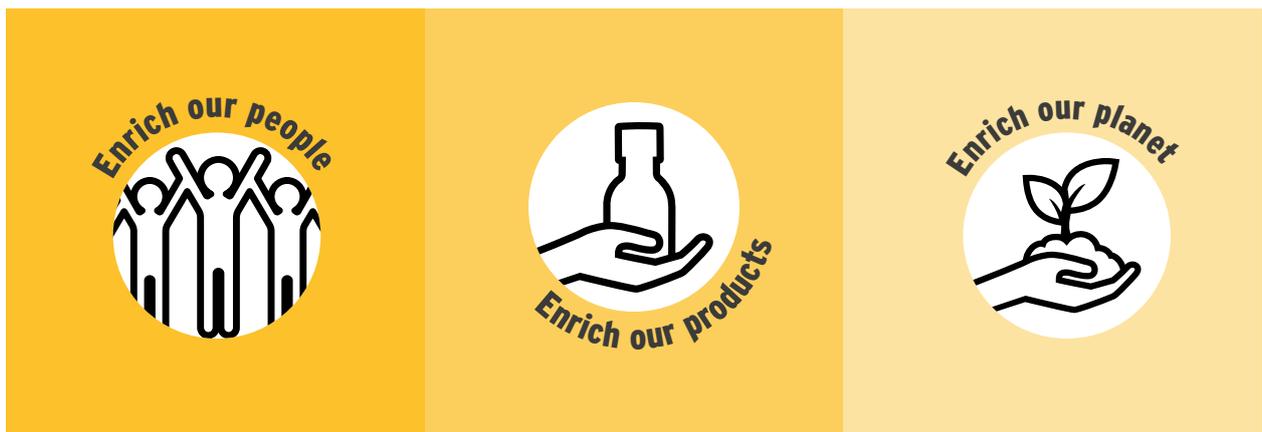
CT cane sugar from Paraguay (Montillo Cooperative)

We work with our Community Trade suppliers to establish fair prices, long-term relationships and predictable levels of demand, and provide relevant training to help them produce high-quality produce. This helps communities to build secure livelihoods. We also pay a premium that is invested in local development projects to help tackle poverty and vulnerability, two factors associated with modern slavery.

We initiated our Community Trade approach in 1986, are expanding it and increasingly use it as a model for the way we work with other suppliers.

OUR GLOBAL COMMITMENT TO ENRICH NOT EXPLOIT™

IN 2016, WE LAUNCHED A NEW GLOBAL SUSTAINABILITY STRATEGY AND ENRICH NOT EXPLOIT™ COMMITMENT. THIS COMPREHENSIVE STRATEGY COMMITS US TO 14 TARGETS BY 2020 - TO:



AS PART OF OUR COMMITMENT TO ENRICH OUR PEOPLE, WE PLEDGE TO DOUBLE OUR COMMUNITY TRADE PROGRAMME. THIS WILL CREATE 40,000 NEW JOBS AROUND THE WORLD TO HELP PROVIDE SECURE LIVELIHOODS FOR PEOPLE WHO MIGHT OTHERWISE BE EXPLOITED OR FORCED INTO MODERN SLAVERY.

PUTTING OUR POLICIES INTO PRACTICE

OUR POLICIES AND PROGRAMMES RELATING TO MODERN SLAVERY ARE DRIVEN BY OUR EXECUTIVE COMMITTEE AND ARE EMBEDDED THROUGHOUT OUR STRUCTURE, SYSTEMS AND PROCESSES. FOUR OF OUR DEPARTMENTS IMPLEMENT THESE POLICIES ACROSS OUR ORGANISATION:

<p>THE CORPORATE SOCIAL RESPONSIBILITY AND CAMPAIGNS TEAM</p> <p>reviews our policies on modern slavery and champions appropriate campaigns on human rights issues.</p>	<p>THE HUMAN RESOURCES TEAM</p> <p>ensures that all of our employees commit to all company policies and take part in inductions and relevant training on modern slavery.</p>
<p>THE SOURCING TEAM</p> <p>ensures that we only trade with approved 'ethical suppliers' that have signed our Standard Terms and Conditions of Purchase and The Body Shop International Code of Conduct, which prohibits any forms of exploitation.</p>	<p>THE QUALITY AND INDUSTRIAL OPERATIONS TEAM</p> <p>designs our Ethical Trade programme, and arranges ethical audits, monitoring and evaluation of our suppliers. It also trains commercial buyers and suppliers on ways to prevent modern slavery.</p>

EACH MEMBER OF OUR STAFF IS RESPONSIBLE FOR ENSURING THAT WE ADHERE TO OUR POLICIES.

All staff members and suppliers receive regular training so they are better able to understand and maintain decent working conditions. We also work with other organisations to develop information materials in workers' local languages about their employment rights.



PUTTING OUR POLICIES INTO PRACTICE

AS WELL AS OUR POLICIES, WE HAVE HELPED TO TACKLE VARIOUS ASPECTS OF MODERN SLAVERY THROUGH OUR HIGH-PROFILE HUMAN RIGHTS CAMPAIGNS.

**OUR 2009-2012
JOINT CAMPAIGN
WITH ECPAT
INTERNATIONAL**

**STOP SEX
TRAFFICKING OF
CHILDREN AND
YOUNG PEOPLE**

[Download pdf](#)

**WAS SUPPORTED
BY 7 MILLION
PEOPLE.**

**AS A RESULT, 24
GOVERNMENTS
COMMITTED TO
NEW LAWS.**

THE STEPS WE TAKE TO PREVENT MODERN SLAVERY

WE ENSURE THAT ALL OF OUR SUPPLIERS UNDERSTAND AND ADHERE TO OUR ETHICAL TRADE POLICIES.

ASSESSING RISKS OF MODERN SLAVERY

Every supplier that we order from must agree to our legally binding Standard Terms and Conditions of Purchase for Goods and Services and The Body Shop International's Code of Conduct.

These commit suppliers to adhere to the ETI base code. Among other labour rights, this code stipulates that:

**ALL EMPLOYMENT
MUST BE FREELY
CHOSEN BY
EMPLOYEES**

**CHILD LABOUR
MUST NOT
BE USED**

**WORKING HOURS
MUST NOT BE
EXCESSIVE**

**NO HARSH
OR INHUMAN
TREATMENT IS
PERMITTED.**

ALL OF OUR MAIN SUPPLIERS (AS DEFINED IN OUR ETHICAL TRADE PROGRAMME POLICY AND OPERATING PRACTICES) MUST JOIN THE ETHICAL AUDIT PLATFORM SEDEX AND SEND US A SELF-ASSESSMENT OF THEIR COMPLIANCE WITH ETI'S CODE.

WE ALSO ASK THEM TO COMMISSION A SEDEX-ACCREDITED ETHICAL AUDIT OF THEIR FACILITIES. THESE AUDITS INCLUDE STAFF INTERVIEWS, SITE INSPECTIONS, DISCUSSIONS WITH MANAGEMENT AND REVIEWS OF COMPANY RECORDS TO ASSESS PERFORMANCE AGAINST THE ETI CODE.

Based on this data, the auditor prepares a Corrective Action Plan with the supplier, outlining any actions needed to meet ETI labour standards (see table below).

CORRECTIVE ACTION PLAN CRITERIA	
RATING	DEFINITION
Satisfactory (S)	All criteria assessed are in compliance and best practice(s) is (are) highlighted.
Need continuous improvement (NCI)	Isolated or minor non-compliance identified and do not have any impact on workers' health and safety.
Need immediate action(s) (NIA)	Severe non-compliance identified, that are either recurrent or may have a direct impact on workers' health and safety. Supplier is required to take action defined in the Corrective Action Plan. It must undergo a follow-up audit after corrective actions have been implemented, no later than one year after the initial audit at its own cost.
Zero tolerance (ZT)	Critical non-compliances, namely: <ul style="list-style-type: none"> • Child labour • Forced labour, including compulsory prison labour or bonded labour • Immediate risk of accident or danger to workers' health and safety • Attempt to corrupt the auditors
Access denied (AD)	Complete or partial access denied to the site or documents requested by the external auditors that prevent them to conduct the audit.



ACTING ON OUR FINDINGS

TO DATE, THERE HAVE BEEN NO RECORDED INCIDENCES OF MODERN SLAVERY IN THE BODY SHOP INTERNATIONAL OR OUR SUPPLY CHAIN.

In the event of finding any form of modern slavery in our organisation or supply chain, we would follow the ETI's Human Rights Due Diligence framework.

We would immediately cancel all orders from any supplier involved in modern slavery, as we have a zero tolerance approach to this practice, but we would not wash our hands of the issue. We would encourage the supplier to commit to eradicating modern slavery from its business.

Working in partnership with employees, the employer and other relevant organisations, we would immediately act to end harmful practices and help victims recover. This might include providing protection and support to employees, and compensation and a return to work where appropriate. We would never tolerate child labour but we might arrange for a family member to take over a child's role so that their family does not lose income.

CT cocoa beans from Ghana (Kuapa Kokoo)

COMMUNICATING OUR APPROACH

WE COMMUNICATE OUR APPROACH TO PREVENTING MODERN SLAVERY AND OUR WIDER ETHICAL TRADE PROGRAMME BOTH INTERNALLY AND EXTERNALLY.

Key personnel, including our directors, receive monthly updates on our suppliers' ethical performance. Every year, we prepare an external report for ETI that is reviewed by a range of external stakeholders.

Every year, we publish a corporate responsibility report on progress against our global Enrich Not Exploit™ Commitment (before 2016, this reported against our values).

We also provide regular trade updates on our website, and key staff attend regular conferences to share our experience in ethical trade and preventing modern slavery.

TRACKING OUR EFFECTIVENESS

THE BODY SHOP INTERNATIONAL WORKS CONTINUOUSLY TO ENSURE THAT WE ONLY TRADE WITH ETHICALLY APPROVED SUPPLIERS. WE REVIEW EVERY SELF-ASSESSMENT AND ETHICAL TRADE AUDIT OF OUR SUPPLIERS, TRACK THEIR ETHICAL PERFORMANCE EVERY MONTH AND REGULARLY VISIT THEM, OFTEN AT SHORT NOTICE.

We will regularly review the impact of our work to prevent modern slavery, in partnership with other companies, voluntary organisations and trade unions. Every year, we will ask an external expert to verify the effectiveness of our policies and procedures relating to modern slavery, and ethical trade more widely.

OUR STRATEGY TO PREVENT MODERN SLAVERY

ADDRESS ISSUES IN OUR OWN OPERATIONS AND SUPPLY CHAIN

IDENTIFY THE ROOT CAUSES OF LABOUR ABUSES BY TACKLING ISSUES THAT KEEP WORKERS POOR

By 2018



DEEPER RELATIONSHIPS

We will work with fewer suppliers so we can have deeper relationships with them, engaging directly with factories and increasing awareness of modern slavery among suppliers, buyers and workers

BETTER WORKING CONDITIONS

We will map all of our 2,000+ natural ingredients and work with others to identify suppliers most at risk of using child and forced labour.

We will continually work with NGOs, trade unions and other relevant groups on policy reform to enable better working conditions around the world.

We will develop a strategy to campaign and lobby to end all forms of modern slavery.

By 2020



PARTNERSHIP WITH OTHERS

Working in partnership with others, we will introduce a whistleblowing programme to help our suppliers better understand and address workers' concerns.

EMPOWER THE SUPPLIERS

We aim to double the size of our Community Trade programme and will work to empower the suppliers of 20 new natural ingredients who we believe are vulnerable and at risk of exploitation.

We will ensure, through our Sustainable Sourcing Charter, that all our renewable raw materials come from sources that meet our sustainable labour and environmental standards.

Approved on behalf of The Body Shop International by Jeremy Schwartz, CEO and Chairman 9th March 2017

FOR GENERAL ENQUIRES PLEASE CONTACT ethical.trade@thebodyshop.com