



THE BODY SHOP

The Body Shop ***Sustainable Cotton***

Procurement Policy for suppliers

Approved in January 2024

1. Introduction

- **Sustainability targets/objectives:**

At The Body Shop, our sustainability vision calls for an approach to business that gives back more than it takes, including in our procurement activities. As part of our sustainability plan and targets, we recognise that some materials we use have significant social or environmental concerns. We therefore aim for full traceability and/or certification of our critical supply chains (palm, soya, ethanol, mica, cotton and paper) by end of 2025.

- **Key social and environmental risks:**

Cotton is a high sustainability risk material from both an environmental and social perspective. Key risks in cotton cultivation are intensive water and agrochemical use, loss of biodiversity, significant GHG emissions, soil depletion and degradation as well as labour exploitation such as forced or child labour. Traceability and certification are tools The Body Shop is using to manage and significantly reduce these risks in our supply chains.

- **Scope:**

The Body Shop uses cotton primarily in textiles, as well as part of some cosmetic accessories and ingredients. All finished goods and ingredients containing cotton supplied to The Body Shop must meet the sustainability requirements set out below. These requirements will be applied in The Body Shop tenders, supplier and material approval processes and are applicable to all cotton used in goods for resale or indirectly, whether manufactured internally or by third parties. Should we find that any purchased goods or materials do not meet these requirements, we will engage the supplier to change practices and/or re-evaluate our relationship with them.

- **Traceability and certification requirements in brief:**

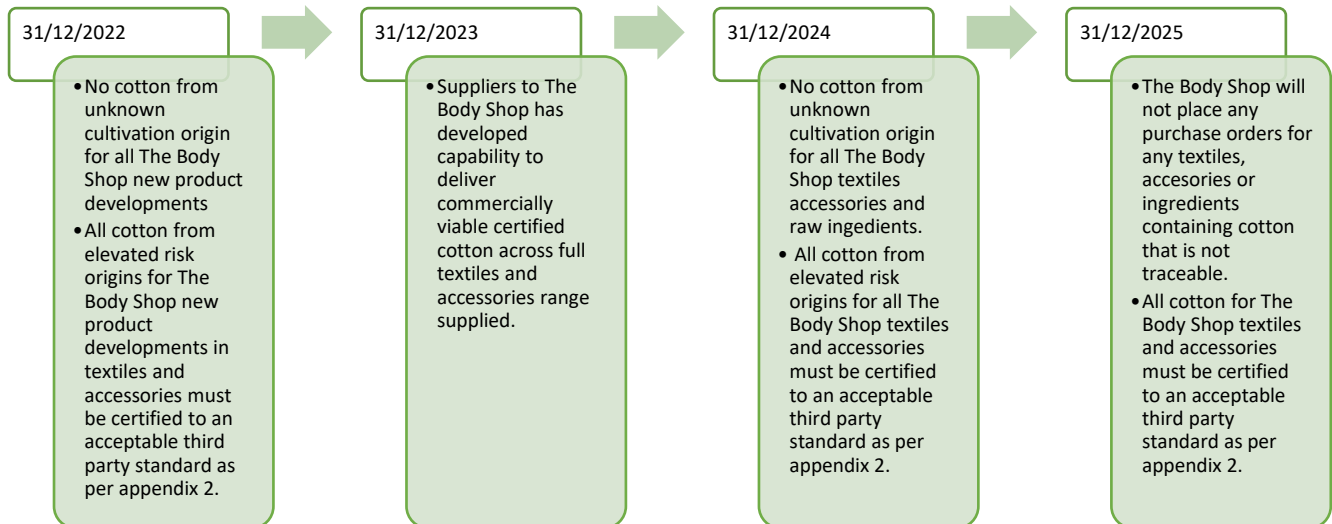
- The preference is given to recycled cotton over virgin cotton.
- All The Body Shop suppliers must provide accurate information on the origin of cotton cultivation for all relevant goods.
- All cotton containing textiles from elevated risk origins must be certified by end of 2024, as per appendix 2.
- For the remaining origins, all cotton containing textiles supplied The Body Shop, must be certified to an acceptable third-party standard as per appendix 2, by the end of 2025. All cotton-containing textiles supplied to The Body Shop must be certified to an acceptable third-party standard by 2030, with pilot certification programmes to be implemented in selected supply chains by 2025.



THE BODY SHOP

- Cosmetic ingredients containing cotton cellulose are not required to be certified by 2025, but suppliers must declare cotton origins and be working towards achieving certification in their supply chains. More details are given in section 2 of this policy.

- **Supplier milestones:**



2. Detailed Requirements

- **Traceability**

All The Body Shop suppliers of products and ingredients containing cotton must provide (at a minimum) accurate information on the origin country/ies of cotton cultivation for the materials supplied, as part of The Body Shop tenders, supplier, product and ingredient approval procedures and annual reporting. Failure to provide accurate and timely traceability information on request may result in rejection. Some suppliers may also be invited to participate in additional supply chain traceability initiatives in line with The Body Shop sustainability goals or risk management procedures. The Body Shop would like to understand the measures that suppliers are taking in order to ensure traceability of their cotton supply chains and encourage suppliers to work with us on this area.

- **Elevated risk origins**

Countries where cotton is grown are typically China, India, United States, Brazil, Pakistan, Uzbekistan, Turkey, and Australia. Some countries have been identified as elevated risk origins for cotton cultivation (Appendix 1) and sourcing from these regions could support environmental or human rights abuses which The Body Shop have committed to reducing. This list may be subject to change.

Cotton containing textiles and accessories supplied to The Body Shop with elevated risk origins for cotton cultivation must achieve relevant third party certification as per appendix 2, from 31/12/2022 for new product developments and no later than 31/12/2024 for all materials supplied to The Body Shop.

- **Certification requirements for cotton containing textiles and accessories**



THE BODY SHOP

All The Body Shop suppliers must provide valid evidence for the applicable third-party certification standard for the cotton materials supplied, and (where applicable) supplier chain of custody certification, in the format required by The Body Shop. Acceptable certification standards and timelines **differ by brand as outlined in appendix 2.**

- **Certification requirements for cosmetic ingredients that include cotton cellulose feedstocks**

Cotton-derived cellulose is used in speciality functional cosmetic ingredients in very small volumes by The Body Shop group companies. The cotton feedstocks used in these cosmetic ingredient supply chains are not yet typically certified. Suppliers of cosmetic ingredients that include cotton cellulose feedstocks will be expected to provide accurate origin information for the materials supplied and develop a plan by 31/12/2025 to reach 100% certification for the cotton in their supply chains.

- **Unacceptable sources of cotton**

The Body Shop will support suppliers to grow their capabilities in the areas of traceability and certification, however if suppliers are not willing to develop capability to deliver commercially viable traceable, certified cotton materials as per the requirements of this policy, they will not be used to supply cotton containing textiles and accessories to The Body Shop after 31/12/2023. Any suppliers, from any country of cotton cultivation origin, found to be involved in human rights violations, environmentally destructive practices or otherwise violating The Body Shop supplier code of conduct may be exited.

3. Collaboration and contact

Above and beyond these requirements, we encourage you and your suppliers to participate in and support collaborations to ensure that poor labour conditions and environmental damage are eliminated from cotton supply chains in the apparel, textiles and cosmetics sectors. We also need support from suppliers to help us meet The Body Shop commitment to become Net Zero by 2050 and set a Carbon reduction pathway in line with the SBTi requirements. We further encourage our suppliers to come forward with proposals for more traceable and sustainable cotton containing materials that we can use in our business.

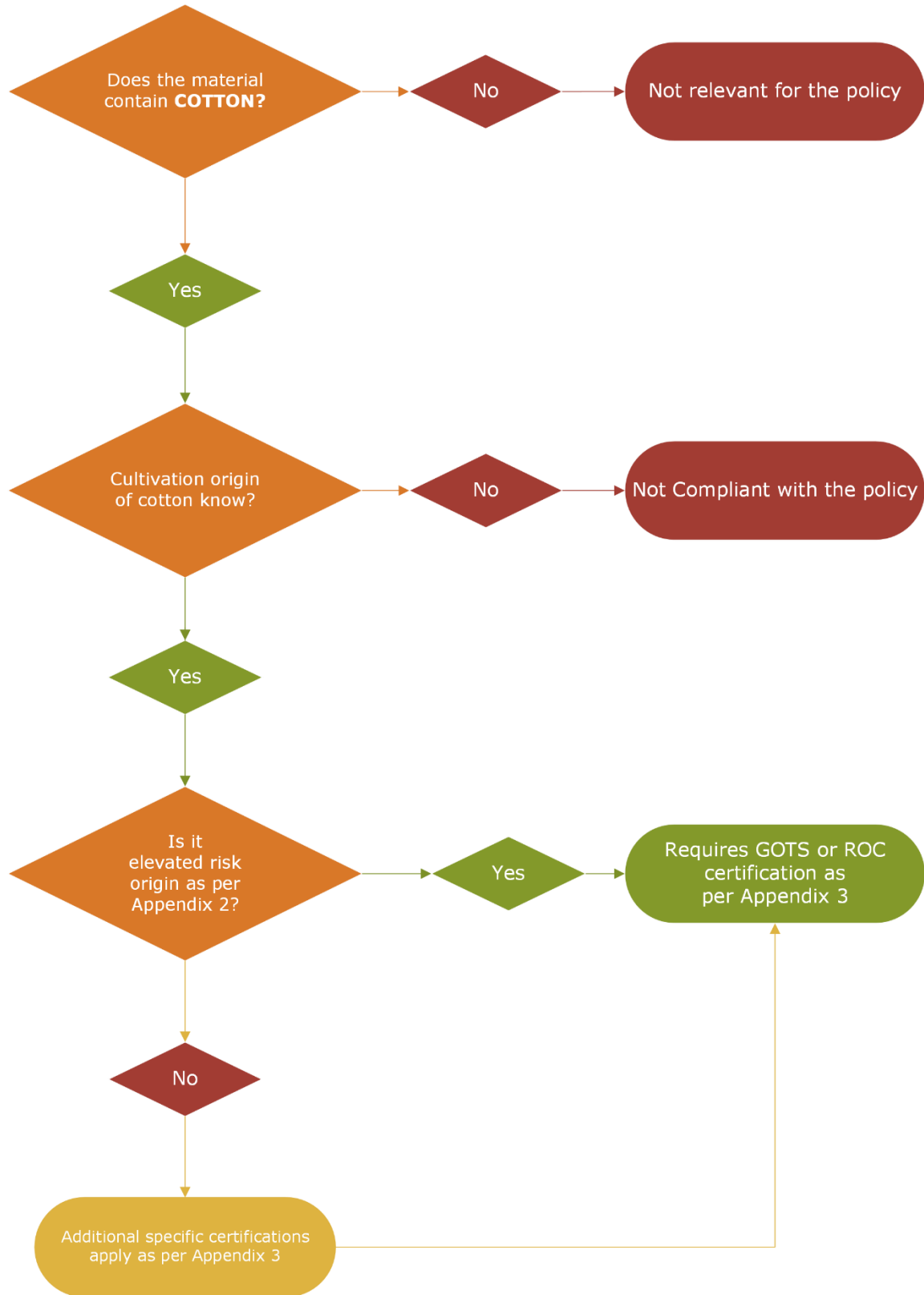
For further information on this policy, possible exceptions and The Body Shop plans to achieve 100% traceable and/or certified cotton by 2025, please contact critical.materials@thebodyshop.com.



THE BODY SHOP

Appendix 1

- **Flow chart - Requirements for cotton containing textiles and accessories**





THE BODY SHOP

Appendix 2

- **Elevated risk origins for cotton¹**

Country
Benin
Burkina Faso
China
Kazakhstan
Tajikistan
Turkmenistan
Uzbekistan

Appendix 3

- **Acceptable certification standards for elevated risk origins**

From 31/12/2022 (for new product developments in textiles and accessories) and no later than by 31/12/2024 (for the remaining textiles and accessories), cotton from elevated risk origin to all The Body Shop brands, must be ROC or GOTS certified.

For the remaining cotton origins, by 31/12/2025 at the latest, all cotton textiles and accessories supplied to The Body Shop must be certified to at least one of the third-party standards as per the table below.

Recycled materials are preferred to support The Body Shop to meet its targets on circularity and carbon reduction.

*100% recycled content is preferred in case of recycled standards. Lower % of recycled content can be accepted, with appropriate level of due diligence for virgin cotton in the mix.

Additional third-party standards may be added to this list if they provide acceptable levels of traceability, social and environmental sustainability assurance in cotton supply chains.

¹ Based on U.S. Department of Labor List of Goods Produced by Child Labor or Forced Labor



THE BODY SHOP

Certification name	Certification abbreviation & website	Certification description
Global Recycled Standard	GRS	International, voluntary standard that set requirements for third-party certification of recycled input and chain of custody. GRS requires environmental and social responsibility audits.
Recycled Claim Standard	RCS	International, voluntary standard that set requirements for third-party certification of recycled input and chain of custody.
Regenerative Organic Certified	ROC	An international standard that sets requirements for soil health, animal welfare, and farmworker fairness.
Global Organic Textile Standard	GOTS	Worldwide textile processing standard for organic fibres, including ecological and social criteria, backed up by independent certification of the entire textile supply chain.
Organic Content Standard	OCS	An international standard that sets requirements for third-party certification of certified organic input and chain of custody.
Fairtrade	FLO	An international standard designed to support the sustainable development of small producer organizations and agricultural workers in developing countries.
U.S. Cotton Trust Protocol	USCTP	An internationally recognized standard for sustainable cotton production, covering six key sustainability metrics – land use, soil carbon, water management, soil loss, greenhouse gas emissions, and energy efficiency.
Cotton Made in Africa Hard Identity Preserved	CMiA HIP	An internationally recognized standard for sustainable cotton from Africa. Hard Identity Preserved system requires separation of certified cotton from regular cotton.
Cotton Made in Africa Mass Balance	CMiA MB	An internationally recognized standard for sustainable cotton from Africa. Mass Balance system allows for cotton to be mixed with regular cotton.