

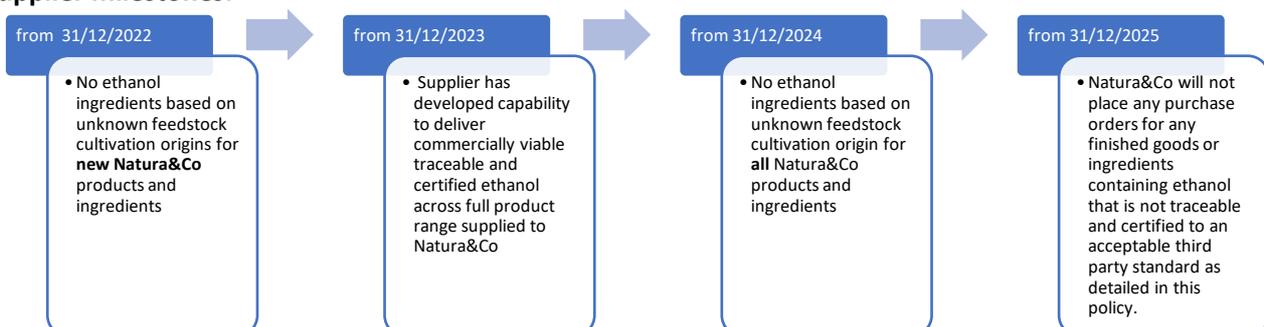
Natura &Co *Sustainable Ethanol* Procurement Policy for suppliers

Approved in November 2022

1. Introduction

- Commitment to Life target:** At Natura &Co, 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 [Commitment to Life](#), we recognise that some materials we use have significant social or environmental impacts. We therefore aim for full traceability and/or certification of our critical supply chains (palm, soya, ethanol, mica, cotton, and paper) by 2025. We are also committed to source only from non-deforested or non-natural converted areas as defined by the Accountability Framework Initiative and to supporting forest conservation solutions for high conservation landscapes. We also expect support from suppliers to help us meet the Natura &Co commitment to become Net Zero by 2030 and set a carbon reduction pathway in line with the SBTi requirements.
- Key social and environmental risks:** Ethanol can be made from sugarcane as well as other plant-based feedstocks, such as sugar beet, grains, and agricultural wastes. Regarding Human Rights, in sugarcane-based ethanol where mechanization isn't universally applied to field tasks, manual harvesting, seed cutting, and irrigation work brings the severe risk via the premature death of sugarcane workers from heat stroke and heat stress driven chronic kidney disease (CKD)¹ which is driven by poor labour protections in. For mechanized sugarcane and non-sugarcane crops, the main risks are negative environmental impacts on climate and biodiversity associated with heavy use of agrochemicals and water, especially for sugar beet production. Traceability, certification, and joint projects with suppliers are tools Natura &Co is using to manage and eliminate these risks in our supply chains.
- Scope:** Natura &Co uses ethanol primarily in fragrance products, as well as in homewares and as a component in cosmetic raw ingredients. All ethanol, finished goods and ethanol-containing ingredients supplied to Natura &Co must meet the sustainability requirements set out below. These requirements will be applied in Natura &Co tender, supplier, and material approval processes, and are applicable to all ethanol 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 improve practices and/or reevaluate our relationship with them.
- Traceability and certification requirements in brief:** All Natura &Co suppliers must provide accurate information on the plant feedstocks and geographic origin of the feedstock for all ethanol materials in scope. All ethanol used as an added ingredient in fragrance products under a *Natura* brand must be certified to an acceptable *organic* third-party standard by the end of 2025. All other ethanol supplied for use in fragrance products, homeware products, or as a component of finished cosmetic ingredients, for *all Natura &co brands* (Natura, Avon, The Body Shop and Aesop), must be certified to either an *organic or another acceptable certification standard* as set out in **Appendix 1**.

- Supplier milestones:**



2. Detailed Requirements

Traceability

All Natura &Co suppliers of products and ingredients containing ethanol must provide (at a minimum) accurate information on the feedstocks and origin country/ies of ethanol feedstock cultivation for the materials supplied, as part of Natura &Co tenders, supplier, product and ingredient approval procedures and annual reporting. Failure to provide accurate and timely traceability information on request may result in rejection. All ethanol-based ingredients and goods must be certified to an acceptable third-party standard by the end of 2025.

Certification requirements

All Natura &Co suppliers must provide valid evidence for the applicable third-party certification standard for the ethanol materials supplied, and (where applicable) supplier chain of custody, in the format required by Natura &Co. Acceptable certification standards **differ by use and brand as outlined in appendix 1.**

Unacceptable sources of Ethanol

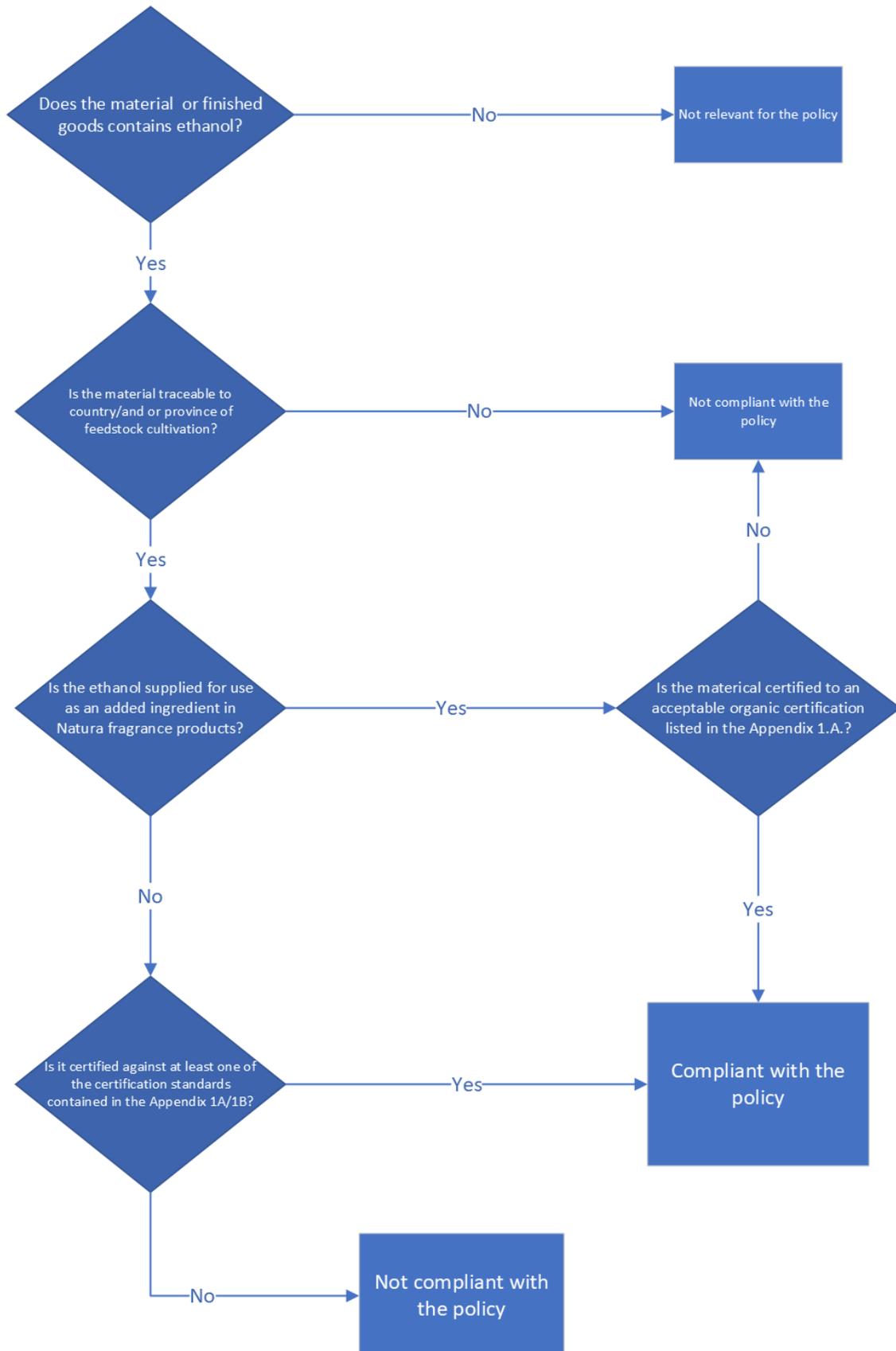
Suppliers with no capability to deliver commercially viable traceable, certified ethanol-based ingredients and finished goods, as per the requirements of this policy, will not be used to supply ethanol-based ingredients or finished goods to Natura &Co after 31/12/2023. Any suppliers found to be involved in human rights violations, environmentally destructive practices specially deforestation, or otherwise violating the Natura &Co 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, in particular deforestation, are eliminated from ethanol supply chains. Natura &Co will work with suppliers to identify resources to address remaining gaps coming forward with proposals for more traceable, sustainable, and regenerative ethanol-based ingredients and finished goods that we can use in our business.

For further information on this policy, possible exceptions and Natura & co plans to achieve 100% traceable and /or certified ethanol by 2025, please contact rafaelantonio@natura.net.

Flow chart – requirements for ethanol containing ingredients and finished goods



APPENDIX 1 – Acceptable certification standards

A. Acceptable certification standards for ethanol in Natura fragrance products

By 31/ 12/ 2025 latest, all ethanol supplied for manufacture of *Natura fragrance products* must be certified *organic* to at least one of the third-party standards below.

Certification name	Certification abbreviation	Certification description
Organic Certified	Organic	Any organic standard that uses as a reference EU-Organic , The National Organic Program (NOP) , or equivalent.
Regenerative Organic Certified	ROC	An international, non-profit, non-governmental organization, voluntary standard that sets requirements for third-party certification of certified organic for food, textiles, and personal care ingredients

B. Additional acceptable certification standards for all other ethanol supplied to Natura, Avon, The Body Shop and AESOP

By 31/12/2025 latest, *all ethanol supplied for use in all Natura, Avon, The Body Shop or Aesop products*, whether for manufacture of fragrance products or as a component in other finished goods or cosmetic ingredients, must be physically certified to any of the organic standards listed above or one of the additional standards below:

Certification name	Certification abbreviation	Certification description
Fair For Life	FFL	An international, voluntary standard that sets requirements for third-party certification of fair trade and organic input and chain of custody.
ProTerra Foundation	ProTerra	An international, non-profit, non-governmental organization with long-standing history and experience in promoting sustainability in the food and feed supply chain and segregated non-GMO materials.
Bonsucro	Bonsucro	Bonsucro is the leading global sustainability platform and standard for sugarcane only , one of the world’s most important crops.
REDCert2	REDCert2	REDCert operates one of the leading certification schemes for sustainable biomass, biofuels, and biofuels (REDCert-DE and REDcert-EU) which covers sugar beet production in Germany and Europe.
Fairtrade International	FT	Certification that aims to ensure a set of ethical standards met in the production and supply of a product or ingredient.

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

Use of credits / waivers

In limited situations, for example, where ethanol is a residual component in a complex finished cosmetic ingredient, where the supplier demonstrates there are no available physical certifications for the ethanol in the material supplied, and the supplier has a plan in place to achieve ethanol certification within an acceptable timeframe. Natura may consider a temporary waiver of these certification requirements. In these cases, Natura &co may purchase (or require the supplier to purchase) certified sustainable ethanol credits through an acceptable credit trading system.