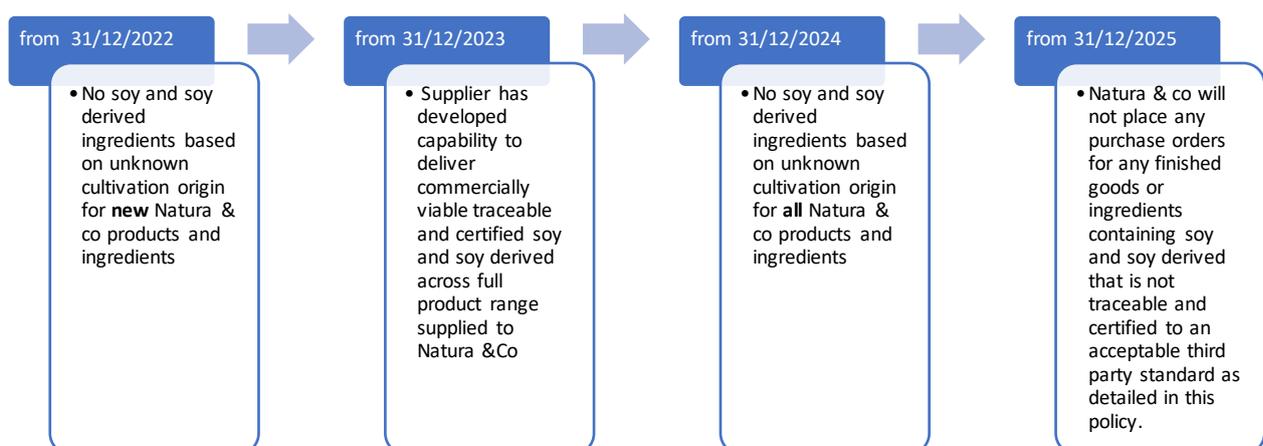


Natura &Co *Sustainable Soy* Procurement Policy for suppliers

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 concerns. We therefore aim for full traceability and/or certification of our critical supply chains (palm, soy, ethanol, mica, cotton, and paper) by 2025. We are also committed to join initiatives to prevent sourcing from deforested or converted natural landscapes.
- **Key social and environmental risks:** Natura &Co considers soy as a high sustainability risk material considering links to deforestation in the Amazon, destruction of Cerrado and other high biodiversity grasslands, displacement of small farmers and indigenous communities, and carbon emissions and water impacts from agrochemical use.
- **Scope:** Natura &Co uses soy primarily as a feedstock in cosmetic ingredients, including surfactants and emollients (glycerine, SLS, SLES) as well as other soy derivatives such as tocopherol. All proposed sources of soy and soy-derived materials 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 soy and soy derived 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 reevaluate our relationship with them.
- **Traceability and certification requirements in brief:** All Natura &Co suppliers must provide accurate information on the geographic origin of soy (country of cultivation) for all soy and soy derived ingredients in scope. All soy and soy derived sourced from elevated risk origins must be physically certified to an acceptable third-party standard by end of 2025 described in the Appendix 2. All soy and soy derived ingredients supplied to The Body Shop must be also GMO free.
- **Supplier milestones:**



2. Detailed Requirements

Traceability

All Natura &Co suppliers of products and ingredients containing soy must provide (at a minimum) accurate information on country/ies of soy 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.

Elevated risk origins

Some countries have been identified as having elevated risk for recent land conversion (deforestation or destruction of high biodiversity value grasslands) for the purposes of soy cultivation. These countries are listed in **Appendix 1**. The list may be subject to change. Soy or soy derivatives to Natura &Co with elevated risk origins must achieve relevant third-party physical certification as per Appendix 2 from 31/12/2025 for all materials supplied to Natura &Co.

Certification requirements

All Natura &Co suppliers must provide valid evidence for the applicable third-party certification standard for the soy and soy derived materials supplied, and (where applicable) supplier chain of custody, in the format required by Natura &Co. Acceptable certification standards are detailed in **Appendix 2**.

Unacceptable sources of soy

Suppliers with no capability to deliver commercially viable traceable, certified soy and soy derived ingredients and finished goods, as per the requirements of this policy, will not be used to supply soy and soy derived ingredients or finished goods to Natura &Co after 31/12/2025. 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.

GMO free requirement – The Body Shop

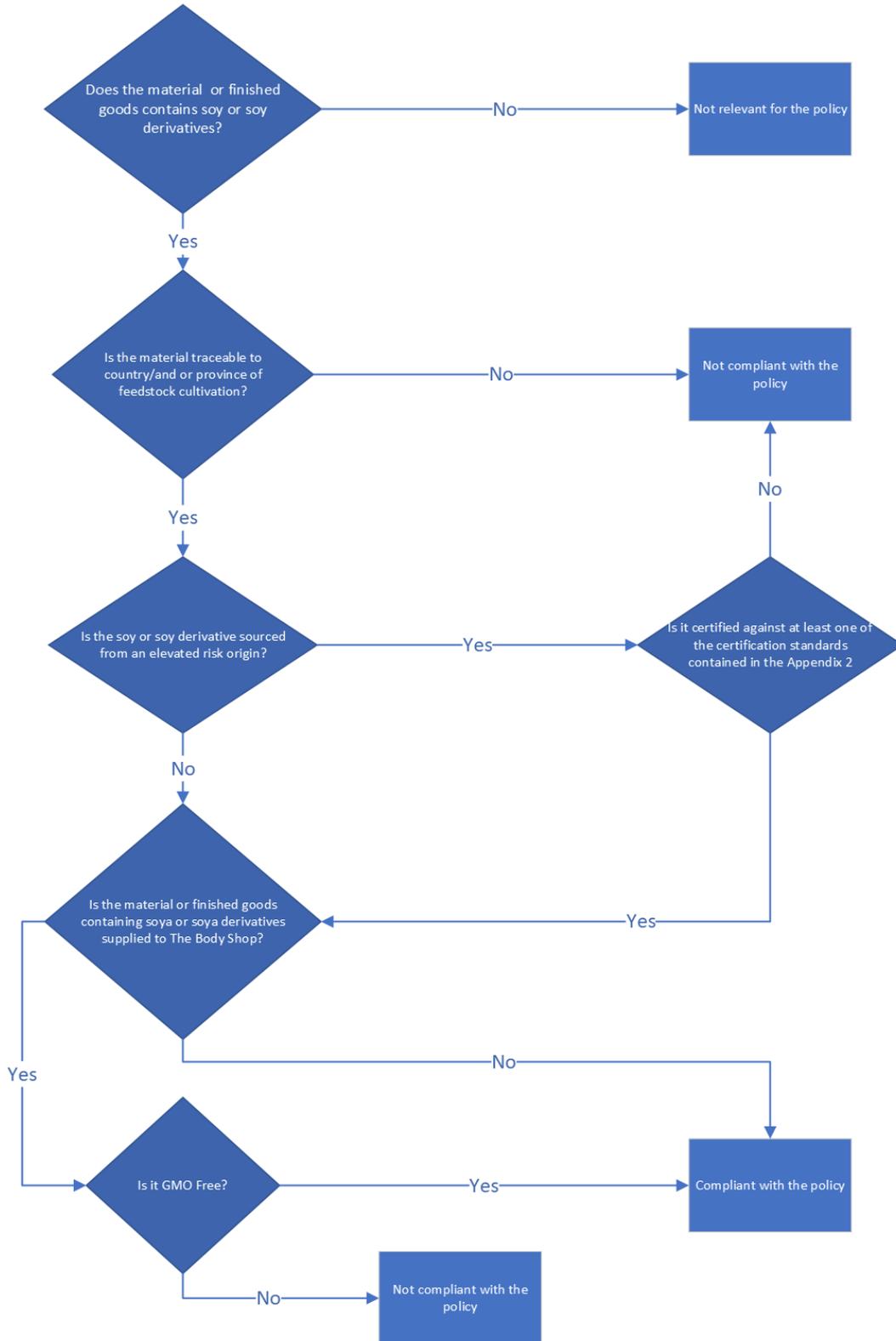
Please note that The Body Shop has a GMO-free requirement for all ingredients, including soy and soy-derived ingredients. Ingredients that do not meet this requirement will not be approved by TBS for manufacture of TBS products.

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 and habitat conversion are eliminated from soy supply chains. 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. We further encourage our suppliers to come forward with proposals for more traceable, sustainable and regenerative soy-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 soy by 2025, please contact rafaelmilantonio@natura.net.

Flow chart – requirements for soy containing ingredients and finished goods



Appendix 1Elevated risk origin countries for soy¹

Country
Brazil
Argentina
Paraguay
Uruguay

¹ Based on Global Forest Watch and World Wildlife Fund (WWF) monitoring and reports.
Natura &Co **Sustainable Soy** Procurement Policy Sept 2022

Appendix 2

Acceptable certification for ingredients supplier to Natura &Co business units

With immediate effect no later than 31/12/2025 for the remining, ingredients containing soy and soy derived sourced from elevated risk origins supplied to Avon, Natura, The Body Shop and Aēsop must be physically certified to at least one of the third-party standards below.

Certification name	Certification abbreviation	Certification description
Fair For Life	<u>FFL</u>	An international, voluntary standard that sets requirements for third-party certification of fair trade and organic input and chain of custody.
Regenerative Organic Certified	<u>ROC</u>	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
ProTerra Foundation	<u>ProTerra</u>	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.
Round Table on Responsible Soy Segregated	<u>RTRSSG</u>	RTRS is a member-based multi-stakeholder platform that focuses on creating sustainable soy supply chains. With this certification, operators can guarantee that soy from one or more RTRS-certified facilities is kept physically separate from other sources of non-RTRS-certified soy across the entire supply chain.
Round Table on Responsible Soy Mass Balance	<u>RTRSMB</u>	RTRS is a member-based multi-stakeholder platform that focuses on creating sustainable soy supply chains. Allows to maintain separate accounting systems, through which ensure that the delivered volumes of RTRS-certified soy or derived products correspond to the volumes of RTRS-certified soy or derived products sourced.
Donau and Europe Soy	<u>Donau Soja</u>	The Donau Soy Association administers two Standards – the Donau and Europe Soy Standards. All producers are in Europe and are non-GMO.
International Sustainability & Carbon Certification	<u>ISCC Plus</u>	ISCC is a global standard applicable to feedstocks for agriculture, biomass, and forestry sectors for the biofuels markets. ISCC Plus is an add on that extends certification to food, feed, and technical/chemical applications.
Fairtrade International	<u>FT</u>	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 soy supply chains.

Use of credits

In situation where soya is sourced from a low-risk origin, and/or in limited situations where physically certified soya is not available, Natura &co may purchase (or require the supplier to purchase) certified sustainable soy credits through an acceptable credit trading system.