

# THE BODY SHOP VALUES REPORT

2011 - 2013



THE BODY SHOP.



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**AT THE BODY SHOP OUR FIVE CORE  
VALUES HAVE GUIDED US FOR  
THE PAST THREE DECADES; THE  
PRINCIPLES OF ACTIVATE SELF  
ESTEEM, AGAINST ANIMAL TESTING,  
SUPPORT COMMUNITY FAIR TRADE,  
DEFEND HUMAN RIGHTS AND  
PROTECT THE PLANET, REMAIN THE  
FOUNDATIONS WHICH GUIDE  
OUR BUSINESS ACROSS THE WORLD**

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# INTRODUCTION

WHEN ANITA RODDICK OPENED HER VERY FIRST SHOP 38 YEARS AGO, LITTLE DID SHE IMAGINE THE BODY SHOP WOULD GROW INTO A GLOBAL BUSINESS WITH THOUSANDS OF STORES SPREAD ACROSS THE WORLD.

But her vision for The Body Shop has always remained true: a beauty retailer with strong ethical values at its heart, built on a foundation of a strong and sustainable business model.

Over the years, The Body Shop has become a powerful force for change, and we are now recognised as trailblazers in serving customers with high-quality ethical beauty products. By the end of 2013, we had 2,900 stores across 63 markets, and more people than ever before are joining The Body Shop community.

For decades we have been guided by five core values: to Activate Self Esteem, Against Animal Testing, Defend Human Rights, Protect Our Planet and Support Community Fair Trade. Over 30 years later these values remain part of our company, and alongside a series of commitments and policies help steer our day-to-day work. Despite many new challenges facing the world of business over the past three decades, we have managed to adapt whilst adhering to these values.

I'm proud to share some of our achievements since the 2011 The Body Shop Values report, "Striving to be a Force for Good".

## HERE ARE JUST A FEW NOTABLE MILESTONES:

- The continued success of our award winning Community Fair Trade programme
- The design of our new eco-store format and its successful rollout across our markets
- The culmination of our most successful campaign ever – to Stop Sex Trafficking of Children and Young People
- A two-year programme supporting the launch of Cruelty Free International, a high-profile global campaign to end animal testing in the cosmetics industry

As you will read in this report, our ambition is to build on this momentum to support the growth of The Body Shop by accelerating sustainable and ethical business activity across every area of the company - from our and stores, right into our supply chain.



Christopher Davis  
International Director of Corporate Sustainability  
and Campaigns



**WE DEMAND A CONTINUED  
COMMITMENT TO SUSTAINABLE  
AND ETHICAL BUSINESS  
PRACTICE AS WE ENDEAVOUR  
TO BE A BETTER BUSINESS**

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**Nº1**  
**VALUE**  
COMMITMENT

**ACTIVATE**  
**SELF ESTEEM**

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For The Body Shop, activating self esteem means running a business that makes people who encounter our company feel good about themselves. Our concept of beauty places inherent worth in who we are and what we do, not just how we look.

## CASE STUDY: A

WE BELIEVE THAT WE SHOULD HAVE A POSITIVE INFLUENCE ON OUR CUSTOMERS AND THE PEOPLE WE WORK WITH. WE ALSO BELIEVE IN USING OUR REPUTATION TO MOBILISE SUPPORT TO CREATE LONG-TERM CHANGE FOR THOSE WHO ARE SUFFERING OR DISADVANTAGED AROUND THE WORLD.

# CAMPAIGN TO STOP SEX TRAFFICKING OF CHILDREN AND YOUNG PEOPLE

SEPTEMBER 2009 TO MARCH 2012

Our Stop Sex Trafficking of Children and Young People campaign grew into the biggest-ever The Body Shop action, with resounding political impact around the world.

The campaign called on governments to protect young survivors of trafficking, and provide specialised services to them. We joined forces with End Child Prostitution and Trafficking (ECPAT) International, a global network dedicated to protecting children from sexual exploitation. At The Body Shop, we galvanised our customers, friends and family to raise awareness and funds, to sign petitions and organise marches.

The response was incredible, resulting in over seven million (7,044,278) petition signatures, which we used to lobby high-level political institutions.

In all, the campaign presented 36 national petitions to governments and The United Nations representatives. In September 2011, we presented the petition to the UN Human Rights Council and received the full support of the President of the Council. It was the biggest human rights petition to be presented to the European Commission and United Nations.

Building on this momentum, countries that had not yet secured a positive response from their government continued to work closely with ECPAT and local activists to seek change at a national level.

In response to the petition campaign, fourteen countries changed policies and laws; eight countries committed to adopt international standards to protect children from sex trafficking. In total, The Body Shop raised around £1.8million for ECPAT International and their global network through sales of the “Soft Hands Kind Heart” hand cream. These funds went directly to projects tackling child sex trafficking and commercial sexual exploitation of children, preventing thousands of young people from falling prey to sex traffickers.

In March 2012, the campaign culminated in the release of a report, “Creating Change Through Partnership”.

During the campaign The Body Shop worked with global TV network CNN as part of their Freedom Project, and in 2011 our International Director of Corporate Sustainability and Campaigns received the prestigious United Nations Business Leadership Award.

# THE BODY SHOP FOUNDATION

THE BODY SHOP FOUNDATION IS THE CHARITABLE ARM OF THE BODY SHOP INTERNATIONAL, FUNDING INNOVATIVE GLOBAL PROJECTS THAT ARE WORKING FOR SOCIAL AND ENVIRONMENTAL CHANGE.

Since 1989, the Foundation has donated over £21 million to thousands of projects across the world. The funds support small charities and projects focusing on unconventional issues that struggle to get access to traditional funding such as Village Water, the Foundation for Women's Health Research and Development (FORWARD), and the Environmental Investigation Agency.

Every year, the Board of Trustees agree the Foundation's funding remit and groups who work within the specific remits are invited to apply.

## WHAT WE ACHIEVED

### 2011-2012



Social or environmental issues funded across 35 countries



3,255 volunteering hours by company and external volunteers donated to the Foundation

### 2012-2013



Social or environmental issues funded across 51 countries



3,470 volunteering hours by company and external volunteers donated to the Foundation



## CASE STUDY: B

THE FOUNDATION CONTRIBUTED £30,000 TOWARDS A PROJECT SUPPORTING THE SOCIAL AND ECONOMIC EMPOWERMENT OF 45 WOMEN AFFECTED BY OBSTETRIC FISTULA IN THE DODOMA AND SINGIDA REGIONS OF TANZANIA.

# SUPPORTING WOMEN'S EMPOWERMENT IN TANZANIA 2012-2013

The project is run by the Foundation for Women's Health Research and Development (FORWARD), an African diaspora women's charity working in selected African and European countries. FORWARD works to safeguard the dignity of, and raise awareness on, the sexual and reproductive health and rights of African women and girls. This includes female genital mutilation, child marriage, obstetric fistula and related challenges.

Obstetric fistula is a childbirth injury caused by prolonged labour which can lead to serious physical, social and emotional problems. It is a treatable and preventable condition, provided women giving birth have access to adequate emergency care when complications arise.

However less than six in 10 women in developing countries give birth with a trained health professional present. If there are complications, and there is no one available to treat the mother, disabling injuries like obstetric fistula or even death may result.





**Nº2**  
**VALUE**  
COMMITMENT

**AGAINST**  
**ANIMAL TESTING**

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We have always believed that the practice of testing cosmetics and toiletries on animals is unethical. We adhere to our Against Animal Testing policy in the development of all The Body Shop cosmetics products.

# AGAINST ANIMAL TESTING

WE BELIEVE IN A HUMANE APPROACH TO COSMETICS SAFETY. WE GUARANTEE THAT NONE OF OUR PRODUCTS ARE TESTED ON ANIMALS AND THAT OUR INGREDIENTS COME ONLY FROM SUPPLIERS WHO DO NOT TEST THEIR INGREDIENTS ON ANIMALS FOR ANY COSMETIC PURPOSE.

We also ensure that all our products are cruelty-free and suitable for vegetarians. We make sure that the few animal-derived ingredients we use, such as honey, are harvested without causing harm to animals.



**“THE BODY SHOP HAS A LONG AND PROUD HISTORY OF CAMPAIGNING AGAINST ANIMAL TESTING.”**

## CASE STUDY

FOR TWO YEARS CRUELTY FREE INTERNATIONAL, SUPPORTED BY THE BODY SHOP HAS BEEN CAMPAIGNING FOR A GLOBAL BAN ON ANIMAL TESTING IN COSMETICS. THANKS TO YOUR SUPPORT A GREAT DEAL HAS BEEN ACHIEVED.

# GLOBAL CAMPAIGN AGAINST ANIMAL TESTING IN COSMETICS

The latest chapter in our long history of campaigning against animal testing came in 2012 when Cruelty Free International, supported by The Body Shop, launched a new campaign calling for a global ban on animal testing in cosmetics. Thanks to the support of our customers, we have succeeded in bringing about real change.



**“MORE THAN 1 MILLION OF THE BODY SHOP CUSTOMERS AND CRUELTY FREE INTERNATIONAL SUPPORTERS FROM AROUND THE WORLD SIGNED OUR PLEDGE CALLING FOR A GLOBAL BAN ON ANIMAL TESTING IN COSMETICS.”**

# HISTORY HAS BEEN MADE!

THE AGAINST ANIMAL TESTING MOVEMENT SPREAD FAST.  
IN JUST TWO YEARS, WE HELPED ACHIEVE HISTORIC ACTION:

## EUROPEAN UNION

After more than 20 years of campaigning, we finally celebrated the end of animal testing for cosmetics in Europe. On 11th March 2013, the European Union banned the sale and import of animal tested products and ingredients, ensuring repercussions around the world.



## ASIA

In October 2013, Cruelty Free International received one million signatures from The Body Shop customers and presented them to the regulators of cosmetic products in Southeast Asia, the Association of Southeast Asian Nations (ASEAN), generating debate and the potential for change.



**THE INDIAN GOVERNMENT IS CURRENTLY IN THE FINAL STAGES OF AGREEING A BAN THAT COULD BE IMPLEMENTED AS EARLY AS SUMMER 2014.**

A pair of hands, one on the left and one on the right, are shown from the wrist up, holding a large white circle. The hands are positioned as if they are presenting or supporting the circle. The background is a solid, muted purple color. The circle contains text in a dark purple font. The text is arranged in two columns. The left column has 'N°3' in a large font, followed by 'VALUE' in a slightly smaller font, and 'COMMITMENT' in a smaller font below it. The right column has 'COMMUNITY' in a large font, followed by 'FAIR TRADE' in a slightly smaller font. A horizontal line is drawn across the circle, separating the header text from the paragraph below.

**N°3**  
**VALUE**  
COMMITMENT

**COMMUNITY**  
**FAIR TRADE**

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Community Fair Trade (CFT) is The Body Shop's own independently verified fair trade programme. It launched in 1987 on the premise that 'trade not aid' could best help marginalised communities improve their lives and alleviate poverty. It is still our commitment to trade fairly with our suppliers. We buy the finest ingredients and handcrafts directly from small-scale producers around the world and in exchange, we offer them good trading practices and fair pricing.

# COMMUNITY FAIR TRADE IN NUMBERS:

BY 2013 CFT PROGRAMME  
WAS WORKING WITH

25  21

SUPPLIERS

COUNTRIES

DIRECTLY HELPING  
TO SUPPORT

25,000  
WORKERS

& BENEFITING

320,000  
MEMBERS

OF THEIR WIDER COMMUNITIES

IN 2013, WE SPENT OVER £9 MILLION ON CFT INGREDIENTS, GIFTS AND ACCESSORIES...

OVER **£9MILLION** AN INCREASE FROM **£7.8MILLION** IN 2012

WITH OVER **90%** OF PRODUCTS CONTAINING AT LEAST ONE  
COMMUNITY FAIR TRADE INGREDIENT

SINCE 2009, ORGANIC AND FAIR TRADE CERTIFIER  
THE INSTITUTE OF MARKET ECOLOGY (IMO) HAS  
INDEPENDENTLY VERIFIED OUR CFT PROGRAMME

## 2012 HIGHLIGHTS

IN 2012, WE CELEBRATED 25 YEARS OF COMMUNITY FAIR TRADE, HAVING STARTED OUT IN 1987 BY BUYING 10,000 FOOT MASSAGERS FROM TEDDY EXPORTS IN TAMIL NADU, INDIA.

# CELEBRATING 25 YEARS OF COMMUNITY FAIR TRADE

It grew fast to become a global, ground-breaking programme working with 25 suppliers in 21 countries, buying over 1,200 tonnes of ingredients and 2.2 million gift and accessory items from across the world.

Every year CFT gives a fair and stable income to thousands of workers and improves their wider communities by building schools and health care centres, bringing clean water and offering education scholarships.

## VITAL VOICES AWARD

In 2012, Adi Tafuna'i, chairwoman of our organic virgin coconut oil supplier in Samoa, received a Vital Voices award in Washington DC. Set up in 1997 by Hilary Clinton, Vital Voice's mission is to identify, invest in, and bring visibility to extraordinary women around the world. Adi was given the Economic Empowerment Award for her commitment to improving the livelihoods of families in Samoa.





## 2013 HIGHLIGHTS

IN 2013, THE BODY SHOP RECEIVED THE INTERNATIONAL RESPONSIBLE BUSINESS AWARD FROM BUSINESS IN THE COMMUNITY (BITC) AND CITI BANK FOR THE CFT PROGRAMME'S WORK TOWARDS THE UNITED NATIONS MILLENNIUM DEVELOPMENT GOALS.

**“THE BODY SHOP IS A TRUE CHAMPION OF THE SMALL PRODUCER – DEMONSTRATING TRUE LEADERSHIP IN ADDRESSING THE MILLENNIUM DEVELOPMENT GOALS AGENDA...THE INFLUENCE IT HAS HAD, INCLUDING WITH THEIR PARENT COMPANY, L'OREAL, HAS BEEN IMMENSE.”**

- Francesco Vanni d'Archirafi, CEO of Citi, Chair of Business in the Community's International Leadership Team on presenting the award.

### **SUPPLIER ACHIEVES ROUNDTABLE ON RESPONSIBLE SOY (RTRS) ACCREDITATION:**

We use Community Fair Trade organically grown soya oil from non-genetically-modified (GM) soya beans in our products. This helps to support the livelihoods of smallholder farmers working for our supplier Gebana in Brazil. To help develop a new standard for responsible soy production, Gebana shared their knowledge with the Roundtable on Responsible Soy and in 2013 they received certification for their commitment to responsible non-GM methods of farming.

## **INSPIRING L'OREAL'S SOLIDARITY SOURCING PROGRAMME**

Since The Body Shop was integrated into the L'Oréal Group in 2006, eight of our Community Fair Trade raw materials are now being used by other Group brands as part of their Solidarity Sourcing programme.

Jerome Courtaigne, International Sourcing Director at The Body Shop says, “Today the inspiration provided by Community Fair Trade has come full circle, with the introduction of Solidarity Sourcing across all of The Body Shop purchasing categories.”

The Body Shop has already invited 30 of its suppliers to join this programme and is preparing to launch four major projects aiming to engage with 100 suppliers by the end of 2014.



**Nº4**  
**VALUE**  
COMMITMENT

**DEFEND**  
**HUMAN RIGHTS**

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We have worked to promote and defend human rights ever since The Body Shop started out three decades ago.

WE KNOW WHERE ALL OF OUR PRODUCTS ARE MADE - WE SELECT ALL OUR SUPPLIERS CAREFULLY AND WE ONLY BUY FROM SUPPLIERS WHO HAVE SIGNED UP TO OUR STANDARDS. THROUGH OUR ETHICAL TRADE PROGRAMME WE MONITOR THE WORKING CONDITIONS OF THE PEOPLE MAKING OUR PRODUCTS. WE UNDERTAKE A MUTUAL COMMITMENT WITH OUR SUPPLIERS, POSITIVELY ENGAGING WITH THEM OVER IMPROVING WORKING CONDITIONS, AND WE GIVE THEM THE TIME AND SUPPORT TO DO SO.

## IN 2011, WE DEVELOPED AN ETHICAL TRADE STRATEGY WITH FIVE STEPS FOR IMPROVING OUR OWN STAFF AND SUPPLIERS' WORKING CONDITIONS:

### 1. EXPANDING THE BOUNDARIES

Reaching more of our own workers, such as transport and temporary warehouse staff, and other workers across the supply chain.

### 2. IMPROVING THE PROCESS

Ensuring our monitoring process provides an accurate picture of the conditions of our supply chain and ensuring workers have a voice, by developing participatory methods for collecting information.

### 3. MOVING BEYOND MONITORING

Developing capacity-building programmes to address employment issues that suppliers are struggling to resolve.

### 4. SPREADING THE WORD

Publishing dedicated Ethical Trade pages on our website with guidance for suppliers; organising events such as Chinese Ethical Trade Supplier Day (see case study below); improving supplier communication; and training.

### 5. WALKING THE TALK

Ensuring that we achieve external verification of our standards by the independent Institute of Market Ecology (IMO).

## CASE STUDY

OVER THE LAST 18 MONTHS, WE HAVE FOCUSED ON INDIVIDUAL CAPACITY-BUILDING PROGRAMMES. SINCE EARLY 2012, FIVE OF OUR MANUFACTURING SITES – INVOLVING AROUND 1 000 EMPLOYEES - HAVE INITIATED TRAINING ACTIVITIES TO IMPROVE LABOUR STANDARDS.

### ETHICAL TRADE CAPACITY-BUILDING

These have covered many aspects: from designing reliable record-keeping to strengthening management systems and Corporate Social Responsibility procedures.

The training programmes are designed in consultation with both management and workers, and are based on extensive reviews of the factories' management procedures.

### CHINESE SUPPLIER DAY 2012

The Body Shop held its first Chinese Supplier Day in November 2012 to give Chinese factory workers the chance to discuss ways of bettering their working conditions. Before the event, we invited delegates to choose workshop topics through an online survey.

In Shenzhen, southern China, workers from 42 factories gathered for the event. All 75 participants were producers of The Body Shop products such as accessories and shop fitting.

Three experts in factory engagement facilitated the event.

In the morning, Ethical Trade specialists gave informative talks and in the afternoon workshops run by local organisations explored topics such as how to achieve compliance through collaboration, worker retention and business benefits of going beyond compliance. The workers shared good practices and openly discussed challenges they face in the workplace, with all the sessions conducted in Mandarin to encourage contribution.

To end the meeting, attendees were invited to sign a commitment to working with The Body Shop and to act within our Supplier Code of Conduct. In return, The Body Shop agreed to work continually to improve working conditions with their suppliers.

Mary Teakle, Head of the Ethical Trade programme says, "Following this lively and productive event, we have seen a greater commitment and determination from the Chinese factory management to work on difficult issues which will ultimately improve working conditions for their workers."





**Nº5**  
**VALUE**  
COMMITMENT

**PROTECT  
THE PLANET**

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The Body Shop was an early pioneer in green, ethical business and we still have strong environmental credentials to back up our reputation. However, we are never complacent, and constantly explore ways to reduce our carbon footprint.

WE STRIVE TO MAKE OUR BUILDINGS AND PROCESSES MORE ENERGY EFFICIENT; WE USE RENEWABLE ENERGY AND WE ARE RIGOROUS IN SOURCING SUSTAINABLE MATERIALS. IN THIS SECTION, WE REVIEW OUR PERFORMANCE AGAINST THE BODY SHOP'S ENVIRONMENTAL TARGETS LAUNCHED IN 2010, AND HIGHLIGHT KEY SUSTAINABILITY INITIATIVES.

## I. PULSE - OUR SUSTAINABLE STORE

Pulse is a group of The Body Shop sustainable stores – some are owned by us and others are franchised. We launched Pulse in London in 2012, and by the end of 2013 we had rolled out over 800 Pulse stores across the globe and boosted sales as a result. Pulse gives stores a fresh and vibrant “boutique” look, and a green “makeover” too.

### THESE ARE STANDOUT FEATURES OF OUR PULSE STORES:

- Forestry Stewardship Council (FSC) sourced shop fit – we will only use FSC certified sources in our shop fits, ensuring the wood is from sustainably managed and harvested forests. We source all our products from just two manufacturers, so we can ensure their true FSC credentials.
- Sustainable flooring – we are aiming to use only sustainable, non-PVC flooring, and are currently

trialling a bespoke flooring product made from natural minerals sourced from Scandinavia.

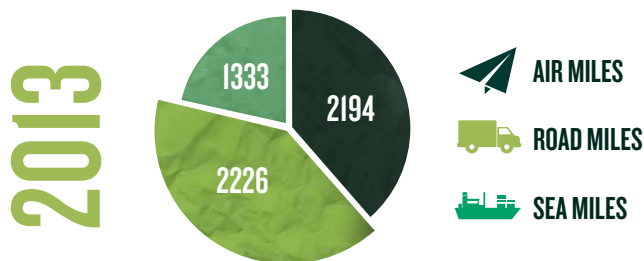
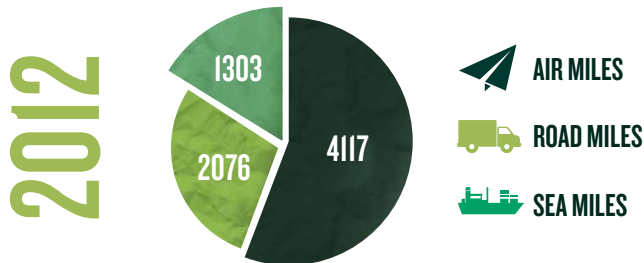
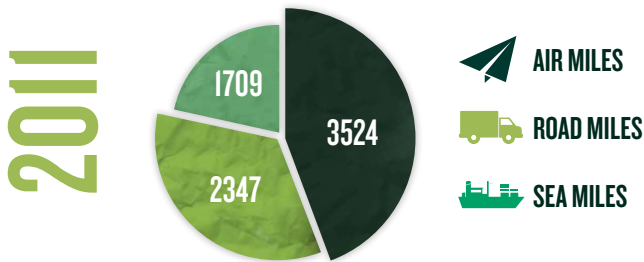
- Efficient lighting – we have redesigned the store ceiling and display bay lighting to reduce electricity consumption. By using fewer lamps, LED strip lights and energy efficient ceiling lights we have made energy savings of around 30 per cent - compared to our previous lighting design.
- Energy efficiency - we serviced, replaced and upgraded inefficient doors and heating, ventilation and cooling systems where appropriate.

## 2. TRANSPORT

To reduce our carbon footprint, we need to track how we get our products from distribution centres to markets and stores. We use third party logistics contractors to transport our products around the world.

**“OUR AIR FREIGHTING PEAKED IN 2012 AT 4,117 TONNES OF CO2 AND WE ARE PLEASED TO HAVE REDUCED OUR AIRFREIGHT BY 35% FROM 2011 TO 2013”**

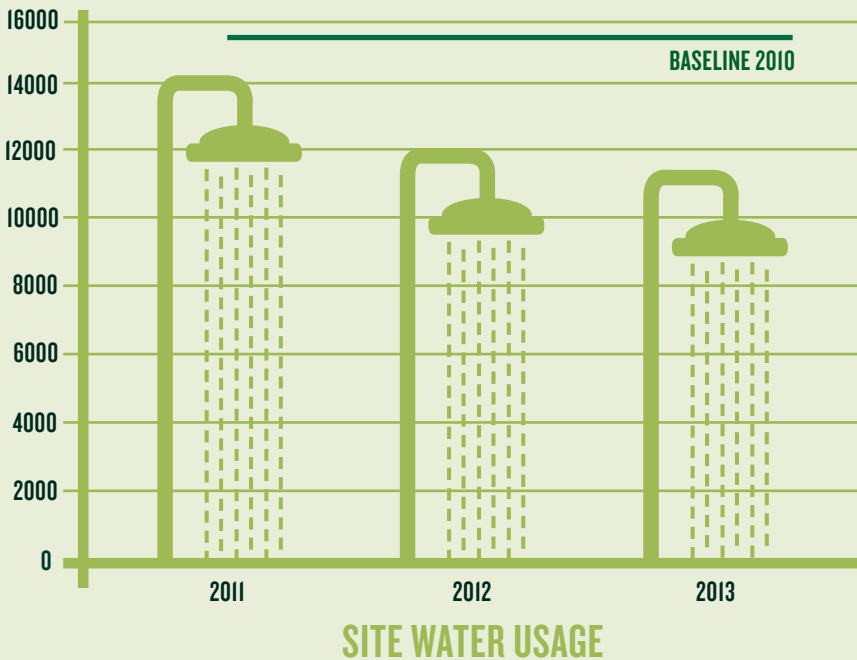
The chart below shows CO2 emissions associated with transporting The Body Shop products from 2011 to 2013. As airplane emissions are a major contributor to greenhouse gases worldwide, we need to continue reducing our use of this form of transport.





# 3. REDUCING WATER CONSUMPTION

Water scarcity is a growing problem around the globe and The Body Shop is reducing its own water consumption to address this. We have set a target of 25 per cent reduction in water use by 2020. Since we use water primarily for domestic purposes – mainly sanitation, drinking and cooking - we carried out a programme to upgrade washroom efficiency across our sites. Between 2010 and 2013, we achieved a 37 per cent reduction in water use, already surpassing our 2020 target.



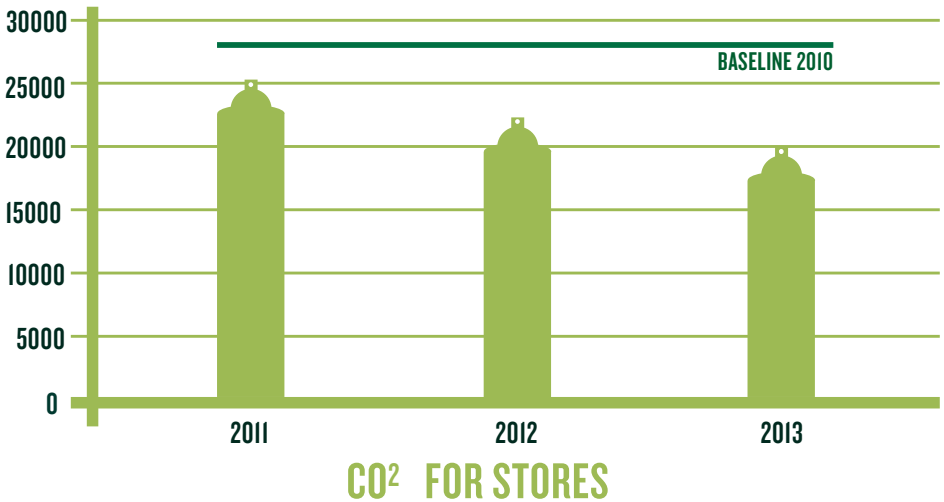
The chart above shows the water consumption (in m3) for our three largest international sites (office and distribution centres, located in London and Littlehampton in the UK and North Carolina in the US).

# 4. REDUCING ENERGY USE

## WE ARE FINDING WAYS TO CUT BACK OUR ENERGY CONSUMPTION ACROSS THE BUSINESS, AND HARNESSING RENEWABLE ENERGY

From 2011 to 2012, we looked at ways of reducing energy consumption in our stores through Building Management Systems (BMS) that automatically control heating and lighting in stores. As the results were inconclusive, we decided against rolling out the approach. However, we remain committed to reducing energy through technological advancements and by improving energy awareness among The Body Shop employees.

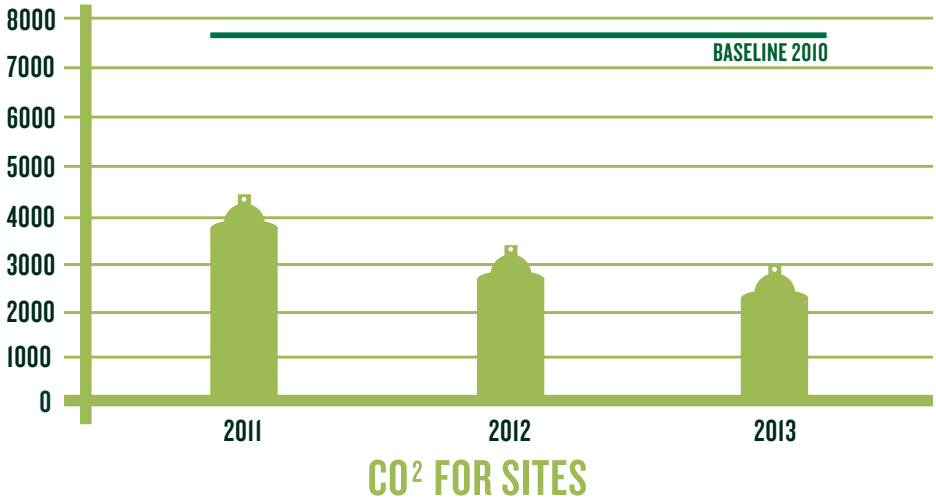
We set a target to reduce CO<sub>2</sub> emissions from stores by 50% between 2010 and 2020. So far we have achieved a 27 per cent reduction so we are well on track to meeting this ambitious target. We can attribute most of these savings to our Pulse store refit programme.



The chart above shows our CO<sub>2</sub> emissions in tonnes from energy use in our international stores.

# 5. RENEWABLE ENERGY

A growing number of our stores are supplied with renewable energy. Since 2011, our stores in Denmark and Portugal have switched to renewable energy supplies.



Around 90% of our Europe, Middle East and Africa (EMEA) company stores and over 50% of international stores are powered by renewable energy. With restricted availability and deregulation in some markets, there is some uncertainty over how and when the programme can expand.

We are also moving ahead with our own renewable energy generation. In 2011, The Body Shop installed the largest self-funded roof top PV scheme in the UK. In April 2013, we generated one million kWh of electricity - enough to power nearly 300 homes for a year. Despite the reductions in the government's Feed in Tariffs (FITs), we boosted our PV array at Watersmead, our headquarters in West Sussex, UK by

expanding onto the roofs of two more buildings. We now have around 5,800 panels (1.1 MWp) and we generate on average 30% of the site's electricity needs.

Plans for additional solar PV at Wake Forest in North Carolina and a large wind turbine on our Watersmead site were set back by planning refusal (Wind turbine) and local infrastructure issues in the US.

We set a target to reduce CO<sub>2</sub> emissions from our sites by 50% between 2010 and 2015. By 2013 we had already achieved a reduction of 61% so this target has been surpassed. Most of this reduction is due to the solar PV installation and lighting upgrades.

# 6. CUTTING OUR WASTE

We are committed to reducing the amount of waste we have going to landfill. We set a target to reduce the waste we generate from our sites by 50% between 2010 and 2020.



**SITES WASTE  
TARGET**

**REDUCE THE AMOUNT  
OF WASTE WE GENERATE**



**BY 50%  
BY 2020**

**WE SENT**



**81  
TONNES**

**OF WASTE TO  
LANDFILL IN 2013  
A REDUCTION OF**



**87%**

**ON OUR 2010 BASE YEAR**



SINCE 2010, WE HAVE ROLLED OUT WASTE MANAGEMENT PROGRAMMES ON OUR LARGEST SITES IN THE UK AND US. WE EDUCATED STAFF ON ISSUES SUCH AS BIN REMOVAL, RECYCLING AND COMPOSTING TO ENCOURAGE THEM TO BE MORE ACCOUNTABLE FOR THEIR ACTIONS.



## CASE STUDY: A

INEVITABLY, SOME OF THE BODY SHOP PRODUCTS END UP GOING TO WASTE DUE TO QUALITY ISSUES AND OTHER REASONS. HISTORICALLY WE USED A THIRD PARTY CONTRACTOR TO DESTROY AND DISPOSE OF THESE PRODUCTS BUT THIS MEANT NOT ALWAYS KNOWING ITS FINAL DESTINATION.

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## REDUCING OUR LANDFILL FAST!

To improve our disposal practices, we began exploring the possibility of separating products from their packaging. Over 18 months we researched different companies and technologies until we found a Danish manufacturer, RUNI, who was able to design a bespoke machine for this purpose.

We named the machine ROLF - Reducing Our Landfill Fast - and installed it in February 2013.

### **“WE NAMED THE MACHINE ROLF, TO STAND FOR: REDUCING OUR LANDFILL FAST”**

A year on we have processed over 700 pallets of stock, diverting some 270 tonnes of waste from potential landfill, with 60% going to composting and the rest reused, recycled or incinerated for energy.

Thanks to ROLF, we can now process our waste more effectively and have significantly cut down on waste going to landfill.

# 7. PACKAGING

AS A SPECIALIST ETHICAL RETAILER, THE BODY SHOP CAREFULLY BALANCES FUNCTIONALITY, GREAT DESIGN AND SUSTAINABILITY OF OUR PRODUCT PACKAGING. OUR PACKAGING HAS TO SECURELY TRANSPORT OUR PRODUCTS AROUND THE WORLD AND ENSURE THAT THEY REACH THEIR DESTINATION IN GOOD CONDITION.

Some packaging also needs to provide our customers with clear information on use and ingredients and it has to conform to regulatory requirements.

In 2011, we committed to increasing the number of our products using recycled plastic packaging

to 65% by the end of 2012. We found this commitment challenging, mainly due to the scarcity and quality of this packaging and our volumes remain at 2011 levels. We are still working hard to address this, and will continue using recycled plastic in our packaging wherever possible.



# 8. SUSTAINABLY SOURCED MATERIALS

BECAUSE WE CARE ABOUT THE ENVIRONMENT, WE CAREFULLY RESEARCH AND SOURCE SUSTAINABLE MATERIALS TO USE IN OUR PACKAGING AND IN OUR STORES.



The Body Shop believes in using only sustainably sourced wood, as a way of protecting forest resources around the world.

We ensure that we get all our wood-derived products, packaging and shop fit from FSC-certified sources. In 2013, the World Wide Fund for Nature (WWF), through the global forest

trade network, independently audited our wood sourcing policy and processes and as a result we were highly commended for our sourcing.

Our Community Fair Trade supplier, Teddy Exports achieved FSC certification earlier in 2014.

## CASE STUDY: B

FORESTS PROVIDE MANY ECOSYSTEM SERVICES SUCH AS FOOD, SHELTER AND WATER REGULATION, AS WELL AS ACTING AS A CARBON SINK FOR GREENHOUSE GASES, HELPING ADDRESS CARBON CHANGE

We launched our Wood Positive™ programme in 2012, with the aim of planting and protecting more trees than we use in our packaging. To offset all the wood-based paper and pulp that goes into our packaging we will plant high-conservation-value trees, and protect established trees in areas threatened by clearance.

The World Land Trust (WLT), an international conservation organisation, helps us calculate how many trees we need to plant or protect each year to offset our packaging.





# IN 2012 AND 2013 (YEAR 1 AND 2 OF WOOD POSITIVE™) WE FOCUSED ON TWO AREAS:

## NO 1: THE ATLANTIC RAINFOREST, BRAZIL

The Atlantic Rainforest is one of the most threatened habitats in the world. It is home to a diverse range of unique flora and fauna, but sadly only around seven per cent of this biodiversity hotspot remains.

We are working with the World Land Trust and Reserva Ecológica de Guapiaçu to restore and protect the forest at the Guapiaçu Reserve, where over 400 different species live. The reserve also helps to regulate the water source that supplies many nearby settlements

## NO 2: THE SOUTHERN ANDES, ECUADOR

The spectacled bear, mountain tapir and puma are just some of the endangered species that live in the tropical forests of the Southern Andes. But the area is increasingly threatened by clearance. Together with the World Land Trust and Nature and Culture International, we planted and protected trees in this critically important part of Ecuador.

## SUMMARY

So far, the Wood Positive™ initiative has preserved 132 hectares of forest and restored 56 hectares of degraded land. This has helped increase forest cover, which is essential for an abundance of wildlife and for local communities.

# 9. PALM OIL

Palm oil is one of the most widely used natural resources – used to make anything from biscuits to biofuel and used extensively in processed foods. The escalating clearance of forests for palm oil plantation, particularly in Southeast Asia, has led to mounting environmental concerns.

The Body Shop was one of the founder members of the Roundtable on Sustainable Palm Oil (RSPO), set up in 2004 to promote the growth and use of sustainable palm oil. We seek out suppliers who uphold this approach.

Since our last report, we have attained our commitment: 100% of our crude palm oil is RSPO certified.

We are committed to ensuring that our palm oil derivatives are also sourced from RSPO certified sources but currently it is a challenge to find suitable sources. We will work hard to achieve this by 2018 or earlier. In the meantime, we will buy green palm certificates to offset our non-RSPO derivatives.



# THE WAY FORWARD

IN 2014, WE HAVE BEEN DEVELOPING A NEW COMPANY-WIDE SUSTAINABILITY STRATEGY, RESPONDING TO THE EVER-CHANGING WORLD IN WHICH WE OPERATE, AS ISSUES LIKE CLIMATE CHANGE AND BIODIVERSITY LOSS PROMPT US TO ACT WITH GREATER URGENCY.



## POLICY FRAMEWORK & PERFORMANCE

Beginning in 2015, we will report on the performance of our values policies sharing our successes and addressing key challenges based on the philosophy of continuous improvement. Every year we are committed to updating our Values Policies ensuring the way we run our business reflects the needs and the challenges of a changing world.

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## TARGET SETTING & PERFORMANCE MEASUREMENT

In 2015, we will announce a series of new Sustainability targets which we will embrace across The Body Shop. These targets will be designed to help us deliver a more sustainable business and reflects our desire to challenge ourselves and continually improve our sustainability performance. Where we have current target commitments, our new targets will exceed these ambitions and we will report on our progress every year.

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## DELIVERING SUSTAINABLE INNOVATION

We have begun to identify how we can embrace the concept of true sustainable innovation across our core business focusing particularly on stores and all aspects of our products from ingredients to customer use. Whilst this is very much work in progress, we have clearly set out an ambition and preparation for an effective internal framework for sustainable innovation. We will share more of our progress in 2015.



# VALUES REPORT 2011 - 2013