

# Natura & Co *Sustainable Paper* Procurement Policy for suppliers

*Unanimously approved by the Group Operating Committee in July 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, soya, ethanol, mica, cotton and paper) by 2025. We are also committed to No Deforestation, No Peat and No Exploitation (NDPE) principles and no conversion as defined by the Accountability Framework Initiative and to supporting forest conservation solutions for high conservation landscapes.
- **Key social and environmental risks:** Paper and pulp are high sustainability risk commodities from both an environmental and social perspective. Key risks are deforestation, land conversion and indigenous communities' rights, as well as illegal harvesting, water and air pollution, including carbon dioxide and other greenhouse gases emission that contribute to climate change. At the same time, paper and pulp, when sourced and used responsibly, can represent a sustainable material choice. Traceability and certification are tools Natura &Co is using to manage and eliminate these risks in our supply chains.
- **Scope:** Natura &Co uses paper and pulp products, mainly as brochure paper and paper packaging, but also in fashion & home products. All these materials and finished goods supplied to Natura &Co must meet the sustainability requirements set out below. These requirements will be applied in Natura &Co tenders, supplier and material approval processes and are applicable to all paper 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.

Natura &Co also uses other forest products, such as timber and wood (in shop and office furniture) and wood cellulose cosmetic ingredients. Whilst we expect all forest-based materials to be supplied legally and sustainably, these are out of scope of the Commitment to Life critical materials target on paper.

- **Traceability and certification requirements in brief:** All paper containing materials supplied to [Natura](#), [The Body Shop](#), [Avon](#) and [Aēsop](#) must be 100% recycled or certified to an acceptable third-party standard by the end of 2025. Although acceptable third-party standards for paper give sufficient level of traceability, additional traceability information could be required. More details are given in section 2 of this policy.
- **Supplier milestones:**



## **2. Detailed Requirements**

### **Certification requirements for paper**

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

### **Traceability**

Traceability to mills and forest locations may be specifically requested in case of regulatory requirements, elevated risk of deforestation or grievances. It may include country of cultivation, mill location and species of trees.

### **Unacceptable sources of paper**

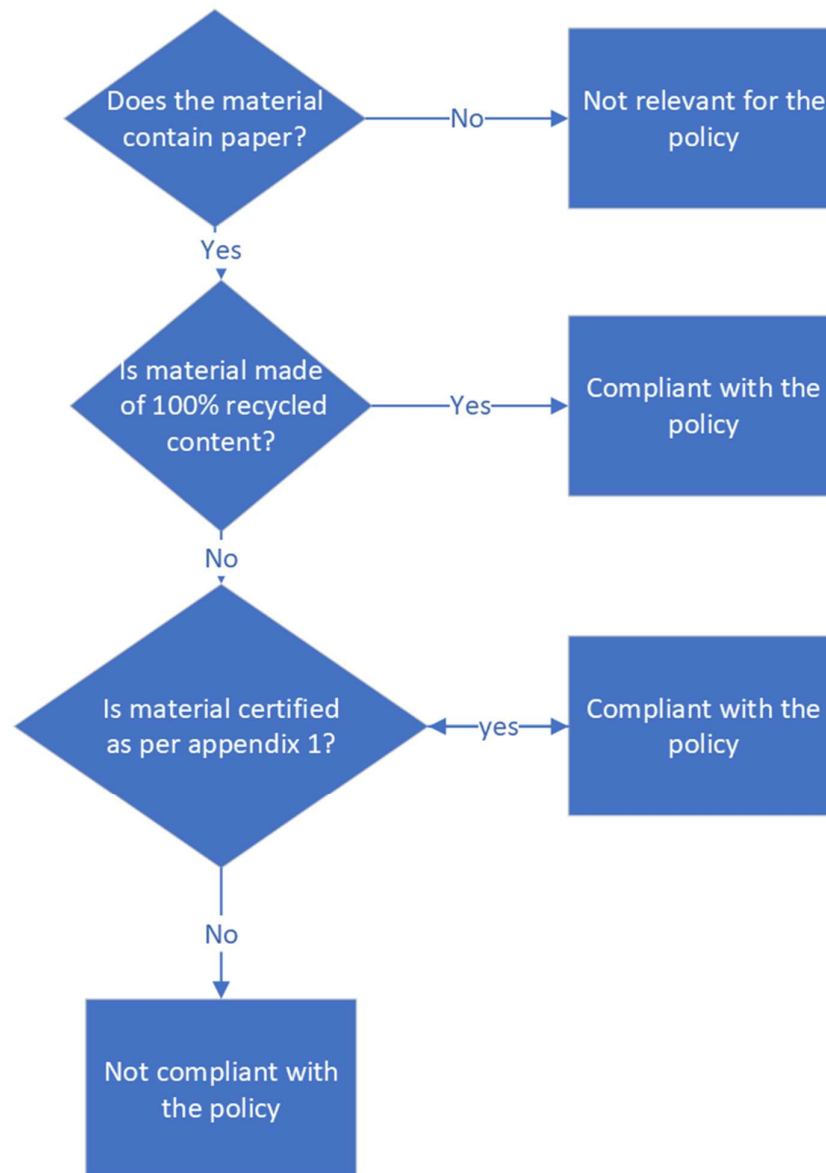
Natura &Co will support suppliers to grow their capabilities in the areas of traceability and certification, however if suppliers are not willing to develop capability to deliver certified paper materials as per the requirements of this policy, they will not be used to supply paper containing materials to Natura &Co after 31/12/2023. Any suppliers, found to be involved in human rights violations (e.g. without Free, Prior and Informed Consent (FPIC) of local and indigenous communities), environmentally destructive practices (e.g. sourcing from High Conservation Value<sup>1</sup> areas) 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 are eliminated from paper supply chains in the apparel, textiles and cosmetics sectors. We also need 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 sustainable paper containing materials that we can use in our business: with recycled content; reusable and recyclable; made from sustainable alternative fibres (e.g. agricultural residues); promoting efficient use of paper across the entire lifecycle. For further information on this policy, possible exceptions and Natura &Co plans to achieve 100% traceable and/or certified paper by 2025, please contact [Paula.Kasprzyk@avon.com](mailto:Paula.Kasprzyk@avon.com).

<sup>1</sup> High conservation value: An HCV (high conservation value) is a biological, ecological, social, or cultural value of outstanding significance or critical importance. (source: <https://hcvnetwork.org>)



**Flow chart - Requirements for paper**



## Appendix 1

### Acceptable certification standards for paper supplied to Natura, Avon, The Body Shop and Aesop

By 31/12/2025 at the latest, all paper supplied to Natura, Avon, The Body Shop, Aesop must be 100% recycled **OR** certified to at least one of the third-party standards from the table below. Recycled materials are preferred to support Natura &Co to meet its targets on circularity and carbon reduction. Certified recycled paper is preferred over uncertified recycled paper.

Brand	FSC (FSC 100%, FSC Mix 100%, FSC Mix **%, FSC Mix Credit, and FSC Recycled)	PEFC (100% PEFC Origin, **% PEFC certified, PEFC Recycled)
<b>AVON</b>	✓	✓
	✓	
	✓	
<b>Aēsop.</b>	✓	

Certification name	Certification abbreviation & website	Certification description
Forest Stewardship Council (FSC) <sup>2</sup>	<a href="#">FSC</a>	FSC certification ensures that products come from responsibly managed forests that provide environmental, social and economic benefits. <b>Accepted FSC claims:</b> FSC 100%, FSC Mix 100%, FSC Mix **%, FSC Mix Credit, and FSC Recycled (any claim).
Programme for the Endorsement of Forest (PEFC)	<a href="#">PEFC</a>	As global alliance of national forest certification systems, PEFC endorse national forest certification systems developed through multi-stakeholder processes and tailored to local priorities and conditions. <b>Accepted PEFC claims:</b> 100% PEFC Origin, **% PEFC certified, PEFC Recycled

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

<sup>2</sup> When 100% recycled material is not applicable, Natura &Co has preference for FSC certified materials and encourages suppliers to get their sourcing forests and supply chains fully FSC certified. FSC recognized High Conservation Value (HCV), protects biodiversity and ecosystems, and supports Indigenous Peoples and local communities. FSC Core Labour Requirements (effective since September 2021) also integrated the principle of ILO core conventions and declaration into FSC COC standards (covering child labour, forced labour, employment discrimination, freedom of association, etc).