

Particulars

About Your Organisation

1.1 Member Name

Natura &Co Holding S.A

1.2 Membership number

4-1373-21-000-00

1.3 Membership sector

Consumer Goods Manufacturers

1.4 Membership category

Ordinary

1.5 Country

Brazil

2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

Yes

2.1 Please select all description(s) that describe the palm oil-related activities of your company or organisation. Multiple selections are allowed, and not limited to the primary sector of the member's RSPO membership. You will be required to complete the relevant ACOP section based on your selection(s).

- I own and operate oil palm estate(s) and/or palm oil mill(s)
- I represent a palm oil Independent Smallholder farmer Group
- I own and operate independent palm oil mills
- I own and operate independent palm kernel crushing plants
- I trade or broker palm oil, palm kernel oil or related products
- I am a refiner of palm oil or palm kernel oil
- I am a processor of intermediate (B2B) palm oil, palm kernel oil or related ingredients
- I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products
- I manufacture consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors.
- I retail consumer (B2C) products containing palm oil, palm kernel oil or related products
- I operate food retail outlets that use palm oil, palm kernel oil or related products
- I support the sustainable development of the palm oil industry as a conservation and environmental NGO
- I support the sustainable development of the palm oil industry as a social and human development NGO

Consumer Goods Manufacturers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- Food Good Manufacturer - own brand
- Food Good Manufacturer - third-party brand
- Home & Personal Care Good Manufacturer - own brand
- Home & Personal Care Good Manufacturer - third-party brand
- Ingredient Manufacturers
- Biofuels
- Other

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed, to enable the RSPO to accurately calculate uptake of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.

2.1 Please list down all operations and subsidiaries using palm oil, palm kernel oil and related products that are owned and/or managed by the member, including those under Group Membership

Aesop
Avon Products, Inc.
Natura Cosméticos
The Body Shop International

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

Europe, North America, China, India, Malaysia, Indonesia, Africa, Latin America, Rest of the World

DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:

an aggregate level (as in previous ACOP reporting cycles)

2.2 Total volume of uncertified and certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products

Description	Tonnes
Total volume of crude palm oil (tonnes)	36245.75
Total volume of crude palm kernel oil (tonnes)	2048.38
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	19962.76
Total	58257.0

2.2.1 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	83.0
Palm kernel oil-based derivatives and fractions	17.0

2.3 Please estimate the regional distribution of your company's uncertified and certified palm oil, palm kernel oil and related products sales (as declared in Question 2.2) in the following countries/regions. In cases where sales distribution data is not available, members may use manufacturing regions as a proxy for regional usage of certified volumes.

Countries/Regions	Percentage
Europe	30.0
North America	30.0
Malaysia	2.0
Indonesia	2.0
China	5.0
India	2.0
Latin America	20.0
Africa	4.0
Rest of World	5.0

2.4 Volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products in the year:

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	21497.0	1176.0	0.0	0.0
RSPO Credits from Independent Smallholder	0.0	0.0	0.0	0.0
Mass Balance (MB)	0.0	0.0	0.0	0.0
Segregated (SG)	0.0	0.0	0.0	0.0
Identity Preserved (IP)	0.0	0.0	0.0	0.0
Total	21497.0	1176.0	0.0	0.0

2.4.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.4) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based

Description	Percentage
Certified Palm oil-based derivatives and fractions	-
Certified Palm kernel oil-based derivatives and fractions	-

2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's certified palm oil and palm oil products uptake is:

38.92%

2.5.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake. This may include your usage of RSPO Credits to cover gaps in certified uptake, changes due to business environment, variations due to stock positions or efforts to support independent smallholders beyond volume commitments.

Certified volumes reported for 2020 are those covered by RSPO credits (book and claim) only. Natura & co companies source additional physically certified RSPO materials (MB and Segregated/ IP), however, these have not been included in the 2020 report as we are in the process of achieving group-wide RSPO Chain of Custody certification that will permit us to report these volumes in accordance with RSPO claims policy. We expect to report more physically certified volumes in subsequent ACOP report. It is a priority to obtain SCC for key sites and contract manufacturers in 2020 to increase our % of MB, SG and IP and reduce dependency on credits. However, derivative users such as Natura &Co will be dependent on RSPO Credits to cover some volumes for the next two or three years.

Lack of enough CPKO Credits or IS-CPKO on the market prevented Natura &Co from covering our PKO derivatives volumes. Natura &Co commits to covering additional RSPO Credits when they become available, although they cannot be reported in this ACOP.

2.6 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question CG.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	30.0
North America	30.0
Malaysia	2.0
Indonesia	2.0
China	5.0
India	2.0
Latin America	20.0
Africa	4.0
Rest of World	5.0

3. TimeBound Plan

3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?

2022

3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2012

3.2.1 If the previous target year has not been met, please explain why.

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3.3 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2025

3.3.1 If the previous target year has not been met, please explain why.

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3.4 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2025

3.4.1 If the previous target year has not been met, please explain why.

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3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

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4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Others

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5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

We are in the process of developing supplier facing palm oil policy that we plan to finalize it by the end of this year. We are planning to move significantly with preparation to CoC certification and run audits early 2022. We will continue public communication on sustainable palm oil through attendance in related events and webinars. We will continue our active membership in Action for Sustainable Derivatives, to increase sustainable palm oil in derivatives and promote derivatives' industry transformation. We also aim to significantly increase the percentage of physically certified palm in 2021. We already use significant amount of physically certified materials that we are not able to report in this ACOP as CoC certification is lacking. Obtaining SCC for these sites is a priority action to bring us closer to our target of 100% certified by 2025.

Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

1.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

1.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

Ethical Conduct & Human Rights

1.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

1.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

Land Use

1.3 Does your company have a publicly-available Policy covering Land Use?

Yes

1.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

Occupational Health & Safety

1.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?

Yes

Climate Change & Greenhouse Gas (GHG)

1.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?

Yes

1.5.1 Does the policy cover:

- Identification and assessment of GHG
- Monitored implementation plan to reduce or minimise GHG emissions

Complaints & Grievances

1.6 Does your company have a Complaints & Grievances Mechanism?

Yes

1.6.1 Is your Complaints & Grievance mechanism in line with the principles of the RSPO's grievance mechanism, which are the elements of fairness, transparency, and impartiality?

Yes

Smallholders

1.7 Does your company support oil palm independent smallholder groups?

Yes

1.7.1 Does this support cover:

- Fair and transparent dealings with Smallholders
- Improved Smallholder livelihoods

1.7.2 How is your company supporting them?

1. Through Action for Sustainable Derivatives (ASD), a collective users and manufacturers of palm derivatives, we are exploring options for positive impact projects for implementation in 2021.

2. Continued purchase of IS-CSPO Credits.

Sustainable Palm Oil Policy

1.8 Does your company have a publicly-available Policy covering the implementation of RSPO Shared Responsibility principles?

Yes

Waste Management

1.9 Does your company have a waste management plan?

Yes

Water Management

1.10 Does your company have a water management plan?

No

Energy Use

1.11 Does your company have an energy use plan covering fossil fuels and renewable energy?

Yes

RSPO Services and Support

1.12 Does your company provide services and support to the RSPO, eg. participation in RSPO Working Groups and Task Forces

Yes

Shared Responsibility Resourcing

1.13 Does your company have a plan to commit resources to ensure effective implementation of RSPO Shared Responsibility principles?

No

Challenges and Support

1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

As a cosmetics and personal care company we rely on multiple kinds of palm derivatives to manufacture our products. The ingredients we buy directly can be complex mixes of palm derivatives and other natural and synthetic materials. The scale and complexity of these supply chains means that many of the palm derivatives we use are not available as CSPO. This is beginning to change, and some of the larger cosmetics ingredients manufacturers have their own time-bound plans to convert most, if not all, of their portfolio to the Mass Balance model. However, there are still numerous smaller companies that manufacture specialist ingredients that do not yet have the capability to convert their portfolios to MB.

As we are a newly created complex business across 4 brands using different supply chain models and data systems, it's been challenging to get visibility of the actual CoC certification and also introduce it at the time of business integration. We're going to work on this implementation in 2021/2022.

In addition to lack of availability of certified palm, derivatives pose a challenge for traceability due to the length and complexity of the supply chains. Furthermore, compared to the food industry, there has been a lower demand for sustainable certified products in personal care and cosmetics companies, so suppliers to that industry are less advanced in their sustainability offering.

To address these challenges we have taken a number of actions. We have implemented a policy for the coding of new materials that requires all new palm-based ingredients to be MB certified as a minimum. In addition, we became founding members of Action for Sustainable Derivatives (ASD), a collective of palm derivative users and manufacturers that works to address the sustainability challenges in the derivatives sector, including traceability and lack of supply. Importantly, we have actively engaged with the RSPO as a member of the Market Development Standing Committee

1.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

Natura &Co has been supporting the development of a smallholder agroforestry project (SAF Dende) in Para state, Brazil, for a number of years. The project has proven successful from an agronomic perspective, and we are currently exploring how to scale this up further and set up an offtake mechanism that will allow the company to source significant volumes of palm for soap manufacturing through this supply route.

In 2019 The Body Shop became founding members of Action for Sustainable Derivatives (ASD), joined by Avon in 2020. For 2021/2022, Aesop and Natura will also join to provide group wide coverage. ASD is a collective of derivative manufacturers and users, with a heavy focus on the beauty industry. ASD supports members to achieve traceability and transparency in their supply chains, monitor and address grievances, and to take collective positive action in important/ high risk regions. More information is provided on their website (<https://www.bsr.org/en/collaboration/groups/action-for-sustainable-derivatives>).

1.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

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