

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 - Processors and/or Traders
- I trade or broker palm oil, palm kernel oil or related products - Processors and/or Traders
- I am a refiner of palm oil or palm kernel oil - Processors and/or Traders
- I am a processor of intermediate (B2B) palm oil, palm kernel oil or related fractions/derivatives - Processors and/or Traders
- I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products - Processors and/or Traders
- I manufacture final consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors - Consumer Goods Manufacturers
- I retail final consumer (B2C) products containing palm oil, palm kernel oil or related products - Retailers
- I operate food retail outlets that use palm oil, palm kernel oil or related products - Retailers
- I am a conservation and environmental NGO supporting the sustainable development of the palm oil industry
- I am a social and human development NGO supporting the sustainable development of the palm oil industry

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

EMEIS HOLDINGS PTY LTD
EMEIS COSMETICS PTY LTD
Natura Cosmetics S.A.
Natura Logistica E Serviços Ltda
Avon Cosmetics Limited
Avon Products, Inc.
The Body Shop International Limited

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)	1.00
Total volume of crude palm kernel oil (tonnes)	0.00
Total volume of palm kernel expeller (tonnes)	0.00
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	44415.00
Total	44416.00

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	80
Palm kernel oil-based derivatives and fractions	20

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.

Countries/Regions	Percentage
Europe	18
North America	0
Malaysia	0
Indonesia	0
China	0
India	0
Latin America	81
Africa	0
Rest of World	1

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	0.00	0.00	0.00	8805.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00	2089.00
Mass Balance (MB)	0.00	0.00	0.00	32397.00
Segregated (SG)	0.00	0.00	0.00	45.00
Identity Preserved (IP)	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	43336.00

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	80
Certified Palm kernel oil-based derivatives and fractions	20

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:

97.57%

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.

We have been sourcing certified palm ingredients and using credits for a number of years. We recently achieved supply RSPO chain certification at key manufacturing sites enabling us to claim a significant increase of certified MB volumes and reduce dependency on credits. However, derivative users such as Natura &Co will be dependent on RSPO Credits for the next few years. Our preference has been to invest in smallholder credits, supporting smallholder certification as well as education and gender equality programmes, community welfare and health. The main challenge we have with regards to credits is limited availability and extremely high cost of PKO credits which has become a longer term issue.

On top of purchasing smallholder credits, since 2008, Natura has been studying palm oil agroforestry systems (known as SAF Dendê) in collaboration with the Tomé-Açu Agricultural Cooperative (CAMTA), the Brazilian Agricultural Research Corporation (Embrapa) and the World Agroforestry Centre (ICRAF). Income diversification is one of the main benefits of the agroforestry system, contributing to economic sustainability. SAF Dende offers a win-win relationship to produce a commodity that is usually linked to socio-environmental conflicts. The project has shown superior palm oil yields (no of bunches per plant and amount of oil per fruit) compared to conventional monoculture production. It also has driven greater biodiversity of microorganisms and higher stock of carbon in the soil. SAF Dendê, with the cultivation of 14 other species, has shown the potential to improve return on investment and increase the well-being of the workers: in the agro-forestry system the average temperature is five degrees lower than in the external environment, ensuring thermal comfort. Natura &Co is investigating opportunity for expansion of this diverse production model and the construction of a business model for sustainable palm oil production to allow scaling these promising results up.

2.6 Please estimate the regional sales volume distribution of your company's RSPO certified palm oil, palm kernel oil and related products (as declared in Question 2.4) in the following countries/regions:

Countries/Regions	Percentage
Europe	21
North America	0
Malaysia	0
Indonesia	0
China	0
India	0
Latin America	78
Africa	0
Rest of World	1

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 only 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 only 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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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

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)

- Participation in RSPO Working Group or Task Forces
- Support Independent Smallholders (ISH)
- Contribute to the RSPO Smallholder Trainer Academy
- Financial contribution to the RSPO Smallholder Support Fund
- Direct investments in Smallholder Certification projects
- Involvement/direct investments in Jurisdictional/Landscape approach
- Direct/collective investments in conservation and restoration initiatives
- Financial contribution to support members with Remediation and Compensation (RaCP) process, direct/collective investments in conservation and restoration initiatives
- Allocating FTE to promote the production or consumption of certified sustainable oil palm products
- Specific policies and action plans by the member to promote CSPO production or consumption in the upstream or downstream supply chain, including target dates or broader policies that include such efforts
- No activities planned
- Others

Other

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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 (SR) requirements will be done through ACOP and MyRSPO. As the process of verification of the reports is in development, the Shared Responsibility section in ACOP may change in future ACOP cycles. Evidence to show compliance to the SR requirements shall be uploaded via your membership profile in MyRSPO. Please login to your MyRSPO account and upload the relevant policies, plans and relevant reports there. If you do not have a policy or your policy does not cover all items, you will be required to provide a Declaration of Support for the relevant policy items in your MyRSPO profile. Additional information on the required policies and plans applicable to all sectors as well as the annual uptake targets for supply chain actors can be found on <https://rspo.org/members/shared-responsibility> or email the Shared Responsibility team at sharedresponsibility@rspo.org.

Information & Public Availability

1.1 Does your company have organisational management documents publicly-available?

Yes

Ethical Conduct & Human Rights

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

No

Legal Compliance

1.3 Does your company comply with all applicable legal requirements?

Yes

1.4 Does your company require its third party contractors to comply with legal requirements, i.e. including a clause on legal compliance in the contracts?

Yes

Complaints & Grievances

1.5 Does your company have a Grievance Mechanism that is accessible to all affected parties?

Yes

1.5.1 Is your Grievance mechanism in line with the principles of the RSPO's Complaints System?

Yes

Land Use & FPIC**1.6 Does your company have a publicly-available policy covering Commitment to respect Free Prior and Informed Consent (FPIC) in the Palm Oil Supply chain?**No

Smallholders**1.7 Does your company support oil palm smallholders (groups)?**Yes

1.7.1 Does your company report on the actions to support the inclusion of smallholders?Yes

Labour & Labour Rights**1.8 Does your company have a publicly-available policy covering Labour & Labour Rights?**Yes

1.8.1 Does the policy cover:

- No discrimination and equal opportunities
- Pay and working conditions at least at legal or industry minimum standards and are sufficient to provide decent living wages (DLW)
- Freedom of association and Collective bargaining
- Protection of children, as well as the workforce of suppliers and third-party contractors
- Prevention of all forms of harassment, including sexual harassment
- No forced or trafficked labour

Occupational Health & Safety**1.9 Does your company have a publicly-available Policy covering Occupational Health & Safety?**Yes

1.9.1 Does your company have a Standard Operating Procedure (SOP) for Occupational Health & Safety?Yes

Waste Management

1.10a Does your company have a waste management plan that includes reduction, recycling, reusing and disposal based on the hazardous characteristics?

Yes

1.10a.1 Is this plan implemented?

Yes

Water Management

1.11 Does your company have a water management plan to promote efficient use and continued availability of water sources?

Yes

1.11.1 Is this plan implemented?

Yes

Energy Use

1.12 Does your company have an energy use plan to improve the efficiency of the fossil fuels used and to optimise renewable energy?

Yes

1.12.1 Are there records of implementation of the plan ie. monitoring and reporting?

Yes

Climate Change & Greenhouse Gas (GHG)

1.13 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG) including identification and assessment of GHG emissions and implementation of a plan to reduce or minimise them?

Yes

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 noted, we continue to rely on RSPO credits in such situations, but there are additional challenges with availability and pricing of RSPO PKO credits.

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. Implementation of RSPO Supply Chain standard within such a complex environment (thousands of palm oil derivatives sourced in low volumes from hundreds of suppliers) poses significant challenges. 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. Finally, there remain challenges with human rights violations and deforestation in palm oil supply chains, as well as legal and reputational risk associated with these issues and with the RSPO system's ability to provide adequate due diligence. 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 and Oleo Task Force. We remain committed to working as part of the RSPO system to address the human rights, deforestation and reputational risks associated with palm supply chains, as well as with other partners where needed.

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?

- Communication and/or engagement to transform the negative perception of palm oil
- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Engagement with peers and clients
- Promotion of CSPO through off product claims
- 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

Following The Body Shop becoming one of the founding members of Action for Sustainable Derivatives (ASD) in 2019, and Avon joining in 2020, Natura &Co obtained group membership, covering all four brands. 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, as well as monitor and address grievances. We are also engaged in ASD programmes of collective positive action in important/ high risk regions:

- ASD Impact Fund - together with 5 other ASD members, we plan to fund projects that will generate positive environmental and social impact in the region where they source palm oil derivatives. The Fund has officially begun supporting the Inobu-led Mosaik Initiative, which is focused on finding ways to sustainably restore the landscape and drive economic growth in two of the largest palm producing districts in Central Kalimantan, Indonesia – Seruyan and Kotawaringin Barat. Contributing ASD members source on average 8% of their palm derivatives from Central Kalimantan. With the help of Inobu, the two districts, which cover an area the size of 5.7 million football pitches, are developing ways to restore forest ecosystems while protecting the remaining forests. Among other activities, the project will: create a jurisdictional farmers association for agroforestry products to increase their value and encourage local communities to protect and restore natural forests in their villages; provide upfront financing and technical support for smallholders' sustainable farming practices and RSPO certification; and

establish programs to ensure all palm oil production is aligned with sustainability principles and criteria

- HERRespect project - together with 5 other members of ASD, we are committed to funding HERRespect pilot in palm oil industry in Indonesia, to tackle gender based violence against women by addressing the root causes of violence in the workplace. HERRespect training curriculum promotes critical reflections on gender norms, builds skills to prevent and address violence, and facilitates joint sessions between workers and management. The program works to strengthen workplace policies and processes and improve linkages to community and local initiatives.

More information on ASD and its initiatives is provided on the 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

<https://api.mziq.com/mzfilemanager/v2/d/67c3b7d4-64ea-4c2f-b380-6596a2ac2fbf/17992136-621d-3a69-21f3-ccae6b6e4751?origin=2>
