



## DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

**This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.**

## DISCLOSURE QUESTIONNAIRE

Company Name: The Body Shop - ALL MARKETS  
 Date Submitted: Sept 2019

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		√
Biodiversity Impacts	√	
Chemicals		√
Company Explanation Of Disclosure Item Flags		√
Disclosure Alcohol		√
Disclosure Firearms Weapons		√
Disclosure Mining		√
Disclosure Pornography		√
Disclosure Tobacco		√
Energy and Emissions Intensive Industries		√
Fossil fuels		√
Gambling		√
Genetically Modified Organisms		√
Illegal Products or Subject to Phase Out		√
Industries at Risk of Human Rights Violations		√
Monoculture Agriculture		√
Nuclear Power or Hazardous Materials		√
Payday, Short Term, or High Interest Lending		√
Water Intensive Industries		√
Other		√

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		√
Child or Forced Labor		√
Negative Environmental Impact		√
Negative Social Impact		√
Other		√
<b>Other Disclosures</b>		
		√

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		√
Breaches of Confidential Information		√
Bribery, Fraud, or Corruption		√
Company Explanation Of Disclosure Item Flags		√
Company has filed for bankruptcy		√
Consumer Protection		√
Financial Reporting, Taxes, Investments, or Loans		√
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		√
Labor Issues		√
Large Scale Land Conversion, Acquisition, or Relocation		√
Litigation or Arbitration		√
On-Site Fatality		√
Penalties Assessed For Environmental Issues		√
Political Contributions or International Affairs		√
Recalls		√
Significant Layoffs		√
Violation of Indigenous Peoples Rights		√
Other		√

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		√
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		√
Company Explanation Of Disclosure Item Flags		√
Company prohibits freedom of association/collective bargaining		√
Company workers are prisoners		√
Conduct Business in Conflict Zones		√
Confirmation of Right to Work		√
Does not transparently report corporate financials to government		√
Employs Individuals on Zero-Hour Contracts		√
Facilities located in sensitive ecosystems		√
ID Cards Withheld or Penalties for Resignation		√
No formal Registration Under Domestic Regulations		√
No signed employment contracts for all workers		√
Overtime For Hourly Workers Is Compulsory		√
Payslips not provided to show wage calculation and deductions		√
Sale of Data		√
Tax Reduction Through Corporate Shells		√
Workers cannot leave site during non-working hours		√
Workers not Provided Clean Drinking Water or Toilets		√
Workers paid below minimum wage		√
Workers Under Bond		√
Other		√



## B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: The Body shop - ALL MARKETS

UPDATED AS OF: 08/05/2019

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Disclosure Industries
<b>TOPIC</b>	Wildlife regulated under CITES
<b>SUMMARY OF ISSUE</b>	<p>The Body Shop uses two species listed as part of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in its products:</p> <ol style="list-style-type: none"> <li>1) Euphorbia antisyphilitica</li> <li>2) Cereus grandiflorus</li> </ol> <p>The Body Shop only uses farmed Panax ginseng that does not originate from the Russian Federation, and is therefore excluded from CITES. TBS only uses the fruit extract of propagated Vanilla planifolia, which is therefore also exempt.</p>
<b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b>	<p>These two species feature in products accounting for the following amount of revenue (revenue per product that contain the species):</p> <ol style="list-style-type: none"> <li>1) Euphorbia antisyphilitica (1.86%)</li> <li>2) Cereus grandiflorus (0.7%)</li> </ol>
<b>IMPACT ON STAKEHOLDERS</b>	<p>The Body Shop sources these ingredients from suppliers that are properly licensed to extract, handle and process these ingredients.</p> <p>CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) is an international agreement between governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival.</p>
<b>IMPLEMENTED MGT PRACTICES</b>	<p>The Body Shop has a process that governs how new Trade Name Raw Materials (TNRM) enter into use within the business. Requests are made by Research and Innovation (R&amp;I), and pass through an interdepartmental coding system formed by Technical Compliance and Ethical Trade and Sustainable Sourcing. Technical Compliance make initial checks on legal and regulatory information, which includes whether a CITES listed species is used. Ethical Trade &amp; Sustainable Sourcing then follow up with requests for relevant CITES documentation (import permits, proof of exemption etc.), and conduct checks against other sustainability criteria. We then approve or reject new TNRMs on the basis of the outcome of this process.</p>
<b>REPORT</b>	<a href="https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2017:027:FULL&amp;from=EN">https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2017:027:FULL&amp;from=EN</a>

DISCLOSURE QUESTIONNAIRE

Company Name: The Body Shop - Brazil  
 Date Submitted: Sept 2019

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts		✓
Chemicals		✓
Company Explanation Of Disclosure Item Flags		✓
Disclosure Alcohol		✓
Disclosure Firearms Weapons		✓
Disclosure Mining		✓
Disclosure Pornography		✓
Disclosure Tobacco		✓
Energy and Emissions Intensive Industries		✓
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations		✓
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials		✓
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Other		✓

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		✓
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other		✓
<b>Other Disclosures</b>		
		✓

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		✓
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans	✓	
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration		✓
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other		✓

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells		✓
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other		✓

Certified



Corporation

## B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: The Body Shop - Brazil

UPDATED AS OF: 08/05/2019

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Disclosure Penalties
<b>TOPIC</b>	Penalties assessed pertaining to company taxes
<b>SUMMARY OF ISSUE</b>	In 2017, a tax inspection by the government revealed that several product SKUs had be misclassified and that The Body Shop had paid lower than necessary tax. For context, in Brazil different products categories have different tax rates. The misclassification occurred prior to acquisition of The Body Shop by Natura Cosméticos in September 2017.
<b>SIZE/SCOPE OF ISSUE</b>	The company paid the back tax and a fine amounting to 8.5% of the revenue of The Body Shop Brazil.
<b>IMPACT ON STAKEHOLDERS</b>	The government did not receive the tax amount owed but the situation has since been rectified.
<b>IMPLEMENTED MGT PRACTICES</b>	The Body Shop has reclassified all products and recalculated the tax from 2014 to present to know how much they will need to pay if another inspection was to occur. TBS is now working closely with parent company Natura & Co's (headquartered in Brazil) in-house tax department to declare this to the authorities before the likely future inspection would reveal this.

DISCLOSURE QUESTIONNAIRE

Company Name: The Body Shop - Mexico  
 Date Submitted: Sept 2019

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		√
Biodiversity Impacts		√
Chemicals		√
Company Explanation Of Disclosure Item Flags		√
Disclosure Alcohol		√
Disclosure Firearms Weapons		√
Disclosure Mining		√
Disclosure Pornography		√
Disclosure Tobacco		√
Energy and Emissions Intensive Industries		√
Fossil fuels		√
Gambling		√
Genetically Modified Organisms		√
Illegal Products or Subject to Phase Out		√
Industries at Risk of Human Rights Violations		√
Monoculture Agriculture		√
Nuclear Power or Hazardous Materials		√
Payday, Short Term, or High Interest Lending		√
Water Intensive Industries		√
Other		√

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		√
Child or Forced Labor		√
Negative Environmental Impact		√
Negative Social Impact		√
Other		√
<b>Other Disclosures</b>		
		√

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		√
Breaches of Confidential Information		√
Bribery, Fraud, or Corruption		√
Company Explanation Of Disclosure Item Flags		√
Company has filed for bankruptcy		√
Consumer Protection		√
Financial Reporting, Taxes, Investments, or Loans	√	
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		√
Labor Issues		√
Large Scale Land Conversion, Acquisition, or Relocation		√
Litigation or Arbitration		√
On-Site Fatality		√
Penalties Assessed For Environmental Issues		√
Political Contributions or International Affairs		√
Recalls		√
Significant Layoffs		√
Violation of Indigenous Peoples Rights		√
Other		√

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		√
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		√
Company Explanation Of Disclosure Item Flags		√
Company prohibits freedom of association/collective bargaining		√
Company workers are prisoners		√
Conduct Business in Conflict Zones		√
Confirmation of Right to Work		√
Does not transparently report corporate financials to government		√
Employs Individuals on Zero-Hour Contracts		√
Facilities located in sensitive ecosystems		√
ID Cards Withheld or Penalties for Resignation		√
No formal Registration Under Domestic Regulations		√
No signed employment contracts for all workers		√
Overtime For Hourly Workers Is Compulsory		√
Payslips not provided to show wage calculation and deductions		√
Sale of Data		√
Tax Reduction Through Corporate Shells		√
Workers cannot leave site during non-working hours		√
Workers not Provided Clean Drinking Water or Toilets		√
Workers paid below minimum wage		√
Workers Under Bond		√
Other		√



## B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: The Body Shop - Mexico

UPDATED AS OF: 08/05/2019

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Disclosure Penalties
<b>TOPIC</b>	Penalties assessed pertaining to company taxes
<b>SUMMARY OF ISSUE</b>	In 2015, and prior to acquisition by Natura Cosméticos, the Mexican government brought a case against The Body Shop Mexico, alleging the underpayment of taxes for fiscal year 2011. The fine is being appealed and resolution is expected in 2020.
<b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b>	A tax fine equating to 40% of the annual revenue of The Body Shop Mexico was levied against the company. The fine is being appealed.
<b>IMPACT ON STAKEHOLDERS</b>	The government did not receive tax amount it alleges is owed.
<b>IMPLEMENTED MGT PRACTICES</b>	The tax issue arose from the P&L being translated incorrectly by an external firm from English to Spanish and this led to certain line items appearing in incorrect areas of the P&L. The Body Shop is working on re-viewing annual financials of past years to see if similar problems could arise. The company is exercising more control over financial management by working more closely with external auditors. Since the issue arose, The Body Shop has redefined all line items including instructions and descriptions in the P&L to avoid confusion when conducting financial reporting in a bilingual market (English and Spanish language). The company is also considering contracting accounting companies specializing in each language to avoid any mistakes in financial reporting, tax categorization and language terminology.