BEAUTY IS OUR BUSINESS
OUR BEAUTY IS multiplied by SIX

We also care for what is naturally beautiful:

FUNDAÇÃO GRUPO BOTICÁRIO
DE PROTEÇÃO A NATUREZA

instituto grupo boticário
BEAUTY MADE IN
São José dos Pinhais (iResearch Center)
Camaçari

DISTRIBUTION CENTERS
Registro
São Gonçalo dos Campos
Serra

OFFICES
Curitiba
São Paulo

4,000 retail stores
1,750 cities

Brazil
How can we overcome the change management challenges in adopting new procurement technologies?

Technology + Sustainability

OPERATIONS 4.0
HOW IT USED TO BE

90% of purchases were made with no code or with a generic code

~40% of Supply area spending not centralized

Area with a strong operational bias

Request officers were not properly trained

Processes were performed manually.

+15 different flows for indirect purchases
OUR JOURNEY
TOWARD DIGITAL TRANSFORMATION

2015
- Project Supply Efficiency
  - optimizing technology resources

2016
- Impulsion Project
  - Implementing the first modules of ARIBA SAP

2017
- Adopted ARIBA
  - Improving the level of adoption, expanding use to Direct Area

2018
- Expanded digital services for requests and suppliers, focusing on streamlining.

EFFICIENCY
IMPULSE
FULL POTENTIAL
COSMOS
EXPECTED BENEFITS

- **Automation** of the purchasing process at every step (request, quote, document exchange with supplier and approvals)
- **Autonomy** for requesting areas in the purchasing process
- **Streamlining** purchasing requests with the Ariba platform, providing a single access portal for purchasing
- **Visibility (tracking)** of the macro steps of the process
- **Traceability** of information – compliance
How to prepare a business for a society in constant evolution?
HOW ABOUT OIL, WATER, POWER,

how much will they cost

IN 5, 10, 20 YEARS?
Porcentage of new Brazilian Consumers in line with digital purchasers

- **96%** want companies to work for more than profit, with social and environmental responsibility
- **91%** would recommend products by responsible companies
- **94%** would work for responsible companies (even if paid less)
- **96%** would change to brands that are active in a specific cause

Source: Global CSR Study, Cone Communications and Ebiquity, 2015
society has changed and **sustainability** is now an agenda...
THAT'S WHY WE SEEK...

protects value

- Nice Environment
- Reputation
- Operating License
- Portfolio
- Wide Chain

generates value

- Innovation
- Performance
- Access to Capital
- Market Value
- Consumer Loyalty
Supply Goals

To ensure the best cost benefit when contracting products and services, focusing on quality, safety and efficiency for the Group, ensuring compliance and sustainability in processes.
ACTION FOCUSES THAT PERMEATE THE ENTIRE BUSINESS AND THE VALUE CHAIN

Product Life Cycle
from design to disposal, from strategy to operation

Reverse Logistics
developing cooperatives and consumer engagement

Retail Stores
building, operating and demobilizing stores and service centers

Eco-efficiency
fewer resources, and greater efficiency in production, distribution and supply chain
OUR AMBITION TRANSLATED TO GOALS

2BI
Spending on Sustainable Practices

100%
Eco-efficient strategic suppliers

1%
Spent on Diversity

Being recognized and also recognizing suppliers...
Why do we prioritize **Eco-efficiency**?

Is the **sum** of internal results + partner operations?

We want to reach **EVERY** strategic supplier.

**DIGITAL & AUTOMATED** Portal + Tablet

**TODAY**
- 40% of our DIR strategic suppliers are partners

**GOAL**
- and our actions will consolidate **100%** of strategic suppliers by 2020

**SCOPE**
- Differentiating suppliers in **water**, power, waste, and CO2
Greater water reusing

Greater recycling rate

Automated Controls for operations 4.0

Greater GGE decrease

More clean and renewable power
We increased supplier ranking by **33%**

We engaged **88%** of suppliers

We had **4.7k** online transmission views

We reached **17k** people through social media
We will continue to strengthen good references to develop the market.

We have a portfolio of environmental and social enhancements in formulation and/or packaging.
Innovative and *more sustainable* products

- 1st O Boticário line to use **post consumer** recycled PET flasks.

- Flasks are produced with **10%** recycled plastic.

- Reduced environmental impact
Innovative and *more sustainable* products

- **Reusing** transportation crates for new Floratta flasks.
- Less waste generated in transportation.
- Savings of **63 metric tonnes** of cardboard/year = 800 trees uncut
Our desire is to go further and build more cases...

for together we will undertake to make a difference
Thank you!