

# Certification System

## Natura & UEBT

Update Nov/16



# Natura



**Natura** is a Brazilian  
Cosmetics multinational  
that innovates based  
on elements of  
biodiversity, driven by  
relationship selling.

## Our Mission

"We are Natura.  
Inspired by **Our Essence**  
and our proximity with **nature,**  
**science and technology,**  
we propose to expand and mobilize  
our **Relationship Network,**  
in pursuit of  
creative solutions  
that promote a life of  
**beauty, pleasure and**  
**sustainability, all at once."**



# Natura – Our Numbers



## About Natura

- Around **1.33 million Natura Consultants** in Brazil.
- Around **550,000 Natura Consultants** in the International Operations.
- Around **4,800 employees** in Brazil, **1,400** in the International Operations and **1,100** in Aesop.
- **B Corp** certification, commitment to economic growth allied with promoting social and environmental well-being.
- **UEBT Member**
- Listed on the **NYSE Dow Jones Sustainability Index** since 2014.



# Natura & Aesop in the world



\*Includes Natura Consultants and Natura Consultant Advisors (NCAs)

# Sustainability Vision for 2050



## 2050 Sustainability Vision

- Transform Natura into a company that generates a **positive impact** in three spheres: economic, environmental and social, rupturing the current paradigm of merely reducing and mitigating impacts.
- It comprises strategic directives for 2050 and ambitions and commitments for 2020.
- **three interdependent pillars:**
  - Brands and Products;
  - Our Network;
  - Management & Organization.

# SUPLIER COMMUNITIES

30 communities  
2.251 families

## Raw material supply

R\$ 3,6 million in 2015

## Distribution of benefits

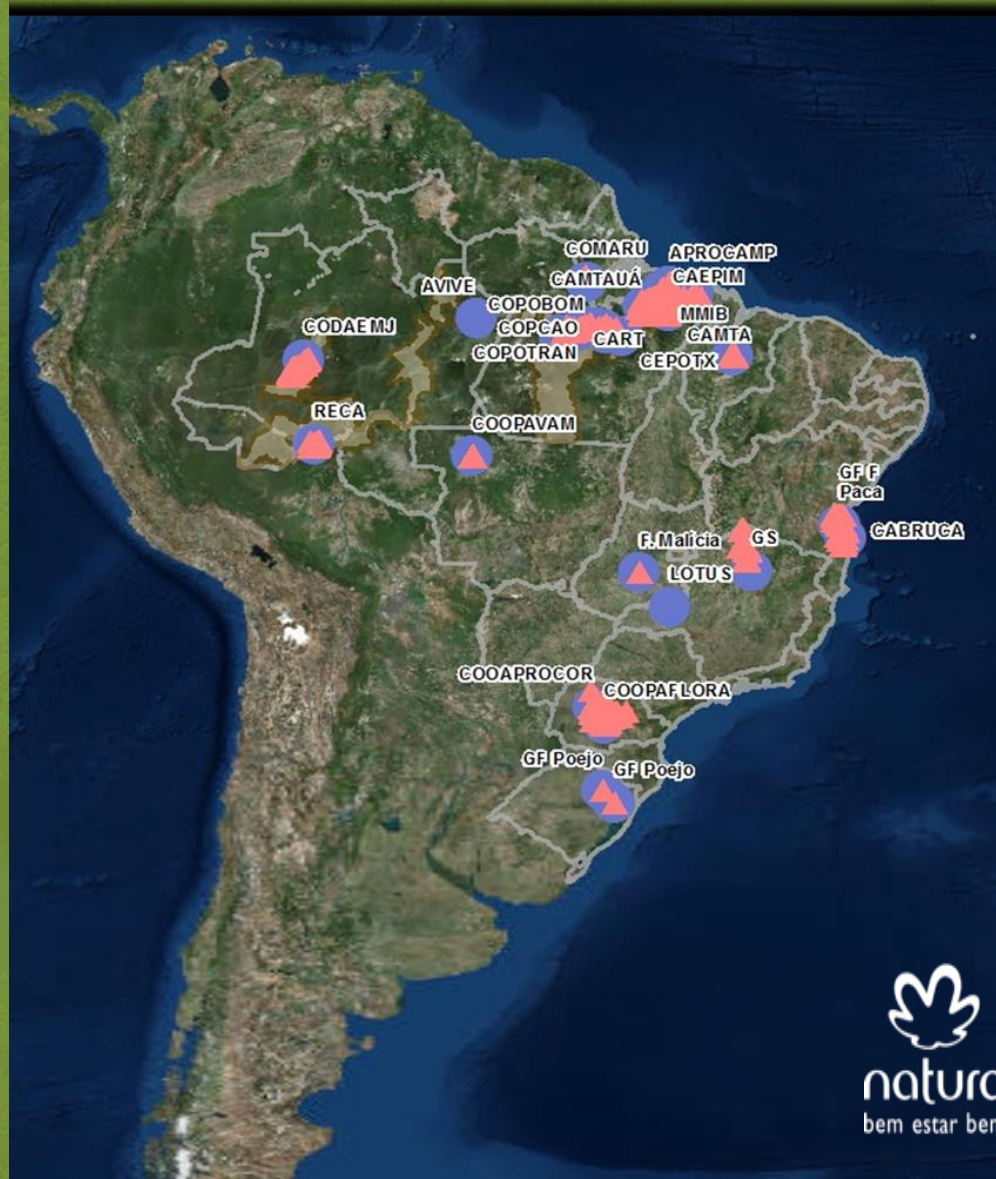
80 agreements with communities

R\$2,4 million in 2015

R\$28 million since 2003

## Local Development

R\$ 18 million invested in 2015 in Funds, support, & management plan, training & studies, consultancy and running Ecoparque





# Cocoa Film – Trans Amazonian Area





# What motivated Natura to develop a system certified by UEBT



- What have led us to develop a Certification System in partnership with UEBT?
  - Lack of traceability and good production practices within the communities Natura was dealing with;
  - Difficulties to monitor all certification system in every community;
  - The use of many different certification system (FSC, Organic, Fairtrade, etc) once each one were very specific and couldn't bring us a far reaching vision and traceability. Moreover, the costs and complexity involved in it.
  - The partnership with UEBT has been seen as an opportunity to accomplish with an robust audit and verification system in which, Natura could also enhance the Principles of Biotrade commerce;

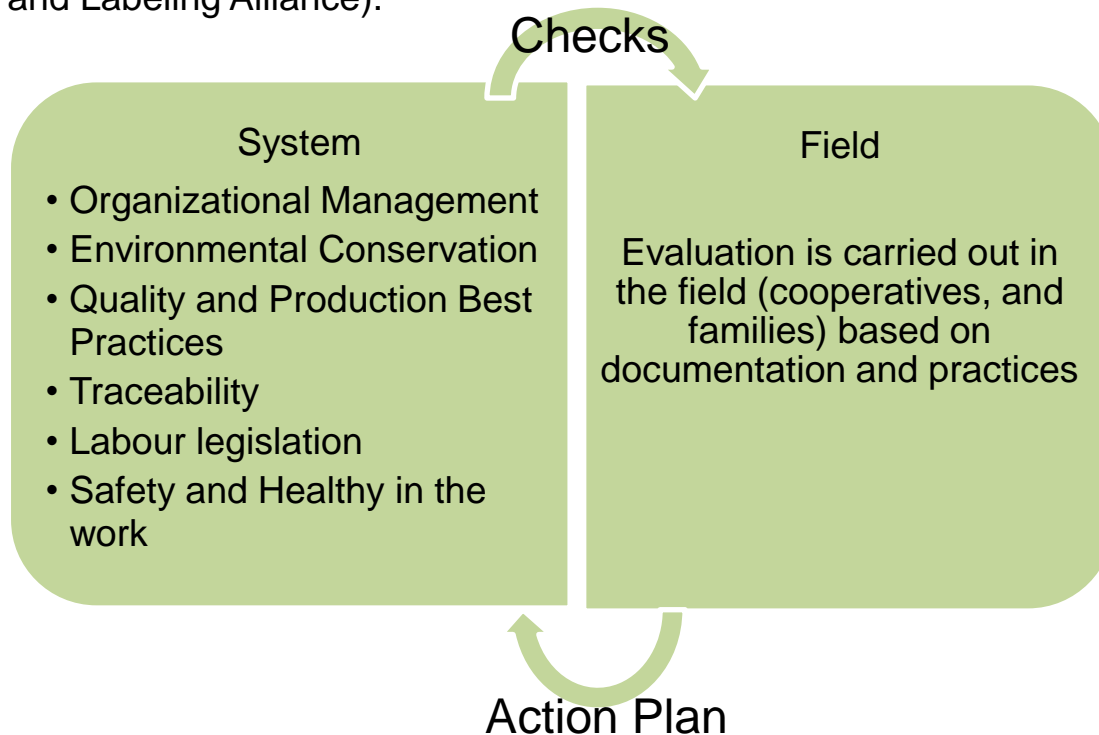




# Requirements of the system

Monitor and develop the whole supply chain considering the communities and families involved in it, having as a foundation the ethical biotrade, which has as reference:

- Ethical Biotrade Standard (STD01 – Ethical BioTrade Standard version 2012-04-11) and;
- Good Production Practices based on ISEAL Alliance (International Social and Environmental Accreditation and Labeling Alliance).





How it Works?



## Context



- The Natura + UEBT Certification Model is a system that reinforces our compromise with the bioethical commerce thus guaranteeing information integrity
- All cooperatives and families are monitored by Arcgis (ESRI GPS system) being possible to have a link between this system and SAP, in which control the participation of each family in the total received. This system enables the control payments and benefit sharing for each family.
- The Arcgis also help us the control of cropping and housing area to be in accordance with the environmental Brazilian policies.
- In near future, Natura will evolve to build key indicators to monitor the environmental such as plant cover, soil usage, etc...

## 2nd party Audit (Inatura)

Natura KPI's



UEBT Member  
Natura

Natura Internal System  
(SCI)



## 3rd party Audit (external)

SCI Verification

Frequency: Annual

Organization Check

• Annually

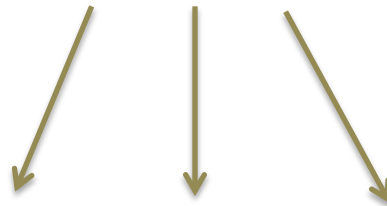
Field Check

• sampling (min square root+1)

### Natura Checklist Requirements

Natura Supplier's

Cooperatives and families



Supplier  
1

Families

Cooperat  
ives

Verificadores do Checklist da Natura

Organization Check

• Based in sampling rules

Field Check

• Sampling (min square root +1)



# Results

## For the COMMUNITIES

- Social Organization and awareness and leadership
- Self Esteem leverage and ownership feeling
- Tools to monitor, evaluate and management of their “business”
- Local value added Improvement
- Social, economics and environmental Development in their communities

## For NATURA

- Brand Value
- Vegetal raw materials traceability
- Mitigate risks for **Natura’s** image
- Improved supply security for this raw materials
- Direct contact with people from the communities (relationship management)

- **Transparency and trustable relationship between Natura and families;**
  - Working plan develop together
  - **Colective commitment to the results**
    - **14 verified communities**
  - **40 ingredients certified by UEBT & Natura**



**Thank you**