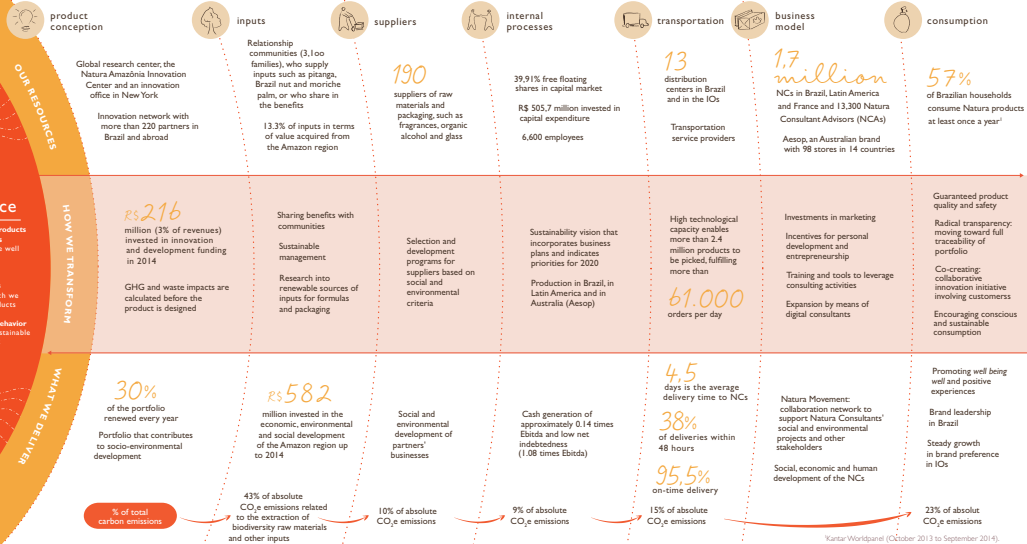


## HOW WE DO IT Business Model

Guided by our essence, we strive to develop products and concepts that add value for all stakeholders throughout our chain



Environmental			
<b>Solid Waste</b>			
	2012	2013	2014
% of recycled post-consumer material	1.6	1.4	1.2
% of product recyclability <sup>1</sup>	84	56	58
% eco-efficient packaging <sup>2</sup>	14	22	29
<b>Water</b>			
	2012	2013	2014
Water consumption (l/unit prod.)	0.40	0.40	0.45
<b>Carbon</b>			
	2012	2013	2014
Relative GHG emissions (kgCO <sub>2</sub> e/kg product invoiced) <sup>3</sup>	3.21	2.93	3
Absolute GHG emissions ('000 t) <sup>3</sup>	299	328	332
<b>Economic</b>			
<b>Economic indicators (R\$ MM)</b>			
	2012	2013	2014
Consolidated net revenue	6,345.7	7,010.3	7,406.4
Consolidated Ebitda	1,511.9	1,609.0	1,554.5
Consolidated net income	874.4	842.6	732.8
Internal cash generation	1,018.9	1,023.9	922.6
Average daily stock trading volume	54.3	61.1	47.8
% of revenue from IOs (%)	11.6	16.1*	19.2*

Distribution of wealth (R\$ millions)			
	2012	2013	2014
Shareholders <sup>1</sup>	846	854	702
Consultants <sup>2</sup>	3,671	4,107	4,152
Employees	803	917	1,010
Suppliers	4,837	5,425	5,989
Government <sup>3</sup>	1,743	1,804	1,721
<b>Social</b>			
<b>Quality of relationships</b>			
	2012	2013	2014
Climate survey – Favorability among employees (Brazil and IOs) <sup>4</sup>	72	78	75
Supplier loyalty (Brazil and IOs) <sup>5</sup>	24	31	26
NC loyalty Brazil <sup>6</sup>	24	23	27.5
NCA loyalty Brazil <sup>7</sup>	40	38	30
Consumer loyalty Brazil <sup>8</sup>	51	52	64
NC loyalty IOs <sup>9</sup>	38	38	39
NCA loyalty IOs <sup>9</sup>	49	47	45
Consumer loyalty IOs <sup>9</sup>	49	54	64

<sup>1</sup>In 2014, the indicator began to incorporate additional aspects and the figure for 2013 was recalculated to ensure comparability. <sup>2</sup>The indicator was redefined in 2014.

Other indicators			
	2012	2013	2014
Number of NCs ('000s)	1,573	1,657	1,743
Overall rating in brand image survey in Brazil (%) <sup>10</sup>	79	78	74
Amount raised by Believing is Seeing Brazil (Education) – (R\$ million)	128	171	188
Amount raised by Believing is Seeing IOs (Education) – (R\$ million)	45	48	67
Accumulated business in the Amazon region (R\$ million) <sup>11</sup>	122	385	582

to incorporate packaging with a reduction in weight of at least 50% in comparison with regular/similar packaging; or composed of 50% potentially marketable recycled materials and/or renewable non-cellulosic materials that do not increase mass.  
<sup>10</sup>Changes were made to the GHG inventory emission factor figures for 2012 and 2013 were recalculated to ensure comparability. <sup>11</sup>Takes Aesop into account.  
<sup>12</sup>Reported figures correspond to dividends and interest on equity effectively paid to shareholders, i.e., cash basis of accounting. <sup>13</sup>En 2014, due to advances in Latin American operations, we adjusted our estimate of NC margins. Previous amounts were recalled to ensure comparability. <sup>14</sup>The item Government represents the taxes levied on Natura's activities and those of the NCs, that is, the total load of direct and indirect taxes, subtracted from the taxes levied in previous stages in the chain, represented under the item Suppliers. <sup>15</sup>Climate survey – Hay Group. <sup>16</sup>Loyalty survey – Instituto Ipsos. <sup>17</sup>Brand Essence Survey – Ipsos Institute. <sup>18</sup>Base year: 2010.



## PERFORMANCE

### Generating shared value

Consolidated net revenue for Brazil and the international operations increased by 5.7% compared with 2013

**IN 2014**, Natura's net revenue in Brazil reached R\$ 6 billion, up 1.9% on the previous year. During the year, the International Operations accounted for 19.2% of consolidated revenue, against 16.1% in 2013. The figures include the Australian brand Aesop and the operation in France. Local production in Latin America exceeded 16 million units, against 10.3 million in 2013.

Consolidated net revenue for Brazil and the IOs grew 5.7% in 2014, totaling \$ 7.4 billion. Ebitda was R\$ 1.6 billion with net income of R\$ 732.8 million, a reduction of 13% compared with 2013.

Wealth distributed to Natura stakeholders totaled R\$ 13.6 billion. The total for the supplier communities was R\$ 8.9 million, compared with R\$ 11.2 million in 2013.

The reduction is explained by the use of inputs held in stock over recent years. From January to October 2014, the Brazilian Cosmetics, Fragrances and Toiletries (CFT) market grew 14%, according to the industry associations Sipatesp/Abipec, particularly worthy of note being the soap, hair and deodorant segments in toiletries.

According to Euromonitor data, Natura's market share in Brazil suffered a 1 p.p. retraction in 2014. In the Latin American operation, in addition to increased profitability, Natura showed the highest growth in market share during the year. In Chile, Argentina and Peru, Natura already figures among the preferred brands.

