

SUSTAINABILITY VISION

Think positive impact

The new sustainability vision combines strategic directives for 2050 and ambitions to be achieved by 2020

LAUNCHED IN 2014, the new sustainability vision is fully aligned with business strategy and is intended to transform Natura into a company that generates positive impacts in every dimension of its activities. What this means is that its operations should improve the environment and society, rupturing the current paradigm whereby impacts are merely reduced and mitigated.

The new vision consists of a set of strategic guidelines to build this positive impact for all the company's businesses by 2050, in addition to the targets Natura is committed to achieving by 2020. "The vision clearly indicates the path we want to follow. More than ever, this strategy will guide not only product innovation, but also innovation in all our work processes",

Networks vice president João Paulo Ferreira underscores.

The targets are organized in three interdependent pillars (Brands and Products; Our Network; and Management and Organization), the integrated management of which will be incorporated into organizational culture.

To further enhance the sustainability vision, in 2014 Natura also reviewed its materiality matrix. After consulting stakeholders in Brazil and in the International Operations, cross referencing perceptions with the 2020 ambitions and validation by senior leadership, Natura identified five new priority topics that will help guide company management and its interactions with key stakeholders and society.

Priority topics

1. Solid waste: development of packaging that provokes lower environmental impact and promotes conscious consumption.

2. Climate change: reduction of greenhouse gas emissions throughout the value chain, as well as neutralization through projects that generate social benefits.

3. Valuing social biodiversity: promoting sustainable business through the use of products and services coming mainly from the Pan-Amazon region.

4. Water¹: relative reduction in consumption and pollution of water

throughout the value chain and neutralization of impact on water sources.

5. Transparency and origin of products: increased visibility of Natura business practices and origins of its products

6. Education²: developing the consultant network, employees, and public education.

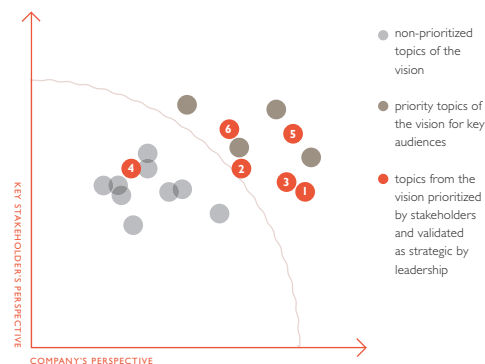
¹Included due to the water crisis affecting Southeastern Brazil, where Natura's main operation is located; it reflects the business's high dependence on water and the fact that it is one of its major impacts. ²In the stakeholder consultation process, the topic was focused on developing education for NCS. Action fronts within the topic were educational measures for employees and support for improvements in public education.

Pilars from the Sustainability Vision 2050



PENSE IMPACTO
visão de sustentabilidade 2050

Natura's Materiality Matrix



Sustainability performance

Brands and products

Dimension	2020 ambitions and commitments	2014 Performance	Status*
Packaging	Use at least 10% post-consumer recycled material in the total mass of Natura packaging in Brazil	Natura used 1.2% post-consumer recycled material in the total mass of Natura packaging in Brazil	 Completion 2014: -2,3%

Climate change	Reduce relative greenhouse gas emissions for Natura brand by 33% (scopes 1, 2 and 3)	Natura's relative greenhouse gas emissions increased by 2.2% in 2014. Against base-year 2012, the accumulated reduction is 6.7%	 Completion 2014: 21%
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Social biodiversity	Achieve a business volume of R\$ 1 billion in the Pan-Amazon region	Business volume of R\$ 197 million in 2014. In the region, total accumulated business volume from the base year 2010 is R\$ 562.1 million	 Completion 2014: 54%
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Solid waste	Collect and recycle 50% of the solid waste generated by Natura product packaging in Brazil (in t equivalent)	Configuration of Integrated Management Project, the pilot of which will be initiated in the second half of 2015. Natura has been discussing this issue with organizations and companies to link the entire reverse logistics chain efficiently and fairly	 At planning stage
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Water	For the Natura brand in Brazil, implement a strategy to reduce consumption and neutralize impact based on measurement of water footprint throughout the value chain	The study of Natura's water footprint began in 2014 and will be concluded in 2015. In addition to taking into account the extended chain, the methodology measures levels of biodegradability and ecotoxicity, that is, the effects products may cause on living organisms when they are discharged into the environment	 Not initiated
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Supply chains	By 2015, ensure the traceability of 100% of the inputs produced by the direct manufacturers (last link) and, by 2020, implement a traceability program for the remaining links in the Natura brand value chain	Natura developed and implemented the Natura Biodiversity Input Supply Chain Verification System, aimed at monitoring and developing these chains. The development of the strategy for tracing remaining inputs will be initiated in 2015	 At planning stage
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Our Network

Dimension	2020 ambitions and commitments	2014 Performance	Status*
Consultants	Encourage interest in continuous learning and provide an extensive educational offer that meets their needs	Natura enhanced its educational offerings for NCS, both online and in the classroom. In partnership with a specialized organization, a pilot project involving 15 thousand NCS offered vocational courses with mixed online and classroom delivery; 200 courses from the Escola Digital platform were also included in the Portal do Conhecimento (Knowledge Portal), where e-learning measures for consultants are concentrated	 Underway

Our Network

Dimension	2020 ambitions and commitments	2014 Performance	Status*
Employees	Achieve rate of 50% women in leadership positions (director level and above) at Natura	Natura achieved the rate of 30% women in leadership positions (director level and above)	 Completion 2014: 5%

Communities	Develop strategies for social biodiversity territories in the Pan-Amazon region and the communities around our main operations in Brazil through dialogue and collaborative construction with the local populations and actors	A strategy has been developed and validated for the neighboring communities in Cajamar, Napp (São Paulo) and Benevides, as well as for the territories in the Médio Juruá and Baixo Tocantins – in the northeast of Pará.	 Underway
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Management and Organization

Dimension	2020 ambitions and commitments	2014 Performance	Status*
Management model	For the Natura brand, implement the evaluation of socio-environmental externalities, taking into account the positive and negative impacts of the extended value chain (from the extraction of raw materials to product disposal)	Natura has begun to develop a methodology to evaluate its own environmental externalities and those of the entire value chain. In addition to solid waste and emissions, for which inventories are ready, the company will finalize studies on its water footprint in 2015 and is concluding methods of measuring use of land and biodiversity assets. These externalities will be evaluated in 2015 and integrated into the management model	 At planning stage

Ethics and transparency	For the Natura brand, implant total transparency in the provision of information on products and evolution of the company's sustainability vision	After a diagnosis undertaken in 2014, which indicated that the data on product labels no longer reflect all of Natura's environmental initiatives, the environmental table on the packaging will be updated in 2015. New indicators were defined based on the company's new sustainability vision. The way company communicates its business practices and its sustainability vision will also be enhanced	 At planning stage
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Governance of sustainability	Implant an Advisory Council comprising external specialists, to evaluate the company's progress and to further develop its strategy	Planning for the Advisory Council was initiated in 2014. After approval, it is expected to be implemented in 2015	 At planning stage
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*Refers to achievement of ambition in 2014 relative to 2020 and to the base-year stipulated.

The full list of ambitions and 2020 commitments may be consulted in the complete version of the Annual Report: www.natura.com.br/relatorioanual