

2015 indicators

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Annual Report 2015

Contents

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03	Highlights
03	Value generated
04	Other performance indicators
04	Economic and financial management
09	Social management
09	Employees
26	Ethics and Human rights
31	Consultants
36	Suppliers
34	Local communities
34	Consumers
43	Environmental management
65	Summary of GRI content

Value generated

	2013	2014	2015
Economic (R\$ million)			
Consolidated net revenue	7,010.3	7,408.4	7,899.0
Consolidated EBITDA	1,609.0	1,554.5	1,495.9
Consolidated net income	842.6	732.8	513.5
Free cash flow generation	295.1	208.6	818.1
Average daily share trading volume ¹	61.1	47.9	30.2
IOs as a percentage of revenue (%)	16.1	19.2	27
Wealth distribution (R\$ million)			
Shareholders ²	854	702	352
Consultants	4,107	4,152	4,166
Employees	917	1,010	1,245
Suppliers	5,425	5,989	6,374
Government	1,804	1,721	2,149
Environment			
Relative GHG emissions (kg CO ₂ e/kg of invoiced product) ^{3,4}	2.93	3.00	3.17
GHG emissions in the value chain (thousand t) ⁴	328,452	332,326	321,267
Water consumption (l/item unit produced)	0.40	0.45	0.49
% material recycled after consumption	1.4	1.2	2.9
% eco-efficient packaging ⁵	22	29	26
Quality of relationships (%)			
Climate survey - employee favorability (Brazil and IOs) ⁶	78	75	78
Loyalty - suppliers in Brazil ⁷	30	24	18
Loyalty - NCs in Brazil ⁷	23	28	30
Loyalty - NCAs in Brazil ⁷	38	30	29.5
Loyalty - consumers in Brazil ⁷	52	64	58
Loyalty - NCs in IOs	38	39	37
Loyalty - NCAs in IOs	47	44	52
Other indicators			
Overall assessment in brand essence survey within Brazil (%) ⁸	78	74	73
Proceeds from Believing is Seeing line (R\$ million)	21.9	25.5	30
Accumulated business volume in the Amazon region (R\$ million)	385	582	752
Households benefited in the Supplier Communities ⁹	3,117	3,121	2,251

Caption: IOs: International Operations; NCs: Natura Consultants; NCAs: Natura Consultant Advisors. **1.** Source: Bloomberg. **2.** The figures represent the dividends and interest on equity actually paid to the shareholders, that is to say, on a cash basis. **3.** CO₂ or CO₂ equivalent): measurement used to denote greenhouse gas (GHG) emissions, based on the global warming potential of each gas. **4.** Includes GHG Protocol scopes 1, 2 and 3. **5.** Packaging that represents a weight reduction of at least 50% in relation to normal/similar packaging or that consists of 50% post-consumption recycled materials and/or non-cellulosic renewable material, as long as there is no increase in mass. **6.** Climate survey – Hay Group. **7.** Loyalty survey – Ipsos Institute. **8.** Brand Essence survey – Ipsos Institute. **9.** Reduction influenced by the termination of the relationship with two communities and the classification of a third as “inactive” (no purchases of inputs).

Other indicators

FINANCIAL MANAGEMENT

Wealth distribution (GRI G4-EC1)

Wealth distribution (R\$ million)	2013	2014	2015
Shareholders	854	702	352
Consultants	4,107	4,152	4,166
Employees	917	1,010	1,245
Suppliers	5,425	5,989	6,374
Government	1,804	1,721	2,149

Financial implications and other risks and opportunities arising from climate change (GRI G4-EC2)

At Natura, we do not conduct specific analysis of the effects related to climate change as part of our risk management process. Nevertheless, important projects to mitigate the potential impacts of the business are put together on a cross-departmental basis and become formal sub-processes at the company. Examples of this are the Carbon Neutral Program and practices for the sustainable use of sociobiodiversity and related traditional knowledge.

Action at Natura to offset CO₂ emissions (Carbon Neutral Program) are voluntary, non-binding and do not reflect the financial implications of climate change risks.

As of 2016, we shall start to implement an additional assessment relating to the financial implications, risks and opportunities arising from climate change.

Significant financial help received from government (GRI G4-EC4)

Government funding ¹ (R\$ million)	2013	2014	2015
Tax incentives for Support and Sponsorship ²	9	8	3
Law No. 11,196/2005 (Income Tax and Social Contribution deductions of up to double the spending on Technological Research and Innovation) ³	20	30	14
Other ⁴	2	2	1
Total	32	40	18

¹ The government does not have an equity stake in the company. ² Corporate income tax (IRPJ) incentives related to the Rouanet and Sports laws, the Fund for the Rights of Children and Adolescents, and the worker food program and value-added tax (ICMS) incentives related to Natura Musical projects. The change is caused by the reduction in taxable income, which is the basis for the incentives. ³ The 2013 tax benefit related to the *Lei do Bem* was amended by a project review/audit. The change is explained by the tax losses in the first and third quarters, which impeded the use of the benefits for those periods. ⁴ Incentive referring to the two-month extension of maternity leave, introduced by Decree No. 7,052/2009. The expense is not deductible in the calculating of taxable income and the social contribution tax (CSLL) base, but is fully deductible from corporate income tax (IRPJ).

Impact of investments in infrastructure for public benefit. Description of significant indirect economic impacts (GRI G4-EC7, G4-EC8)

Significant impacts on NCs and NCAs

Average annual income generated (R\$)	2013	2014	2015
Consultants (NCs) ¹	4,138	4,290 ²	4,161
Natura Consultant Advisors (NCAs) ³	14,412	14,306	17,614

¹ Considering the NC's 30% profit on the price of the products featured in the magazine. Based on what was learned from an NC income survey in 2014, we have also refined the methodology for calculating this indicator. ² Considering the previous methodology, the total would be R\$ 4,147. ³ The NCAs earn commission according to their performance (number of NCs who place orders and business turnover).

Significant impacts on supplier communities

The positive impacts of the relationship between Natura and supplier communities are income generation from the purchasing of inputs, investment in developing higher added value production chains, and encouragement to improve the technical capacity and skills of these partners through the training provided, as well as the exchanging of knowledge with other producers and the development of partnerships with other companies. All this is geared

towards helping to establish a sustainable business model and is focused on the conservation of sociobiodiversity. No negative impacts on the supplier communities with which Natura works have been identified to date.

Direct investments are made in the amounts paid for supplies, the sharing of benefits and use of image, which go directly to the community. As for support and infrastructure for the development of production chains, training, studies and technical services, these funds are transferred in the form of support projects for cooperatives, materials, equipment and courses aimed at improving the production chains or providing technical support.

The main indirect impacts of the relationship with Natura are the development of production chains and improving the skills of the

agents involved in the chains, by means of training in programs on health and safety, best management practices and administrative and organizational management. Moreover, there is potential to create new opportunities and commercial partnerships, for the development of a network of communities and the exchanging of knowledge, the conservation of biodiversity and the implementation of a business model focused on biodiversity that can influence stakeholders interested in the subject.

Investments in supplier communities (GRI G4-EC7)

Funding allocated (R\$ thousand)	2013	2014	2015
Supplies ¹	3,435	3,040	2,837
Sharing of benefits from access to the gene pool or related traditional knowledge ²	4,350	3,982	2,411
Support and infrastructure ³	1,459	300	443
Image rights ⁴	-	21	14
Training ⁵	350	946	245
Technical services ⁶	-	184	139
Studies ⁷	1,590	414	490
Total	11,184	8,887	6,579

1 Supplies: direct funding relating to supplies and the purchase of raw materials from communities, for research purposes. This indicator is measured using the invoice denoting the shipment of the merchandise from the community. **2** Sharing of benefits: direct resources from the sharing of benefits relating to access to the gene pool and related traditional knowledge in local communities, allocated by Natura contractual obligations. **3** Support and infrastructure: includes support for local development and infrastructure projects, especially those aimed at increased efficiency and added value in the production chains. **4** Image rights: consists of the amounts paid by Natura for use of the image of community members in Natura promotional or marketing materials. **5** Training: includes organizational management and development, technical exchanges, training in good production and administrative practices, and the occupational health and safety program. **6** Technical services: all technical services provided by outside consultants or those hired by Natura through cooperatives/local communities. **7** Studies: includes developing analyses, management plans, administrative plans, maps, information surveys, field surveys and loyalty/satisfaction surveys.

Supplier communities (GRI G4-EC8)¹

	2013	2014	2015
Communities with which Natura maintains a relationship	32	33	30
Households benefited ²	3,117	3,121	2,251
Direct funding per household ² (R\$ thousand)	3.0	2.3	6.6
Supplies per household (R\$ thousand)	1.1	1.1	3.3

1 The relationships with two indigenous communities where there was no longer any activity was terminated and another community, from which there is no current purchasing of inputs, was classified as inactive. **2** There was also a change in the methodology for calculating the number of households. Previously, the number of partner associates and suppliers was monitored. As of 2015, with the system of traceability in place, all the households were registered and geographically plotted, thus providing greater control over the number.

Investments in infrastructure and services for public benefit – Believing is Seeing line (GRI G4-EC7/EC8)

Believing is Seeing line in Brazil	2013	2014	2015
Proceeds from Believing is Seeing (R\$ million) ¹	17.1	18.8	19.5
Believing is Seeing penetration (% of sales cycle) ²	15.1	20.2	22.9
Value of the projects developed and supported through Believing is Seeing (R\$ thousand)	16,566	15,976	23,898 ³

1 Refers to pre-tax profit allocated to the Natura Believing is Seeing Fund. **2** Proportion of NCs involved with Believing is Seeing (through the dissemination, purchase and sale of the line's products), as a percentage of Natura's total active NCs.

* Learn more about the investment of Believing is Seeing resources, as well as details of the beneficiaries, in the Natura Institute report, available at: www.institucionatura.org.br

Proceeds from Believing is Seeing line in the IOs¹	2013	2014	2015
Proceeds from Believing is Seeing (R\$ thousand) ²	4,762	6,692	10,523
Believing is Seeing penetration (% of sales cycle) ²	17.6	18.7%	17.0%
Value of the projects developed and supported through Believing is Seeing (R\$ thousand)	4,696	4,350	8,112

1 Refers to pre-tax profit allocated to the Natura Believing is Seeing Fund. **2** Proportion of NCs involved with Believing is Seeing (through the purchasing of the line's products), as a percentage of the active NCs.

Investments in infrastructure and services for public benefit – Local communities (GRI G4-EC7)

According to the Natura Sustainability Vision, the activities in local communities are focused on helping to promote local development by strengthening the leadership and civil society institutions and public authorities; the development of collective action; and supporting the development and implementation of public policies. We consider as local communities the entire municipality of Cajamar

(São Paulo state), where our Cajamar center is located; the Jaguará district in the borough of Lapa, in São Paulo, where our NASP center is located; and the municipalities of Benevides, Marituba, Santa Bárbara and Santa Izabel, plus the Mosqueiro district, all in the state of Pará, where our Ecoparque center is located.

Local communities – Brazil (R\$ thousand)	2013	2014	2015
Investments in the communities in the vicinity of Natura's units - Natura funds (R\$ thousand) ¹	326	375	478
Investments in the communities in the vicinity of Natura's units - Believing is Seeing funds (R\$ thousand) ²	0,00	590 ³	455

1 All the investments are allocated to non-governmental organizations that contribute to the implementation and operation of projects in each locality. **2** The Benevides and Cajamar Educational Support Network (RAE) projects were included in the Natura Institute's portfolio in 2014. **3** The figure was corrected as a result of an adjustment made following the consolidation and auditing of the information.

PURCHASING PRACTICES

Policies, practices and proportional spending on local suppliers (GRI G4-EC9)

Purchases from suppliers from communities in the vicinity of the company's factories¹	2013	2014	2015
Cajamar (R\$ million) ²	83	148	144
Itapecerica da Serra ³	1.2	0.6	-
Benevides ⁴	112	132	178
Total	197	281	322
Proportion of spending on local suppliers as a percentage of the total spending on suppliers (%)	4.9	7.0	6.9

1 Local suppliers are considered to be suppliers from within the municipalities of Cajamar and in Pará state, supplying any Natura unit. **2** For Cajamar, the total purchases from suppliers within the municipality were considered. **3** The Itapecerica da Serra unit was deactivated in May 2014. **4** In Benevides, the total purchases from suppliers within the state of Pará, supplying to any Natura unit, were considered.

Social management

EMPLOYEES

Number of Natura employees, by country (GRI G4-10)

	2013			2014			2015
	Total	Total	Female	Male	Total	Female	Male
Brazil	5,339	5,232	3,091	2,141	5,151	2,988	2,163
Argentina	465	508	431	77	550	465	85
Chile	197	182	145	37	185	141	44
Mexico	126	121	75	46	117	70	47
Peru	245	235	213	22	230	202	28
Colombia	232	267	227	40	322	272	50
France ¹	51	46	34	12	36	28	8
Total	6,655	6,591	4,216	2,375	6,591	4,166	2,425
Other labor contracts	Total	Total	Female	Male	Total	Female	Male
Apprentices ^{2,3}	138	117	70	47	157	108	49
Interns ³	202	172	124	48	115	84	31
Temporary staff ⁴	980	873	325	548	1,143	118	1,025
In-house contractors ⁵	2937	1,836	771	1,065	2,165	721	1,444
Total – Other labor contracts	4,257	2,998	1,290	1,708	3,580	1,031	2,549

¹ France underwent restructuring and the physical store was closed, which is why there was a decrease in the headcount. ² The young apprentices are hired by a contractor, which is responsible for managing the activities performed by these young people. ³ The changes in the numbers of apprentices and interns was due to the period of ending one cycle and beginning the next one. ⁴ Temporary staff are considered to be those hired, for a fixed period under the Consolidated Labor Laws (CLT), by an employment agency on a subordinate basis. The number includes the temporary staff at Cajamar; NASP, Alphaville, the Shared Services Center (CSC) and the Natura Institute, in Brazil, as well as the temporary staff at our International Operations. ⁵ In-house contractors are considered to be suppliers providing services to Natura who work within or have access to company areas for a period exceeding six months, with or without a fixed place of work. This figure includes all third parties installed within Natura Brasil areas.

Employees by functional level ¹	2013			2014			2015
	Total	Total	Female	Male	Total	Female	Male
Operational	2,371	2,218	918	1,300	2,246	897	1,349
Administrative	3,503	3,606	2,877	729	3,625	2,874	751
Management	721	711	405	306	666	381	285
Executive	60	56	16	40	54	14	40
Total	6,655	6,591	4,216	2,375	6,591	4,166	2,425

¹ Employees at Natura Brasil and International Operations.

Employees by funcional level – Brazil	2015		
	Total	Female	Male
Operational	2,165	840	1,325
Administrative	2,437	1,852	585
Management	507	282	225
Executive	42	14	28
Total	5,151	2,988	2,163

Employees by funcional level – IOs	2015		
	Total	Female	Male
Operational	81	57	24
Administrative	1,188	1,022	166
Management	159	99	60
Executive	12	-	12
Total	1,440	1,178	262

Number of employees, by type of contract and employment	2014			2015		
	Total	Female	Male	Total	Female	Male
Fixed term	119	99	20	100	83	17
Permanent	6,472	4,117	2,355	6,491	4,083	2,408
Total	6,591	4,216	2,375	6,591	4,166	2,425
Full-time	6,591	4,216	2,375	6,591	4,166	2,425
Part-time	0	0	0	0	0	0
Total	6,591	4,216	2,375	6,591	4,166	2,425

Total numbers and rates of employee hirings and turnover (GRI G4-LA1)

Hiring numbers and rates, by age group						2013
Age group	Number - by gender		Rate - by gender		Combined total	Overall rate
	Male	Female	Male	Female		
Under 30	217	254	3.3%	3.8%	471	7.1%
30 to 50	245	370	3.7%	5.6%	615	9.2%
Over 50	6	9	0.1%	0.1%	15	0.2%
Total, by gender	468	633	7.0%	9.5%	1,101	16.5%

Hiring numbers and rates, by age group						2014
Age group	Number - by gender		Rate - by gender		Combined total	Overall rate
	Male	Female	Male	Female		
Under 30	214	267	3.2%	4.1%	481	7.3%
30 to 50	182	362	2.8%	5.5%	544	8.3%
Over 50	2	7	0.0%	0.1%	9	0.1%
Total, by gender	398	636	6.0%	9.6%	1,034	15.7%

Hiring numbers and rates, by age group						2015
Age group	Number - by gender		Rate - by gender		Combined total	Overall rate
	Male	Female	Male	Female		
Under 30	201	229	3.0%	3.5%	430	6.5%
30 to 50	189	289	2.9%	4.4%	478	7.3%
Over 50	3	6	0.0%	0.1%	9	0.1%
Total, by gender	393	524	6.0%	8.0%	917	13.9%

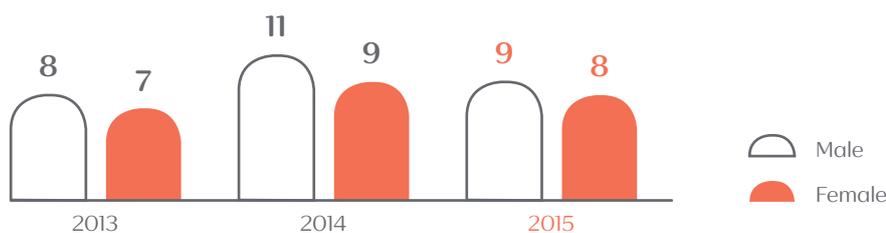
Hiring numbers and rates, by gender ¹	2014		2015	
	Total	Rate (%)	Total	Rate (%)
Female	636	9.6	524	8.0
Male	398	6.0	393	6.0
Total	1,034	15.7	917	13.9

Hiring numbers and rates, by country		2013		2014		2015	
Unit	Total	Rate	Total	Rate	Total	Rate	
Brazil	747	11.2%	719	10.9%	602	9.1%	
Argentina	132	2.0%	121	1.8%	109	1.7%	
Chile	36	0.5%	23	0.3%	28	0.4%	
Mexico	34	0.5%	19	0.3%	32	0.5%	
Peru	53	0.8%	41	0.6%	34	0.5%	
France	17	0.3%	5	0.1%	6	0.1%	
Colombia	82	1.2%	106	1.6%	106	1.6%	
Total	1,101	16.5%	1,034	15.7%	917	13.9%	

Total dismissals		2013		2014		2015	
	Total	Rate	Total	Rate	Total	Rate	
Brazil	791	11.9%	755	11.5%	719	10.9%	
Argentina	64	1.0%	88	1.3%	74	1.1%	
Chile	96	1.4%	39	0.6%	27	0.4%	
Mexico	26	0.4%	26	0.4%	36	0.5%	
Peru	80	1.2%	64	1.0%	39	0.6%	
France	19	0.3%	11	0.2%	16	0.2%	
Colombia	52	0.8%	65	1.0%	53	0.8%	
Total	1,128	16.9%	1,048	16%	964	13.9%	

Number of dismissals, by age group ¹		2013		2014		2015	
	Male	Female	Male	Female	Male	Female	
Under 25	82	57	30	40	28	18	
25 to 35	236	336	100	146	71	143	
35 to 50	126	237	235	421	245	401	
Over 50	10	44	13	63	15	43	
Total, by gender	454	674	378	670	359	605	
Combined total	1,128		1,048		964		

Turnover in Brazil, by gender¹ (%)



¹ Concept of turnover: number of dismissals at the company's discretion (dismissals with or without due cause) or that of the employee (resignation/retirement), and filling of the vacancy. Calculation method: dismissals with requested replacement / actual company headcount.

Turnover in Brazil, by age group (%)¹	2013	2014	2015
Under 18	0.0	0.0	0.0
18 to 25	8.7	11.5	12.1
26 to 30	8.5	8.7	8.8
31 to 40	6.9	9.8	8.5
41 to 50	5.8	9.1	9.0
Over 50	5.8	8.7	7.4

¹ Concept of turnover: number of dismissals at the company's discretion (dismissals with or without due cause) or that of the employee (resignation/retirement), and filling of the vacancy. Calculation method: dismissals with requested replacement / actual company headcount.

Turnover rate, by country (%)^{1 2 3 4}	2013	2014	2015
Brazil	7.55	9.79	8.83
Argentina	8.26	8.30	11.69
Chile	7.02	8.80	10.78
Mexico	11.10	18.67	20.94
Peru	7.88	7.27	10.31
France	18.62	6.47	5.16
Colombia	16.93	16.28	13.12
Total	8.13	10.25	9.57

¹ Concept of turnover: number of dismissals at the company's discretion (dismissals with or without due cause) or that of the employee (resignation/retirement), and filling of the vacancy. Calculation method: dismissals with requested replacement / actual company headcount. ² The employees of the Natura Institute are not included. ³ Interns are considered in the IOs number and rate of dismissals. In Brazil, the interns and employees of the Natura Institute are not considered. ⁴ There was a change in the headcount considered for calculation of the turnover in 2015, which was then applied to 2013 and 2014, for the purpose of comparability.

Local hirings (GRI G4-EC6)

Members of the senior management originating from local communities - Brazil (%)¹	2013	2014	2015
Total number of members of the senior management	159	185	169
Cajamar ²	8.2%	3.1%	1.5%
Benevides ³	100.0%	0.0%	0%
Nasp ⁴	8.2%	9.2%	0%
Lapa ⁵	N/A	N/A	22.1%

¹ Members of the senior management are those holding positions from Senior Manager up (Business Manager, Process Manager and Global Manager) at the Brazilian operating units. ² Includes the municipalities of Cajamar, Campo Limpo, Santana de Parnaíba and Várzea Paulista. ³ Includes the municipalities of Benevides, Barcarena, Belém, Ananindeua and Marituba. ⁴ Includes the São Paulo districts of Barra Funda, Jaguará, Jaguaré, Lapa, Perdizes and Vila Leopoldina. ⁵ Some of the employees have been provisionally allocated to the Lapa site. This allocation is temporary, while the new NASP site is being built, after which it will receive these employees. In the vicinity are the districts of Lapa, Vila Leopoldina and Barra Funda.

Members of the senior management originating from local communities - IOs (%)^{1 2}	2013	2014	2015
Argentina	48	59	59
Chile	0	0	0
Colombia	40	50	20
France	100	100	100
Mexico	56	44	50
Peru	40	40	66
Total	45	50	40

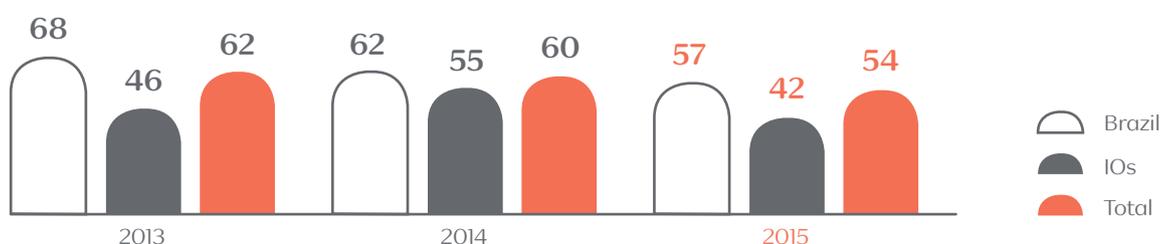
1 Members of the senior management are those holding positions from Senior Manager up. **2** Most of the senior management functions are performed by professionals who are native to the country in which Natura is operating, so that the business can function in accordance with the market characteristics. During 2015, some senior management vacancies were filled by employees from Brazil who already had the necessary knowledge to meet those requirements.

Employees from the local communities (%)	2013	2014	2015
Cajamar ¹	22	22	17
Benevides ²	85	82	96
São Paulo – Nasp ³	3	4	1
São Paulo – Lapa ^{4 5}	N/A	N/A	7

1 Includes the municipalities of Cajamar, Campo Limpo, Santana de Parnaíba and Várzea Paulista. **2** Includes the municipalities of Benevides, Barcarena, Belém, Ananindeua and Marituba. **3** Includes the São Paulo districts of Barra Funda, Jaguará, Jaguaré, Lapa, Perdizes and Vila Leopoldina. **4** Includes the São Paulo districts of Lapa, Vila Leopoldina and Barra Funda. **5** In 2015, there was a redistribution of employees at the Cajamar and NASP sites to a new center; at the Lapa site, which explains the changes in the percentages.

Internal recruitment of employees¹

Vacancies offered to/occupied by employees (%)¹



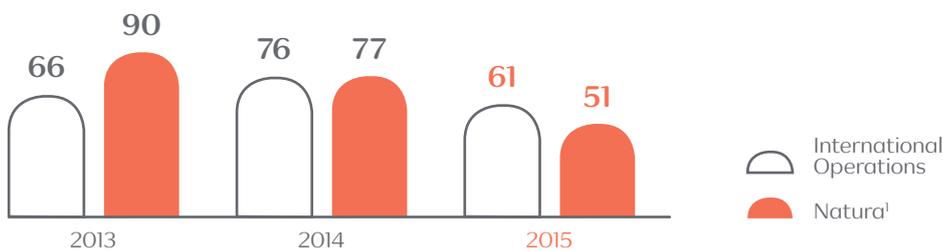
1 In 2015, following the new stance on internal promotion in relation to the challenges facing the company in expanding its business, the need was seen to internalize outsourced human resources and even the acquiring of professional skills in the market. The greatest reduction in internal recruitment occurred at levels below managerial and in technical areas.

Training and education

Average number of training hours (h/employee) - Brazil (GRI G4-LA9) ^{1 2 3}	2013			2014			2015		
	Total	Female	Male	Total	Female	Male	Total	Female	Male
Operational	128	111	141	109	101	115	73	68	76
Administrative	73	63	107	61	54	82	33	26	55
Management	65	65	66	31	34	27	24	26	21
Executive	31	36	28	15	21	12	12	19	9
Average number of hours	96	78	123	78	66	95	49	38	64
Young apprentices ⁴	-	-	-	-	-	-	34	34	34
Interns ⁴	-	-	-	-	-	-	74	74	74

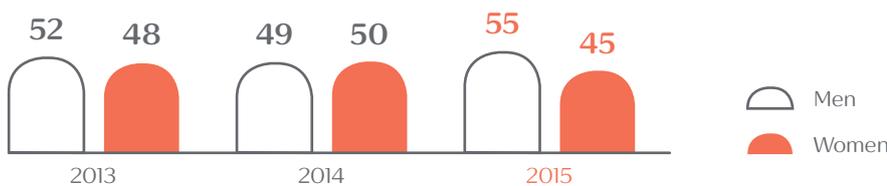
¹ Does not include employees on unpaid leave. Parameters for calculating the average hours: Administrative - all employees from the administrative subgroup (GS8 to GS15) and employees from the subgroups Indirect Operations, Natura Institute, trainees and sales force (GR and GV). Operational - all employees from the Operational subgroup. Management - all employees from the subgroup Administrative Managers GS16 to GS21, including the GSA and GSB of the Scientific Managers. Executive - all employees from the subgroup Directors SG22 to GS30, including the GSC of Scientific Executives. This does not include the Chairman of the Board of Directors or the CEO. ² Natura does not make its education budget and strategy available to third parties. ³ The training hours refer to training provided in 2015 and may also contain training carried out in previous years and entered in the system in 2015. ⁴ Natura invests in development programs for Interns and Young Apprentices, including behavioral and technical training, with a view to developing and preparing young people to perform their activities, but due to a conceptual revision, this time will not be considered in the overall average.

Average number of training hours, per employee (h)¹



¹ Consolidated average of all Natura's operations in Brazil and its International Operations.

Hours of training, by gender – Brazil (GRI G4-LA9) (%)¹



¹ There is no strategy for gender specific training.

Programs for skills management and continuous learning Natura Educational Program - Brazil (GRI G4-LA10)^{1 2}	2013	2014	2015
Grants awarded (un.)	368	322	214
Study grants awarded/applied for (%)	42	58	65
Amount invested in the Natura Educational Program (R\$ thousand)	1,094	1,178	955

1 Considers all the employees who applied for and were awarded grants during the year. **2** We had a period open for new grants (2nd semester/2015) and made a conceptual change, with the aim of using the results of the performance appraisal as an important prerequisite for the awarding of grants. Although the number enrolled in the program has been lower, the proportion of grants awarded has been higher, compared to previous years, reaching 65% (in 2014 the rate was 58%).

Courses taken by employees or their family members that are totally or partially subsidized by Natura - Brazil (GRI G4-LA10)^{1 2}	2013	2014	2015
Technical/work-related	37	33	21
Languages	3	1	0
College entrance	1	0	0
University	234	175	105
MBA or post-graduate	93	113	88
Total	368	322	214

1 Considers all the employees who applied for and were awarded grants during the year. **2** We had a period open for new grants (2nd semester/2015) and made a conceptual change, with the aim of using the results of the performance appraisal as an important prerequisite for the awarding of grants. Although the number enrolled in the program has been lower, the proportion of grants awarded has been higher, compared to previous years, reaching 65% (in 2014 the rate was 58%).

Investment in employee education and training (R\$ thousand)^{1 2}	2013	2014	2015³
Brazil ³	16,074	15,894	12,578
Argentina	624	979	1,842
Chile	263	294	292
Mexico	257	472	443
Peru	252	96	86
Colombia	352	353	194
France	255	119	87
Total³	18,077	18,208	15,522

1 In 2015, no specific action was taken, merely the mainting of the benefits for those who had gone through the program when it was running. The program is being reviewed for implementation with changes in 2016. **2** This year, we conducted the analysis of the results of the Functional Assessment performed at the end of 2014 and endorsed by the management, which guided the action of the Functional Training, decreasing the amount of training, but making it much more focused on opportunities for employee development and on the business strategy of the different areas. **3** The decline in the amount invested in 2015 reflects the revision of the strategy of the development and training programs, the main aim of which is to develop business skills, as well as behavioral skills, towards which the action is now directed.

Proportion of employees who receive performance analyses (GRI G4-LA11)

	Functional Category	2013		2014		2015	
		Male	Female	Male	Female	Male	Female
% of employees who receive performance analyses and career development ^{1 2 3}	Operational	97%	95%	92%	85%	80%	75%
	Administrative	88%	88%	88%	90%	67%	79%
	Management	87%	92%	98%	95%	88%	90%
	Executive	95%	53%	93%	88%	83%	93%

¹ Calculation of the percentage was based on the total number of employees. ² The employees who did not undergo the assessment were not, in most cases, eligible, due to the date of admission or dismissal. ³ As of 2015, a change in the model for management and administrative assessment has been implemented and this process has been given the title of the Performance and Recognition Program (PDR). For the Sales Force and Operational staff, the process continues to be called the Performance Management Program (PGD).

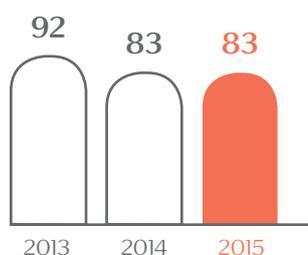
Climate survey (GRI G4-PR5)

Favorability (%) ^{1 2 3}	2013	2014	2015
Brazil	77	73	75
Argentina	86	88	86
Peru	77	80	87
Chile	78	82	83
Mexico	80	78	78
France	88	81	77
Colombia	83	88	89
Natura	78	75	78

¹ Hay Group. ² Favorability is equivalent to the percentage of employees who rated the items surveyed at 4 or 5, on a scale from 1 to 5 points. ³ The data do not consider the International Business Board, the office in Buenos Aires that coordinates the activities of all the international operations.

Satisfaction with the Ombudsman¹ (GRI G4-PR5)

Internal stakeholders Brazil (%)



¹ Ratings of 4 or 5 are considered to denote satisfaction with the Ombudsman channel. The percentage of responses to the questionnaires distributed was 53%, which corresponds to 31% of the total eligible for application of the satisfaction survey.

REMUNERATION

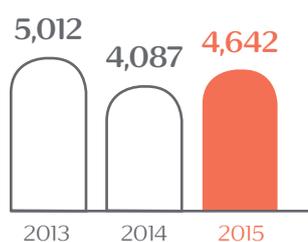
Ratio of the organization's lowest wage to the local minimum wage, by gender (GRI G4-EC5) (%)^{1,2}

País	2013			2014			2015		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Brazil ²	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4
Argentina ³	1.3	3.0	1.3	1.5	3.1	1.5	1.6	3.1	1.6
Chile ³	1.2	1.8	1.2	1.9	2.4	1.9	1.9	2.4	1.9
Peru ³	1.3	3.7	1.3	3.1	3.9	3.1	3.3	4.8	3.3
Mexico ³	5.4	6.0	5.4	5.7	6.5	5.7	5.9	7.4	5.9
Colombia ³	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
France ³	1.1	1.9	1.1	1.2	1.8	1.2	1.1	1.8	1.1

¹ The salaries paid at the operating units are determined by means of pay surveys and are compatible with the local market. There are no pay differences according to gender. ² Our pay levels respect the minimum wages paid in the respective local markets. ³ The small differences shown are linked to not having the two genders in the same position that has the lowest pay level in that country, except in Colombia, where the operational wage level is in line with the minimum wage, and in France, where the country's minimum wage has increased faster than Natura's lowest wage level.

Natura's contributions to the employee pension plan - Brazil (GRI G4-EC3)

Pension plan^{1,2} (R\$ million)



¹ "Natura Stimulated Savings" is a defined contribution plan managed by an open supplementary pension entity. Coverage warranty is not mandatory for the company and employee participation is voluntary. Currently, 46% of the employees participate. ² The employee contribution can range from 1% to 5% of the salary and the employer's contribution is 60% of the employee's contribution, up to a salary of R\$ 19,140.

Comparison between full-time and temporary employees' benefits (GRI G4-LA2)

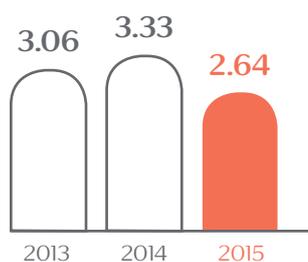
Group	Benefit	Description
All the employees in Brazilian operations	Ergonomics Program	Seeks the worker's comfortable and productive adjustment to their workplace and working conditions, making the necessary adjustments.
	Social service	A space for employee discussion, understanding and resolving of issues of a social nature.
	Calisthenics program	Stimulates quality of life and health in the workplace, reducing stress-related illnesses.
	Chronic Illness Management Program	For employees and family members with chronic illnesses.
	Product discounts	40% discount on the purchasing of up to five Natura products per month.
	Women's Program	Monitoring by specific medical team during pregnancy, medical plan upgrade and postpartum counseling.
	Daycare and special needs assistance	To cover the educational expenses of children with disabilities.
	Life insurance	Available to all employees in Brazil.
	Transport	Vehicle, and fuel allowance, for employees at senior management-level and above.
	Parking	Available in Cajamar, NASP and Alphaville.
	Pharmacy agreement	Discount on medicines for all employees, with payments deducted from the payroll.
	Free chartered transportation	140 bus lines chartered at no cost to the employees.
	Runners Project	Specially supervised running and walking exercises in local parks (Villa-Lobos, Ibirapuera, Alphaville and Cajamar).
	Sale of school materials	At a discount, with installments deducted from the payroll.
	Natura Club	Gym, pool (open to family members, including weekends), dance lessons, soccer tournaments and multi-sport court (Cajamar).
	Center for well-being	Massage, hairdressing, waxing and manicure at special prices.
	Services and facilities	Seamstress, laundry, shoe repair, optician, insurance, mail and books and film rental (Cajamar).
	Partnerships	Discounts and/or special terms for employees (gym, household appliances, travel agency, panettone cakes, cinemas and theme parks).
	Presents	Gifts for employees' mothers and for employees who are mothers (Mother's Day) and for employees who are fathers (Father's Day) and toys for the employees' children at Christmas.
	Length of service recognition	Commemoration and gift for employees as of the fifth year working for Natura. Recognition is given every five years.
	Natura Education	Study grants for employees and family members.
	Nursery	With full allowance for children up to the age of 2 years and 11 months.
	Adoption	Support in adoption procedures.
Health and dental plans	Health care plan, at no fixed cost to the employee, and dental care plan. We also offer check-ups for employees from managerial level up.	
Partial reimbursement of medicinal expenses	For cardiovascular disease, diabetes, kidney failure, oncology, liver disease, neurological disorders, work-related musculoskeletal ailments and psychiatric disorders.	

Group	Benefit	Description
All the employees in Brazilian operations	Telemedicine	Electrocardiogram by phone, in case of emergency.
	Health on the move	Program to encourage physical activity. It includes medical, nutritional and physical assessment before starting any activities.
	Gym allowance	For relationship managers and sales managers.
	Free products	Five free products per month for management-level employees and directors.
	Christmas hamper	For all the employees.
	Health center	Emergency medical care, physiotherapy and GPR, gynecology and obstetrics, acupuncture, orthopedics, nutrition and psychology.
	Personal support program	Offers personal support in financial, psychological, legal and other matters.
	Ecoparque restaurant	The Ecoparque restaurant serves the employees at the site, employees from other locations that are there on business and service providers whose contract states that food provision is Natura's responsibility.
	<i>Tempo de Casa</i> (Time at Home) and <i>Momento Família</i> (Family Moment) events	Held in Cajamar.
Unification of the Year-End Party	Unification of the year-end party for employees in the operational and administrative functional categories.	

OCCUPATIONAL HEALTH AND SAFETY

Injury, occupational illness and days lost rates (GRI G4-LA6)

Absenteeism rate¹



¹ In 2015, in addition to absenteeism among the operational staff, Natura also started to measure absenteeism among the administrative staff and introduced electronic clocking in and out. Separating the two groups, the decline in the indicator is due to: a) the lower level of the new group, whose absenteeism rate is 2.12; and b) a reduction in the operating staff rate, to 2.80, a 15% drop in relation to the previous year. Within this overall absenteeism rate, 61% refers to health issues, followed by 34% absences and lateness.

Health and safety numbers and rates for Brazilian operations¹

	2013		2014		2015	
	Employees	In-House contractors ²	Employees	In-House contractors ²	Employees	In-House contractors ²
Occupational illness frequency rate %	0	0	0	0	0,2	0
Days lost – accidents ^{3 4}	298	113	186	134	212	329
Days lost – accident rate	26.2	23.31	17.04	23.74	19.81	38.23
Injury rate (accidents with or without time off) ⁵	1.32	3.09	1.83	5.67	1.21 ²	4.42
Total number of fatalities	0	0	0	0	0	0

1 In 2015, this considers registered accidents involving employees at the Cajamar and E-Business units, distribution centers, Itupeva hub, NASP and Ecoparque. minor injuries requiring only first aid were not included. **2** Refers to our "resident" service providers at the Cajamar and E-Business units, distribution centers, Itupeva hub, Ecoparque and NASP. **3** Days lost are counted as the number of consecutive days, from the day after the accident, that the employee does not return to work. **4** Total hours scheduled: considers 8 hours/day x number of working days in the period. **5** Equivalent to the number of accidents, with or without time off work, divided by one million man-hours worked.

Investment in health and safety

	2013	2014	2015
Investment in accident prevention, per employee (R\$ thousand) ¹	1,009	1,200	1,068
Investment in disease prevention, per employee (R\$ thousand) ²	1,407	2,905	2,661

1 Investment in accident prevention includes the entire budget of the Occupational Safety Department and the expenses and investments of the Engineering and Manufacturing areas to guarantee and/or improve the level of safety and comfort at work. It does not include spending on training (which is the responsibility of the HR/Education & Development area). **2** Investment in prevention during 2015 comprised the program for monitoring the chronically sick, the ergonomics program, calysthénics, clinical specializations such as psychology, physiotherapy, acupuncture and orthopedics, the program to monitor pregnant women and nutrition. For the first time, in 2015, Natura conducted a flu vaccination campaign and has included it in its program.

Employees with a high level or high risk of occupational disease (GRI G4-LA7)

There are no workers involved in occupational activities who have a high risk of developing an occupational disease, since there is no handling of any raw material that could be responsible for the incidence of diseases specific to the function.

DIVERSITY

Composition of the groups responsible for governance and breakdown of employees per functional category - Brazil (GRI G4-LA12)

	2013	2014	2015
Women (%)^{1 2}			
As a proportion of total employees	59	59	58
In management posts, as a proportion of all management posts	56	56	56
In leadership rolls (directors and up), as a proportion of all leadership rolls	33	36	33
Over 45 years old (%)			
As a proportion of total employees	14	14	17
In management posts, as a proportion of all management posts	12	12	14
In executive posts, as a proportion of all executive posts	42	39	50
Multiculturalism³			
Total number of leaders who are foreign or have international experience ^{4 5}	24	20	25
Leaders who are foreign or have international experience as a proportion of all leaders	21	17	23
Employees with disabilities			
Number of employees with disabilities ⁶	230	263	285
Employees with disabilities as a proportion of total employees	4.3	5	5.5
Number of employees with disabilities who participate in Natura training programs ⁷	251	264 ⁵	276 ⁸

1 Although Natura envisages gender equality in its leadership posts, in 2015 there were several changes in the leadership structure that led to the decline of the indicator; moreover, there are leadership posts that had not been filled by the end of 2015, which also has a bearing on this result. **2** Due to a change in the G4-I0 concept, we began to include people on unpaid leave in the indicators. The indicator of women in leadership positions in 2014, using the 2015 concept, would have been 36%, instead of 34%. **3** The growth in the multiculturalism indicator is explained by the change in the calculation of the indicator, which now includes the Brazilian leaders living abroad. **4** This data considers: active Brazilian employees living abroad in Dec/2015; Brazilian employees who are not currently expatriate, but were expatriates in previous years; and foreigners in Brazil (not expatriates) who are on the payroll. **5** In 2015, there was a change in the indicator calculation rules: to retain mathematical consistency in the calculation based on headcount of GS 20 and above in Brazil (Dec/2015) the GS 20 and above living abroad are included (although they are shown in the payroll as suspended contracts and are not included in the Brazil headcount). **6** The number has been corrected: in 2014, we considered employees with disabilities who were not included in the total number of employees, as reported in the G4-I0 indicator; in 2015, we applied the same standard. **7** Until 2013, this indicator reflected the total number of people who participated in the "Basic Skills Program" training activity developed by Natura specifically for people with disabilities. As of 2014, the strategy changed and the action was focused on making all training accessible to employees with disabilities, thereby expanding their training opportunities. **8** One borderline case was discarded from the calculation.

Average monthly pay – Brazil (R\$)¹ (GRI G4-LA13)

	2013	2014	2015
Women	6,478	6,756	7,462
Operational	1,571	1,687	1,823
Administrative	7,495	7,448	8,256
Management	14,699	15,926	16,998
Executive	42,415	45,643	46,655
Men	5,194	5,687	5,899
Operational	2,028	2,211	2,381
Administrative	5,753	6,563	6,880
Management	16,022	17,136	17,631
Executive	50,308	54,569	54,843
Over 45 years old	9,521	9,156	9,590
Operational	2,232	2,355	2,555
Administrative	10,262	9,843	11,061
Management	19,709	20,411	21,356
Executive	55,199	62,791	61,112
Up to 45 years old	5,425	5,836	6,340
Operational	1,789	1,942	2,096
Administrative	6,499	6,743	7,371
Management	14,703	15,876	16,721
Executive	43,350	43,953	46,055

¹ In 2015, collective agreements brought a 10% increase for the employees of the operational and administrative spheres. The management sphere had a fixed amount added to their salary base. There were also spontaneous increases and promotion and merit programs, as well as hiring, dismissals and transfers that occurred during the year, which affected the reported amounts.

Women's pay as a proportion of men's pay (by functional category) (%)^{1 2 3 4 5 6 7} (GRI G4-LA13)

	2013	2014	2015
Operational	-23	-24	-23
Administrative	30	13	20
Management	-8	-7	-4
Executive	-16	-16	-15

¹ In 2015, collective agreements brought a 10% increase for the employees of the operational and administrative spheres. The management sphere had a fixed amount added to their salary base. There were also spontaneous increases and promotion and merit programs, as well as hiring, dismissals and transfers that occurred during the year, which affected the reported amounts. ² The calculation does not consider the payment of short-term incentives (Profit sharing). ³ For the calculation of this indicator, the premiums paid to sales managers and relationship managers were considered, along with paid weekly rest (DSR). ⁴ Employees in the sales force, when distributed among the categories, raise the women's average pay, due to the sales bonuses earned, with the exception of operational positions. ⁵ For this indicator, the most representative operating units in Brazilian operations were considered. Also considered were the accumulated monthly averages of the reference year. ⁶ Any differences between women's and men's pay is entirely due to the distribution of remuneration within the Natura structure. If one compared each pay group individually, it would be noted that there are no significant differences between the pay levels of men and women. ⁷ The operating units at Natura that are considered to be significant are those that are most representative, in other words, the Brazil operations.

Proportional relationship between the increase in the highest salary and the organization's average pay increase, by country (%)^{1 2 3} (GRI G4-55)

	Overall Average	Highest Salary
Brazil	13.56	1.21
Argentina	36	30
Chile	11	2
Colombia	6	10
Mexico	6	2
Peru	6	0

1 Considering the salary base. **2** On average, the 2014 collective agreements brought about an increase of 8% and in 2015 it was 10%. There were also spontaneous increases and promotion and merit programs that brought an average increase of 3.5%, which affected the reported amounts. **3** In the international operations, the changes occur mainly due to inflation in those countries, which raised the level of increase in Argentina and Colombia. In Chile and Mexico, there were also changes caused by merit and promotion.

Rates of return to work and retention following maternity/ paternity leave, by gender (GRI G4-LA3)

Amount of maternity and paternity leave and rate of return – Brazil		2013	2014	2015
Employees who were entitled to maternity/paternity leave	Men	2,178	2,141	2,163
	Women	3,161	3,091	2,988
	Total	5,339	5,232	5,151
Employees who took maternity/paternity leave during the period	Men	62	56	77
	Women	182	157	158
	Total	244	213	235
Employees who returned to work at the end of their maternity/paternity leave	Men	62	55	77
	Women	179	160	145
	Total	241	215	222
Employees who returned from maternity/ paternity leave and were still employed by the company 12 months later	Men	63	53	49
	Women	149	137	126
	Total	212	190	175
Retention rate of employees who returned to work at the end of their leave ^{1 2}	Men	88%	85%	89%
	Women	94%	77%	79%
	Total	92%	79%	81%

1 Calculation of the retention rate of employees who returned to work at the end if their leave is based on the total that remained for more than a year; divided by the total number of employees who went on leave in the previous year. **2** The retention rate remains stable compared to the previous year; the main reason for dismissal between dismissal without due cause. Resignations account for 20% of the dismissals among women and 10% among men who left before completing one year after returning from leave.

Mechanisms for registering accusations and complaints regarding labor practices (GRI G4-LA16)

Brazil ¹	Registered accusations and complaints regarding labor practices	Accusations and complaints addressed	Accusations and complaints resolved ³
2013	542	542	542
2014	348	348	348
2015 ²	297	297	297

1 Includes the opinions of employees and in-house contractors about benefits, overtime, working hours, health and dental care, education and training activities, among other staff management issues. **2** There was a reduction of 15% in the total volume of opinions about labor practices, which is still lower than overall decline in the volume of opinions expressed by the internal stakeholders (28%). **3** The indicator does not mention the concepts underlying the opinions received and not dealt with. So the opinions that were not addressed, for whatever reason, are considered to have been resolved.

LABOR RELATIONS

Minimum period for notification about operational changes (GRI G4-LA4)

No time limit is expressed in collective agreements for notification of operational changes, but Natura complies with the minimum time limits established in the prevailing legislation and/or in union agreements.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Degree of application of the right to free association and operations and suppliers identified as a risk (GRI G4-HR4)

Natura did not identify any operations or suppliers where the right to exercise freedom of association and collective bargaining may be infringed.

Ethics and human rights

ANTI-CORRUPTION

Units that underwent corruption-related risk assessments (GRI G4-SO3)

The areas of Compliance, Risk and Control, Internal Auditing and the Ombudsman work to prevent and combat corruption. Indirectly, all the company's areas and processes are subject to such risk assessment and mitigation. Currently, Natura has a variety of mitigation tools, such as: the Code of Conduct, which includes e-learning for all Brazil and International Operations employees; the Ethics Committee and complaints channel; the Integrity Policy against Corruption; and the auditing of payments and specific suppliers. In 2015, we also

developed e-learning for the Code of Conduct that is specific to suppliers and the Natura sales force.

In 2015, the areas of Risk and Compliance worked on adherence to the compliance program of the Brazilian Anti-Corruption Law (No. 12,846 / 2013) and the training program for stakeholders in general, especially those that have some relationship with public bodies, which includes all the company's VPs and directors.

Employees trained in anti-corruption policies and procedures (GRI G4-SO4)

The Code of Conduct, training in which is mandatory for all employees, contains 16 subject areas, 7 of which are related to corruption: engaging suppliers; travel and accommodation; gifts, presents and other offers; fraud, bribery and corruption; the preservation and proper use of the company's assets and resources; respect for corporate policies, rules and procedures; and position regarding the media, press, government and public presentations.

Proportion of the employees trained in anti-corruption procedures as a percentage of total employees	2013		2014 ²		2015	
		%		%		%
Management	601	69	674	82	667	90
Non-management	4,749	74	5,636	92	5,592	92

Total number of employees notified and/or trained in anti-corruption procedures ¹	2013		2014 ²		2015	
	Notified	Trained	Notified	Trained	Notified	Trained
Executive	92	48	57	44	59	48
Management	773	553	765	630	679	619
Administrative	3,336	2,499	3,721	3,621	3,819	3,594
Operational	3,110	2,250	2,372	2,015	2,246	1,998
Total	7,311	5,350	6,915	6,310	6,803	6,259

¹ Considered all training in the Code of Conduct of Brazil employees in 2015 and the percentage of the headcount in December 2015. ² The 2014 data were recalculated, considering the Administrative sphere - all employees in the administrative subgroup (GS 8 to GS15, except employees on unpaid leave), plus the employees of the Indirect Operational subgroups, employees of the Natura Institute, trainees and interns; Operational - all employees of the Operational subgroup; Management - all employees of the administrative managers subgroup GS16 to GS21, including GS A and B of the scientific managers; Executive - all the employees of directors subgroup GS22 to GS30, including GS C of the scientific directors, except the chairman of the Board of Directors and the CEO.

Commercial partners notified about anti-corruption procedures – Brazil ¹	Number of partners	% of total partners
South	98	31%
Southeast	1,311	36%
Midwest	17	24%
Northeast	103	38%
North	113	36%
Total	1,642	36%

¹ The launching of the Code of Conduct for suppliers took place in Dec/2014, so the notifications began in 2015. Natura has an average base of five thousand active suppliers and for the purpose of disclosure, priority was given to critical suppliers (recurring purchases monitored by audit). The monitored group represents 36% of the active suppliers, but in volume of purchases, they account for 62% of the total.

Confirmed incidents of corruption and actions taken (GRI G4-SO5)

In 2015, 12 cases of fraud were confirmed at the company, with note that none of them involved public agencies. The 12 cases resulted in disciplinary action against 26 employees (9 dismissals and 17 warnings) and 17 in-house contractors (all removed from Natura operations).

In relation to commercial partners, there were no cases where contracts were terminated or not renewed due to corruption-related violations.

SECURITY PRACTICES

Proportion of security personnel trained in human rights policies and procedures (GRI G4-HR7)

All employees on the staff of our security contractor have been trained in the Code of Conduct. As the turnover in this sector is high, cover is sometimes necessary, and this is done by employees of our contractor, duly trained according to the Federal Police stan-

dards, but without training in the Code of Conduct. When employees are taken onto the staff that serves Natura, they receive training in the Code of Conduct.

Total number of cases of discrimination and the corrective measures taken (GRI G4-HR3)

All complaints received are dealt with by the Ombudsman. Natura never had a proven discrimination complaint, but, should it occur, appropriate measures will be applied. It should be noted that all situations of likely ethical misconduct, such as discrimination, are reported to the Ethics Committee, which involves the company's top leadership.

In 2015, three cases of discrimination among the internal stakeholders in Brazil were reported (allegations not proven). The increased number of cases may be explained by the company's reinforcement of the topic of "Ethics", through action such as the updating of the Code of Conduct and strengthening the communication channels available at the company.

Number of accusations and complaints regarding human rights impacts registered, addressed and resolved (G4-DMA, GRI G4-HR12)

Total number of contacts received by the Ombudsman channel	2013	2014	2015
Employees and In-house contractors – Brazil	1,293	1,256	910
Employees and In-house contractors – International Operations ¹	8	5	17
Suppliers – Brazil	7	13	29
Supplier communities ²	0	0	0
Total	1,308	1,274	956

¹ Since 2011, the data have included employees in France. ² Stakeholders included since June 2012.

Cases dealt with by the Ombudsman as a proportion of the total contacts	2013	2014	2015³
Total number of cases addressed ¹	1,253	1,170	888
Total number of cases dealt with ²	1,236	1,170	888
% of cases dealt with	96	92	93

¹ Of the 68 cases not addressed, 23 were cancelled at the request of the complainant and 45 were cancelled because there was insufficient information to proceed. ² Cases handled by the Ombudsman together with the management of the area mentioned. ³ In 2015, we received 77% technical criticisms and 23% statements about behavioral issues. Among the types of complaints, comparing 2014 vs 2015, we continue to receive a growing number of inquiries, which went up to 21% in 2015. The amount of criticism fell by 5%, compared to 2014, accounting for 64% of the contacts; accusations increased by 3% and praise fell by 4%.

Operations and suppliers identified as at risk of using child labor and measures adopted. Operations and suppliers identified as at risk of using forced labor or compulsory labor and measures adopted (GRI G4-DMA, G4-HR5, G4-HR6)

No occurrence has been verified of the use of child labor, forced or compulsory labor in the communities supplying biodiversity ingredients to Natura. Nevertheless, in some communities, concentrated in the Amazon region, that sell biodiversity ingredients, there are indications of the involvement of children and adolescents in the family production chain - a cultural tradition in certain communities

- which does not necessarily signify non-compliance with Natura's principles.

In 2015, application of the System of Verification of Sociobiodiversity Chains, jointly with the Union for Ethical Bioproducts (UEBT), occurred in all the supplier communities. This was the first year of application, since the pilot test was conducted in 2014.

Significant actual or potential negative impacts on human rights in the supply chain and measures adopted. Operations and suppliers identified as at risk of using child labor and measures adopted (GRI G4-HR5, G4-HR11)

In 2015, 409 suppliers were submitted to impact assessments in relation to environmental, social, labor and human rights (child labor and forced or compulsory labor) criteria. As the position of Natura

regarding child and compulsory labor is zero tolerance, there are no suppliers who demonstrate this risk and, therefore, no agreements on improvements have been made.

Total number of cases of the violation of the rights of indigenous peoples and the actions taken (GRI G4-HR8)

In 2015, there was no record of any incidents involving indigenous people in places where the company operates.

ANTI-COMPETITIVE BEHAVIOR / COMPLIANCE

Total number of legal actions related to anti-competitive behavior. Monetary value of significant fines and total number of non-monetary sanctions (GRI G4-SO7, G4-SO8)

There was no record, in 2015, of any lawsuits in relation to unfair competition, anti-trust or monopoly practices nor were there any

significant fines or non-monetary sanctions for noncompliance with laws and regulations.

PUBLIC POLICIES

Policies on financial contributions to political parties, politicians or institutions (GRI G4-SO6)

Since 2006, the company has not made, at any of its operations, any type of contribution to political parties and/or candidates for public office, during or outside the electoral process.

Institutional relations

In 2015, through sectorial trade associations, Natura was active in the public sphere on issues related to sustainability, notably in the preparation of the framework for access to biodiversity and the sectorial agreement on packaging under the national policy on solid waste. Also acting through associations, Natura was involved in discussions on taxation.

The company's institutional representation was updated in 2015 and Roberto Lima joined the CEO Council of the WFDSA (World Federation of Direct Selling Associations), a federation that brings together 60 direct selling associations from around the world. In Brazil, Moacir Salzstein, Natura's Corporate Governance director, chairs the Association of Direct Selling Companies (ABEVD). What is more, Natura has active representation in association committees such as: the Committee on Legal and Taxation Affairs; the Government Relations Committee; and the Research Committee, among others. These moves reinforce the belief in relationships and in the direct selling model as the basis of our business.

Also in 2015, Marcelo Behar, our Corporate Affairs director, was elected vice-president of Abihpec (Brazilian Industry Association for

Toiletries, Perfumes and Cosmetics), an association in which we are also very active, in the working groups (WG). The main WG with active participation by the company are Environment and Taxation and Regulatory, as well as the respective subgroups.

As part of our sectorial activities, we also participate in the Getap (Applied Taxation Studies Group) and the Fiscal Studies Center (NEF) of the Getúlio Vargas Foundation.

Gerson Valença Pinto, vice-president of Innovation, currently holds the chair of Anpei (National Association for Research, Development and Engineering at Innovative Companies). Our co-founders also serve on the board of various associations. Pedro Passos is a board member at Iedi (Institute for Industrial Development Studies). Guilherme Leal is on the steering committee of the Ethos Institute (Ethos Institute for Business and Social Responsibility) and the B Team, a global group of leaders seeking social, environmental and economic change.

Natura consultants (NCs)

Number of Natura Consultants¹ (thousand)

	2013	2014	2015
Brazil ²	1,290	1,319	1,377
Argentina	94.6	115.7	139.6
Chile	59.6	66.6	72.7
Mexico	97.8	98.0	130.4
Peru	70.6	83.2	90.5
Colombia	42.3	59.0	71.9
France	1.7	1.5	1.06
Total	1,656.5	1,743	1,883

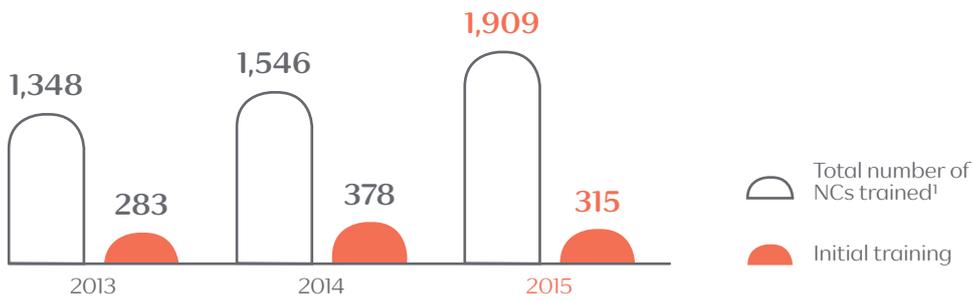
¹ Refers to the number of consultants at the end of the year. ² NCs - Brazil (available): portrays the cycle end (c18) comprising the cycle assets + NCs with up to three cycles without any orders.

Number of Natura Consultant Advisors¹ (thousand)

	2013	2014	2015
Brazil ²	11,957	11,328	9,500 ³
Chile	692	713	747
Peru	827	925	1,084
Colombia	292	364	439
Total	13,768	13,330	11,770

¹ This model does not exist in Mexico, Argentina or France. ² NCAs - Brasil: refers to the number of consultant advisors at the cycle end (c18). ³ The number of NCAs is 16% lower than the figure for 2014, due to the strategy of increasing the size of the groups, and thus the remuneration of the NCAs.

NC training – Brazil



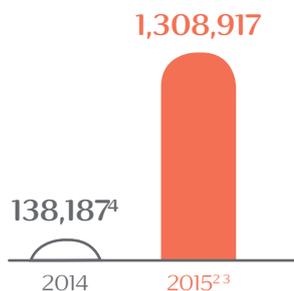
¹ Total training received by the same Natura consultant (NC), in a variety of training activities, through relationship managers, virtual training or other initiatives.

NC training – International Operations^{1 2}

	2013	2014	2015
Argentina	7,352	7,512	8,590
Chile	5,427	4,490	4,091
Colombia	4,382	5,666	6,717
Peru	6,530	6,512	7,088
Total	23,691	24,180	26,486

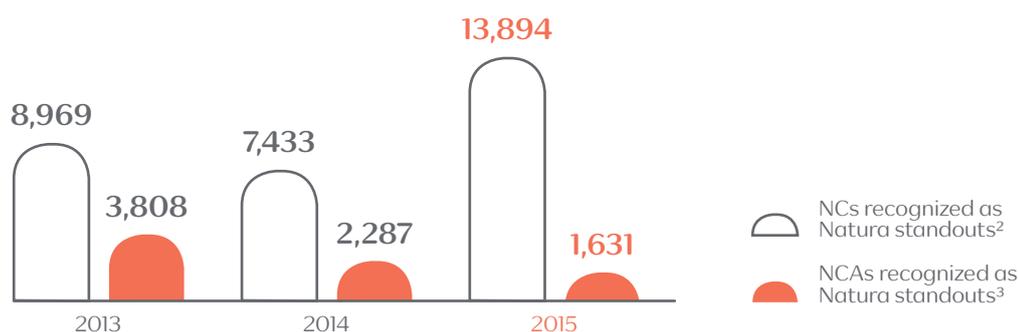
¹ Covers the number of NCs trained per cycle without repetition (if an NC does the same training more than once in the year; it is considered only once in the statistics). ² Due to the specific characteristics of Mexico and France's models, the indicator is not monitored in those countries.

Natura consultants engaged in the Natura Movement¹



¹ The calculation of NCs engaged was anticipated by the number of visitor to the Natura Movement platform, during 2015. However, the platform is not only accessed by NCs and it is not possible to identify which visitors are NCs. ² The calculation of the indicator considers the number of platform participants. We consider participation as: people registered, initiatives registered, content sharing in social network communication, interaction with initiative owners through the platform and votes in the election for the *Acolher* (Shelter) Award. ³ The Natura Movement platform was launched in April 2014. In 2015, we made changes to the layout and volunteer participation format, as well as a monthly investment in online media. As a result, there was an increase in participation and the number of hits. ⁴ The 2014 figure was changed, considering the same criteria used for 2015, to maintain information comparability.

NC recognition - Brazil (un.)¹



1 In 2015, we maintained and supported the Decades recognition program for Natura Consultants, celebrating the years of the relationship of each NC with Natura (10, 20, 30 and 40 years). As part of the refining of the recognition model, we discontinued the 15-year period, which remains in transition until 2016. **2** Natura Standouts: a recognition program that values and shows appreciation of individuals in our network that excel every year in different ways. **3** The NCA recognition program was developed to value and show appreciation of those who have demonstrated exceptional behavior in their advisory activities. In Natura Standouts, the advisors were recognized both by activity and volume. Meanwhile, in Evolution of the Moment, we celebrate the development of the NCA in their advisory capacity.

Loyalty Index (%)¹ (GRI G4-PR5)

	2013	2014	2015
NCs – Brazil	23	27.5	29.8
NCAs – Brazil	38	30	29.5
NCs – IOs	38	39	37.3
NCAs – IOs	47	44	52.4

1 Loyalty: proportion of respondents who awarded the highest score, on a scale of 1 to 5 points, to three factors: satisfaction, intention to continue the relationship with Natura and recommendation.

Satisfaction Index (%)^{1 2} (GRI G4-PR5)

	2013	2014	2015
NCs – Brazil	93	92	93
NCs – Argentina	94.8	94.4	93.2
NCs – Chile	92.5	93.6	92.4
NCs – Colombia	97.3	95.4	94.4
NCs – Mexico	93.8	95.2	93.6
NCs – Peru	96.0	93.2	91.4
NCAs – Brazil	97	91	93
NCAs – Argentina ³	n.a.	n.a.	n.a.
NCAs – Chile	93.0	92.0	94
NCAs – Colombia	98.0	97.0	99
CNOs Mexico	95.0	97.0	96
CNOs Peru	98.0	96.0	92

1 Ipsos Institute. **2** Satisfaction: proportion of respondents who said they are satisfied or totally satisfied. **3** The NCA model does not exist in Argentina.

Local communities

Percentage of operations with programs for engagement with local communities, assessment of impacts and local development (GRI G4-SO1)

According to our Sustainability Vision, activities in the local communities are focused on helping to promote local development, by strengthening leadership and civil society institutions and public authorities; the development of collective action; and supporting the development and implementation of public policies.

We consider the local communities in the municipality of Cajamar (São Paulo state), where our Cajamar center is located; the district of Jaguara, part of the São Paulo borough of Lapa, where our NASP center is located; and the municipalities of Benevides, Marituba, Santa Bárbara and Santa Izabel, as well as the district of Mosqueiro, all in the state of Pará, where our Ecoparque center is located.

Percentage of operations with programs for engagement with local communities	2013	2014	2015
Assessments of social impact, based on participatory processes, including the assessment of gender impact.	No	No	66.6%
Assessments of environmental impact and continuous monitoring.	No	No	66.6%
Public disclosure of the results of the environmental and social impact assessments.	No	No	66.6%
Community programs for local development based on the needs of the local communities.	66%	100%	100%
Plan for stakeholder engagement, based on the mapping of stakeholder priorities.	No	100%	100%
Public consultation committees or groups, based on local communities, and processes that include vulnerable groups.	No	66%	100%
Occupational health and safety councils or committees and other labor representative bodies to deal with the impacts.	No	No	No
Formal processes of complaint or ombudsman for the local community.	No	No	66%

Operations with significant actual or potential negative impacts on local communities (GRI G4-SO2)

Natura recognizes the significant impacts that its activities may generate within the socioeconomic and environmental dynamics of the municipalities where it operates. In 2015, in partnership with the Ipsos Institute, we developed a novel modification of the Social Progress Index (IPS), a tool to measure the quality of life and the social and environmental impact on urban communities, applying firstly in communities in the vicinity of Cajamar and NASP.

We have conducted the first measurement, called V zero or Base Zero. From the following surveys, it will be possible to identify any positive or negative socio-environmental impacts. It is not easy to isolate the influence of a single agent, since reality is systemic, but it will be possible to relate any improvements or deteriorations in the data to groups of actions performed by Natura. From this experience in the vicinity of Cajamar and NASP, assessment will be made on extending the mechanism to other locations where we have a relationship with the local communities.

This strengthens, therefore, the understanding that it is a mission of the company to take care of its relations with the different

stakeholders and that the local communities are a target for specific efforts to contribute to local development, in an innovative and collaborative manner:

An IPS was also developed for Natura's supplier communities in the Amazon region, in an unprecedented partnership with grass-roots communities, public partners, NGOs and local businesses. In 2015, the IPS was used to measure the quality of life and well-being of the riverside communities on the Juruá River, in Carauari (Amazonas state) and the results have been used to influence activities in the region since last year (read more here).

We also monitor the activities of the supplier communities, using indicators. As of 2015, the System of Sociobiodiversity Verification has been giving us clearer view of the impacts, whether they are influenced by Natura or not.

Throughout the work and follow-up in the field, no indication of a negative impact on the supplier groups with which the GRAS (Social Biodiversity Relationship and Supply Management area) works has been received or perceived.

Complaints regarding impacts on society, registered, addressed and resolved through a formal mechanism (GRI G4-SO11)

Brazil Operation¹	Registered accusations and complaints regarding labor practices	Accusations and complaints addressed²	Accusations and complaints resolved
2013	837	837	837
2014	1,826	1,826	1,826
2015 ²	2,369	2,296	2,296

¹ The scope considers the statements by FCs (final consumers), NCs (Natura Consultants) and NCAs (Natura Consultant Advisors) obtained through the SNAC, CAN and ATO internal channels. We do not consider suppliers, as the indicator for those stakeholders is already reflected in the control under G4 HR12. ² There was a significant increase in complaints about the matter of Unsolicited Orders. Since the start-up of the Natura Network, in 2014, there has been a significant increase in complaints from final consumers and NCDs (Natura Digital Consultant) about this matter.

Suppliers

Organization's supply chain (GRI G4-12)

Natura has an average base of five thousand suppliers a year under contract, with an annual renewal rate of approximately 40% per year. Of that total, approximately 500 suppliers are considered recurring and they account for 74% of the purchase volume. These suppliers are monitored through regular audits and maintain a long-term relationship with Natura.

The main classification of the type of supplier is divided into two major categories:

- 1) Production: suppliers of materials used in manufacturing products (packaging, raw materials, finished products, etc.).
- 2) Non-Production: suppliers of products or services without direct application in the production of Natura products (IT services, transport, maintenance, marketing, etc.).

In 2015, a total of about R\$ 4.2 billion in payments were made to suppliers.

The reduction in the monetary value of the payments is due to negotiation efforts to reduce prices and projects for the optimization of

products and processes, as well as to reduce the volume of purchases.

Our process for the socio-environmental assessment of suppliers is grounded in the self-assessment of the respondents. The monitoring of environmental data is part of the supplier development program (Qlicar) and, through this program, we seek to increase the respondent base and encourage continual improvement. Suppliers who do not participate in the Qlicar program are also monitored.

The water and electricity crisis had a direct impact on the consumption of water and electricity. The other indicators show a reduction because of the decrease in the production volume resulting from the economic crisis.

With regard to waste, the calculation method was altered to provide greater accuracy, which was reflected in an increase in the proportion of mapped waste not sent for recycling.

Natura's main suppliers of packaging and raw materials¹	2013	2014	2015
Total number of suppliers assessed (un.)	91	94	118
Energy consumption			
Electricity from primary source – electricity consumption (J)	1.4 × 10 ¹⁴	1.1 × 10 ¹⁴	9.9 × 10 ¹³
Self-generated electricity – diesel generator (J)	7.7 × 10 ¹²	1.6 × 10 ¹³	1.9 × 10 ¹³
LPG consumption (J)	1.3 × 10 ¹³	1.3 × 10 ¹³	3.9 × 10 ¹²
Others – natural gas (J)	9.5 × 10 ¹³	6.7 × 10 ¹³	6.0 × 10 ¹³
Total energy consumption (J)	2.5 × 10 ¹⁴	2.1 × 10 ¹⁴	1.8 × 10 ¹⁴
Water consumption			
Total water consumption (m ³)	295,954	342,813	281,000
Waste generation			
Total waste generation (t)	466	845	1,460
Total waste sent for recycling (t) ²	5,377	8,280	6,065

¹ In 2015, the number of responses was 26% higher than in 2014. All the indicators showed a reduction. Considering the relative consumption, there was a 28% fall in total energy consumption and a 35% drop in water consumption. These reductions are a reflection of the water crisis and the Brazilian energy scenario. Regarding waste, there was a change in the calculation method, considering the type of disposal and waste classification (hazardous and non-hazardous), to improve the accuracy of the results, which explains the increase in waste not sent for recycling. ² This indicator started to be monitored in 2013.

Proportion of new suppliers chosen on the basis of criteria relating to labor practices (G4-DMA, GRI G4-LA14)

	2013	2014	2015
Total number of suppliers that were considered	1,871	1,876	1,719
Total number of suppliers hired on the basis of labor criteria	43	42	39
% of suppliers hired on the basis of labor criteria ¹	2.3	2.2	2.3

¹ The number of new suppliers in categories subject to assessment and monitoring according to environmental and labor criteria and impact on society and human rights is low in relation to the total of new Natura suppliers, at around 2.3%. Nevertheless, these categories account for 74% of the total volume of Natura purchases and relate to production inputs, outsourced production, gifts, laboratories, research, transport companies, logistics operators, customer care, marketing, services, local communities and cooperatives.

Significant actual or potential negative impacts of labor practices on the supply chain (GRI G4-LA15)

	Total number of suppliers submitted to labor impact assessment	Suppliers identified as causing significant negative impacts	Signed improvement agreements	Signed improvement agreements (%)
2013	436	118	87	73.73
2014	414	123	117	95.12
2015 ¹	409	120	65	54.17

¹ In 2015, the scope of the auditing was increased, with the inclusion of suppliers of environmental services, cooperatives and logistics services, which are supply categories that have greater difficulty in implementing improvements, which in turn explains the reduction in the action plans agreed. Nevertheless, monitoring and engagement activities are being used to develop these suppliers.

Proportion of new suppliers chosen using criteria related to impacts on society (G4-DMA, GRI G4-SO9)

	2013	2014	2015
Total number of suppliers that were considered	1,871	1,876	1,719
Total number of suppliers hired on the basis of criteria related to impacts on society	43	42	39
% of suppliers hired on the basis of criteria related to impacts on society ¹	2.3	2.2	2.3

¹ The number of new suppliers in categories subject to assessment and monitoring according to environmental and labor criteria and impact on society and human rights is low in relation to the total of new Natura suppliers, at around 2.3%. Nevertheless, these categories account for 74% of the total volume of Natura purchases and relate to production inputs, outsourced production, gifts, laboratories, research, transport companies, logistics operators, customer care, marketing, services, local communities and cooperatives.

Significant actual or potential negative impacts of the supply chain on society, and steps taken ¹

(G4-DMA, GRI G4-SO10)

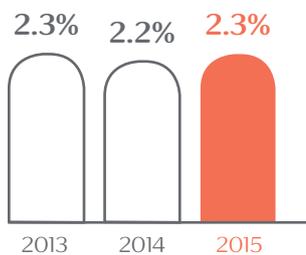
	Total number of suppliers submitted to assessment of impact on society	Suppliers identified as causing significant negative impacts on society	Signed improvement agreements	Signed improvement agreements (%)
2013	436	100	73	73%
2014	414	115	104	90%
2015 ²	409	126	78	62%

¹ In 2015, the scope of the auditing was increased, with the inclusion of suppliers of environmental services, cooperatives and logistics services, which are supply categories that have greater difficulty in implementing improvements, which in turn explains the reduction in the action plans agreed. Nevertheless, monitoring and engagement activities are being used to develop these suppliers.

Proportion of new suppliers chosen on the basis of criteria relating to human rights

(GRI G4-HR10)

% of suppliers hired on the basis of human rights criteria (%)¹



¹ The number of new suppliers in the categories subject to assessment and monitoring is low in relation to the total of new Natura suppliers, at around 2.3%. However, these categories account for 74% of the total volume of Natura purchases.

BioQlicar Program (GRI G4-HR10)

The BioQlicar program is a version of the Qlicar (Quality, Logistics, Innovation, Competitiveness, Environmental, Social and Relationships) supplier management and development platform created especially for communities living off agriculture and the extraction of natural resources. In 2015, the BioQlicar program was replaced by a new methodology for the assessment and collection of indicators in the field, the System of Verification of Sociobiodiversity Chains.

Developed jointly with the Union for Ethical Bioproducts (UEBT), this system considers issues such as organizational management, traceability, health and safety, conservation and use of biodiversity, labor matters and good production practices, meeting the standards of ethical bioproducts, among other standards provided for in the Natura Policy on the Sustainable Use of Biodiversity (FSC, organic, fair trade, etc.). In addition to faithfully representing the situation in the field and aiding in the effective and efficient planning of the biodiversity procurement team, as well as partner organizations. Our goal is to

make the System of Verification of Sociobiodiversity Chains an audit tool in 2016.

The result obtained in this application of the verification system is weighted, along with the community's OTIF (on time in full) score, resulting in a BioQlicar program score. The decline in the score in 2015 (3.62), compared to the score of 2013 (3.76), is due to the community OTIF assessment, as well as the results of the Verification System questionnaire on the sub-theme of organizational management, which was the topic that had the most points of non-compliance.

Furthermore, there was the addition of eight new suppliers in the system: a small farmer; three small suppliers groups that had not previously been included in the assessment; a new local community; three local communities with which the company already had a relationship, but where the survey was not applied in 2013 (in 2014 the program was reviewed and was not applied).

Loyalty Index (GRI G4-PR5) (%)¹	2013	2014	2015
Suppliers ²	30	24.1	18
Suppliers – IOs	38	33	41
Supplier communities ³	28	ND	28
Satisfaction Index (GRI G4-PR5)^{1 2}	2013	2014	2015
Suppliers ²	85.5	86.0	77.0

1 Loyalty: percentage of respondents who awarded the highest score, on a scale from 1 to 5 points, to three factors: satisfaction, intention to continue the relationship with Natura and recommendation of Natura as a customer. **2** The significant decline in Brazil supplier loyalty, accompanied by a 9 percentage point decline in satisfaction (scores of 4 and 5), despite the efforts to develop closer relations (clarification of processes, dissemination of guidelines and discussion panels), suggest the strong contribution of business factors influenced by the country's economic scenario, unlike the International Operations scenario. Notable among the greatest opportunities for improvement are the sharing and clarity of information, dialogue and commercial relations. **3** The Loyalty Index remained stable. The reduction in supply volumes in 2014 and 2015 generate insecurity and dissatisfaction, giving producers the feeling of distancing between the cooperative and Natura. Nevertheless, high scores show satisfaction over Natura's concern (social and environmental) about the community, enhanced presence in the field, greater organization, increased intensity of contacts and the integration of investments, expanding partnerships and the prominence that they give the communities.

Customers

Loyalty^{1,2} (GRI G4-PR5)

(%)	2013	2014	2015
Consumers – Brazil	52	64	58
Consumers – IOs	54	65	63.1

1 Ipsos Institute. **2** Loyalty: percentage of respondents who awarded the highest score (Top 1 Box), on a scale from 1 to 5 points, to three factors: satisfaction, intention to continue the relationship with Natura and recommendation of the brand.

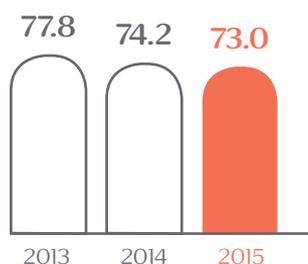
Brand Preference Index^{1,2} – Customers (%) (GRI G4-PR5)

	2013	2014	2015
Customers – Brazil	43.8	41.8	35.1
Customers – Lat. Am.	16.6	21.4	21
Recommendation ²	77.5	81.9	82

1 Brand Essence survey performed by the Ipsos Institute in all the countries during the months of Nov/Dec 2015. **2** Indicators generated by a quantitative survey comprising three thousand interviews in Brazil, in 30 cities in all regions of the country, and two thousand interviews in five Latin American countries (Argentina, Chile, Peru, Colombia and Mexico). The sample is comparable to that of 2014. The brand preference is based on the following question: Of the cosmetic, toiletry and beauty brands you know, which is your favorite? And the Loyalty Index is calculated on the basis of three questions (satisfaction, recommendation and intention to keep buying) asked of those who have bought the brand within the last 6 meses.

Brand Essence survey – Brazil

Overall assessment of the Brand Essence survey¹ (%)



1 Source: Brand Essence/Ipsos Institute. The indicators were generated by a quantitative sample of three thousand personal and home interviews across 27 locations. It used the same sample as the survey conducted in 2014, which makes the data comparable.

Indicators of Innovation	2013	2014	2015
Investment in innovation (R\$ million) ¹	207	216	221
Percentage of net revenue invested in innovation (%)	3	3	3
Number of products launched (un.) ²	179	239	220
Innovation Index (%) ³	63.4	67.9	58.9

1 To calculate the amount of investment in innovation (R\$ million) all the spending reported in the Income Statement under Innovation (Product Funnel Project, Technology Funnel, unit and VP structure, R&D) was considered. To calculate the percentage of net revenue, the value of the overall corporate NR was used. **2** The number of products launched only includes products that represent a new value proposal for the consumer; according to the following characteristics: normal (excludes refills); previously non-existent (excludes all reformulations and repackaging); and launched as a product line (excludes promotional kits, whether or not in a set). This also excludes combinations of products in kits, with new sales codes, as well as items from the Believing is Seeing line, accessories sold to consumers and support materials sold to NCs. **3** The Innovation Index is the result of the total contribution to annual gross revenue of the launches in the last two years. The result only considers Brazil.

CONSUMER HEALTH AND SAFETY

Assessment of the impacts on health and safety during the product and service life cycle (GRI G4-PR1)

The categories of the toiletries, cosmetics and perfumes sold have been previously approved by Anvisa and the bodies regulating Natura's International Operations. In 2015, a new indicator was created to cover the "delivery of the Anvisa technical dossier for the registration

of new products", in which all Anvisa legal health and safety requirements are collated. Under this new indicator, 100% of the products sold follow the established procedures and they are also monitored for post-market availability.

Non-compliance in relation to the impacts of products and services. Non-compliance in relation to the labeling of products and services. Fines for non-compliance in relation to the supply and use of products and services (GRI G4-PR2, G4-PR4, G4-PR9)

In 2015, Natura received no assessments, penalties or fines for infringing the law and regulations concerning the supply and use of products and services, the labeling of products or for allegedly endangering the health and safety of customers.

Labeling of products and services

Natura products contain information on their proper use, the presence of substances capable of generating social and environmental impacts and means of disposal of the product, indication of the recommended limit for reutilization of the packaging and data on production outsourcing. All Natura cosmetic products are evaluated according to the requirements of the Environmental Table.

Type of information about products and services required under labeling procedures – Origin of the material and certification of the products (G4-DMA, GRI G4-PR3)

Origin of the material and certification of the products (%)	2013	2014	2015
Material of renewable vegetable origin	82	82.6	83
Material of natural vegetable origin	7	7.2	6.6
Material with certification of origin	13	12.2	13

MARKETING COMMUNICATION

Cases of non-compliance in relation to product and service communication (GRI G4-PR7)

In 2015, Natura received no notification for infringement of the laws and regulations or voluntary codes concerning marketing communication, including advertising, promotion and sponsorship.

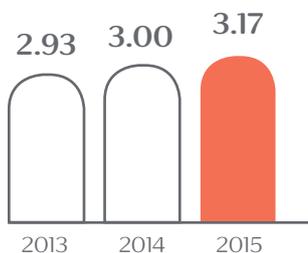
Environmental management

EMISSIONS

Relative CO₂ emissions (kg of CO₂e/ kg of invoiced product)^{1 2}

(GRI G4-EN15, G4-EN16, G4-EN17, G4-EN18)^{1 2 3}

kg of CO₂e/kg of invoiced product



1 The denominator used by the company is the product mass (content) invoiced in Brazil and in the International Operations. It is calculated by multiplying the invoiced amount of SKUs by the mass of each product. **2** To calculate the inventory, the total volume of Scope 1, 2 and 3 emissions, including the data from the extraction of the raw materials in nature to the final disposal of the product, is considered. The inventory follows the standards of the GHG Protocol and the principles of the ABNT NBR ISO 14064-1 standard, which establishes rules for the design, development, management, preparation and reporting. **3** The inventory was audited by the Totum Institute.

Emissions in the value chain (t)

(GRI-G4EN15, G4-EN16)^{1 2}

	2013	2014	2015 ⁴
Extraction and transportation of raw materials and packaging (process and transportation to the direct suppliers)	138,947	141,574	127,788
Direct suppliers (process and transportation to Natura)	34,502	35,154	31,731
Industrial and internal processes	27,577	29,325	18,557
Sale of products (transportation and distribution)	52,299	49,593	66,749 ³
Use of products and disposal of packaging	75,127	76,680	76,442
Overall total (t)	328,452	332,326	321,267

1 For the calculations, all GHG were considered. **2** To calculate our inventory, we consider the total volume of our scope 1, 2 and 3 emissions. Our inventory follows the standards of the GHG Protocol and the principles of the ABNT NBR ISO 14064-1 standard, which establishes rules for the design, development, management, preparation and reporting. In 2015, the report was audited by the Totum Institute. **3** There was a worsening in the efficiency of our distribution, which resulted in increased emissions. **4** In 2015, GHG emissions in the Natura Inventory increased at a faster rate than product sales, because the latter volume was lower than expected. Consequently, we achieved relative emissions of 3.17 kg CO₂e per kg of product, which represents an increase of 5.8% in relation to the relative emissions registered in 2014. The absolute emissions (Scope 1, 2 and 3) were lower than in 2014.

Direct emissions of greenhouse gases (GHG). Indirect emissions of greenhouse gases arising from energy acquisition. Other indirect emissions of greenhouse gases

(GRI G4-EN15, G4-EN16, G4-EN17)^{1 2}

	2013	2014	2015
Direct emissions of GHG (Scope 1)	2,289	1,635	4,156 ³
Direct biogenic emissions (from the burning or biodegradation of biomass)	9,258	8,826	9,347
Indirect emissions of GHG and energy (Scope 2)	5,398	8,371	7,909
Other indirect emissions of GHG (Scope 3)	320,765	322,319	309,202 ⁴
Indirect biogenic emissions of CO ₂ in metric tons of CO ₂	8,787	8,921	10,746 ⁵
Total (t)	328,452	332,325	321,267

1 For the calculations, all GHG were considered. **2** To calculate our inventory, we consider the total volume of our scope 1, 2 and 3 emissions. Our inventory follows the standards of the GHG Protocol and the principles of the ABNT NBR ISO 14064-1 standard, which establishes rules for the design, development, management, preparation and reporting. In 2015, the report was audited by the Totum Institute. **3** The increase in emissions in relation to 2014 is due to soap production, which was previously done by outside suppliers (Scope 3). **4** The change in emissions compared to 2014 is mainly due to the lower than planned turnover of products. **5** Part of the increase is related to the change in the percentage of biodiesel in diesel fuel and of ethanol in gasoline. Part is related to the consumption of ethanol and gasoline in the product distribution phase.

Reduction in greenhouse gas emissions (GRI G4-EN19) ¹

2015	Weight (t of CO ₂ e)	Type of gas	Scope (1, 2 or 3)
Coastal shipping used to supply the Northeast/ North distribution centers	896	CO ₂	Scope 3
Gains from the exporting of local production	1,783	CO ₂	Scope 3
Launch of Ekos perfume refill	446	CO ₂	Scope 3

¹ Our inventory follows the standards of the GHG Protocol and the principles of the ABNT NBR ISO 14064-I standard, which establishes rules for the design, development, management, preparation and reporting. In 2015, the report was audited by the Totum Institute.

Emissions of substances that destroy the ozone layer / Emissions of NO_x, SO_x and other significant atmospheric emissions (GRI G4-EN20, G4-EN21)

Natura does not use substances in its operations that affect the ozone layer. With regard to emissions of NO_x and SO_x, as clean fuels (ethanol, LPG and briquette) are used in the boilers, there are no significant measurable amounts of those gases.

ENERGY

Energy consumption within the organization (GRI G4-EN3)

Direct and indirect energy consumption, by primary source (Tj) ¹	Type of Source	2013	2014	2015
Solar energy	Renewable	0.02	0.02	0.02
Diesel fuel used in the generators	Non-renewable	7	6	3.27
LPG consumption	Non-renewable	7	6	7.10
Electricity	Renewable	167	197	205.71
Ethanol consumption ²	Renewable	36	32	38.65
Bunker fuel consumption	Non-renewable	-	-	-
Briquette consumption ³	Renewable	29	33	33.12

¹ Consumption related to the Natura energy matrix: Cajamar, Benevides, distribution centres and administrative support, NASP, Shared Services Center (CSC) and regional offices. ² Renewable fuel used in steam production at Cajamar. ³ Total replacement of the fuel oil boiler by biomass in Benevides, as one of the steps to reduce the consumption of fossil fuels.

Energy matrix (GRI G4-EN3)

Direct and indirect energy consumption, by primary source (%) ¹	Type of Source	2013	2014	2015
Electricity	Mixed sources, mainly renewable (hydroelectric)	104%	72%	71%
LPG consumption	Non-renewable source	4%	2%	2%
Diesel fuel used in the generators	Non-renewable source	4%	2%	1%
Ethanol consumption ²	Renewable source	22%	12%	13%
Bunker fuel consumption	Non-renewable source	-	0%	0%
Solar energy	Renewable source	0.01%	0.01%	0.004%
Briquette ³	Renewable source	18%	12%	12%

1 Consumption related to the Natura energy matrix: Cajamar, Benevides, distribution centers and administrative support, NASP, Shared Services Center (CSC) and regional offices. **2** Renewable fuel used in steam production at Cajamar. **3** Total replacement of the fuel oil boiler by biomass at the Benevides plant, as one of the steps to reduce the consumption of fossil fuels.

Total energy consumption, by source (GRI G4-EN3) (Tj)	2013	2014	2015
Non-renewable fuels	14.0	11.8	10.38
Renewable fuels	232.6	262.2	277.49
Total fuels	246.6	274.0	287.87

Total energy consumption (GRI G4-EN3) (Tj)	2013	2014	2015
Electricity	174.2	203.1	208.98
Heating	0.00	0.00	0.00
Cooling ¹	0.00	0.00	0.00
Steam ²	2.3	66.1	74.80
Total energy	176.5	269.2	283.78

1 The electricity consumption for cooling is already included in the total electricity consumption at the Cajamar site. **2** Total consumption of ethanol and briquette added to the LPG consumption of the Cajamar boiler.

Total energy consumption ¹ (GRI G4-EN3) (Tj)	2013	2014	2015
Cajamar and Benevides ²	179.4	198.8	215.7
Other Natura centers in Brazil ³	65.5	75.2	72.1
Natura outsourced manufacturers ⁴	54.0	45.0	35.8
Total energy matrix	284.2	319.0	323.7

1 There was an increase (9%) in the total energy consumption at Cajamar and Benevides, due to the operational start-up of the new plant in Cajamar (Amazon River 2). There was a reduction (4%) in the total consumption at other Natura centers, due to the deactivating of the Alpha-ville unit and a reduction (20%) in the total consumption of outsourced manufacturers, due to the reduced production in 2015. **2** Cajamar and Benevides account for 64% of Natura's total energy matrix. **3** Other Natura centers in Brazil: the Jundiá distribution center was deactivated in June and the Itupeva hub (São Paulo state) was inaugurated, also in June, along with a new office in Lapa, São Paulo (São Paulo state). **4** Companies that manufacture finished products for Natura, representing about 90% of the total item units purchased by Natura.

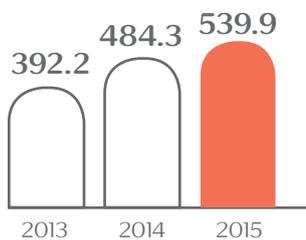
Consumption of energy outside the organization (GRI G4-EN4)

Consumption of energy outside the organization (Tj) ¹	2013	2014	2015
Goods and services acquired	279.14	245.94	189.44
Upstream transportation and distribution	468.14	479.71	497.59
Waste generated by operations	-	-	-
Business travel	80.17	79.58	55.65
Transportation of employees	29.81	30.99	29.48
Downstream transportation and distribution	214.70	194.13	207.94
Total	1,071.96	1,030.35	980.10

¹ The conversion of fuel consumption into power using the IPCC factors.

Energy intensity (GRI G4-EN5)

Energy consumption per unit of output^{1 2 3} (kj)

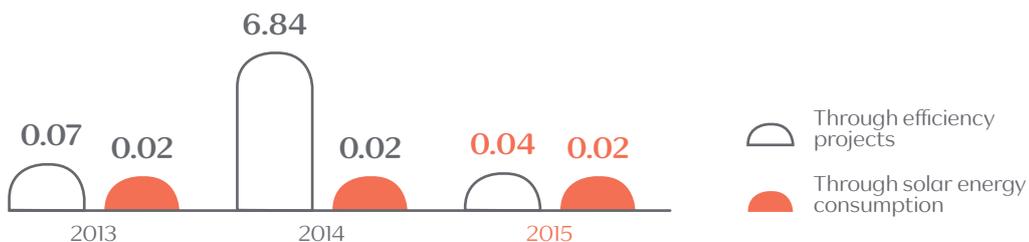


¹ Consumption related to the Natura energy matrix (Cajamar, Benevides, outsourced suppliers, distribution centers, Itupeva hub, Lapa and NASP).

² Calculation of the rate considers the volume of item units produced internally plus the units manufactured by third parties. Included in the rate is a digital system of electricity metering, the volume of fuel purchased and design data for solar energy. ³ Outsourced manufacturers are companies that manufacture finished products for Natura. The monitored third parties account for approximately 90% of the total item units purchased by Natura.

Reduction of energy consumption (GRI G4-EN6)

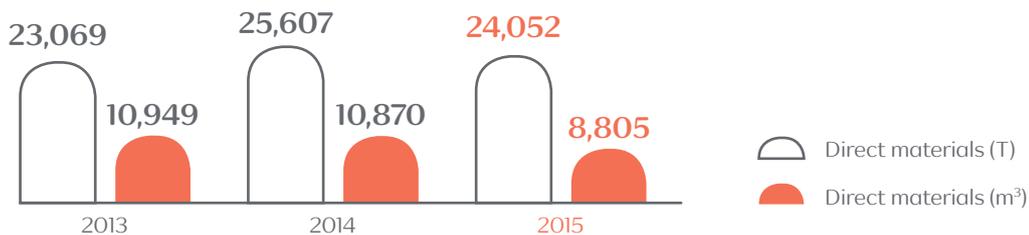
Energy savings (joules x 10¹²)



WASTE MANAGEMENT

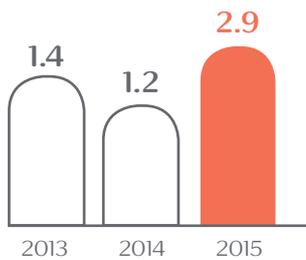
Materials used, by weight or volume (GRI G4-EN1)

Total use of materials, by type (except water)



Proportion of recycled materials used (GRI G4-EN2)

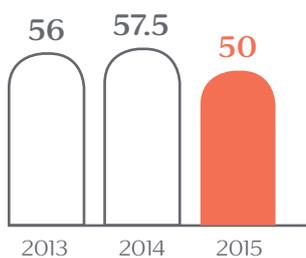
Post-consumption recycled materials used in the packaging of finished products¹ – Brazil (%)



¹ The indicator considers the percentage mass of the materials recycled after consumption in relation to the total mass of the packaging materials, weighted according to the amount invoiced.

Recyclability (GRI G4-EN2)

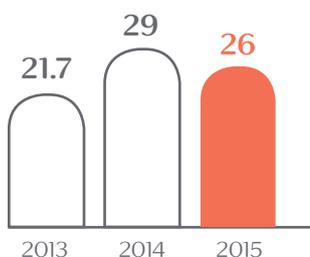
Recyclable materials in finished product packaging¹ (%)



¹ Recyclability: the indicator considers the percentage mass of recycled materials in relation to the total mass of packaging materials, weighted according to the amount invoiced. ² In 2015, the indicator showed a decline, due to a change in the product mix invoiced from what had been originally planned.

Initiatives to mitigate environmental impacts (GRI G4-EN27)

Eco-efficient packaging - Brazil (% of items invoiced)¹

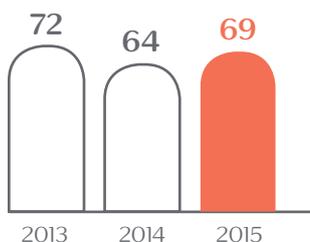


¹ Eco-efficient packaging is that which shows a weight reduction of at least 50% compared to normal/similar packaging or when at least 50% of its composition is made up of post-consumption recycled material and/or non-cellulosic renewable material, provided that there is no weight increase.

Ecoefficient packaging – International Operations (% of items invoiced) ¹	2013	2014	2015
Argentina	14.2	12.9	11.8
Chile	11.3	14.1	12.6
Colombia	14.1	16.7	14.4
France	10	7 ¹	7.4
Mexico	9.1	10.8	9.6
Peru	12.9	17.1	15.3

¹ The 2014 data was incorrectly reported last year and has been corrected to 7%.

Environmental impact of packaging, by product Quantity - Brazil (GRI G4-EN27)¹ (mpt/kg)

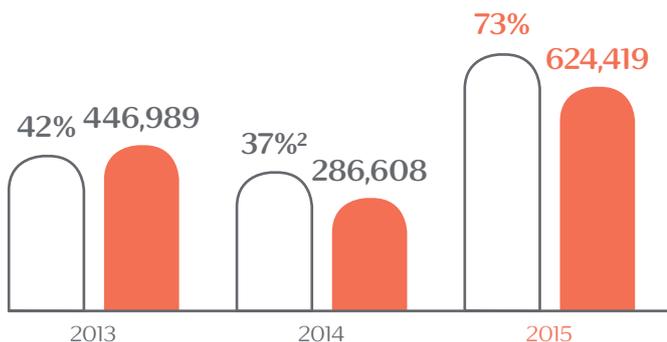


¹ Natura revised the indicator; to consider only the impact of products that the company believes to be its greatest responsibility and consequent opportunity for reduction.

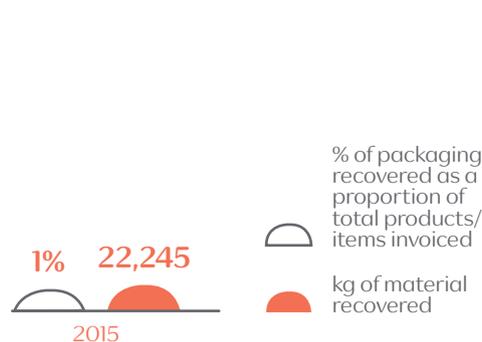
Proportion of products and packaging recovered, by product category (GRI G4-EN28)

Packaging recovered as a proportion of total products invoiced – Natura Mobilization in Colombia and Argentina¹

Colombia



Argentina

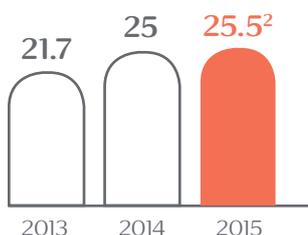


¹ 2015 saw the restarting of the EcoPuntos project, in Colombia, through a partnership with the Fundação Família to achieve greater control and monitoring of recycling associations in Bogotá, Bucaramanga, Medellín, Rionegro and Valledupar. ² The figure was updated in accordance with the final figure published in the 2014 Waste Inventory. ³ In April 2015, Natura Argentina and the Buenos Aires municipal government signed an agreement whereby the company undertakes to mobilize its network to encourage the separation of packaging at source and delivery to one of the city's 32 green points. The city of Buenos Aires was chosen for this project because it is where Natura Argentina has its highest sales levels and it now has full-time management of its solid urban waste involving social inclusion (more than four thousand collectors are part of system).

Total weight of waste, by type and disposal method (GRI G4-EN23)

Waste per unit of output¹

Total waste per unit of output (g/un.)



¹ The waste/unit of output indicator represents the sum of Natura's total direct and indirect waste, in grams, divided by the total item units produced directly or indirectly by Natura. ² The 2% increase in the amount of waste generated per unit of output, from 2014 to 2015, was affected by an increase in the generation of class II waste. That is mainly due to the increased generation of sludge (482 t) at Cajamar, a change in the treatment of wastewater at the Ecoparque (439t) and increased generation of waste at the Itupeva hub (259.34 t). In contrast, Natura developed some waste reduction projects that yielded a total gain of 952.8 t in 2015.

Direct and indirect waste⁵ (GRI G4-EN23)

Direct Natura waste, by type and disposal method (%)		2013	2014	2015
Total hazardous waste (Class I)	Sent for recycling ¹	98	92	82.4
	Incinerated	1.9	7.6	17.6
	Disposed of in landfills	0.2	0	0.0
Total non-hazardous waste (Class II – A and B) ⁶	Sent for recycling ¹	83	87	90
	Incinerated	1.3	4	6
	Disposed of in landfills	15.7	9	4
Overall total of Natura direct waste²		10,363	12,168	11,585
Natura indirect waste (t)		2013	2014	2015
	Waste related to other Natura centers ³	3,552	2,266	2,127
	Waste from outsourced suppliers ⁴	2,299	2,053	1,543
Total indirect waste		5,851	4,319	3,670

1 Recycled waste is considered to be that sent for composting, co-processing and transformation. **2** Refers to the Cajamar, Benevides, NASP and CDSP centers. Natura does not report in this indicator the waste generated in construction works (debris) carried out at its centers. **3** Refers to the distribution centers, except the CDSP, the Itupeva hub and the Lapa center. Monitoring of waste from these units began in 2015. **4** Refers to the nine largest outsourced suppliers, which account for approximately 90% of the total third-party production. **5** Waste disposal is determined and controlled by the Natura Environment Department, according to the type of waste. Separation and transportation is performed by an in-house service provider at our units. Final disposal is carried out in accordance with the legal guidelines.

Weight of hazardous waste transported (GRI G4-EN25)

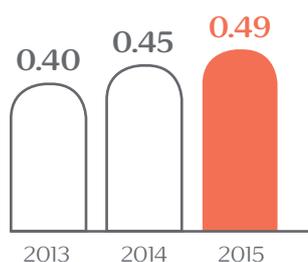
Natura does not import, export or transport such waste internationally.

WATER

Total water withdrawal, by source

(GRI G4-EN8)

Water consumption (l/unit of output)



Water consumption per center (m ³)	2013	2014	2015
Natura sites ¹	148,267	174,045	177,866
Other centers ²	59,695	60,356	52,826
Natura outsourced suppliers ³	82,897	60,299	63,027
Total water consumption	290,859	294,700	293,719

¹ Industrial sites: Cajamar and Benevides. ² Administrative and logistics sites: NASP, Lapa, distribution centers and Itupeva hub.

³ Manufacture finished products on behalf of Natura. Water consumption control is in place at the main outsourced suppliers (90%).

Total water withdrawal, by source ¹ (GRI G4-EN8) (m ³)	2013	2014	2015
Surface water (rivers, lakes, wetlands, sea)	0	0	0
Groundwater	149,601	174,045	177,866
Rainwater harvested directly and stored by the organization	1,062	0	0
Wastewater from other organization	0	0	0
Water supply company/concession holder	18,999	30,960	20,872
Total	169,661	205,006	198,738

¹ Considers the Cajamar and Benevides, NASP and Lapa units. Due to the variations in withdrawal, one cannot state the sources used at the distribution centers, Itupeva hub and outsourced suppliers.

Water sources significantly affected by water withdrawal (GRI G4-EN9)

Because of the lack of a public system of water supply, the water resources used at the Cajamar and Benevides units are obtained from semi-artesian wells. The systems are monitored daily and meet

the regulations of the authorization granted by the responsible bodies. At NASP, in the city of São Paulo (São Paulo state), the water supply comes from the public system.

Proportion and total volume of water recycled and reutilized (GRI G4-EN10)

volume of water recycled and reutilized	2013	2014	2015
Water recycled ¹ and reutilized ² (m ³)	79,366	99,586	82,972 ⁵
Proportion of water recycled as a percentage of total water treated at the wastewater treatment plant ³ (%)	42	61	45
Proportion of water recovered as a percentage of total water withdrawn ⁴ (%)	54	67	59

1 From the sanitary and industrial wastewater generated at the Cajamar unit that, after physical-chemical and biological processing at the wastewater treatment plant, is reutilized for cleaning, gardening, toilets and other purposes. **2** Water that is returned from the production process at Cajamar and is reutilized in the drinking water system. **3** The percentage refers to the volume of recycled water from wastewater treatment as a proportion of the total water treated at the Cajamar wastewater treatment plant. **4** The data for reutilization and recycling refer to the volumes of water recycled and reutilized. At Cajamar, the percentage of reutilized water was higher due to the high consumption of recycled water. **5** In 2015, there was a reduction in the proportion of recycled and reutilized water volumes. This was due to the rainy season, when there was no need to irrigate the gardens. Water is reutilized at other sites, such as the São Paulo distribution center and the Itupeva hub, but the increase was not significant.

WATER DISCHARGE

Total water discharge, by quality and disposal method. Biodiversity Index and protection of bodies of water and habitats (GRI G4-EN22, G4-EN26)

Effluent treated at Cajamar (mg/l)	Legal parameter	2013	2014	2015
BOD ¹	60	48	20	13.3
COD ²	150	110	65.68	55.1
Oil and grease	120	39	17	18.4
Effluent treated at Benevides (mg/l) ³	Legal parameter	2013	2014	2015
BOD ¹	60	206	142	The old industrial unit at Benevides was deactivated in October 2014 and the land was handed back to the owner.
COD ²	150	312	414	
Oil and grease	120	9	6	
Effluent treated at Benevides (Ecoparque) (mg/l) ⁴	Legal parameter	2013	2014	2015
BOD ¹	-	-	7	10.9
COD ²	-	-	64	55.9
Oil and grease	-	-	1	7.0

1 BOD – biological oxygen demand. **2** COD – chemical oxygen demand. **3** Refers to the old industrial unit at Benevides, deactivated in October 2014. **4** Refers to the Ecoparque, which has been in operation since April 2014.

Total water discharge

(GRI G4-EN22, G4-EN26)

Total water discharge, by quality and disposal method	Volume (m ³)			Treatment	Water quality and treatment method	Disposal	To be reutilized by another organization?
	2013	2014	2015				
Cajamar	115,489	110,829	129,041	Yes	Activated sludge	Reutilization and discharge into the river	No
Benevides -Ecoparque	-	-	4,261	Yes	Filtering garden	Discharge into the river	No
Benevides	1,388	11,838	The old industrial unit at Benevides was deactivated in October 2014 and the land was handed back to the owner				
NASP ¹	15,296	28,163	17,849	No	N.A.	Municipal network	No

¹ The NASP only has domestic wastewater, collected by the Sabesp public sewage system. As there are no meters, the company uses the volume of water consumption also for the wastewater volume.

Total number and volume of significant spills

(GRI G4-EN24)

There was no record in 2015 of any significant spillage of substances or accidents involving products that have caused any impacts.

BIODIVERSITY

Significant impacts on biodiversity of activities, products and services (GRI G4-EN12)

Natura has been operating in the Amazon region for over a decade and, in 2011, introduced the Amazon Program, which spells out the company's commitment to contribute to the development of the region. The Ecoparque, inaugurated in 2014 in the municipality of Benevides (Pará state), is one of the pillars of the program and aims to bring about local socioeconomic development, boosting the economy and stimulating employment. To manage the environmental impacts of the operation, the new plant has embraced some innovative solutions, such as the filtering gardens for the treatment of wastewater, natural ventilation and lighting and a geothermal system, which makes the air conditioning system more efficient. The Ecoparque was planned using the concept of industrial symbiosis, which provides for the installation of other companies on the site, enabling a performance model in which the waste of one company can be used in industrial process of another. In 2015, we welcomed the arrival of the first partner, Symrise, a German multinational that is one of our fragrance suppliers.

Natura also adopts good practices in production and the sustainable management of species acquired in the region's communities and used in its portfolio. The purchase of these inputs contribute to the increased income of local communities and especially the households involved, in addition to reducing the pressure on biodiversity. In 2014, the company developed an online database (Natura Sociobiodiversity System), which will further enhance the traceability and monitoring of the sociobiodiversity production chain and Natura's activities.

Another recent example of how the company intends to exert a positive impact on sociobiodiversity is the implementation of the Land

Development Plans, which encourage dialogue between business, government and civil society for the joint development of initiatives aimed at preserving the biodiversity and saving the standing forest. The first plan covered the Médio Juruá biome, in the state of Amazonas.

What is more, according to the current legislation, by using ingredients assets from Brazilian biodiversity in Natura products, it is necessary to share the benefits of access to the country's genetic heritage and the use of related traditional knowledge. The ultimate goal of this sharing of benefits is the conservation of biodiversity, which means that the amounts transferred must be used in activities to promote the saving of the standing forest.

An environmental license is a document with a defined validity period, whereby the environmental agency establishes rules, conditions, restrictions and environmental control measures that must be respected by the activity that is being licensed. Upon obtaining an environmental license, Natura undertook and upholds a number of commitments to preserve the environmental quality of the location where the unit is installed.

Amazon Program

The proportion of Pan-Amazon inputs in our production showed a decline, due to a reduction in the consumption of raw materials, which followed the downward trend of production in general, as well as variations in some ingredients due to the sales mix.

	2013	2014	2015
Consumption (R\$) of Amazon inputs as a proportion of Natura's total consumption (%) ¹	13.4	13.3	12.2
Accumulated volume of business in the Amazon region (R\$ million)	385	582	751.9 ¹

¹ Sum of the raw material purchases from the Pan-Amazon region as a proportion of the sum total of Natura raw materials.

Location and size of areas owned (GRI G4-EN11)

	Cajamar	Benevides	Benevides (Ecoparque)	Nasp (São Paulo)
Area	Own area		Own area	Rented area
Position in relation to protected area	Area occupied is an Environmental Protection Area (APA)		Includes protected areas	Urban industrial area
Type of operation	Administrative and industrial production of cosmetics	Unit was deactivated and returned to the owner	Administrative and industrial production of basic material for soap and finished soaps	Administrative and logistics, for storage and distribution of cosmetics
Size of the operating unit	646,000 m ²		1,729,000 m ²	111,700 m ²
Biodiversity value ¹	Not available		Not available	Not available

¹ Considers the attributes of the protected area or area of high biodiversity value outside a protected area (terrestrial, freshwater or marine ecosystem) and classification by state of conservation (e.g.: IUCN Category, Ramsar Convention, national legislation, etc.).

Protected or restored habitats (GRI G4-EN13)

2015				
Area/Project	Size (hectares)	Location	Conditions of the area	Partnerships (to protect or restore)
Management Plan	13.3	Cajamar	Management plan finalized and approved by environmental agency. Area maintenance is carried out by experts	No
		NASP	No defined projects	No
Program for the Restoration of Degraded Areas (PRAD)	4	Ecoparque ¹	Applied in Permanent Preservation Areas (APP) and aims for the recovery of areas of riparian vegetation	No

¹ The unit that had our old factory in Benevides was deactivated, following the inauguration of the Ecoparque, and the land was returned to the owner.

Protected or restored habitats – mitigation of environmental impacts (GRI G4-EN13, G4-EN27)

Conscious of our shared responsibility to face up to the challenge of combating and preventing climate change, in 2007 we introduced the Carbon Neutral Program, an initiative that aims to promote continual and significant reductions in our emissions of greenhouse gases (GHG) and to offset 100% of the emissions that cannot be avoided. For the compensation phase, we launched the Natura Carbon Neutral Tender, a public call notice to select GHG compensation projects that are aligned with our values and beliefs.

Under the program, 23 projects have been engaged, totaling 1,875,170 tCO₂e, one third of the total from projects located in the Amazon. The projects aim to conserve standing forests and restore degraded areas (referred to as forestry projects), and to promote the replacement of fossil fuels with renewable and more efficient sources

and carry out waste treatment (referred to as energy projects).

Currently, the project portfolio is composed of 60% energy projects and 40% forest initiatives. In December 2014, the fifth edition of the Natura Carbon Neutral Tender was launched to offset the three years 2014/15/16, with a contract total of around 1 million tCO₂e, and a total of 47 valid entries was received. Following technical and legal analysis, we selected for the final phase ten projects in Brazil and three in other Latin American countries (Colombia, Peru and Mexico). By the end of 2015, we had finalized the engaging of two projects: one for wind energy in Argentina and the other for forest conservation in Chile. The credits from these projects have already been retired in the name of Natura.

Total number of species included on the IUNC red list or on other conservation lists (GRI G4-EN14)^{1 2}

	2014	2015
Critically endangered	–	
Endangered	<i>Virola surinamensis</i> * (IUNC) – wild nutmeg	<i>Virola surinamensis</i> ³ (IUNC) – wild nutmeg <i>Pinus elliottii</i> (IUNC) – slash pine <i>Euphorbia cerifera</i> (CITES) – candelilla
Vulnerable	<i>Bertholletia excelsa</i> (IUNC and MMA) – Brazil nut <i>Vitellaria paradoxa</i> (IUNC) – shea tree	<i>Bertholletia excelsa</i> (IUNC e MMA) – Brazil nut <i>Vitellaria paradoxa</i> (IUNC) – shea tree
Almost threatened	<i>Ilex paraguariensis</i> (IUNC) – Paraguay tea	<i>Ilex paraguariensis</i> (IUNC) – Paraguay tea
Minimal concern	–	–

¹ Considered the endangered plant species, native to Brazil and exotic (imported and grown in Brazil) present in Natura product lines. For species of Brazilian biodiversity, conservation projects are developed in partnership with research institutions and direct suppliers. For the Brazil nut and Paraguay tea, two conservation projects have been developed, in partnership with Embrapa. Recently, a wild nutmeg conservation project was set up in partnership with UFSCar (Federal University of São Carlos). We also encourage the adoption of agroforestry systems for the production of nuts, Paraguay tea and wild nutmeg. The pine species, present in the composition of some fragrances, comes from planted forest and the supplier guarantees its traceability. In the case of the shea tree, the supplier participates in the Alliance Globale du Shea, which is focused on promoting the sustainability of this production chain. In the case of the candelilla, which is on the CITES (Convention on International Trade in Endangered Species of Wild Flora and Fauna) list, the supplier guarantees the origin and complies with international law. Furthermore, we are developing projects for the viability of new ingredients as alternatives to shea butter and candelilla wax. ² Considered the IUNC (International Union for Conservation of Nature and Natural Resources) and MMA (Ministry of the Environment) red lists, as well as the CITES database. ³ The *Virola surinamensis* species (wild nutmeg) is listed in Addendum II of Normative Instruction No. 8 of September 23, 2008 (MMA, 2008) and is therefore officially considered lacking in data.

Significant environmental impacts in relation to the transportation of products and workers (GRI G4-EN30)

CO ₂ emissions from transport ¹		2013	2014	2015
Logistics	Transportation of products	52,299	49,593	50,395
	Exporting of products	11,643	10,951	16,353
	Transportation of waste	184	219	204
Employee transportation	Chartered	2,142	2,229	2,079
	Sales force's vehicles	492	577	457
	Executives' vehicles	617	449	331

¹ To calculate the inventory, the total volume of our Scope 1, 2 and 3 emissions was considered, including the data from the extraction of the raw materials in nature to the final disposal of the product. The inventory follows the standards of the GHG Protocol and the principles of the ABNT NBR ISO 14064-1 standard, which establishes rules for the design, development, management, preparation and reporting. In 2015, the report was audited by the Totum Institute.

Environmental assessment of suppliers (GRI G4-DMA, G4-EN32)

New suppliers chosen on the basis of environmental criteria ¹	2013	2014	2015
Total number of suppliers that were considered	1,871	1,876	1,719
Total number of suppliers hired on the basis of environmental criteria	43	42	39
% of suppliers hired on the basis of environmental criteria	2.3	2.2	2.3

¹ The number of new suppliers in categories subject to assessment and monitoring according to environmental and labor criteria and impact on society and human rights is low in relation to the total of new Natura suppliers, at around 2.3%. Nevertheless, these categories account for 74% of the total volume of Natura purchases.

Significant actual or potential negative impacts of the supply chain on the environment (GRI G4-EN33)

Total key suppliers assessed on environmental factors

	Suppliers submitted to environmental impact assessment	Suppliers identified as causing significant environmental impacts	Signed improvement agreements	Signed improvement agreements (%)
2013	436	111	83	75%
2014	414	142	134	94%
2015	409	128	73	57%

Mechanisms for accusations and complaints regarding environmental impacts

Number of accusations and complaints regarding environmental impacts (GRI G4-EN34)

	Registered accusations and complaints regarding environmental impacts	Accusations and complaints addressed	Accusations and complaints resolved
2013	5	5	5
2014	20	20	20
2015	20	20	20

Compliance

Amount of fines and total number of sanctions as a result of non-compliance with laws (GRI G4-EN29)

In 2015, there were no fines or monetary penalties in relation to environmental issues.

Sustainability Vision 2050

The Sustainability Vision seeks to transform Natura into a generator of positive impacts, which means that the company's activities should help to improve the environment and society, thus surpassing the current paradigm of merely reducing and mitigating impacts.

The Vision's goals are also aligned with our materiality topics, which are waste; climate change; valuing sociobiodiversity; water; transparency and product origin; and education.

To learn about the materiality development process and all the details regarding the company's 2015 activities, see www.natura.com.br.

Dimension	2020 Ambitions	2015 Performance	Meeting of target
Brands and Products			
Brands	The environmental and social footprints of all Natura brand products shall be disclosed, as well as their respective commitments towards improvement.	Structuring of a new proposal for communicating the socioenvironmental indicators, so as to enable better understanding and engagement on the part of consumers.	 In planning
Formulas	Ensure that 30% of the total inputs, in value, used by Natura Brasil are from the Pan-Amazon region.	12.2% of the inputs used by Natura in Brazil were from the Pan-Amazon region.	 10% 2010 2020 30% Achieved in 2015 11%
Packaging	Using post-consumption recycled material in at least 10% of the total mass of Natura Brasil packaging.	Natura used post-consumption recycled material in 2.9% of the total mass of its packaging.	 1.4% 2013 2020 10% Achieved in 2015 17%
	Using recyclable material in at least 74% of the total mass of Natura Brasil packaging.	Natura used recyclable material in 50% of the total mass of Natura Brasil packaging.	 56% 2013 2020 74% Achieved in 2015 -31%
	Ensure that 40% of Natura Brasil item units invoiced are in eco-efficient packaging. ¹	26% of the units invoiced in Brazil used eco-efficient packaging. ¹	 21.4% 2013 2020 40% Achieved in 2015 25%

Dimension	2020 Ambitions	2015 Performance	Meeting of target
Climate change	For the Natura brand to reduce its relative greenhouse gas emissions (scope 1, 2 and 3) by 33%.	A 5.8% increase in relative GHG emissions. The indicator is directly related to business performance, but the reduction in relation to 2012 was -1.4%.	<p>Achieved in 2015 4,2%</p>
	Continue offsetting all emissions that cannot be avoided, through initiatives that, besides the reduction and/or capture of greenhouse gases, have the objective of providing socio-environmental benefits, primarily in the Pan-Amazon region.	In 2015, Natura launched a new tender to offset the 2014-2016 emissions. 1,000,000 tCO ₂ e will be engaged from 16 projects in Brazil and other Latin American countries.	<p>In progress</p>
Energy	Implement a strategy for the diversification of renewable energy sources for Natura Brasil operations.	We mapped 11 opportunities to diversify the renewable energy sources and in 2016 we shall start to implement some of those options.	<p>In progress</p>
Sociobiodiversity	Reach out to ten thousand households in the Pan-Amazon production chains.	We sustained a relationship with 1,520 households in the Pan-Amazon region. We refined the traceability and monitoring of the sociobiodiversity production chain, through the geographically plotted registration of households involved in providing supplies for Natura.	<p>Achieved in 2015 -3%</p>
	Achieve a turnover of R\$ 1 billion in the Pan-Amazon region.	The accumulated business turnover generated in the region amounted to R\$ 752 million.	<p>R\$ million Achieved in 2015 73%</p>
Waste	Collect and send for recycling 50% of the waste generated in Brazil by Natura's product packaging (in equivalent t).	Natura began a pilot initiative, in partnership with five cooperatives in Greater São Paulo. 306 tons of waste were collected.	<p>In progress</p>
Water	Implement a strategy for the Natura brand in Brazil to reduce and neutralize its impact, based on measurement of the water footprint and considering the entire value chain.	A study was completed for calculating the water footprint, considering our entire value chain.	<p>In planning</p>
Supply chains	Ensure, by 2015, the traceability of 100% of the inputs produced by direct manufacturers (last link) and, by 2020, implement a traceability program for the other links in the Natura brand value chain.	100% of the manufacturers in the 1st link in the chain for raw materials, packaging material and finished products have been identified.	<p>In progress</p>
Our Network			
Customers	Define priority areas and implement a strategy that mobilizes the Natura brand consumer.	We expanded the program for communication and engagement with consumers on sustainability issues, linking socioenvironmental benefits to the consumer experience.	<p>In progress</p>

Dimension	2020 Ambitions	2015 Performance	Meeting of target
Consultants	Significantly increase the average real income of the Natura consultants in Brazil.	A number of initiatives to increase productivity were implemented to boost the average income of the consultants. We believe that these initiatives have helped to minimize the impact of the economic crisis on direct selling.	 In progress
	Awaken interest in continual learning and offer a wide range of educational options that meet their needs.	We developed and tested projects to improve the education of the consultants, which are available for large-scale implementation.	 Under implementation
	Develop an indicator for assessing the human development of these stakeholders and put together a strategy for significant improvement.	The second measurement of the NC HDI was performed in Brazil, showing a 7% improvement in Natura's impact on the quality of life of the NCs. Structural projects have been tested and are available for large-scale implementation.	 Under implementation
	Expand the collaboration network, supporting socio-environmental entrepreneurship activities.	Increase in visits and participation in the collaborative platform of the Natura Movement, with 527 initiatives published on the topics of education, social welfare, health, well-being, art and culture.	 Under implementation
Employees	For the Natura brand to attain a 50% index of women in leadership roles (board level and above).	In the year, we achieved a 25% share of women in leadership positions. We reviewed the internal procedures for the selection, attraction and development of female leaders, with a view to implementation as from 2016.	 Achieved in 2015 -14%
	For people with disabilities in the the Natura brand workforce in Brazil to attain a proportion of 8%.	People with disabilities represent 5.5% of all Natura employees.	 Achieved in 2015 32%
	Implement a strategy to leverage the employees' realized potential by engaging the Natura culture.	Through a collective process of reviewing Natura Brand Essence, the company's mission was defined and internal dissemination and engagement was initiated. This move affected 350 influential and informal leaders who have the role of multipliers of the process of change.	 Under implementation
Local communities	Develop indicators to measure the human and social development of our local communities and structure a plan for significant improvements.	In partnership with other companies, grassroots communities, NGOs and civil society, we put together a Local Development Plan for Cajamar, Jaguará and Benevides. We launched the Social Progress Index as a measurement of the impact and guidance of the development priorities in these locations.	 Under implementation
	Develop a strategy for the sociobiodiversity areas in the Pan-Amazon region and for the local communities in the vicinity of our major operations in Brazil, through dialogue and collaborative construction with the local population and local players.	Consolidation of territorial development arrangement for the Médio Juruá area in partnership with other companies, grassroots communities, NGOs and civil society, with significant progress in the areas of education, infrastructure, sanitation and production chains in the region. Implementation of the program for digital inclusion in the Amazon, serving 600 households. Carrying out of projects aimed at improving education in the Amazon, affecting more than 400,000 students.	 In progress

Dimension	2020 Ambitions	2015 Performance	Meeting of target
Suppliers	Develop the process of supplier selection and management, increasing the integration of the environmental and financial parameters.	The criteria were define for the assessment of the socio-environmental performance, applicable to all the supplier categories under the Qlicar Program.	 In progress
Organization and Management			
Management model	For the Natura brand to implement the valuation of socio-environmental externalities, considering the positive and negative impacts of the extended value chain (from the extraction of raw materials to the disposal of products).	The valuation of environmental externalities was performed in 2015, for the first time, converting to financial terms the effects of the business on factors such as GHG emissions, water, waste and land occupation and use. The calculation involved the entire portfolio of Natura products, throughout its value chain. In 2016, we shall begin the studies for an unprecedented valuation of the social externalities.	 Under implementation
Government and society	Stimulate public debate and discussion of the materiality topics, beginning with a review of the materiality matrix drawn up in 2014.	We are in the process of identifying innovative collaborative arrangements with partners capable of positively transforming the climate for the implementation and development of the Sustainability Vision.	 Under implementation
Stakeholder engagement	Institutionalize a governance model involving outside engagement for the development of management and the sustainability strategy.	We are in the process of identifying innovative collaborative arrangements with partners capable of positively transforming the climate for the implementation and development of the Sustainability Vision.	 In planning
Ethics and transparency	For the Natura brand to implement full transparency in the provision of product information and the progress of the Sustainability Vision.	We have collaboratively designed the architecture for communication about sustainability, organizing the product information content according to the consumer's interest in the depth of information.	 Under implementation
Sustainability governance	Set up an Advisory Board, made up of outside experts, who will evaluate the company's progress and help to develop strategy.	Strategic alignment with the Natura Board of Directors to develop an advisory network to support the generation of creative and innovative solutions and the formulation of guidelines for development of the company's strategy.	 In planning

! Packaging that represents a weight reduction of at least 50% in relation to normal/similar packaging or that consists of 50% post-consumption recycled materials and/or non-cellulosic renewable material, as long as there is no increase in mass.

GRI-G4

Summary of Content

*The table below provides the location of the indicators considered in the materiality process. However, Natura monitors and controls a larger set of company and GRI indicators which are also published in the indicator section.

STANDARD GENERAL CONTENTS

Standard general contents	Section/Page/Response	External verification
Strategy and analysis		
G4-1	Message from the Founders Message from the Executive Committee	✓
Organizational profile		
G4-3	A powerful relationship network	✓
G4-4	A powerful relationship network	✓
G4-5	A powerful relationship network	✓
G4-6	A powerful relationship network The Natura World	✓
G4-7	Closer and closer	✓
G4-8	A powerful relationship network The Natura World	✓
G4-9	A powerful relationship network	✓
G4-10 UNGC ¹	9	✓
G4-11 UNGC ¹	Covering all employees, collective negotiations are coordinated by the Human Resources area and are compliant with the standards and limits determined by local legislation.	✓
G4-12	36	✓
G4-13	Technical information	✓
G4-14	2050 Sustainability Vision	✓
G4-15	Global Compact	✓
G4-16	30	✓

Standard general contents	Section/Page/Response	External verification
Material aspects identified and boundaries		
G4-17	Technical information	✓
G4-18	Technical information	✓
G4-19	Technical information	✓
G4-20	Technical information	✓
G4-21	Technical information	✓
G4-22	Technical information	✓
G4-23	Technical information	✓
Stakeholders engagement		
G4-24	Technical information	✓
G4-25	Technical information	✓
G4-26	Technical information	✓
G4-27	Technical information	✓
Report profile		
G4-28	Technical information	✓
G4-29	Technical information	✓
G4-30	Technical information	✓
G4-31	Technical information	✓
G4-32	Technical information	✓
G4-33	Assurance declaration	✓
Governance		
G4-34	Closer and closer	✓
G4-35	Closer and closer	✓
G4-36	Expansion of the Executive Committee	✓
G4-37	Closer and closer	✓
G4-38	Closer and closer	✓
G4-39	Closer and closer	✓
G4-40	The selection of members takes into account qualifications, whether executive experiences are complementary, identification with Natura business principles and the absence of conflicts of interest. The term is for one year, renewable upon approval in the General Shareholder Meeting.	✓
G4-41	Closer and closer	✓
G4-42	It is the Board of Directors' function to determine and monitor the implementation of the company's strategy and assess the performance of the CEO and the Executive Committee on a periodic basis. Members also analyze the quarterly performance reports and the Natura annual report, which include the social and environmental indicators considered important for the company. The board is also engaged in the definition and review of strategic planning, expansion projects and investment programs, risk management and the definition of the profit share bonus for Natura employees.	✓
G4-43	Closer and closer Natura's Mission Closer and closer	✓

Standard general contents	Section/Page/Response	External verification
G4-44	With the changes in the Board of Directors in 2015, which included the election of the founding partners as co-chairman and the renewal of part of the members, the decision was taken not to carry out a formal self-appraisal process as had been planned. This process is intended to evaluate questions such as the dynamics of meetings, information flows, and the formation of the board itself. It will be resumed in 2016 in order to track the development and consolidation of the structural choices made hitherto.	✓
G4-45	Expansion of the Executive Committee	✓
G4-46	Risk managements	✓
G4-47	Risk managements	✓
G4-48	Technical information	✓
G4- 49	Investing in good relations	✓
G4- 50	Investing in good relations	✓
G4-51	Recognition and compensation	✓
G4-52	Recognition and compensation	✓
G4-53	Recognition and compensation	✓
G4-54	The reassessment of this information led to the decision not to report on this item due to its confidential nature.	✓
G4-55	24	✓
Ethics and integrity		
G4-56 UNGC ¹	Risk managements	✓
G4-57 UNGC ¹	Risk managements	✓
G4-58 UNGC ¹	Risk managements	✓

SPECIFIC STANDARD CONTENTS

Material Aspects	Information about Management Approach and Indicators	Section/Page/Response	Omission	External verification
Economic category				
Economic performance UNGC ¹	G4-DMA Management approach	The measure of sustainability		✓
	G4-EC1	4		✓
	G4-EC2	4		✓
Impactos econômicos indiretos	G4-DMA Management approach	Valuing the Amazon Our version of the HDI Transforming the Brazilian reality		✓
	G4-EC7	5, 6, 7		✓
	G4-EC8	5, 6, 7		✓
Environmental category UNGC¹				
Materials UNGC ¹	G4-DMA Management approach	Technology boosts use of recycled materials		✓
	G4-EN2	49		✓
Water UNGC ¹	G4-DMA Management approach	Natura maps its water impact		✓
	G4-EN8	53		✓
	G4-EN9	53		✓
Biodiversity UNGC ¹	G4-DMA Management approach	Valuing the Amazon		✓
	G4-EN11	57		✓
	G4-EN12	56		✓
Emissions UNGC ¹	G4-DMA Management approach	Commitment to a one third reduction in GHG emissions by 2020		✓
	G4-EN15	43, 44		✓
	G4-EN16	43, 44		✓
	G4-EN17	43, 44		✓
	G4-EN18	43		✓
	G4-EN19	45		✓
Effluents and waste UNGC ¹	G4-DMA Management approach	Natura maps its water impact Technology boosts use of recycled materials		✓
	G4-EN22	54, 55		✓
	G4-EN23	51, 52		✓
	G4-EN26	54, 55		✓
Products and services UNGC ¹	G4-DMA Management approach	Technology boosts use of recycled materials		✓
	G4-EN27	50, 58		✓
	G4-EN28	51		✓
Environmental screening of suppliers UNGC ¹	G4-DMA Management approach			✓
	G4-EN32	59		✓

Material Aspects	Information about Management Approach and Indicators	Section/Page/Response	Omission	External verification
Social category – Labor practices and decent work UNGC¹				
Training and education UNGC ¹	G4-DMA Management approach	Leadership development incorporates hands-on experience		✓
	G4-LA9	15		✓
	G4-LA11	17		✓
Screening of supplier labor practices	G4-DMA Management approach			✓
	G4-LA14	37		✓
Social category – Human rights UNGC¹				
Child labor UNGC ¹	G4-DMA Management approach	29		✓
	G4-HR5	29		✓
Forced or slave labor UNGC ¹	G4-DMA Management approach	29		✓
	G4-HR6	29		✓
Screening of suppliers in human rights UNGC ¹	G4-DMA Management approach	39		✓
	G4-HR10	38, 39		✓
Human rights-related complaint and grievance mechanisms UNGC ¹	G4-DMA Management approach			✓
	G4-HR12	28		✓
Social category – Society				
Local communities UNGC ¹	G4-DMA Management approach	Valuing the Amazon		✓
	G4-SO1	34		✓
Screening of suppliers for impacts on society	G4-DMA Management approach	37		✓
	G4-SO9	37		✓
Social category – Product responsibility				
Product and service labeling	G4-DMA Management approach	42		✓
	G4-PR3	42		✓

¹ UNGC – Aspects/dimensions linked with the Ten Principles of the United Nations Global Compact.