The world doesn’t need another big company

The world needs symbols of change to pave the way to a better way of living and doing business.
purpose
To nurture beauty and relationships for a better way of living and doing business.

beliefs
We are passionate agents of change.
We build relationships based on transparency, collaboration and diversity.
We are committed to integrity and hold ourselves accountable.
We find the courage to challenge the status quo and go beyond.
We honour and respect the interdependent nature of all things.

aspiration
We will dare to innovate to promote positive economic, social and environmental impact.
Who we are

Natura &Co is a global cosmetics group comprising three iconic brands aligned behind the purpose of nurturing a better way of living and doing business through beauty and relationships. We are present in 73 countries across all continents. We comprise more than 18,000 co-workers committed to generating a positive economic, social and environmental impact.
Natura celebrates its 50th anniversary in August 2019. Founded in Brazil, the company also operates in Argentina, Chile, Colombia, France, Mexico, Peru and the United States. It has a network of 1.7 million consultants, 45 company-owned stores, products in 3,800 pharmacies and a market leading online platform in Brazil. Natura was the first publicly listed company to become a B Corp, in 2014.

Aesop is recognised for delivering exceptional products and experiences to its consumers. It operates in 25 countries, with 227 company-owned signature stores with unique designs; its products are also commercialised in 52 department stores. Aesop’s digital platform is in place in 17 countries and operates key partnerships with other online sales platforms.

The Body Shop has a global presence. The brand is present in 69 countries, with approximately 3,000 stores (about two-thirds of them are franchisees). The company has 12 distribution centres, 45 e-commerce websites and around 20,000 consultants. Recognised for its activism, in 2018, the brand was engaged in various causes, ranging from banning animal testing, through the promotion of the UN Sustainable Development Goals to humanitarian aid for refugees.
Natura &Co

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Our global future

We have had a great year! Natura &Co has given shape to our dream of reaching out to the world and furthering our vision that business should drive positive transformation in society. In this first year of consolidating a global cosmetics group, we have made significant progress in building the foundations that will sustain our future development.

Maintaining our belief in the power of transformation, of collaboration, of transparency, of integrity, of diversity and of the interdependent nature of everything and everyone. These certainties enable us to mobilise people and businesses in different geographies aligned with the same purpose: “To nurture beauty and relationships for a better way of living and of doing business”.

With regards to business results, 2018 also saw key developments. For the second year running, Natura consolidated the bases of its new growth cycle, supported by the revitalisation of direct selling. The Body Shop advanced successfully in its transformation plan, which will drive efficiency, new platforms for growth and rejuvenation of the brand. And Aesop maintained the expansion of its businesses, both in number of stores, as well as in channels and new markets.

However, this powerful start for Natura &Co should not allow us to lose sight of the times in which we live. The world is beset by great uncertainty. And frequently we see the propagation of world views that are radically different from ours. Faced with systemic challenges that impact the entire planet, we often witness the worrying emergence of isolationist reactions among nations that make efforts aimed at achieving a global understanding even more complex.

Trusting in the constructive power of open debate, it is our understanding that this conjuncture requires that we reaffirm our belief in universal values that should shape a globalised civilization. We believe in the power of free trade, in social justice that combats inequalities, and in the urgent need to address the global warming and the regeneration of natural resources. We understand that businesses have an indispensable role to play in the transformation of the world we live in. Beyond generating wealth, they generate values that shape human relationships and enable people to live their lives more fully. Natura &Co is founded on these premises.

This is a fundamental commitment that is at the heart of all our companies. It seems fitting that in August 2019 we will celebrate the 50th anniversary of Natura, the oldest company in our group. This is an incredibly special event for us. Above all, because we recognise in our past the drivers of our future: a passion for cosmetics and for relationships. The experience of self-knowledge bestowed by cosmetics allied with the expanded possibilities of relationship enabled by complementary physical and digital means signals an excellent opportunity for us to connect with an ever larger number of people, in more places, through different brands.

This gives us every reason to celebrate the excellent results of Natura &Co’s first year. They are the result of the quality and talent of a team of co-workers who make the most of the power and beauty of their own diversity, in all dimensions, from origins to cultures, from experiences to business contexts. This is complemented by the focused application of a strategy that respects the particularities of the businesses, seeking to ensure that each business evolves and contributes in the best way possible to the group as a whole. Thus, we advance in the construction of the future of a global group that values the strength of relationships at every point in its network.
Board of Directors
(from left to right)

Carla Schmitzberger
Fábio Colletti Barbosa
Pedro Luiz Barreiros Passos
Antonio Luiz da Cunha Seabra
Roberto de Oliveira Marques
Guilherme Peirão Leal
Silvia Freire Dente da Silva Dias Lagnado
Gilberto Mifano
Jessica DiLullo Herrin
(wasn’t able to be with us on this occasion)
Financial highlights

Natura &Co completed its first full year with a very strong set of results that underscores excellence in execution and the further growth potential of the group. All three of our brands contributed to this performance. From a financial standpoint, Natura &Co continues to post strong cash flow generation, which allowed the group to continue its deleveraging and end the year with net debt at 2.71 times Ebitda, down from 3.01 times one year ago. Natura shares (NATU3) on the B3, the São Paulo Stock Exchange, had an appreciation rate of 39% over 2018.

For full Natura &Co financial results and in-depth analysis, please access natu.infoinvest.com.br/en
### The Body Shop

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Revenue (R$ million)</th>
<th>Ebitda (R$ million)</th>
<th>Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>706</td>
<td>1,064</td>
<td>51%</td>
</tr>
<tr>
<td>2018</td>
<td>111</td>
<td>162</td>
<td>47%</td>
</tr>
</tbody>
</table>

*The Body Shop’s 2017 figures are limited to the period between September and December 2017 (following the acquisition of the company).*

**Considering The Body Shop’s 2017 full-year figures, including the period prior to the acquisition, the net revenue growth was of 18%.

***Excluding transformation costs (which refer to the amounts allocated to the execution of The Body Shop’s transformation plan) and including pre-acquisition figures, for the full year of 2017, the Ebitda growth was of 62%.

### Aēsop

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Revenue (R$ million)</th>
<th>Ebitda (R$ million)</th>
<th>Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,457</td>
<td>229</td>
<td>167%</td>
</tr>
<tr>
<td>2018</td>
<td>3,866</td>
<td>306</td>
<td>34%</td>
</tr>
</tbody>
</table>

*Adjusted Ebitda: excludes IFRS 15 (reclassification of late payment charges) both in Brazil and Latin America, hyperinflation effects in Argentina, IR tax reversal in Brazil, PIS/COFINS recoveries in Brazil and other provisions.

**Excluding Brazil.
263,500 hectares

of forest conserved by the Natura Amazônia Programme and The Body Shop Bio-Bridges.

Environmental highlights

The first initiative seeks to transform socioenvironmental challenges into business opportunities. It has helped preserve 257,000 hectares of forestland and generated R$ 1.5 billion in business volume in the Pan-Amazon region. The Bio-Bridges, in place in seven countries, are corridors that reconnect healthy forests and link up isolated animals at risk of extinction, enabling them to reproduce. The programme helps to protect around 6,500 hectares of forestland.

We do not do tests on animals

In October, The Body Shop achieved its target of presenting the petition from its Forever Against Animal Testing campaign to the UN (further information on page 63).

In September, Natura became the first company in Brazil – and the second in the group, after The Body Shop – to receive The Leaping Bunny seal, granted by Cruelty Free International to brands that do not conduct tests on animals at any stage of the production chain. Natura also received PETA (People for the Ethical Treatment of Animals) certification in October. Aesop has never conducted this type of testing and is in the process of receiving certifications.

We care about post-consumer waste

Natura establishes its ambitions related to the use of eco-efficient packaging and post-consumer recycled material.

In 2018, the company took a further step in this direction by joining the New Plastics Economy global commitment, which intends to apply circular economy principles to the plastics chain. Natura guarantees that 33% of the total volume of waste generated by its products packages in Brazil is collected and sent for recycling. In 2018, Aesop launched a programme to promote recycling of the brand’s packaging in Hong Kong (further information on page 74).
Fair trade for 36,000 people

In 2018, The Body Shop formed a partnership with small moringa oil producers in Rwanda (photo). This action, based on the company’s fair trade programme, helped generate income for 2,000 people.

This is just one example of the initiatives to generate work, income and social inclusion that Natura and The Body Shop undertake by relating to raw material supplier communities. Together, the companies work with 68 communities, benefiting 36,000 people and promoting production techniques that drive sustainable development.

United by women’s rights

Reducing gender violence is a cause Natura has taken up in Brazil and in Latin America. The company set up a channel for employees to report cases of violence and to receive advice; support is also available for consultants.

Natura and The Body Shop promotes empowerment through the financial independence of its supplier communities. The Body Shop’s community supplying shea butter in Ghana, for example, is an association of 640 women who invest their earnings in health, sanitation, water and education for the local society.

Social highlights

46.7 million reais was the amount raised by Natura and Aesop for education projects. Instituto Natura activities supported around 1.2 million students in 22 Brazilian states (further information on page 37). Part of these funds were invested in educational benefits for the consultants and their family members (such as undergraduate and postgraduate programmes, language courses, among others). Aesop Foundation is focussing on helping to build literacy and storytelling skills. It also assists native Australians in protecting, maintaining and growing their culture.

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Our strategy

We have developed a multi-brand model that pursues synergic business growth on a global scale based on the offer of innovative, sustainable products through multiple sales channels.

Our brands enjoy local and international projection, complementary expertise and predominance in diverse market segments. And they are beginning to benefit from a more integrated corporate structure with fewer hierarchical levels (see Governance). In 2018, we created our Excellence Networks, centres of cross business collaboration in three strategic areas – digital, sustainability and retail – to share best practices and to build joint action forces among the executives of the three companies. We also launched the Global Procurement Organisation, which has driven gains in scale for the group in negotiations with suppliers. It is estimated that initiatives such as these will generate synergies and an increase in Ebitda of around R$ 1 billion in the first five years of the group’s activities.

Operation via multiple channels will also be intensified in 2019, with the accelerated growth of our digital platforms, as well as the brands’ geographical expansion, supported by the group’s existing structures. An example is the potential for expanding The Body Shop’s presence in Latin America, with support from Natura operations. In parallel, Natura’s international growth will benefit from The Body Shop’s relationship network.

The three brands maintain their own strategic agendas:

**NATURA**

completed two years of its transformation process and is now initiating a new expansion cycle, focused on the following directives:

- Recover preference and desire for the brand
- Pursue greater differentiation in focus categories by means of innovation
- Regain the power of Direct Selling, improving the consumer purchase experience and profitability for consultants
- Expand multichannel presence
- Accelerate the business’ digital transformation
- Expand to international markets allowing accelerated growth
- Adopt innovative organisational and people management models that enable future business

**AESOP**

is continuing its business expansion, with greater precision on its objectives:

- Build deeper penetration in markets across the globe
- Evolve into an omnichannel retailer
- Apply a non-conformist mindset
- Continue to launch innovative products
- Lighten our environmental impact and have a positive impact on society

**THE BODY SHOP**

is entering its second year of organisational transformation, seeking to consolidate gains in efficiency and initiate preparations for future growth:

- Rejuvenation of the brand
- Optimisation of retail operations
- Enhancement of the omnichannel experience
- Improvement in operational efficiency
- Redesign of organisational structure
The governance structure continues to evolve in line with the characteristics of Natura &Co, a global group of which Natura Cosméticos S.A. is the controlling shareholder. The Board of Directors ended the year with nine members, five of whom are independent. The Board welcomed Jessica DiLullo Herrin, whose experience in direct selling and large technology companies will benefit the group. Marcos Lisboa, who made important contributions during his seven years on the Natura board, left at his own volition in April to pursue other projects. We also note with profound regret the loss of board member Peter Saunders, who passed away in August.

On the executive level, in May José Antonio de Almeida Filippo assumed the position of Vice President of Finance and Investor Relations. He is also a member of the Group Operations Committee (GOC), which is headed by the executive chairman of the Board, Roberto Marques. The CEOs of the three companies are also members of the committee, as are representatives of key areas and The Body Shop’s Chief Transformation Officer, Robert Chatwin. Created in 2017, the committee’s mission is to identify dynamic solutions for the Natura &Co group. It met five times during the course of the year, with the first meeting held in Brazil in February 2018.

Each of our three companies has its own Executive Committee, ensuring a proper balance between the need for integration and synergy and business autonomy.

The compliance structure has been consolidated in all three companies, including the Ombudsman Channel, reinforcing ethics and integrity throughout the group. In line with best global practices, we reviewed the Natura Code of Conduct in 2017. In 2018, we updated the Aesop and The Body Shop codes.
our business
Change is inevitably tested in its early stages, and 2018 following the creating of Natura &Co has proven no exception. We embarked on our ambition to build a different kind of corporation. A corporation with a light weight structure that showcases the expertise and truly unique identities of its individual companies, but that are united in a common purpose to create immense value for society.

In Natura &Co’s first year we exceeded even the most optimistic projections. While these financial results are consistent with our initial group strategy, they do not reveal the true potential that is yet to come. Through our synergies, engagement and creative forces currently being mobilised, we have created the foundations of the new group. We have clearly defined our purpose, our beliefs and the aspirations that unite us, put into practice a governance structure in line with our ambition to create an interdependent yet autonomous culture between our companies and begun to work together in the pursuit of excellence in key areas such as retail, digital and sustainability while still maintaining focus on the distinct agenda of each individual company.

Natura has triumphed against adversity. In Latin America, despite the extremely challenging economic environment especially in Brazil and Argentina, we have gained market share in all the countries in which we are present. We have become market leaders in three target sectors: perfumery, body and gifts, and have successfully completed our second year of internal transformation, positioning the company for a new cycle of growth and transformation beginning in 2019 and underpinned by a cutting-edge approach to our direct sales model. Productivity and gains by our direct sales consultants have been leveraged by our commercial model, which includes using digital to strengthen relations with customers. Customers now have at their disposal an improved buying experience supported by various sales channels. There is still much to be achieved with the expansion of digital resources in Brazil, our largest market and other Latin American markets.

Aesop has maintained its solid growth trajectory, increasing its sales by five times since the beginning of the decade, and is now capitalising on strategic opportunities available through Natura &Co which includes expanding its omnichannel offer, seeking competitive advantage through our non-conformist mentality, reducing environmental impact and generating positive effects on society. We continue to launch signature stores around the world and have implemented a global program to bring us closer to our customers and gain a better understanding of their insights.

In terms of The Body Shop’s organisational transformation, 2018 was a crucial year. We have achieved significant gains on all strategic fronts: revitalisation of our brand, optimisation of our retail operations, expansion in our digital presence, gains in operational efficiency and in redesigning our organisation. We have gone back to our roots to rediscover our original purpose: “We exist to fight for a fairer and more beautiful world.” In this process, we have rediscovered our voice and once again become a leader in the global movement to ban animal testing in the cosmetics industry. We also launched operations in new markets such as Bangladesh and Bulgaria and are focused on strengthening key markets like the United States of America and Germany.

This impressive list of achievements reinforces our belief in the capacity for growth and the positive impact that Natura &Co can have on the world, strengthened by synergies, gains in efficiency and the integration of the three businesses. Among the opportunities still to be explored are the expansion of The Body Shop in Latin America, supported by Natura’s organisational structure and the expansion of sales of all products through digital platforms, across various geographies. These are examples of how iconic brands can reach new heights by combining strengths, and protecting and preserving their unique individual identities. Therefore, we aim to not just be another big corporation in the world, but to be the best corporation for the world.
2018 highlights

The power of Relationship Selling
The renewal of the direct selling model, which began in June 2017, continues to be a key priority in the company’s strategy. Named “Venda por Relações” (“Relationship Selling”), the model provides consultants with five levels of career progression, and various benefits such as courses, prizes and recognition. Around one third of our consultants are in the three highest categories of the career plan, reinforcing network engagement. At the end of 2018, Natura had just over 1 million consultants in Brazil. Productivity grew by 18% over the past year. Average renumeration increased 12% and for Business Leaders (a position that combines consulting and management of a group of consultants), growth was 25%.

More and more digital
The momentum towards digitalisation continued in 2018. Around 660,000 consultants use the Consulting platform (in both the web and mobile app versions) in Brazil and Latin America. This platform allows consultants to purchase products requested by clients, access sales performance records and take online courses (over 2.5 million courses were completed in 2018, an increase of 40% in comparison to the previous year). Another new feature available on the Consulting app — and on the company’s homepage — is Nat (photo), the brand’s personified virtual assistant. Through artificial intelligence, Nat helps consultants to resolve issues regarding registration, credit and payments. Currently, 60% of incoming communications have been resolved through Nat without the need for contact with a live support agent.
The first Brazilian brand with UEBT certification

In June, Natura became one of the first company to be granted the new international UEBT (Union for Ethical Bio Trade) certification. The label, which features on all Ekos packing, certifies that all plant-based ingredients have been thoroughly evaluated for principles and practices that ensure the maintenance of ecosystems, fair trade and benefit sharing that recognises the associated traditional local knowhow and use of biodiversity. One example is the ucuuba production chain (pictured). Ucuuba is a threatened species that today generates more income for communities from harvesting the fruit - which is used in Ekos products - than from extracting the wood. UEBT, of which Natura is a founding member, is a non-profit organisation stemming from an Unctad (United Nations Conference on Trade and Development) initiative to promote the use of natural ingredients while respecting people and biodiversity during the extraction process.

The best Christmas ever

Natura’s Q4 2018 earnings present a growth of 13% compared to the same period last year - the company’s highest since 2010. In absolute terms, this was the best quarter for the company ever. This result was driven by the most successful Christmas campaign in the company’s history. The campaign provoked consumer reflection: what is the point (beauty) of buying a present without putting any thought into it? Based on this concept, the campaign encouraged deeper thought about the importance and meaning of relationships by focusing on the real motives behind gifting a loved one. Packages created especially for the season included a card with the traditional “From” and “To”, but also a space for “Why”. 
Growth in Latin America
Natura has gained market share and brand preference in all the Latin America countries in which it operates. Argentina is particularly worthy of note despite a challenging macroeconomic environment; Natura has outperformed the local competition as a result of its consultant network and operational efficiency. The total number of consultants increased from 589,000 to 645,000, across all countries except for Chile, where the number remained stable from 2017 to 2018. Relationship Selling has been introduced in Chile and Peru and growth strategy for the remaining countries is under development.

A new way of working
Focused on addressing diversity and attracting even more talent with an entrepreneurial spirit, Natura redesigned how it attracts new talent and launched a new recruitment program called CourageN (a play on the word “coragem” which means courage). In order to participate candidates needed to be over 18 years old but were no longer required prior experience or relevant qualifications. 20 people were hired and have been divided into various agile work methodologies. In general terms, these teams are expanding within Natura, with over 30 teams mobilizing professionals with varying experiences to work on multidisciplinary projects in departments such as marketing, logistics and HR among others.

“Crer Para Ver” hits a new record
Sales from “Crer Para Ver” (“Believing Is Seeing”) range totalled R$ 44.2 million in Brazil and Latin America — beating the R$ 41 million target set for 2020. The profits from “Crer Para Ver”’s non-cosmetic products (such as backpacks, mugs, note pads and similar items) are reinvested in initiatives to promote education. The funds are invested regionally, benefiting consultants and society in all the countries in which Natura operates. In Brazil, funds are managed by Instituto Natura. In Latin America, funds are managed by each country and a local partner. In 2018, over 970,000 consultants bought at least one product from the range — representing 2 percentage points growth in engagement compared with the previous year.

“The best e-commerce in Brazil
“Rede Natura” (“Natura Network”), the online sales platform in Brazil, has been elected the best e-commerce platform in Brazil by e-Bit — company that measures the reputation of virtual stores by means of consumer surveys. The platform has also been named “The Best Liked Online Store” for the third year running in the Cosmetics and Beauty category. The store has 400 thousand digital consultants, who sell on the website using their own pages, and 5 million registered customers. 2018 revenue exceeded the target established for the year by 40%. In addition to Brazil, the online store is in operation in Chile and Argentina, with implementation underway in Colombia, Mexico and Peru.

Natura &Co 2018 Natura
Major launches

Essencial Oud for Women and Men

Agarwood, a rare and noble ingredient from Southeast Asia, was brought to Latin America for the first time by Natura. It is one of the most luxurious components in a perfumist’s palette, endowing the two fragrances in the Essencial collection. For both men and women, the opulence of Oud is enriched by the essential oil of copaíba, an ingredient from Brazilian biodiversity. The fragrance is a co-creation of Natura’s exclusive perfumist Veronica Kato and agarwood specialist Pierre Guéros, perfumist for the fragrance house Symrise.

Natura Homem Cor.agio

Launched in December, the male deo parfum is an intense combination of cold spicy notes, such as rose pepper and nutmeg, with the warmth of copaíba and cumaru. The name of the fragrance melds the concepts of “cor”, related to the heart (“coronary”), and “agio”, a reference to action (“agir” or action in Portuguese). For its part, the Natura Homem collection invites men to express themselves free from stereotypes or preconceived standards.

Tododia Lima e Flor de Laranjeira

The collection comprises a Body Toning, Perfumed Body Spray, Bar Soap, Roll-On Deo Antiperspirant and the star is the Sorbet Refrescante (“Refreshing Sorbet”). It is a body moisturizer, which can be stored in the fridge for an even more refreshing sensation. The launch campaign is derived from the “Wear your skin. Live your body” concept, which drives Tododia communication with the goal of showing that everybody is ready for the summer.

Chronos Sistema de Clareamento

Based on 30 years of research into Brazilian women, Chronos has developed an innovative skin treatment system that combines concentrates of aroeira, an exclusive active ingredient from Brazilian biodiversity that has a regulating effect on melanin production, with recognized dermatological cosmetic industry active ingredients such as pure Vitamin C and glycolic acid. The collection is made up of products that, if used together, enhance perceived results on the skin by 70%.

Una Nude Me Base Sérum FPS 18

A major makeup launch for Natura in 2018, the ultrathin texture foundation dovetails with one of the greatest trends in the beauty world: appreciation of the natural allied with cutting-edge technology. With a duration of 24 hours, the product enables the desired coverage with lightness and comfort without looking at all artificial. Its exclusive Oxygen technology, associated with Brazilian biodiversity active ingredients, such as cocoa extract, promotes the oxygenation of the skin, leaving it rested, energized and revitalized.
It was here that Luiz Seabra opened his first store, giving birth within its modest walls to two passions: the development of cosmetic products committed to truth and counselling as a powerful tool for self-knowledge and well-being. These two passions were the catalysts for the creation of Natura.

These very same passions were catapulted to new heights in 1974 with the adoption of the direct selling model, which allowed Natura to showcase its unique products through many voices. A few years later, Guilherme Leal and Pedro Passos came aboard, expanding the network of relationships and strengthening business. The ever-growing network went beyond Brazilian borders and into Latin America in the 1980s.

The 1990s ushered in a new era for sustainable development and the use of Brazilian biodiversity became a tool for innovation in cosmetics and the fight to bring awareness to the plight of the Amazon. In the same decade, ever mindful of wider social needs, Natura gave life to the dream of being able to contribute to improve education with a line of non-cosmetic products whose profits are still reinvested in collective projects.

Following the arrival of a new millennium, Natura inaugurated our most symbolic space: the headquarters in Cajamar, giving shape to its values and beliefs. In an increasingly faster world Natura also shifted gears. As well as going public, Natura took the decision to stop animal testing and ramped up efforts to addressing climate change by reducing carbon emissions. In this last decade, the arrival of Aesop and The Body Shop strengthened our collective voice and resulted in the formation of a new global group, engaged in a new way of doing business. All companies founded on the very same spirit present at the opening of the Oscar Freire store.

We’re made of people. This powerful network of affection is Natura’s greatest legacy. In the next few pages, you will meet people whose stories are intrinsically intertwined with ours. A fact that we are eternally grateful for.

Those who strolled along Oscar Freire Street in 1969 could never have imagined that unassuming spot would provide the backdrop of the first chapter in millions of stories.
Far beyond selling

For some time I was unable to identify with my career. I am an engineer and I worked with technology, but there was something missing. So I decided to look for work that would really make me happy.

By coincidence, Natura organised an event for employees’ families to get to know Cajamar, since my sister had just started working there. I went together with our mother. That day I thought to myself ‘I have to work here’.

I decided to become a consultant. I started in 2016 and in order to specialise I did a course the company offers in partnership with a university in São Paulo.

I have done some great things with Natura. The company believed in me, letting me represent it at some incredible events, like the 2018 South By Southwest (SXSW) in Austin (USA). I had an interesting experience there: an American woman visited our space to learn more about our values and our sister companies, Aesop and The Body Shop. After we talked, the lady looked at our makeup and said she had never seen a foundation that she liked; I showed her one. She liked it so much I decided to give it to her. The sparkle in her eye showed me that the gesture was just as important as the product.

I recorded this event in a vlog that I did for my YouTube channel (Lele Parra). I also have a profile on Instagram (@leledeparrna) – I use both to post videos with reviews of Natura products. Other consultants have told me that my videos inspire them. This represents both professional and personal fulfillment for me.

Leticia Parra, São Caetano do Sul - Brazil
My first contact with Natura was very close. This was because my grandmother, Estelita, has been a consultant for 20 years. My brothers and I were the nicest smelling children in the family! I’ve used everything, from Mamãe e Bebê to Kaiak.

When I started studying Production Engineering at university, Natura was always held up as an example of good business practices in our classes. In 2016, I took part in an innovation marathon organised by the company here in Belém, gateway to the Amazon. And the prize was a visit to the Natura headquarters in Cajamar, São Paulo.

My links with Natura got closer and closer, until I decided to send in my résumé and got called for an interview. During the conversation, the lady from HR told me: ‘Look, this job is rather different. You are going to have to travel a lot by boat, sleep in a hammock and visit communities.’ It was everything I wanted! That was how I joined the Social Biodiversity Relationship and Supply area.

My team tracks the raw material from the trees through to the Natura factory. Our relationship with our suppliers is completely unique. It is not virtual; it does not take place over the telephone: our contact is eye to eye, we hug each other. You sleep in the people’s houses, you meet the elderly, the children. It is a relationship based on trust. We are like an enormous family.”

José Edilson Oliveira Neto, Belém - Brazil
Amazônia alive

A little under a thousand kilometres from Cuiabá, in Mato Grosso, there is a settlement with a community forest full of Brazil nut trees. The Vale do Amanhecer agricultural cooperative, of which I am a member, operates there.

When we started, we had no idea the project would grow so big. The participation of Natura, which needed the nut oil for its products, was fundamental in this process. The company helped us to install an oil extraction system in the cooperative. We bought the machinery, and we were given courses and guidance on best practices. Natura gives us security because it is not one of those companies that just buys what it needs and then disappears; they stay here with us, they understand our problems, they trust us and cooperate with us. It is more than just a commercial relationship.

When I started here it was just work, the Brazil nuts were merely a way to make a living. But over time, I’ve become part of a bigger story. Today I love the Brazil nut trees and the forest, I help to preserve them. Now my work has meaning.”

Luzirene Coelho Lustosa, Juruena—Brazil
When purposes converge

Motivated by the condition of my daughter Suzana, I have run a social project in the state of Bahia since 1999. It is an association that assists people with attention deficit or learning disorders, that invests in training teachers and in educational support.

I became a Natura consultant in 2010. It was very important for me because I soon realized that the company and I had purposes in common. Three years later I submitted my social project for the Acolher Award [a Natura initiative that supports consultants who carry out social actions in benefit of their communities]. I was among the finalists. The following year I won the Claudia Award, one of the major awards for women in Latin America.

All these accomplishments were due to Natura, which placed value on what we were doing and was there for us. It is a company that believes in and encourages social entrepreneurship, that offers incentives, injects life and values the role played by women. It is a company that extends a network of friendly bonds, that values connections. Here I can see and be seen. Natura’s presence in my life renews my energy, enabling me to carry on doing what I do.”

Sulemi Coasi, Sapeacu – Brasil
I was about to finish my pharmacy course and I really wanted to work in a research and development area. I joined Natura in 1996 to take care of Chronos.

I soon discovered that at Natura we are not limited to a job description; we are given a challenge that is as big as we want it to be. I used to work in the laboratory and sometimes would go to events to explain how the products act on the skin to our consultants. Once I went to an award ceremony for the consultants and one of them asked me for a dedication to show to her family. ‘I paid for my children’s university selling this product you created’, she commented. I realized that we deliver much more than a product.

Over time, I helped formulate the Tododia line, I researched Ekos bioactive ingredients and was involved in the project to ban animal testing. I moved to the packaging area and started to learn about something called sustainability. Then, I ended up joining the Amazônia Programme team. Today I am in the sustainability area. When I was 14, my dream was to become a doctor and to take care of people in the Amazon. In a way, this is what has happened. Each time I go there, I reconnect with my purpose.

My biggest present in my 23 years at Natura is always having had a blank page upon which to create something new and to innovate.”

Luciana Villa Nova, São Paulo - Brazil
Beauty without preconceptions

One day, a friend of mine who used to work in casting asked if I used Chronos [Natura facial care product line]. I said yes. That was how I ended up in a campaign for the brand in 1997, at the age of 35.

I have always liked and admired Natura. I think it is important to have a cosmetics brand like this in Brazil. The campaign I took part in twenty years ago, for example, placed value on natural beauty regardless of age. They put seven women from different age groups in a room with mirrors; the cameras were behind them. It was spontaneous, beautiful. The team managed to capture us in a natural way.

There were also a number of billboards in the streets for this campaign. Often I would be in a taxi and there would be one of these billboards ahead. The driver would look at the photo and then, suddenly, look at me in the rear view mirror. It was fun, I would say: ‘Yes, that’s me!’.

Today I am leaving my hair white. It makes sense to me. If men can age gracefully with white hair, why can’t women? I think I am aging well. I think beauty is to do with your state of spirit. What you are feeling is what is revealed.

Denise Cristina de Magalhães Marcolino, São Paulo – Brazil
Life’s coincidences

“When I got married, I was working for a petrochemical company in Camaçari (Bahia). I had Xênia and soon after that I got divorced. It was just the two of us. When she was three, I lost my job and was unemployed for a year and a half. Times were tough until a friend introduced me to Natura products. I became a consultant, I went looking for customers and used to sell in the neighbouring towns. Thanks to those sales, I was able to maintain our home.”

Dalva França, Camaçari – Brazil

“When I was small, I used to think my mum was the most important person in the whole street because she used to receive these marvellous cartons full of perfumes, creams, lipsticks and other beautiful things by post. I had no idea how much those cartons helped us.

Years later when I moved to São Paulo, I became a singer. I ended up entering Natura Musical [a program that sponsors artists, bands and cultural groups] and I was selected.

It is funny how life goes in cycles and suddenly all the dots just join up. Establishing such a strong link with a company that has always been part of my life is an amazing coincidence. I am happy to have had the opportunity to tell Luiz Seabra this story. Natura plays a role of inestimable importance in the lives of many Brazilian women. Women who, like my mother, are heads of families and have to struggle on a daily basis to bring up their children.”

Xênia França, São Paulo – Brazil
From Natura, with love

Twenty-one years ago, I worked as secretary of a school and used to sell Natura products during the break. Today I have 140 customers who, to be honest, have now become my friends. My family grew up with the company. How many Christmases, anniversaries and birthdays we have spent together! My grandchildren, who used to use Mamãe e Bebê products, now use Kaiak Aventura perfume or Faces makeup. And now I have a great granddaughter who is using Mamãe e Bebê.

I am grateful to Natura for always recognising my efforts and for having enriched our lives with its care and its values. As my daughters say, Natura perfumed our home and became part of our family.”

Maria Mercedes Cheirasco, Concordia - Argentina
Forever Against Animal Testing campaign at United Nations Headquarters in New York
The Body Shop made history
Fifteen months were dedicated to garnering support for the Forever Against Animal Testing campaign. Everyone was engaged to continue what Anita Roddick, founder of the company, started in 1989. On October 4, World Animal Day, The Body Shop and Cruelty Free International delivered the largest petition ever against animal testing in the cosmetics industry to the UN headquarters in New York. A total of 8.3 million signatures asked for a global change aimed at banning tests worldwide. Changes like these take time to implement, but there have already been a number of advances: for example, in February 2019 the Australian government approved a law prohibiting this practice.

Enchanted by Nature
At Christmas, the “Enchanted by Nature” campaign encouraged consumers to contribute towards the environment. Each purchase made during the festive season generated donations to protect and revitalize around one thousand hectares of native vegetation. The Wye Valley in England and the Caucasus Wildlife Refuge in Armenia were the two places selected to receive support from The Body Shop, in partnership with The Woodland Trust and the World Land Trust. In Brazil, sales between November 5 and December 24 generated donations to restore a native Atlantic Rainforest area within the Guapiaçu Ecological Reserve in the Rio de Janeiro metropolitan region.
Empowering women in India

The relationship with the mango supplying community in Chhattisgarh, in India, completed one year in 2018. During this period, with support and orientation from The Body Shop team, the women who depend on harvesting mangoes in the region founded the Jay Bharat ("Great India") cooperative. At the beginning, there were 200 women in the group, today they number one thousand. Before this partnership, they used to sell only the pit of the fruit at a low price. After, they began to commercialize the oil which is extracted from the mango and assumed responsibility for managing negotiations and funds, as well as ensuring that group members receive fair prices. They were also given training to improve harvesting techniques. This is a way of protecting the mango trees, which are native to the country, and guaranteeing sustainable development.

Dedication to the consumer experience

In September, the company formed a global team dedicated to the consumer experience. The objective of this team is to ensure that customers have an inspiring contact with the brand in all the channels and countries in which the company operates. The team’s initial focus will be on transforming the way consultants and store managers interact with consumers.
Growth in Direct Selling
The Body Shop At Home™, the company’s direct selling channel, showed excellent growth. Recruitment broke a new record, with a total of approximately 20,000 consultants. According to Euromonitor, The Body Shop now accounts for around 2% of the total direct selling market in the United Kingdom.

Success in the Southern Asian market
In India, more than 600 villages and towns were served by The Body Shop through physical and online stores. Moreover, Indian consumers contributed more than 500,000 signatures to the Forever Against Animal Testing campaign. In the same period, Indonesia had solid double-digit growth. A number of key holidays, such as St. Valentine’s Day, Ramadan and Christmas, saw strong sales, with the market as a whole growing in comparison with the previous year.

Digital innovation
The Body Shop community on social media topped the mark of 17 million followers – 3.8 million more than the previous year. This was a period of innovation: due to the focus on consumer perception, the company won over new followers and customers, renewing interest in the brand. The launch campaign for the new Body Yogurts, for example, featured a video conceived for mobile telephones - an action which achieved widespread success in the USA. In May, the “Collect in Store” programme was launched in the United Kingdom, corresponding to 9% of all the company’s e-commerce orders.

20 years of an iconic line
Hemp became a trend in the cosmetics industry recently, with significant growth in use of this ingredient. This is no novelty for The Body Shop, which has used hemp seed oil for 20 years and was one of the first brands in the world to capture the benefits offered by this ingredient. When the Hemp line was launched in 1998, the police raided a The Body Shop store in France. Anita Roddick contested the stigma surrounding this plant, which is today one of the company’s best selling lines.

We celebrate diversity
On International Day Against Homophobia, Transphobia and Biphobia, commemorated on May 17, a group of The Body Shop LGBTQ+ employees launched The Body Shop Together. The idea is that the group may provide support, information and generate awareness about the LGBTQ+ community inside and outside the company. For the time being, the initiative is in place only in the United Kingdom, the goal is to develop a global collaboration network around this question in the future.
Major launches

Ginger Conditioner
With this launch, The Body Shop Ginger Shampoo - the brand’s most popular product worldwide with one unit sold every four seconds - gains a perfect match. The products were formulated to care for dry hair and to treat dandruff, working from the very first wash. They hydrate the scalp and strengthen the strands. The formula incorporates ginger essential oil from Sri Lanka and community trade organic honey from Ethiopia.

Japanese Cherry Blossom Strawberry Kiss
The line was created as an extension to the Japanese Cherry Blossom product family. The new items have become particularly popular in the Middle East and in the Asia-Pacific regions. The fragrance was idealized to please young consumers: the smell is sweet, fruity and fresh, infused with notes of Japanese cherry blossom, strawberry, pink peony and amber. The formats include an Eau de Toilette, Body Mist, Shower Gel, Lotion and Moisturising Cream.

Body Yogurts
The line incorporates innovation into the body care routine aimed at keeping pace with the modern consumer. With a light texture similar to a gel, the product is absorbed by the skin almost immediately, leaving a moisturising sensation that lasts for approximately 48 hours. The formula is 100% vegan and is enriched with community trade organic almond milk from Spain. The launch was a major success: the Almond Milk Body Yogurt was considered the best body moisturiser of the year in the ELLE magazine International Beauty Awards.

Drops of Youth 2 in 1 Eye Mask
Enriched with cucumber extract and babassu oil from a supplier community in Brazil, this 2 in 1 eye mask helps minimize swelling and the first signs of ageing. It helps keep the skin younger, radiant and healthy. The formula is 100% vegan and contains no mineral oils, paraffin or petrolatum.
Aēsop store in Bordeaux, France
2018 highlights

First store in Rome
In September, Aesop celebrated the opening of its first store in Rome, Aesop San Lorenzo in Lucina, designed by the studio of acclaimed filmmaker Luca Guadagnino. The store design pays homage to the historical San Lorenzo in Lucina church, juxtaposed with the cultural influences of film director Pier Paolo Pasolini and author Alberto Moravia.

Strong revenue growth
Aesop’s strong annual growth trajectory continued, with revenue increasing by 31% (in AU$). Like for like retail sales grew by 18% while like for like department store sales grew by 22%. Aesop’s growth strategy continued to be driven by a balance of deepening its retail footprint in existing markets and thoughtfully entering new markets. In line with this approach, Aesop opened its first Moscow department store counter at TsUM (photo) and opened two new stores in Belgium. 2018 saw 19 openings. Signature stores continue to account for the majority of sales (59%).
Arrival in China

Tmall Global, a popular Chinese e-commerce platform, became Aesop’s gateway to the Chinese market. As a cross-border platform, it is not subject to Chinese government regulations that require animal testing for cosmetic products. Aesop launched on the site in January 2018, offering customers a convenient and trusted way to purchase products. The platform also enabled customers to ‘live chat’ with Aesop consultants. Since the launch, Aesop has had 74,000 transactions and has reached 56,000 unique customers across mainland China.

Recycling program in Hong Kong

The Rinse and Return program began in October, aimed at reducing the amount of used cosmetics packaging going to Hong Kong landfills. The program enables customers to return used plastic and glass packaging to Aesop’s signature stores, where it is transported to local recycling centres. In just two months, almost 250 kg of plastic and glass packaging was collected. Aesop is exploring how to extend this initiative to other countries in the future.
Improving the retail experience
The year focused on unifying the customer experience across all channels. As part of the ‘One Retail’ program, Aesop launched live chat functionality on aesop.com in Australia and Canada, leading to 632 hours of conversation in late 2018. In Australia and New Zealand, the new point of sale system, CEGID, launched. It will be rolled out to international markets in 2019. The CEGID system is a global platform for all of Aesop’s stores, aimed at improving customer experience and stock management. Lastly, an ecommerce platform, Hybris, was launched in eight additional countries, bringing the total to 17 countries.

Rethinking learning and development
Throughout 2018, the Human Resources team implemented a Global Learning and Development Program for employees. The initiative has three focus areas: developing managers, growing employees through the use of Aesop capabilities, and encouraging a continuous learning culture throughout the organisation. As part of this initiative, Aesop created an online digital learning platform. In 2018, Aesop created 150 e-learning modules, offered in six languages. Employees enrolled in 1,770 courses using this new tool.

Supporting employees with new technology
Aesop identified the need to equip employees with digital technology that enabled greater workplace productivity. In 2018, the company introduced a new digital rostering for stores, and it also provided all stores with tablets, to be used for product and career development training and administrative tasks.

Distribution networks prepared for the future
Aesop’s considerable growth has resulted in a constant need to advance its distribution networks. This includes mitigating risks in the supply chain, increasing capacity, and reducing waiting times and capital requirements. In Europe, the warehouse transitioned from UK to The Netherlands, and in Asia, similar projects were completed in Singapore, Hong Kong, and Korea. The improvements in Asia resulted in efficiency for partners Tmall Global and DFS Korea.

A culture of giving back
Aesop established its Global Philanthropy Program in 2018. Still in its infancy, the program formalises Aesop’s long-standing emphasis on giving back, both through charitable product donations to local causes and through employee volunteering. In the company, all employees are now asked to use about two-and-a-half days each year to volunteer for charitable causes. Employees may select a charity of their choice or may organise a group initiative with their colleagues.
Major launches

In Two Minds
In April, Aesop launched a suite of comprehensive products comprising of a Cleanser, Toner and Hydrator specifically formulated to cater to the many contrasting needs of combination skin. These products are formulated to gently cleanse, normalise sebum production, soothe irritation, and provide lightweight hydration without overburdening the skin.

Roll-On Deodorants
In March, the Aesop portfolio grew with the launch of Roll-On Deodorant and Roll-On Herbal Deodorant as options for consumers seeking alternatives to sprays. These formulations have a balanced blend of essential oils and absorbent ingredients to reduce and mask odours.

Gift Kits
‘Atlas of Attraction’ gift kits were designed in partnership with couturier Iris Van Herpen. The kits were made of reusable ‘washable paper’ cases and were wrapped in paper sleeves featuring Van Herpen’s couture patterns. In addition to the much-loved body and skin care kits, 2018 was the first year to feature a home products kit.

Brass Oil Burner
Conceived in collaboration with the Australian designer Henry Wilson, the Brass Oil Burner launched in September. Custom-made for Aesop, the product’s timeless design combines perfectly with the brand’s collection of oil burner blends. Elegant and functional, it is a unique piece for customers seeking an alternative to the standard diffusers available on the market.

Köln Travel Kit | RIMOWA
A chance encounter between Aesop and luggage manufacturer RIMOWA resulted in a partnership founded on a taste for simplicity, functional design and passion for travel. The result was the Köln Travel Kit, launched in October. It comprised a selection of prize Aesop products presented in an aluminium travel case bearing the RIMOWA signature.
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