

## **Carbon Neutral**

Positioning updated October 1, 2007

### Context

Humankind is currently on the verge of an unprecedented global-scale environmental crisis. Climate-related disasters, the loss of biodiversity, extinctions of animal and vegetable species and damage to agriculture, food supply, human health and ocean ecosystems are only a few of the consequences we face. The change in natural cycles caused by global warming can already be felt throughout the globe and is expected to worsen, endangering our planet's life.

On the other hand, the climate crisis can also bring many opportunities, especially an increase of collective awareness enabling the current generation to unite efforts to save the planet.

The solution to the challenges we are facing relies entirely on our organizational power and our capacity to overcome our differences. In this context, the crisis gives us a chance to do something few generations in history have had the opportunity to do: create a generational commitment; the enthusiasm of having a powerful moral purpose; a unifying cause; clarity in knowing how to act to improve our quality of life in the present while building a better future for our children and grandchildren.

### Our view

We are living through a moment of awakening: the awareness of the fact that everything is interconnected and that nothing in the universe can live in isolation. Every individual's actions affect everybody else's lives.

In this context, the environmental crisis caused by global warming may be seen as an opportunity to unite humanity around a common goal and, together, build a better future for generations to come.

Companies are ever more aware that, more than responding to their consumers' demands, they must lead initiatives towards developing society as a whole, in a sustainable manner. The magnitude and complexity of this challenge require a much broader and more radical excellence and innovation approach. It is the understanding of these issues, intrinsically connected to our world vision, that we pursue at Natura.

We believe it will only be possible to carry out our purpose (to promote Well Being) in a balanced environment with social justice. Thus, we must increase our knowledge about everything that threatens the environment and humanity and promote the necessary changes to mitigate its impacts.

### Initiatives

In order to assess the contribution of our activities to global warming, we have been mapping greenhouse gases emissions in our business chain since 2005. This includes our direct and indirect emissions and comprises our suppliers, our internal processes, the transportation of inputs and products, our business trips, exports and the use and disposal of used packages. We will gradually expand the mapping process, also assessing impacts of the extraction of raw materials, an activity for which we are co-responsible.

As we consolidate the Annual Emissions Inventory, which considers emissions from the supply chain up to the use and final disposal of the product, we will be able to build a

scenario of reduction alternatives from 2007 and reach our goal of making our activities "carbon neutral" within a very short term.

What gives us a cutting-edge position is the fact that we prioritize the reduction of our emissions, since we believe reducing is more beneficial than compensating. It brings us the opportunity to assess changes in our processes and products, to identify cleaner technologies and to promote a change in the attitudes of those around us. Thus, we will be contributing to the reduction of several other impacts not taken into account in the calculation of carbon emissions, such as those resulting, for example, from the use of water.

But no matter how much we reduce our emissions, there will always be an impact. In these cases, we will have to use compensation mechanisms, to which we intend to aggregate social benefits and other environmental solutions, by means of projects such as forest planting, reforestation and the financing of solar power projects in the supplying communities and controlled landfills.

Global warming concerns have always permeated our activities. Among the initiatives we have already developed that bring about positive impacts and contribute to reducing greenhouse gases, we may highlight:

In our processes:

Efficiency and improvement initiatives for the Energy Consumption Management System;

Solar power system in Cajamar, for parking lot lighting and water heating in the cafeteria and dressing rooms;

Waste Treatment Station at Cajamar with aerobic treatment system (reducing the emission of greenhouse gases, among them methane).

In our products:

The use of recycled material in our portfolio, including recycled paper used in our bags, windows and product cartridges.

Refill production, favoring and promoting the reutilization of regular packaging, thus reducing the extraction of fossil resources and the release of atmospheric emissions.

Sustainable extraction of Brazilian biodiversity assets, adding the value of keeping the forests in one piece and helping out mother nature.

We understand that the reduction and mitigation of environmental impacts, and not only those related to the emission of gases, as well as the implementation of clean processes and technologies, are part of our commitment to build a new business model, capable of adding value economically, socially and environmentally and meeting increasingly more explicit demands from society.

To learn more about our commitment to becoming carbon neutral, please visit our website at [www.natura.net/carbononeutro](http://www.natura.net/carbononeutro).