

Rating date: September 2018

Natura Cosmeticos

Overall score 73/100

ISIN CODE: BRNATUACNOR6

Sector: ALAS20 companies IR

Information rate: 100% (Sector average: 94%)

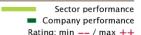
General information

Natura cosmeticos is a Brazil-based company engaged in cosmetic sector. It is present in seven Latin American, in Americas, Europe, Southeast Asia and Australia. It manufactures skin treatments, bath products and fragrances, and also products for pregnant women and their babies. It operates its sale by Natura Beauty Consultants. It

Main Economic Segment**	Turnover 2016
Cosmetics, Fragrances, Toiletry and Direct Sales	100 %

owns various brands such as Amo, Ekos, Tododia, Aguas, Chronos, Erva Doce, Homem, Horus, Seve and Luna. It also operates in Aesop brand name, through which retails cosmetics. It has some subsidiaries such as Industria e Comercio de Cosmeticos Natura Ltda, Natura Inovacao e Tecnologia de Produtos and Emeis Holdings.

CSR performance per domain





Companies seeking to attract international investors or to have them remain as shareholders are expected to maintain a sustainable and transparent relationship with these capital markets players. Investors and analysts should be able to access detailed and updated information as regards the company's financial performance, as well as regarding its medium to long-term strategy and related quantitative targets. Furthermore, it is also key for a company to report on its strategy and performance on Environmental, Social and Governance aspects. Such information should be made accessible through communication channels such as reports or dedicated pages on the website, while an investor relations team or department would be set up within the company.

Company performance

Natura Cosmeticos achieved an advanced performance on its Investor Relations issues. The Company has allocated responsibilities over Investor Relations to its CFO and has established a dedicated IR team, whose individual contact details are published on the website. Natura is transparent on most of the key elements of its corporate governance, such as the link between executive variable remuneration and the company's performance. The Company describes most of the elements of the general markets' context and has adopted most of the recommended elements for an efficient and open communication with its shareholders. Moreover, Natura provides relevant information on its financial and significant information on its ESG KPIs including targets for the future in this regard. Finally, Natura has set up significant tools to promote the follow up on its corporate events and ESG strategies and performances.

On a 4-level scale: proactive, responsive, partially responsive, not responsive See detailed economic indicators in Selected financial data section

Based on the most recent Index at the date of publication



Investor Relations

CGV3.1 **Investor Relations**

(score: 73, weight: 2)



Responsibilities allocated to the role of Investor Relation

Responsibilities of Investor Relations are allocated to CFO and the company has established a dedicated Investor Relations team. In addition, individual contact details of the IR team (telephone number and email address) are published on the website.

Transparency on Corporate Governance issues (Annual Report and website).

The company is transparent on most of the key elements of its Corporate Governance framework.

- Detailed biographies of Directors (explanation of skills and experience)
- Criteria for independency and status of Directors (independent, non-independent, executive, non-executive directors, chairman)
- Link between executive variable remuneration and the company's
- Detailed biographies of Senior Management (explanation of skills and experience)

Comprehensiveness of the company's Annual Report

The company's Annual Report (published in English) provides relevant information on its financial key performance indicators.

- The company provides financial KPI
- The company clearly explains the past positive evolution of its KPI

Transparency on the general context of the company's activities

The company describes most of the key elements of the general context of its markets

- Description of the company's markets
- Description of the company's regulatory environment
- Detailed description of the company's risks and uncertainties
- Description of the company's competitive position (with industry benchmarks)
- Drivers of operational performance at product/service level
 Drivers of operational performance at regional/geographical level

Quality of the company's ESG reporting

The company's social and environmental reporting (published in English) provides significant information on its ESG key performance indicators.

- The company provides ESG KPI
- The company provides quantified targets on ESG KPI for the future
- The company clearly describes the calculation of its ESG KPI
- The company assesses the materiality of its key ESG issues
- The company clearly explains the past positive evolution of its ESG KPI
- The company's ESG KPI are audited or reviewed by an independent third party



On-line communication on financial results

The company has adopted most of the recommended elements for an open and transparent communication with shareholders.

- The presentation of financial results is available in an interactive format
- A five-year financial record is accessible on the company's website
- The company's Annual Report or IR website provide a history of the share price (at least 3 years)
- The company's Annual Report or IR website provide a history of the dividend performance (at least 3 years)
- Financial results presentations include a Q&A section

Updates and follow-up on corporate financial events

The company set up significant tools to promote the continuous follow up of its corporate events.

- The financial calendar is communicated in the Investor Relations Section of the company's website
- It is possible to register for receiving feeds and email alerts on financial presentations
- Access to webcasts (audio or video) and conference calls via the web in real-time to all users (private investors, analysts, institutional investors, media or other audiences).
- Identification of Investor Days

Updates and follow-up on ESG strategies and performances

The company set up significant tools to promote the continuous follow up on its ESG strategies and performances.

- Publication of relevant annual ESG reporting.
- Explicit link to recognized ESG reporting standards.
- Organization of roadshows on ESG issues OR webcasts OR presentations published on the website.



Contacts

Analyst:

Sector Lead: Gonzalo Marambio · Gonzalo.marambio@vigeo-eiris.com

Disclaimer

Copyright Vigeo 2018

Reproduction of this document in whole or in part is prohibited without the express written authorization of Vigeo and is protected by the provision of the French Intellectual Property Code.

The information in this document results from the application of Vigeo's Equitics methodology and is based on sources which Vigeo believes to be reliable. However, the accuracy, completeness and up-to-dateness of this report are not guaranteed, and Vigeo shall under no circumstances be responsible for the strategy choices, management decisions and, more generally, decisions of any nature taken by the reader in reliance upon the information contained in this document.