

INTA News

Two Brazilian Companies Exemplify Value of CSR and ESG Activities

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Corporate social responsibility (CSR) and environmental, social, and governance (ESG) investing have become common corporate buzzwords. And for good reason: Corporate stakeholders—consumers, employees, investors, and the like—have made it clear that they want to support companies that have a moral conscience and that use their resources to shape a better way to do business.

During INTA's 2020–2021 Committee Term, the Brands for a Better Society Committee has been developing a *CSR Best Practices Guide* for organizations, which is expected to be published soon. As part of its research, the Committee conducted a series of interviews with brands that have an established CSR program.

Here, we share insights from the interviews with two Brazilian brands, NATURA and GREEN PEOPLE, both at the forefront of CSR and sustainability.

NATURA*

As part of Natura & Co (which is made up of the brands AESOP, AVON, NATURA, and THE BODY SHOP), the NATURA brand is Brazil's largest multinational cosmetics brand. Founded in 1969, Natura has based its business model on the combination of innovation and sustainability, producing more than 2,000 cosmetic products and more than 7,000 formulas for thousands of outlets in 73 countries while creating a "positive impact business model." Its products are 84 percent vegan and made from sustainable materials. In addition, Natura has developed specialized processes and machinery to avoid animal testing, including a process for testing the products on a 3D skin printer it created.

Natura formulates all its products from fair trade biodiversity ingredients that it obtains from the Amazon, the world's largest rainforest. The products are gathered and supplied directly from local Amazonian communities which Natura partners with to develop sustainable practices to preserve the forests and

support the development of local communities.

Consumers are attracted to these products because of both the natural ingredients and the stories that now go with them. And these partnerships have promoted sustainable development for the more than 7,039 families who work with Natura and who help conserve the rainforest.

As another example, Natura utilizes ecological packaging and through its innovative “refills” program has contributed to removing 1,600 tons of plastic annually, which roughly equates to the amount of trash generated by 3 million people in one day. Natura has also gone 100 percent carbon neutral by offsetting all of its carbon emissions through the acquisition of carbon credits.

In addition, Natura invests in employee well-being and advancement through its education and social programs available to employees. These projects and others have continued to bring increased publicity to the company and helped it garner a loyal following of customers, with profits skyrocketing over the last several years. Natura & Co acquired Avon and The Body Shop over the past several years, illustrating the economic success of its strategy.

“We want to be the better beauty brand for the world,” explained Natura’s Global Sustainability Director Denise Hills, adding, “As Natura & Co’s CEO said, ‘There is no business on a dead planet,’ so there is no sustainable business if it does not address key issues in its business model.”

On whether these efforts have generated results for the company’s brand value, Ms. Hills suggested, “We are certain that CSR initiatives have a positive impact for our company, and we have been awarded for it.”

She noted that Natura has been deemed one of the most sustainable companies according to the “Global 100 ranking” by Corporate Knights and the second most diverse and inclusive in the “Top 25 Most Diverse and Inclusive Companies Organizations Globally” ranking.

The company is also a certified B corporation, meaning, according to the B Corp website, that the business meets “the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.”

In addition, Natura’s Ekos line of products is certified in the Union for Ethical Biotrade, a nonprofit organization that promotes sourcing that is respectful of the local environment and its inhabitants.

“Each one of these recognitions reinforces our aim to be a better cosmetic brand for the world and amplify our positive impact generation,” Ms. Hills said.

True to this principle, Natura Co-Founder Guilherme Leal was one of the founders of the B Team, a group of business leaders committed to creating, advocating for, and promoting principles that change the way we do business for a more sustainable result for all stakeholders.

GREEN PEOPLE

Green People, founded in 2014, supplies cold-press fruit juices made without preservatives or artificial colors or sweeteners to retailers and directly to consumers. But more than packing a healthy punch for its consumers, the company's business model from the start has been based on core CSR principles.

A certified B corporation, Green People has organized a sustainability committee that works to build its business around a sustainability agenda. The agenda has short- and medium-term actions to be implemented over the next several years.

The company's CSR initiatives include sourcing, whenever possible, the ingredients for its products from sustainable and organic suppliers—primarily, local organic, family-run farms. Although this has caused challenges—for example, the suppliers are not always able to meet the necessary volumes as the company expands—it supports the local communities and avoids pollution caused by long-distance delivery trucks. In addition, it is helping the creation of community gardens in Rio de Janeiro's favela slums to provide healthy food and nutrition to those with least access.

One of Green People's most important initiatives is its system of "reverse packaging logistics," by which the company has committed to recycling as much plastic as it releases into the market every day, thereby making it a "packaging neutral company." This program includes the co-financing of the collection of plastic, processing and recycling the plastic, and payment to organizations in charge of collecting the amount of plastic required to ensure its proper processing.

The company also has several goals related to the use of recyclables and returnables in its packaging. All of these initiatives foster a circular economy, through income generation, environmental education, partnerships, and volunteering.

Green People publicizes these initiatives on its website and through social media. It even includes QR codes on its packaging so consumers can trace the origin of the products, which are all important elements of using these activities to build brand value.

These initiatives, and the corresponding work to make them known, have resulted in differentiating the GREEN PEOPLE brand from other similar brands in the marketplace and has strengthened the customer-brand relationship. Meaningful consumer engagement makes for an extremely loyal fan base—and one

that touts GREEN PEOPLE's accomplishments and benefits far and wide.

**This interview took place in October 2020 and the information provided reflects that period.*

Although every effort has been made to verify the accuracy of this article, readers are urged to check independently on matters of specific concern or interest.

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