

*2007 Direct Selling Worldwide
Corporate Social Responsibility Report*

The Global Citizenship of the Direct Selling Industry

*How direct selling companies and direct sellers
give back to communities and people around the world.*



*World Federation of
Direct Selling Associations*



World Federation of Direct Selling Associations

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Dear Participating Global DSA Member Executive:

I'm pleased to provide you this copy of WFDSA Report, *Global Citizenship of the Direct Selling Industry 2007*. This report is made possible through your firm's participation in WFDSA's survey conducted earlier this year.

Every day, our business is making a positive impact on millions of people worldwide. We are bringing unique, high-quality products and services to market, while advancing small business ownership and entrepreneurial principles.

The best part is our industry was founded on helping others and today the tradition continues. We are an industry with a great heart where Corporate Social Responsibility plays a large role. Research indicated to us that being socially responsible can - -

- attract and retain a quality work force
- enhance reputation
- provide access to capital

Furthermore, we can raise our industry profile, build a positive association in the public's mind, and effectively brand our companies as ones who think about more than profit.

The results are impressive and will help *showcase the positive impact our industry is having on societies where we operate*, while contributing to the reputation enhancement of direct selling around the world.

In closing, may I emphasize the survey report is a tool both DSA and you can use:

- **externally**, with key audiences – to help tell the direct selling story while defining and articulating your place in it, and
- **internally**, with other company execs – to assess where your company stands now and perhaps where to best target future efforts to grow your company's CSR programs.

I trust you find the information not only interesting but also useful in your conversations with key audiences. We have much to be proud of. And I sincerely hope you share my enthusiasm!

With warm regards,

Doug DeVos
President, Alticor Inc.
Chairman, WFDSA Advocacy Committee

The Global Citizenship of the Direct Selling Industry

*How direct selling companies and direct sellers
give back to communities and people around the world.*

- The origins of our giving
- How we give
- What we give
- Who benefits from our giving



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Executive Summary

As a worldwide industry existing in more than 150 countries with retail sales of \$109 billion in 2006 and 58 million independent direct sellers, the direct selling industry takes its responsibility for good global citizenship very seriously. Our commitment to good citizenship is expressed in our giving back to people around the world and to the communities where we live and work. Four in five direct selling companies (82 percent) sponsor or support corporate social responsibility activities (CSR).

The Origins of Our Giving

- How direct selling companies begin their involvement in corporate social responsibility is as diverse as the companies in the industry.
- Two in five direct selling companies with CSR activities (37 percent) were involved in corporate social responsibility from the time of their companies' founding.
- Their CSR activities often reflect the values of company founders or the personal experiences of people working at their companies.

How We Give

- Supporting and partnering with charities and non-governmental organizations (NGOs) play a central role in the CSR activities of direct selling companies. Two in five (42 percent) support or partner with one or two charities or non-governmental organizations; one in three (34 percent), with three to 10 charities or NGOs; and one in four (25 percent), with 11 or more charities or NGOs.
- The top three criteria of direct selling companies in determining financial contributions to organizations are (1) the organization having the same values and goals as the company, (2) company performance and (3) the impact and effectiveness of the organization. The top three criteria of direct selling companies in determining non-financial contributions to organizations are (1) the organization having the same values and goals as the company, (2) the impact and effectiveness of the organization and (3) the interest of employees in volunteering for the organization.
- The contributions of direct selling companies take many forms. Nine in 10 (91 percent) make cash donations, 63 percent make in-kind services donations, 60 percent donate the time of their employees or salespeople, 54 percent sponsor charitable events, 54 percent donate a

portion of the sales proceeds of certain products to charity and 40 percent match to a pre-set percentage the donations of their employees or salespeople.

What We Give

- Corporate financial contributions by direct selling companies to charitable causes worldwide was an estimated \$332 million in 2006, including \$15.3 million in Brazil, \$2.2 million in Canada, \$119.5 million in Japan, \$1.1 million in Mexico, \$0.2 million in Russia, \$0.9 million in South Korea, \$1.8 million in Taiwan, \$97.8 million in the U.S. and \$93.2 million in other countries.
- Financial contributions by the direct selling industry, including both direct selling companies and direct sellers, increased by 85 percent from 2002 to 2006.
- Corporate financial contributions (i.e., contributions just by direct selling companies) increased by 80 percent from 2002 to 2006. During the same period, corporate financial contributions to charitable and philanthropic organizations within the U.S. increased by 18 percent, while contributions to those outside the U.S. grew by a factor of six.
- Financial contributions by direct sellers, the independent salespeople of the direct selling companies, increased threefold from 2002 to 2006.

Who Benefits from Our Giving

- The CSR activities of the direct selling industry benefits causes, communities and people around the world.
- Nine in 10 direct selling companies (90 percent) support health and human services through financial donations or volunteer participation. Education is supported by three in five companies (58 percent), arts and culture by 42 percent of companies, environmental protection by 36 percent of companies and economic development by 30 percent of companies.
- The CSR activities of direct selling companies benefit many types of people, but particularly children and women. One in four companies (24 percent) focus or give special attention to children and one in ten (9 percent), to women.
- In eight countries — Brazil, Canada, Japan, Mexico, Russia, South Korea, Taiwan and the United States — four in five direct sellers (80 percent) contribute money, goods and services to human services and charitable organizations. One in three direct sellers (33 percent) contribute to education, 18 percent to sports, 15 percent to environmental causes and 14 percent to arts and culture.

This report reveals through numbers and stories the global citizenship of the direct selling industry. It shows an industry stepping up to help those who are less fortunate and to touch with enduring impact the lives of others by supporting education, arts and culture, environmental protection, economic development and other causes. The origins of our giving, how we give,

what we give and who benefits from our giving differ by direct selling company and individual direct seller. Behind this diversity, however, are a common commitment to social responsibility and a unity of purpose to give back to people around the world and to the communities where we live and work.

1. Introduction

As a worldwide industry existing in more than 150 countries with retail sales of \$109 billion in 2006 and with 58 million independent salespeople, the direct selling industry takes its responsibility for good global citizenship very seriously (Exhibit 1-1). Our commitment to good citizenship is expressed in our giving back to people around the world and to the communities where we live and work.

The World Business Council of Sustainable Development (WBCSD), an international coalition of companies, defines corporate social responsibility (CSR) as follows:

Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.¹

This report tells the story about the global citizenship of the direct selling industry and the impacts of its corporate social responsibility activities on communities and people worldwide. It describes the beginnings of our CSR activities (Chapter 2), how we give (Chapter 3), what we give (Chapter 4) and who benefits from our giving (Chapter 5).

The report is based primarily on the WFDSA 2007 Direct Selling CSR Survey, a survey of direct selling companies that was conducted by the World Federation of Direct Selling Associations (WFDSA) during the summer of 2007. The survey collected information on how their CSR activities began, their support of and partnerships with charities and non-governmental organizations (NGOs), their criteria for contributing to charities and philanthropic organizations, the forms of their contributions and more. The survey not only collected information on the corporate contributions of direct selling companies, but also on the contributions of direct sellers, the independent salespeople associated with the direct selling companies.

A total of 82 direct selling companies submitted usable responses. Sixty-seven (82 percent) of the survey participants sponsor or support corporate social responsibility activities (Figure 1-1).

¹ World Business Council for Sustainable Development, *Corporate Social Responsibility*, page 3.

Exhibit 1-1

What is Direct Selling

Direct selling is a dynamic and expanding method of marketing goods and services to consumers in-person away from retail stores. In direct selling, products are usually personally explained and demonstrated by salespeople to consumers, generally in homes and workplaces.

Direct selling companies predominantly use this method of marketing to consumers instead of retail stores, telemarketing, mail solicitation and other techniques. They use salespeople, who we'll call direct sellers, to market to consumers. The direct sellers are usually independent of the companies, and companies call them by various titles, including consultants, representatives and distributors.

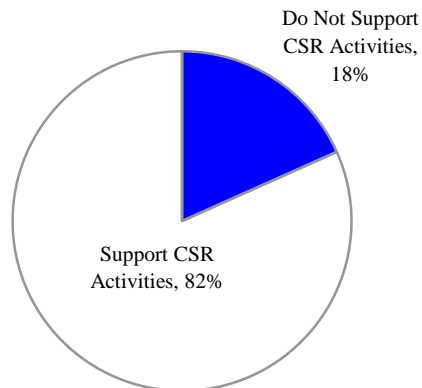
Direct sellers have an opportunity to earn an income

and build a business. They have the flexibility to put in the time and effort they want, be their own boss and determine their own goals. They can work part-time, perhaps supplementing their family income, or work full-time, perhaps building a new career.

Through direct selling, consumers benefit from having an alternative to department stores, shopping centers, malls and other retail stores. Direct selling offers consumers convenience and service, including personal explanation and demonstration of products and home delivery.

The World Federation of Direct Selling Associations (WFDSA) estimates that in 2006 the direct selling industry had 58 million direct sellers and \$109 billion in retail sales worldwide.

Figure 1-1

Most Direct Selling Companies Sponsor or Support CSR Activities

SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

2. The Origins of Our Giving

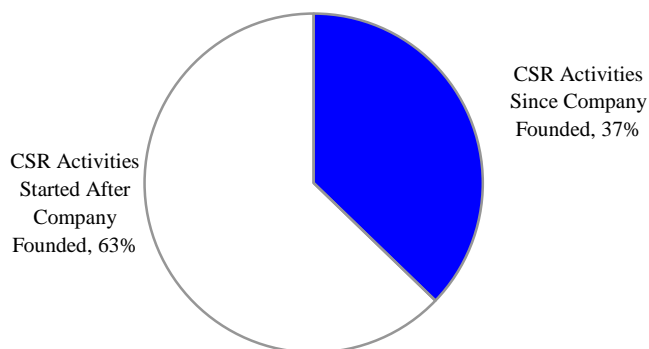
The beginnings of corporate CSR activities in the direct selling industry are as diverse as the companies in the industry. Some had CRS activities from the founding of their companies and others from when they determined they wanted to start giving back. Some giving reflects the values of company founders and some results from the personal experiences of people working at direct selling companies.

Of the 67 survey participants with CSR activities, nearly two in five (37 percent) of them have had CSR activities since the founding of their companies (Figure 2-1). For example,

- When CT Healthcare in Australia launched in 1949, the founder of the company started a handicapped children’s clinic in the same year.
- Orenda in the United States funded from its first order the “Heart of Orenda” fund, which supports Boys & Girls Clubs, Smile Train, ChildHelp USA and other children’s charities.
- Natura in Brazil has from the inception of the company “sought to undertake actions capable of promoting social transformations.”
- Pink Papaya in the U.S., before it launched, started to work with the local homeless center.

Figure 2-1

Many Direct Selling Companies Have Had CSR Activities Since Their Founding



SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

The companies that started their CSR activities after the company was founded started their giving with a variety of causes. For example,

- Aloette Cosmetics in the U.S. began its CSR activities in 2005 when it launched a company initiative to reach out to its local community in Atlanta.
- Best World Lifestyle in Singapore started its participation in CSR activities in 1999 when it donated funds to a hospital and took part in Singapore's national pride parade.
- CNI International in Malaysia initiated its CSR involvement when it founded its foundation, Yayasan CNI, in 1998. The foundation was set up and registered in April 1998.
- i3Shop in Korea started its CSR involvement in 2003 by sponsoring a public campaign called "Make a Beautiful World" that was organized by a local broadcasting company.
- Southern Living At HOME in the U.S. started its involvement in CSR in 2001 when the founder co-founded a statewide initiative in Alabama to fight domestic violence called "Cut It Out."
- Star Dust in Italy initiated its CSR activities in 2007 when it started a partnership with a non-profit organization, Komen Italia onlus, to combat breast cancer.

Company CSR activities in many cases reflect the values of company founders, as illustrated below.

- According to Amway, which was founded in 1959, "Our corporate giving is a testament to our founding families' belief that we need to share our resources with the communities where we do business."
- One of the founding principles of Avon, which was started in 1886, is "to meet fully the obligations of corporate citizenship by contributing to the well-being of society and the environment in which it functions."
- "Mary Kay Ash founded her Company [Mary Kay Inc.] on the Golden Rule and emphasized the importance of giving back to others."²
- Started in 2002, XanGo in the United States says, "Before they ever sold their first bottle of product, XanGo founders identified a mission of promoting the education, safety, health and welfare of children throughout the world as a part of the company's strategic vision."

For some companies, personal experience plays an important role in giving. An example is UnderCoverWear in Australia.

Our founder developed breast cancer and required support through trained counselors. We began to contribute money to the Cancer Councils of Australia and

² <http://www.marykay.com/company/socialresponsibility/>

the Cancer Society of New Zealand as a way to support full-time support counselors for other cancer patients.

Another example of a direct selling company providing assistance to an organization based on a personal experience is the National Companies' support of Great Lake Burns Camp for young burn victims. This support resulted from the president of National Companies' own experience as a burn victim at the age of two.³

³ *Success from Home Magazine*, November 2007, page 113.

3. How We Give

Direct selling companies give in many ways and manners. This chapter describes the supporting and partnering of direct selling companies with charities and non-governmental organizations (NGOs), the criteria they use to determine contributions and the forms of those contributions.

SUPPORTING AND PARTNERING WITH CHARITIES AND NGOS

Supporting and partnering with charities and non-governmental organizations play a central role in the CSR activities of direct selling companies. All survey respondents with CSR activities volunteered that they support or partner with such organizations.

Two in five companies (42 percent) support or partner with one or two charities or NGOs (Figure 3-1). Arbonne in the U.S., for example, gives to The Red Cross and The Sojourner Center.

Another one in three companies (34 percent), such as Caring International, sponsors or supports three to 10 organizations. Caring International, which is based in Hong Kong, sponsors or supports the Red Cross Society of China, Chinese Red Cross Foundation (CRCF), the China Charity Federation and several other organizations.

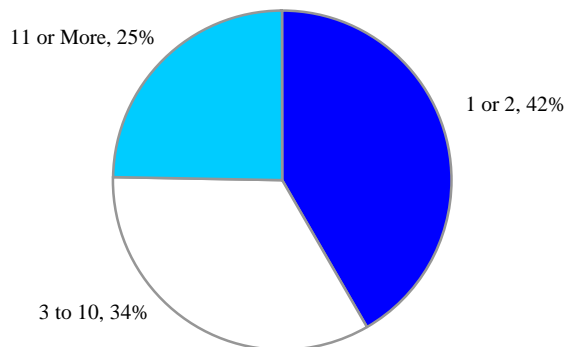
Finally, one in four companies (25 percent) support or partner with 11 or more organizations. Amway, for instance, helps children globally through its “One by One Campaign for Children” by forming dozens of active local partnerships in charitable and volunteer programs. From the time the program started in 2003 through 2006, over five million children have benefited around the world through \$39 million in donations and 606,000 volunteer hours by employees and direct sellers.⁴

While all survey respondents are sponsoring or supporting charities or NGOs, most companies (74 percent) also express an interest in working with other charitable organizations or other direct selling companies on causes of mutual interest (Figure 3-2). Butterfly Worldwide in the United States seeks direct selling companies to help furnish and supply homes it wishes to build across America. The homes will be built to “house families that have a terminally ill spouse or parent who is being treated in a hospital far from the family’s home.”

⁴ <http://www.alticoronebyone.com/>

Figure 3-1

Number of Charities or NGOs Sponsored or Supported by Direct Selling Companies with CSR Activities

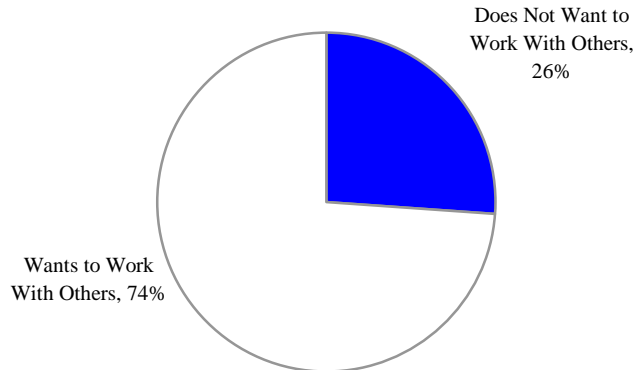


NOTE: Percentages do not sum to 100 percent because of rounding.

SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

Figure 3-2

Most Companies Want to Work with Other DSA Member Companies or Organizations on CSR Activities



SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

CRITERIA FOR GIVING

Direct selling companies use varied criteria in deciding to whom to give and on how much to give. Some have rigorous criteria, while others have no fixed criteria or a simple criterion. An example of the latter is Michele Barratta atHome in the United States, which simply selects “those causes that are close to our hearts!”

In making financial contributions, the criterion most volunteered by survey respondents was that the charity or philanthropic organization has to have the same goals and values as the company (51 percent), followed next by company performance (22 percent) and the impact and

effectiveness of the organization (18 percent) (Figure 3-3). Three criteria are tied for third: efficiency of the organization (e.g., low administrative and fundraising overhead), reputation and legal status of the organization and no fixed criteria. Each criterion was volunteered by 11 percent of the responding companies. Another three criteria are tied for fourth: organizations to which employees and direct sellers contribute, opportunity for voluntarism and needs of the organization. Each criterion was cited by 4 percent of the respondents. Finally, three criteria are tied for fifth: high demand for the organization’s services, engagement in inter-organization/charity collaboration and no contributions to individuals. Each criterion was volunteered by 2 percent of the respondents.

Figure 3-3
Criteria of Direct Selling Companies for Financial Contributions

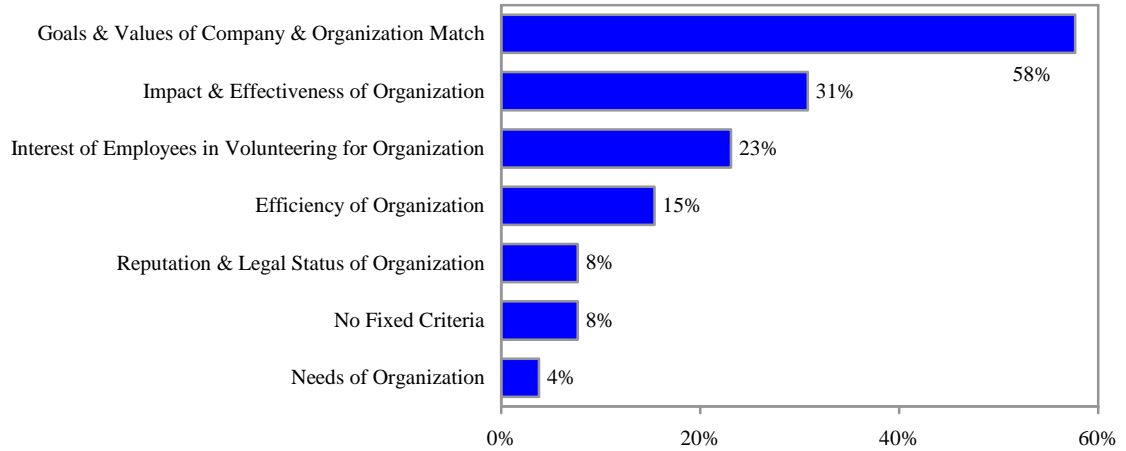


NOTE: Percentages do not sum to 100 percent because more than one criterion could be volunteered.

SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

In making contributions through voluntarism and other forms of non-financial support, as shown in Figure 3-4, the criterion most volunteered was that the charity or philanthropic organization has to have the same goals and values as the company (58 percent), followed next by impact and effectiveness of the organization (31 percent), interest of employees in volunteering for the organization (23 percent), efficiency of the organization (15 percent), reputation and legal status of the organization (8 percent) and needs of the organization (4 percent). Eight percent had no fixed criteria.

Figure 3-4
Criteria of Direct Selling Companies for Non-Financial Contributions



NOTE: Percentages do not sum to 100 percent because more than one criterion could be volunteered.

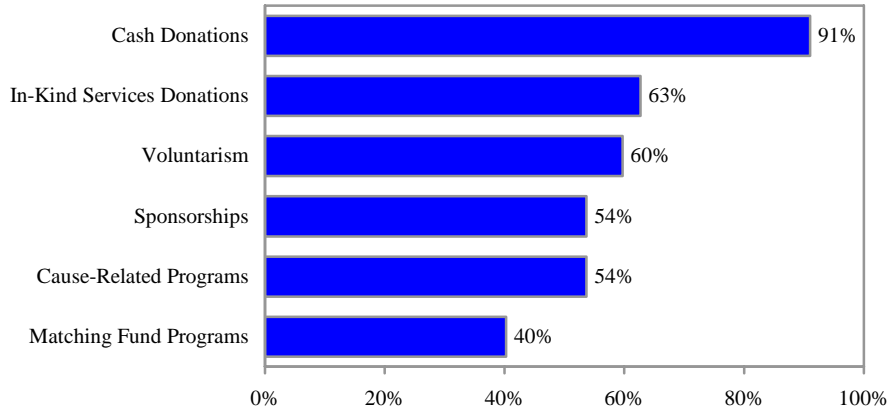
SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

FORMS OF GIVING

The contributions of direct selling companies to charitable and humanitarian organizations take many forms. The survey shows the leading form of contribution is cash donations; nine in 10 companies (91 percent) make cash contributions (Figure 3-5). Three in five (63 percent) make in-kind service donations to charitable and philanthropic organizations, and 60 percent contribute through voluntarism, where time is donated to charitable and philanthropic organizations by company employees and/or direct sellers. Fifty-four percent contribute through sponsorships, such as funding a golfing event that benefits a charity, and 54 percent contribute through cause-related marketing, such as selling products with a portion of the proceeds benefiting a charity. Finally, two in five companies (40 percent) contribute through matching fund programs, where a company will match a pre-set percentage of the donation of employees and/or direct sellers.

Some direct selling companies use just one form of contribution, while others use several. Sixteen percent of the survey respondents with CSR activities volunteered that they use all six contribution methods discussed in the prior paragraph (Figure 3-6). Eighteen percent use five methods, 15 percent use four, 22 percent use three, 18 percent use two and 10 percent use one.

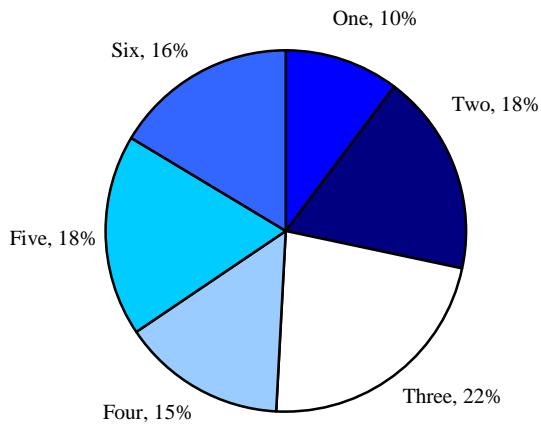
Figure 3-5
Types of Contribution Methods Used by Direct Selling Companies with CSR Activities



NOTE: Percentages do not sum to 100 percent because more than one method could be volunteered.

SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

Figure 3-6
Number of Types of Contribution Methods Used by Direct Selling Companies with CSR Activities



NOTE: Percentages do not sum to 100 percent because of rounding.

SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

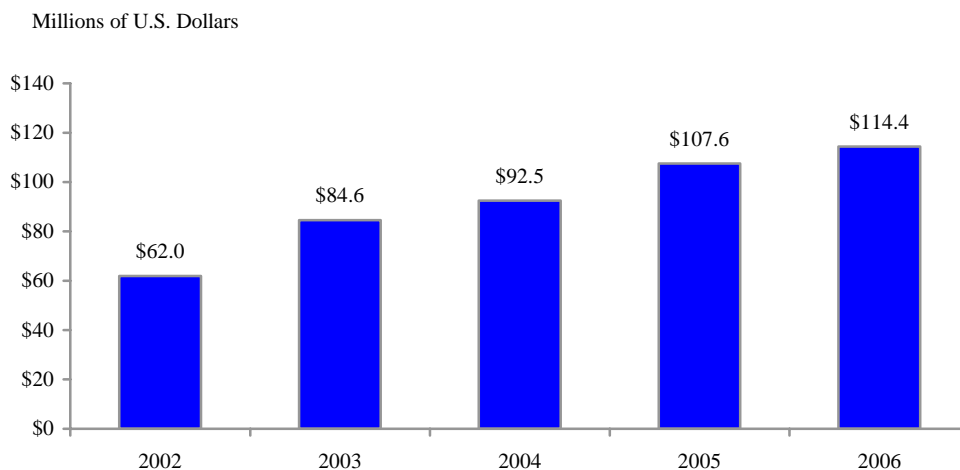
4. What We Give

Financial contributions are made by direct selling companies and their direct sellers to charitable and philanthropic causes worldwide. This chapter describes the levels of those financial contributions, primarily as volunteered by the survey respondents.

TOTAL FINANCIAL CONTRIBUTIONS

Fifty-seven respondents volunteered that their company or their direct sellers made financial contributions to charitable and philanthropic causes during 2002-2006. Their financial contributions during this period total more than \$450 million, for an average of \$8 million per responding company. Financial contributions rose yearly during the period, increasing 85 percent from 2002 to 2006 (Figure 4-1).

Figure 4-1
Financial Contributions to Charitable/Philanthropic Causes by Companies and Direct Sellers during 2002-2006 as Volunteered by Survey Respondents



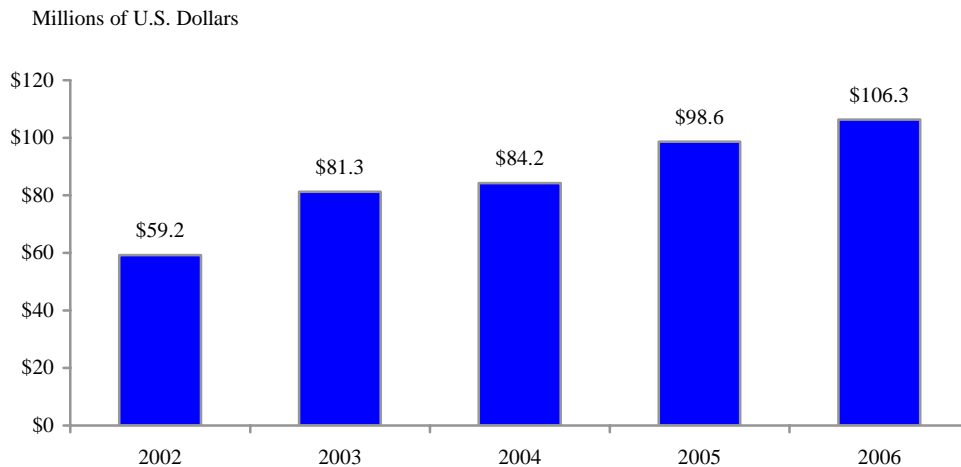
SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

CORPORATE FINANCIAL CONTRIBUTIONS

The same 57 respondents all reported corporate financial contributions during 2002-2006. The contributions total \$430 million for the period, for an average of more than \$7 million per respondent. Growing each year during the period, corporate giving increased from \$59.2 million in 2002 to \$106.3 million in 2006 (Figure 4-2), an increase of 80 percent.

Figure 4-2

Financial Contributions to Charitable/Philanthropic Causes by Companies during 2002-2006 as Volunteered by Survey Respondents



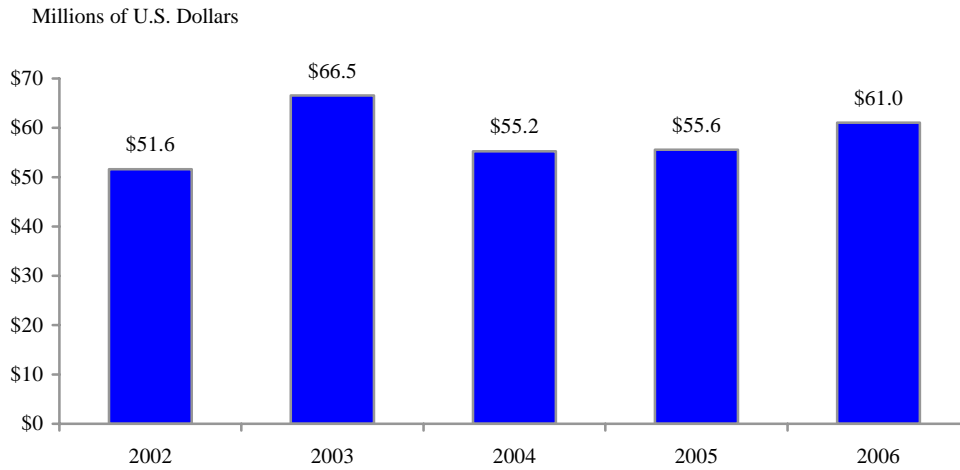
SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

Forty-six respondents volunteered that they made corporate financial contributions in the United States during 2002-2006. These contributions total nearly \$300 million. During the period, yearly contributions increased 18 percent from \$51.6 million in 2002 to \$61.0 million in 2006, and they ranged from a low of \$51.6 million in 2002 to \$66.5 million in 2003 (Figure 4-3).

Twenty-seven respondents said they made corporate financial contributions outside of the United States during 2002-2006; the contributions total nearly \$140 million. Yearly contributions increased substantially during the period, increasing sixfold from \$7.6 million in 2002 to \$45.3 million in 2006 (Figure 4-4).

Figure 4-3

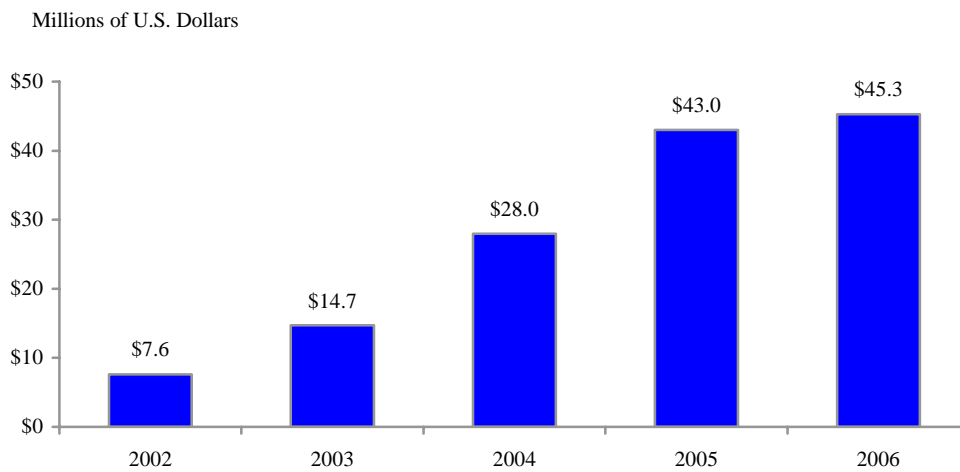
Financial Contributions to Charitable/Philanthropic Causes in the U.S. by Companies during 2002-2006 as Volunteered by Survey Respondents



SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

Figure 4-4

Financial Contributions to Charitable/Philanthropic Causes Outside the U.S. by Companies during 2002-2006 as Volunteered by Survey Respondents

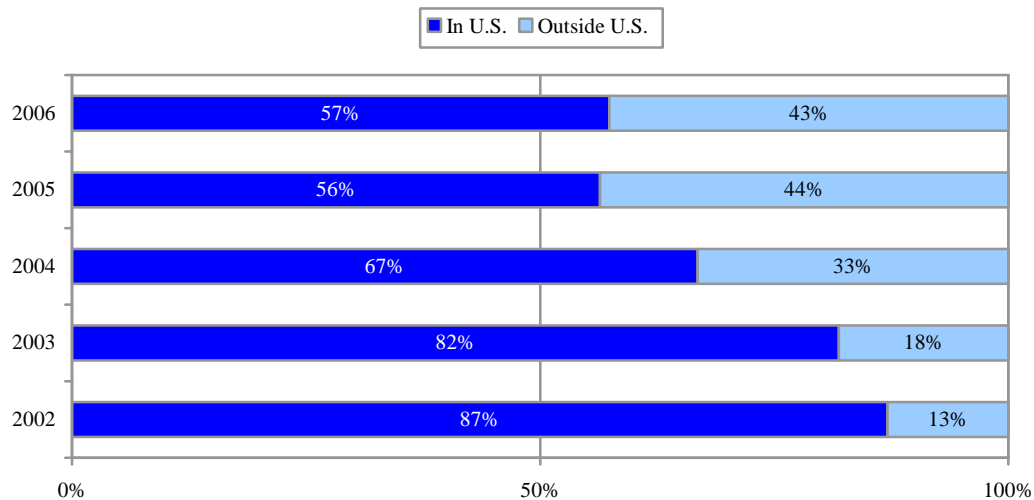


SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

Because corporate financial contributions to charitable and philanthropic causes outside the United States have grown faster than contributions to causes in the United State, the percentage share of contributions to causes outside the United States has increased from 13 percent in 2002 to 43 percent in 2006 (Figure 4-5).

Figure 4-5

Corporate Financial Contributions, Within the U.S. Versus Outside the U.S.



SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

On behalf of the WFDSA and eight national DSAs, Ernst & Young conducted studies during 2004-2005 to measure the social and economic contributions of direct selling in eight countries: Brazil Canada, Japan, Mexico, Russia, South Korea, Taiwan and the United States. These eight countries account for 72 percent of world retail sales made though direct selling.⁵ Among other statistics, the studies present an estimate of the corporate financial contributions to charitable and philanthropic organizations in the countries for the year 2003 or 2004. Table 4-1 presents these estimates updated to 2006. It is further estimated that corporate financial contributions by direct selling companies to charitable causes worldwide was \$332 million in 2006.⁶

DIRECT SELLER FINANCIAL CONTRIBUTIONS

Nineteen respondents to the WFDSA 2007 Direct Selling Worldwide CSR Survey volunteered that their direct sellers made financial contributions during 2002-2006. These contributions total just over \$31 million during 2002-2006. During the period, yearly contributions increased threefold from \$2.7 million in 2002 to \$8.0 million in 2006 (Figure 4-6).

⁵ WFDSA.

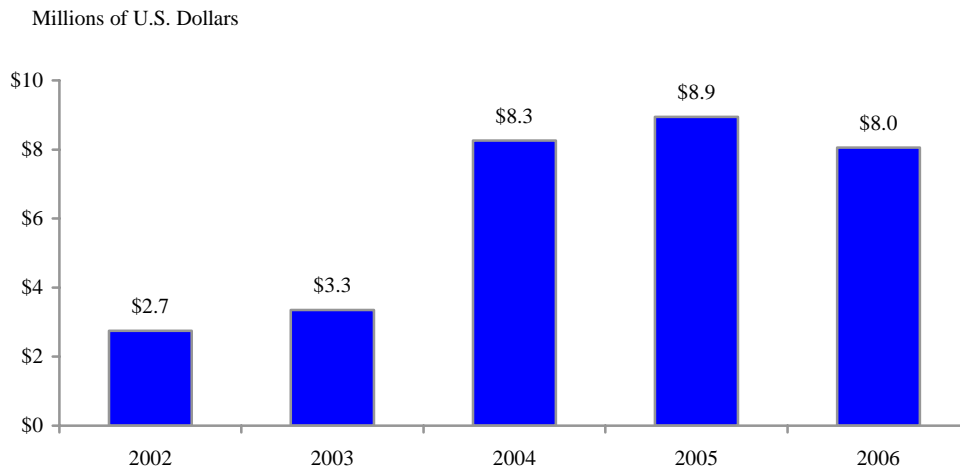
⁶ WFDSA.

Table 4-1
Estimated Corporate Financial Contributions in Total and for Selected Countries, 2006

Country	Dollars
Brazil	\$15,300,000
Canada	\$2,200,000
Japan	\$119,500,000
Mexico	\$1,100,000
Russia	\$200,000
South Korea	\$900,000
Taiwan	\$1,800,000
United States	\$97,800,000
Subtotal for Eight Countries	\$238,800,000
Other Countries	\$93,200,000
Total	\$332,000,000

SOURCE: Estimated using retail sales data from WFDSA and data from eight country-specific, socio-economic contribution studies by Ernst & Young on behalf of WFDSA and eight national DSAs during 2004-2005.

Figure 4-6
Financial Contributions to Charitable/Philanthropic Causes by Direct Sellers during 2002-2006 as Volunteered by Survey Respondents



SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

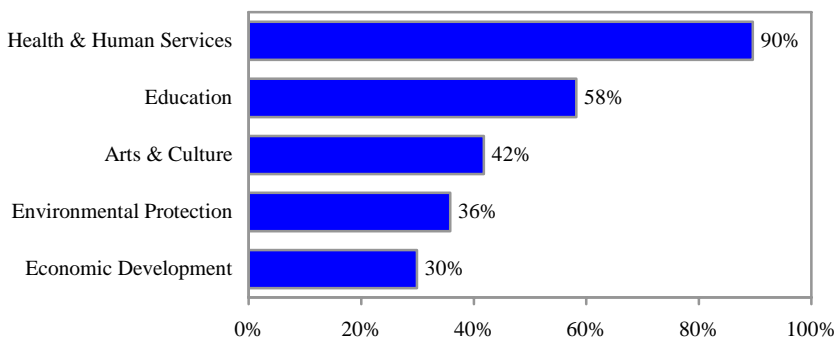
5. Who Benefits from Our Giving

The CSR activities of the direct selling industry benefit causes, communities and people around the world. This chapter describes the people and types of causes that are beneficiaries of the industry's giving.

THE CAUSES THAT BENEFIT

Direct selling companies support many types of CSR activities through financial donations or voluntary participation (Figure 5-1). Among survey participants with CSR activities, the largest percentage (90 percent) reported that they support health and human services activities. The area next most supported was education (58 percent), followed by arts and culture (42 percent), environmental protection (35 percent) and economic development (30 percent).

Figure 5-1
Areas Supported by Corporate Financial Donations or Volunteer Participation

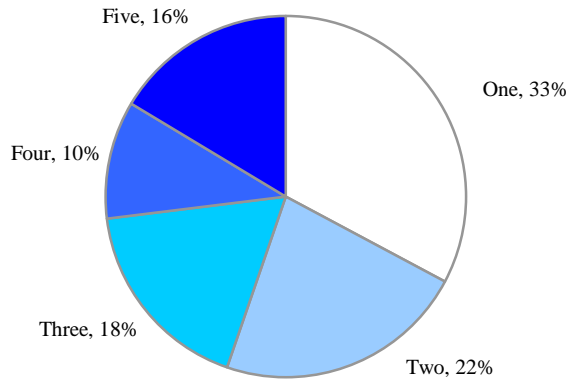


NOTE: Percentages do not sum to 100 percent because more than one area could be volunteered.

SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

Some direct selling companies focus their financial donations or volunteer participation on just one area, while others supported several areas (Figure 5-2). Among survey participants with CSR activities, one in three (33 percent) support just one area through financial donations or volunteer participation. Twenty-two percent supported two areas; 18 percent, three; 10 percent, four and 16 percent, five.

Figure 5-2
Number of Areas Supported by Direct Selling Companies



NOTE: Percentages do not sum to 100 percent because of rounding.

SOURCE: WFDSA 2007 Direct Selling Worldwide CSR Survey.

A focus on one area can result from a company's mission or products. Signature HomeStyles, for example, provides support to one area, health and human services, and this results from its company mission "to make a difference one home at a time." In Signature HomeStyles' own words, "From local community relations efforts to its national partnerships, Signature HomeStyles is committed to helping create home environments where families can flourish." Another example is CityFinds, which sells through home parties the handiwork it purchases from artists at fair wages usually in underdeveloped countries. CityFinds donates a percentage of each home party's profit to charities involved in art and culture.

Direct sellers worldwide also contribute to a variety of types of causes. Table 5-1 shows the areas that direct sellers in eight countries contribute to in money, goods and services. In all eight countries, a higher percentage of direct sellers contribute to human resources and charity than to any other category.

As shown in Figure 5-3, in the eight countries, four in five direct sellers (80 percent) contribute to human resource causes and charities. One in three direct sellers (33 percent) contribute to educational causes, followed next by sports (18 percent), environmental causes (15 percent) and arts and culture (14 percent).

THE PEOPLE WHO BENEFIT

The CSR activities of the direct selling industry benefit many people. Thirty-one respondents to the WFDSA 2007 Direct Selling Worldwide CSR Survey reported a total of 32 million people who benefited from the support provided by their companies to charitable and philanthropic causes in 2006. Seventeen respondents reported a total of 31 million people who benefited from the support provided by their direct sellers to charitable and philanthropic causes in 2006.

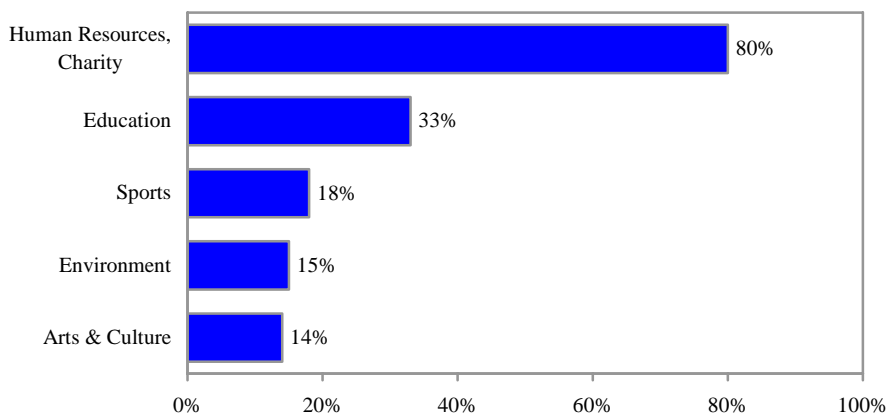
Table 5-1
Areas Supported by Direct Sellers by Selected Country

Country	Arts & Culture	Education	Human Resource, Charity	Environment	Sports	Number of Direct Sellers
Brazil	6%	23%	68%	10%	7%	1,600,000
Canada	10%	20%	89%	11%	14%	538,475
Japan	21%	19%	73%	21%	17%	2,700,000
Mexico	5%	34%	72%	10%	14%	1,900,000
Russia	10%	27%	71%	6%	16%	2,495,010
South Korea	23%	44%	54%	24%	13%	3,124,036
Taiwan	15%	30%	86%	21%	2%	4,037,000
United States	14%	36%	89%	14%	25%	15,200,000
Total for Eight Countries	14%	33%	80%	15%	18%	31,594,521

NOTE: Percentages do not sum to 100 percent because more than one area could be volunteered.

SOURCE: Number of direct sellers from WFDSA. Other data from eight country-specific, socio-economic contribution studies by Ernst & Young on behalf of WFDSA and eight national DSAs during 2004-2005.

Figure 5-3
Causes Supported by Direct Sellers in Eight Countries



NOTE: Percentages do not sum to 100 percent because more than one cause could be volunteered.

SOURCE: Table 5-1.

Many types of people also benefit from the giving back of the direct selling industry. Two types of people, however, particularly benefit from the giving — children and women. Of survey participants with CSR activities, one in four companies (24 percent) volunteered that their CSR activities focus on or give special attention to children. About 1 in 10 (9 percent) survey participants with CSR activities focus on or give special attention to women.

Herbalife in the U.S., Oriflame in Sweden, Pro-Ma Systems in Australia and USANA in the U.S. are four examples of direct selling companies that give special attention to children.

- Herbalife and its direct sellers support the Herbalife Family Foundation, which was started in 1994 by the founder of Herbalife. “Its mission is helping children in need overcome life's most basic challenges including hunger, poverty and abuse.”
- Oriflame is a corporate sponsor of the World Childhood Foundation, which is under the patronage of Queen Silvia of Sweden, and supports Livslust (Swedish for “Joy for Life”), a school for orphans in Latvia.
- Pro-Ma Systems says, “Primarily we support organisations or charities that have an interest in underprivileged children who may, in some way, be at risk or are suffering economic hardship.” The company established its own charity “Light of Hope” to provide for children in need in developing countries.
- USANA helps children globally through its long-term corporate sponsorship of the Children’s Hunger Fund and locally by its long-term partnership with Kennedy Junior High School, which neighbors the company’s headquarters in Salt Lake City. USANA employees provide financial and volunteer support to the school by, among other activities, having fundraisers to buy winter coats for children in need and tutoring students.

Tupperware Brands and Avon illustrate how some companies focus on women.

- Tupperware Brands’ “philanthropic programs align to enlighten, educate, and empower women and girls.” The company has supported charities and programs in more than 100 countries through charitable donations, in-kind contributions and facilitated gifts.
- Avon philanthropy has focused on women by working to eliminate breast cancer and domestic violence. From its start in 1992 through 1996, Avon Breast Cancer Crusade has raised or donated over \$450 million to breast cancer programs in more than 50 countries. Avon’s “Speak Out Against Domestic Violence” was started in 2004 in the United States and since then has expanded to other countries and has donated millions of dollars to domestic violence programs.

6. Conclusion

This report reveals through numbers and stories the global citizenship of the direct selling industry. It shows an industry stepping up to help those who are less fortunate and to touch with enduring impact the lives of others by supporting education, arts and culture, environmental protection, economic development and other causes. The origins of our giving, how we give, what we give and who benefits from our giving differ by direct selling company and individual direct seller. Behind this diversity, however, are a common commitment to social responsibility and a unity of purpose to give back to people around the world and to the communities where we live and work.

Appendix A

List of Participating Companies

**2007 Direct Selling Worldwide
Corporate Social Responsibility Survey**

List of Participating Companies

2007 Direct Selling Worldwide Corporate Social Responsibility Survey

ACN Inc.	Pro-Ma Systems (Aust.) Pty. Ltd.
Aloette Cosmetics, Inc.	Regal Ware, Inc.
AMC International	Saucy Fish
Amway	Shaklee Corporation
Arbonne International	Signature HomeStyles
Avon Products, Inc.	Smart Circle International
Belcorp S.A.	Southern Living At HOME
Best World Lifestyle Pte. Ltd.	Stampin' Up!
Bestway Network	STAR DUST ITALIA S.P.A.
Butterfly Worldwide, LLC	StemTech HealthSciences, Inc.
Caring International (HK) Ltd.	Tanner Companies., LLC
Chung Ho Nice	Tupperware Brands
CityFinds Inc.	Univera Life Sciences
CNI Enterprise (M) Sdn Bhd	USANA Health Sciences, Inc.
Creative Memories	Weekenders USA, Inc.
CT Healthcare Pty Ltd	Woongin Coway
CUTCO/Vector Marketing Corporation	Wynlife Healthcare, Inc.
Demarle at Home	XanGo LLC
First Fitness	Yanbal Ecuador
ForeverGreen International	UnderCoverWear Collection
Gold Canyon	
The Happy Gardener	
Herbalife International of America	
Hiliving Co., Ltd	
Hy Cite Corporation	
i3shop	
Immunotec	
Korea Cosmetics Co., Ltd.	
Korea Hanbaek	
Learning is an Art	
Lia Sophia	
Market America, Inc.	
Mary Kay Inc.	
Mcowell Co., Ltd	
Michele Baratta atHome, Inc.	
Minor PCL.	
Natura Cosmetics S.A.	
Nature's Sunshine	
New Vision / Vemma Nutrition Company	
Northern Lights At Home	
NR Communication	
Nu Skin Enterprises	
Nutrimetics	
One Jeon Commerce	
Orenda International, LLC	
Oriflame Cosmetics	
The Pampered Chef	
PartyLite Gifts, Inc.	
Pink Papaya, LLC	
Primerica Financial Services	



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