

***Direct Selling:
Retail without Boundaries***

ANNUAL REPORT 2015-2016

seldia

The European
Direct Selling Association

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Magnus Brännström
Outgoing Chairman
2012 - 2016

“

*Building communities is one of the
core strengths of the direct selling
industry.”*



Dr. Thomas Stoffmehl
Incoming Chairman
2016-2018



The role of Seldia as a Pan-European voice of direct selling is crucial in order to ensure the relevance of our business model in times of socio-political changes and challenges on the labour market."

Outgoing Chairman Statement

Magnus Brännström
Outgoing Chairman (2012 - 2016)
CEO Oriflame

In the direct selling industry there has been a lot of focus lately on the digital marketplace and direct selling's place in it. As the CEO of a public direct selling company I am sometimes challenged by investors who doubt that the direct selling model can stand its ground. However, in a world where you can buy everything online, the key thing to remember is that the consumer does not need everything – they need something. And in today's digital marketplace studies show that the main reason why consumers buy something is because another consumer, or a friend, has recommended it. As direct sellers, we are truly in the recommendation business. That is why I am even more passionate about the direct selling industry now than ever. We are definitely part of the future.

The new sharing economy, with some 40 billion euro annual turnover in Europe alone, is commerce with the aim of connecting human beings. The digital platform enables this business, but its success is ultimately going to hinge on its ability to build and manage global communities. And building communities is one of the core strengths of the direct selling industry. The evolution of e-commerce has brought a

shift in consumer behaviour that is now very noticeable, and the idea that consumers will no longer buy products in physical stores is now becoming a reality. The sharing economy that we now see growing rapidly has the potential to bring about the next revolution, this time upending how people earn their main income – as service providers in multiple fields, be it as self-employed cab drivers, hoteliers, or as brand ambassadors, rather than as employees at a company. 20 years from now we might look back and laugh at the time when people used to have an employment as their main source of income.

With the e-commerce business also comes increased transparency, which is why it is time to truly put our great products first. I strongly believe the future will belong to those companies that can show their products are not only high quality but also competitively priced versus products sold through any distribution channel.

Direct selling is so much more than a business. It is about ambition, leadership, culture and fun. It is a movement, and at its core it is about people. We are dealing with people, and people will recognise companies which care. Somebody said to me "Nobody cares how much you know, until they know how much you care". It means that if we use our fundamentals by driving our leaders, our people, with heart, then we are the ones that are going to stand out in this new

Outgoing Chairman Statement

economy. We are in the business of improving people's lives.

The past 12 months has been a period of high tension within the EU. The migration crisis. Brexit. Irrespective of how the remaining member states tackle these challenges it is clear that Brussels' influence over the legislative framework of business in Europe will continue to be high – also in non-member states. As a pan-European organisation Seldia continues to welcome both EU and non-EU members. The past 12 months have also been an eventful period for Seldia as an organisation. We started 2015 with the goal of ensuring Seldia maintained its high standards in EU policy work despite the loss of a major corporate member. We therefore initiated a review process where an external consultancy carried out a thorough perception audit of Seldia, which involved interviews with both external stakeholders and policymakers as well as internal members.

The audit showed that we have room for improvement in areas such as communication and internal organisation, and we are addressing these in our operating plan. But it also reaffirmed that we are a vital and well-considered industry association within key EU policy areas. As Despina Spanou of the European Commission's DG JUST testified at last years' European Direct

Selling conference, "Seldia has a strong voice in Brussels".

A further testament to Seldia's value as a credible partner for the relevant EU institutions is that Seldia was recently invited by the Commission to be one of the few organisations that participate in the REFIT stakeholder consultation group supporting the evaluation of key EU consumer and marketing directives that are currently undergoing review.

During 2015 we also had a change of Executive Director: After a thorough recruitment and review process we were very pleased to welcome Katarina Molin as Seldia's new Executive Director in October 2015. A new Manager of EU Affairs has also recently been hired and will join the Seldia team at the end of October 2016. With this rejuvenation of Seldia's management I am confident that we have the professionalism and team needed to be on the right track for the future. It is therefore with optimism and even excitement that I hand over the baton to my successor when, after serving as Chairman for Seldia for the past four years, my tenure finally comes to an end at the 2016 Annual General Assembly. Excitement as I feel that Seldia is better equipped than ever to continue to represent the direct selling industry in Europe in the years to come.



“ I feel that Seldia is better equipped than ever to continue to represent the direct selling industry in Europe in the years to come.”

Incoming Chairman Statement

Dr. Thomas Stoffmehl

**Incoming Chairman (2016 - 2018)
CEO LR Health & Beauty**

You are holding in your hands a report on the results of another successful year for Seldia and the latest developments in Europe's direct selling industry. As Seldia's incoming Chairman I am very proud of our results as they lay the foundations for our further progress and growth. The outgoing Board of Directors, under the leadership of Magnus, strengthened the vision and role of Seldia and initiated a substantial development of the organisation.

With its new team Seldia is well prepared to build on this productive work and will represent the interests of the organisation in an excellent way. The role of Seldia as the pan-European voice of direct selling is crucial to ensure the relevance of our business model in times of socio-political changes and challenges in the labour market.

In the past Seldia has built a strong position for the direct selling industry in Brussels und Europe. We are well accepted as a partner in the Commission's decision-making processes as well as among European politicians and

that creates a solid basis for the future. Taking into account the results of the perception audit of Seldia we will further continue to improve the quality of our communication and keep contributing to European policies with the highest standards.

Considering participation, one of the future challenges for Seldia lies in giving our input in an active and effective manner and keeping our voice strong in Brussels by making relevant contributions to European public debates. We need to increase the common acceptance of our business model and point out its significant benefits for the people in the EU.

In order to do so, Seldia needs the strong support of its members, a fast decision-making process and a clear attitude towards vital issues in the industry. Setting standards, communicating clearly in the light of relevant opinions, explaining and convincing politicians and the general public of how our industry contributes to Europe's development - all this we will do with a precise focus on the interests of all Seldia members.

These challenges will require new ideas and approaches and I am confident that we will develop them together with you. Let's make Seldia even stronger!



“ We will further continue to improve the quality of our communication and keep contributing to European policies with the highest standards.”

EU Policy Advocacy

EU Consumer Policy

Review of EU consumer law (fitness check)

In early 2016 the European Commission announced its intention to review the whole range of existing horizontal EU consumer legislation with the purpose of evaluating if these directives are still fit for purpose. Seldia and its members are strong supporters of the need for comprehensive and harmonised consumer rights across the EU-28 and are continuously engaging with the European Commission and other stakeholders in this comprehensive policy review.

This year Seldia actively participated in interviews organised by the Commission's contractor Civic Consulting on the evaluation of the consumer acquis (body of EU law). Furthermore, Seldia has been invited as a selected partner in the closed European Commission REFIT stakeholder expert group, which will give active and concrete input to EU policy makers on the EU consumer acquis. Veronica Manfredi, Head of Unit for Consumer and Marketing Law, will also be present at the 6 October Seldia

UNDERSTANDING THE FITNESS CHECK CONSUMER LEGISLATION IN THE EU

WHAT IS A FITNESS CHECK?

It is a comprehensive, evidence-based policy evaluation **assessing** whether EU legislation is **"fit for purpose"**.

It provides a basis for **future policy considerations**.

A **Fitness Check** is part of the regular EU policy cycle.

A common EU legislative framework sets the standards of **Consumer protection and marketing** across the European Union. Six key pieces of legislation are currently undergoing a Fitness Check.



Download from Seldia website the *Fitness Check Roadmap*.

conference to present her views on the fitness check progress and engage in a dialogue with participants about the next expected steps. As part of the REFIT exercise on the EU consumer acquis, Seldia will continue to advocate for ADR tools to be given even more powers and recognition as efficient dispute mechanism tools for consumers.

Monitoring of implementation of EU legislation in Member States

This year Seldia has continued its work on monitoring the implementation of EU consumer legislation in Member States. The results of these studies are shared with the European Commission. In 2016 an implementation study of the Consumer Rights Directive was carried out. Furthermore, Seldia has produced detailed factsheets on the national legal regimes affecting direct selling companies and direct sellers. These are a great source of intelligence for those who want to compare legislation in different EU markets.

UCPD Guidance Document

On 25 May 2016 the European Commission published its e-Commerce package, aimed at removing barriers to cross-border online activity. This package implements the Digital Single Market (DSM) strategy from May 2015, and goes together with the proposal on online contract rules and portability of online content (proposed in December 2015) and the VAT package which is expected later in 2016.



As part of this package the Guidance on the Unfair Commercial Practices Directive (UCPD) has also been published. This includes the definition of pyramid schemes aligned with European Court of Justice case law (point 14 of the Annex of the UCPD). Seldia has been advocating the inclusion of the clarification of the definition of pyramid schemes in various workshops organised by the European Commission as well by constant communication with the head of unit for consumer and marketing law in the Commission and is pleased with the definition as now confirmed in the guidance document.

Proposal on the Regulation on Consumer Protection Cooperation

As part of its e-Commerce package, the Commission is planning to revise the Regulation on Consumer Protection Cooperation as well. Seldia will continue to advocate the importance of exploiting the potential for enforcement cooperation between national authorities in Europe. The review of the CPC Regulation is the tool which could help support it.

Alternative Dispute Resolution and Self-Regulation: European Codes of Conduct

As a retail industry strongly committed to ethical business conduct, Seldia members adopted and implemented revised European Codes of Conduct towards consumers and businesses in 2015, the requirements of which go well beyond to what is required by European law. Furthermore, successful alternative dispute resolution tools have been established at the national level and are proving to be useful.



“ Seldia has a strong voice in Brussels and we (the European Commission) will continue to count on Seldia’s support as our partner to protect consumers from unfair practices and enjoy their rights thus creating an environment of trust.”

“ You are a business based on personal relations with the customers. Respecting their rights will only make your business grow further and thus contribute to jobs and growth in the EU.”

Ms. Despina Spanou
Director for Consumers’ Directorate
at DG JUST

EU Policy Advocacy

EU Single Market Strategy

On 28 October 2015 the European Commission published its Single Market Strategy, which is deemed a core strategy for the current Commission. Its key objective is to improve the functioning of the single market by:

- Providing a regulatory framework that fosters the free movement of goods and services and enhances competitiveness;
- Removing existing barriers to intra-EU trade and preventing the creation of new ones;
- Promoting a business and consumer-friendly environment based on transparent, simple, and consistent rules offering legal certainty and clarity;
- Implementation and enforcement are prioritised, but the strategy will also include legislative elements.

Market monitoring

One of the main priorities of Seldia in 2015 - 2016 and onwards remains the identification of trade barriers in national legislations, and defining, evaluating, and implementing actions to remove them.

In 2016 Seldia completed its study on non-tariff Barriers to direct selling in Europe which involves concrete examples of legislative burdens for direct selling retail in some EU Member States. Seldia has already contributed to European Parliament reports on this issue and its study will feed into future Commission studies on these barriers.

Additionally, Seldia monitored regulatory issues of concern for direct selling in several EU Member States and provided advice and support to local DSAs for their advocacy actions whilst keeping members informed about these challenges.

“ Seldia is a highly appreciated association of the direct selling industry in Europe. At Nikken we value the support we receive from Seldia, not only their expert reports which detail the latest developments in the European legal landscape, but also their proactive representation of our interests in Europe.”

Anja Newberry, Head of Legal Department, Nikken



Check the Single Market Strategy on the EU Commission website



EU Digital Single Market Strategy

The Digital Single Market Strategy was adopted in May 2015. A key pillar focuses on better online access for consumers and businesses to digital goods and services across Europe and a legislative initiative concerning contracts for the online and other distance sale of goods has been put forward.

Proposal on Contract Rules for Digital Purchases

Following the Proposal of the European Commission on the harmonisation of rules for online sales of goods (*Directive on certain aspects concerning contracts for the online and other distance sales of goods*) issued at the end of 2015, Seldia has been actively engaged in advocating equal rules for online and offline sales to both EU policymakers and other stakeholders in Brussels.

In this regard, Seldia has drafted a position paper which can be found on its website. It welcomes the proposal on certain aspects concerning contracts for the online and other

distance sales of goods, but encourages the European Commission to seek legal alignment between online and offline requirements, enabling traders to sell online as well as offline with minimal legal differences between the two sales channels.

Proposal on Regulation on Geo-blocking

As part of the e-Commerce package published on 25 May, the proposal for the Regulation on geo-blocking was also included. This proposal states that there is no obligation to deliver the goods to the country of the customer but to provide him/her with the same delivery options as local customers (e.g. delivery to an address provided by the customer in that country, pick-up at a collection point, etc.).

Seldia is closely following discussions on this topic and will, together with other business stakeholders in Brussels, provide decision makers with our comments on the proposed legislation.

Trade

TiSA

The Plurilateral Trade in Services agreement (TiSA) has been an issue of particular importance on Seldia's agenda. As the negotiations are well advanced, Seldia, in cooperation with US and worldwide colleagues, has had regular contacts with TiSA negotiators at the bilateral and multilateral level both in Brussels and Geneva. Furthermore, together with the European Service Forum, of which it is a member⁽¹⁾, Seldia was involved in the European advocacy coalition during the negotiating round in July 2016 in order to pursue the same goal – inclusion of a more specific recognition of direct selling within the upcoming TiSA agreement.

(1) www.esf.be



Women Entrepreneurship Platform

wep WOMEN ENTREPRENEURSHIP PLATFORM

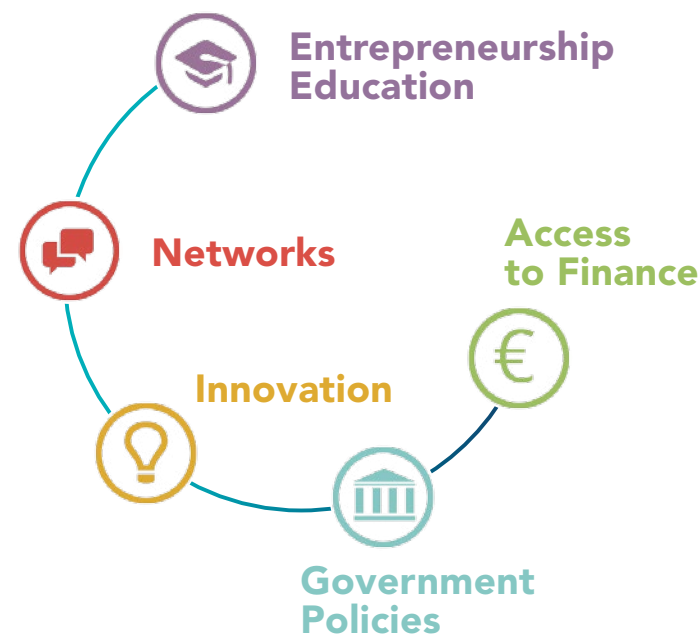
The Women Entrepreneurship Platform is a not-for-profit organisation founded by Seldia in 2013 with the objective of raising awareness about the barriers preventing women from taking the entrepreneurial path and creating their own businesses. Seldia has managed the WEP since its foundation, with the support of its 27 member organisations from all over Europe. 26 MEPs have signed up to support the platform's actions as WEP Champions. Among them is MEP Sirpa Pietikäinen who set up an Interest Group on Women Entrepreneurs in the European Parliament. Seldia has contributed considerably to this interest group, acting as WEP's Secretariat and its main stakeholder, representing WEP and raising the awareness of EU policymakers about obstacles faced by women entrepreneurs in creating and developing their own businesses. Through WEP, Seldia advocates the cause of female entrepreneurship in the European Parliament and Commission, emphasising the socio-economic benefits of the direct selling business model.



“ Women entrepreneurship in all its forms is a great European asset. Self-employed women deserve more political support and appreciation, and to this end I have made the initiative of Interest Group on Women Entrepreneurship in the European Parliament, which aspires to be the link between women entrepreneurs, to voice their concerns and hopes, and to progress politics at the European level that support women in their business.”

Sirpa Pietikäinen, MEP - EPP Finland

Five Pillars of Growth



Women Entrepreneurs & Digital Networking, a lunch debate in the European Parliament

More than 100 enthusiastic participants traveled from all corners of the European Union to Brussels on the 9 December 2015 to attend the lunch debate on Women Entrepreneurs & Digital Networking organized by Seldia together with the Interest Group on Women Entrepreneurs.

The luncheon was hosted by four Members of the European Parliament: Sirpa Pietikäinen, Terry Reintke, Kaja Kallas and Jutta Steinruck, who are all very much involved in the issues at stake. Indeed, finding ways to stimulate female entrepreneurship is high on the European agenda for the next few years. At the same time, the Digital Agenda is one of the seven pillars in the 2020 growth strategy of the European Union.

One sector where female entrepreneurship and the digital agenda come together is the direct selling industry, with more than 11 million women currently involved or running their own business in Europe.

During the luncheon, Emma Joos de ter Beerst, General Manager France at STELLA & DOT (www.stelladot.com), gave the audience a successful example of the intersection between women's entrepreneurship and the clever use of digital tools in the direct selling industry.

In her introductory speech MEP Sirpa Pietikäinen called for an intensification and multiplication of such networking events and platforms, very much like the Women Entrepreneurship Platform. MEP Terry Reintke, Rapporteur at the European Parliament for Gender Equality and Empowering Women in the Digital Age, added some very useful insights.

Other distinguished guests included Monique Morrow, Chief Technology Officer at CISCO and Natalie Vandaele, Partner at Deloitte Consulting, who gave inspiring presentations and drew the audience's attention to initiatives where the three elements digital, women and entrepreneurship come together in harmony.



Women entrepreneurs & Digital Networking

In line with the digital agenda of the European Commission, the debate will focus on Women entrepreneurs and digital networking and how the digital tools could improve women entrepreneurs businesses

WEP lunch debate | Hosted by MEP Sirpa Pietikäinen with co-hosts MEP Terry Reintke and MEP Kaja Kallas
9 December 2015, 12:30 - 14:30
European Parliament, Members' Salon

Registration required by email to lorela.lohan@seldia.eu
(participation free of charge)

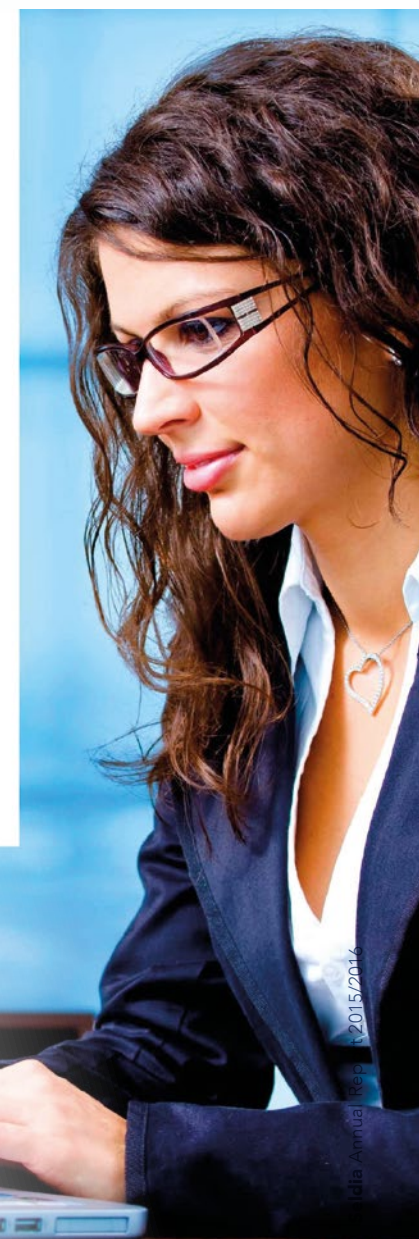
#EU_womenentrepreneurs2015



ON YOUR SIDE



The Greens | European Free Alliance
in the European Parliament



Women Entrepreneurship Platform

Katarina Molin, MEP Terry Reintke, Marie Lacroix, MEP Sirpa Pietikäinen and WEP Board



Katarina Molin & Marie Lacroix (Seldia) & MEP Sirpa Pietikäinen (EPP Finland)



MEP Kaja Kallas, ALDE Estonia



MEP Ana Gomez, S&D Portugal



Monique Morrow (Chief Technology Officer, Cisco) & Emma Joos de ter Beerst (Executive Director France, Stella & Dot)



WEP Members



MEP Terry Reintke, Greens Germany



VIP TABLE, WEP Lunch Debate, 9th December 2015



5th European Direct Selling Conference

Brussels, 7 October 2015



The European
Direct Selling Conference
Brussels 2015

Direct Selling, an OMNI channel of distribution” was the theme of the 5th annual European Direct Selling Conference, the benchmark event of the European direct selling industry that took place in Brussels on 7 October 2015. The event enjoyed a record attendance of 200 participants from Europe and other parts of the world, such as USA, Russia, Kazakhstan, South America, as well as an important official Chinese delegation interested in learning more about direct selling regulations in Europe. In parallel, over 20 service provider companies exhibited their products and services to participants, adding a professional dimension to the conference. The one-day programme featured two panels and four workshops run in parallel sessions and proposing interactive discussions on a variety of topics.

In his opening speech Seldia Chairman and CEO of Oriflame Magnus Brännström highlighted the constant growth of the industry and noted that according to an independent external survey, Seldia was perceived as a reputed and credible organisation in Brussels.

The first guest speaker of the day, Despina Spanou, Director of the Consumers’ Directorate at DG JUST in the European Commission, praised Seldia, saying that “Seldia has a strong voice in Brussels and we (the European Commission) will continue to count on Seldia’s support as our partner to protect consumers from unfair practices and enjoy their rights thus creating an environment of trust.”

Guest speaker WFDSA Chairman and President of Amway Doug DeVos stressed the importance of unity in the direct selling industry worldwide and underlined the strength of direct selling as a channel of distribution in a changing world.

In the CEO panel, Magnus Brännström (Oriflame), Kathleen Mitchell (Stella & Dot), Patrick Sostmann (LR Health & Beauty) and Samir Behl (Amway) debated digital innovation and the increased role of social media in the direct

selling industry. They stressed the importance of the young and innovative generation for the growth and success of the direct selling business, and highlighted the importance of education and training of distributors, who are the industry’s biggest strength. Sostmann also noted that branding was an important element and largely contributed to the success of direct selling companies.

The four parallel workshops, which took place in the afternoon, gathered together many participants interested in listening to speakers share their expertise and knowledge on subjects such as EU consumer rights legislation, social media strategies, direct selling in CEE countries and external media strategies. The conference ended with a onehour panel discussion between Pola Karolczyck (Sidley Austin), Rosario Rende-Granata (EU Commission, DG Comp), Michael Cervell (Oriflame) and Stefan Krawczyk (eBay) on the added value of being an omni channel of distribution in the digital era.

The 5th European Direct Selling Conference proved to be THE place to be for anyone interested in the European Direct Selling industry.

5th European Direct Selling Conference

Brussels, 7 October 2015

Chinese Delegation and Magnus Brännström (Chairman Seldia & CEO Oriflame)



Doug DeVos, Chairman WFDSA & President Amway



Lorela Lohan and Aude Lalou (Seldia)



“ As founder and CEO of Captain Tortue Group, I am very proud to be part of SELDIA - the European Association for Direct Selling. Seldia is an active supporter of our industry in Brussels with strong and sustainable results. Being present in nine European countries, I definitively need such an advocate in Brussels.”

Philippe Jacquelinet, CEO, Captain Tortue Group

Thomas Stoffmehl (CEO, LR Health & Beauty), Jacques Cosnesfroy (French DSA) & Patrick Sostmann (LR Health & Beauty)



Josh Roberts (Stella&Dot), Candan Corbacioglu (DSA Turkey) & Kathleen Mitchell (Vice President EMEA, Stella&Dot)



Roberta Kuruzu (ABEVD - DSA Brazil) & Patricia Cerra (ACOVEDI, DSA Colombia)



Magnus Brännström (CEO, Oriflame) & Despina Spanou, (Director for Consumers' Directorate at DG JUST, European Commission)



CEO Panel, from left to right - Jonathan Riley (Moderator), Samir Behl (Amway), Kathleen Mitchel (Stella& Dot), Patrick Sostmann (LR Health & Beauty) and Magnus Brännström (Oriflame)



Kathleen Mitchell (Vice President EMEA, Stella&Dot), Chris Fenna & Philippe Dailey (Meridian Mmi)



Tamuna Gabillaia (WFDSA) and Katarina Molin (Executive Director, Seldia)



"Seldia is a recognised and respected voice for its members. We at Mary Kay value our affiliation with Seldia and its Codes of Conduct, which set the highest standards for Direct Selling companies."

Tara Eustace,
President, Mary Kay Europe Region

Mette Henius, Cécile Purnode & Imelda Vital (Amway) and Amelie Bacarat-Empereur (Herbalife)



Renate Staab (Meridian Germany), Almut Kellermeyer & Thomas Stoffmehl (CEO, LR Health & Beauty)



Amway Team (from left to right Michael Meissner, Kim Drabik, Candan Corbacioglu, Mette Henius and Cécile Purnode)



Seldia Annual “Astra” Awards

The Seldia Annual “Astra” Awards aim at honouring the member association and member company that have achieved the most in raising awareness of the direct selling method of distribution, promoting its socio-economic benefits and highlighting the advantages to consumers during the past year.

An “Astra” Award also recognises the Best Service Provider of the Year, and the Best New Company of the Year. Preceding the conference, five ASTRA industry awards were celebrated in a dynamic evening on 6 October in front of a crowd of 150 participants. The winners were:

“*Seldia plays an important role as our strong voice in Europe and in the regulatory process in Brussels. We have to make sure that Seldia continues to be a strong organisation representing the interests of its members. Internal and external communication will be the key to the future role of Seldia as the opinion-leading organisation in the industry.*”

Dr. Thomas Stoffmehl,
CEO, LR Health& Beauty

Best New Company of the Year

Blèzi Cosmetics



Best Direct Selling Company of the Year

LR Health & Beauty



Astra Awards

Best Direct Selling Association of the Year

DSA of Turkey



Best Service Provide of the Year

DB SCHENKER



Astra Hall of Fame Award

Richard Berry



An ASTRA Hall of Fame Award was handed to Richard M. Berry, who was honoured for his long career in the direct selling industry – for example as Director of the UK DSA during many years and a former Seldia Chairman and Member of the Board. In his tribute to Richard Berry, Seldia Chairman Magnus Brännström emphasised his enthusiasm for the promotion of the direct selling industry where he worked with passion and sensitivity for more than 30 years throughout the UK, Europe and the United States.

Communication activities a cornerstone in public affairs

Seldia places a high importance on ensuring high-quality briefings on EU policy developments to its members. As part of its internal communication, Seldia regularly provides both its corporate and national association members with timely and targeted briefing papers and EU policy updates and analyses.

Seldia also publishes a bi-monthly external newsletter informing members and non-members about Seldia events and policy activities. The Seldia website was refreshed in the spring of 2016 in order to make it more user-friendly. It now contains more infographics and new sections on EU policy, ethics and industry statistics.

Recognising its important role as the key European association representing direct selling in Brussels, Seldia will continue its efforts to put in place a comprehensive and long-term external communication strategy to support Seldia's advocacy work and ensure a continued good and fact-based understanding of the sector by external stakeholders.

“Seldia has been providing excellent support to member companies and been a strong advocate for the direct selling sector in Brussels for almost 50 years.”

Samir Behl,
Regional President Europe India and
Africa, Amway

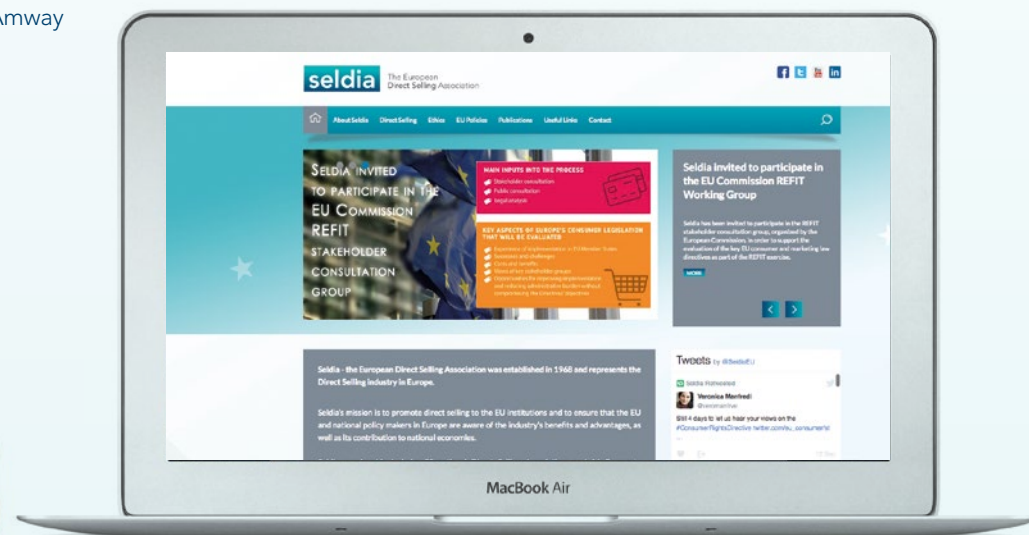
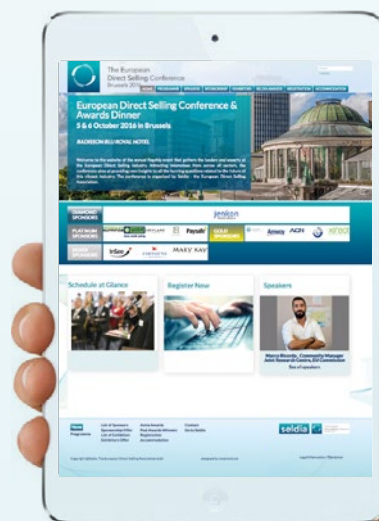


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DOs and DON'Ts IN DIRECT SELLING

This is the summary of the key principles of the Direct Selling Code protecting the Consumer and Direct Seller. The Code is a measure of self-regulation as developed by Seldia which all Seldia members are obliged to follow.

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Check out www.seldia.eu

Check out www.directsellingconference.eu

Membership

“Avedisco is proud to be a member of Seldia because it reflects the values of our association such as promoting, creating, sustaining and reinforcing the principles and legislative framework in the direct selling sector and ensuring that EU policymakers are aware of its economic benefits.”

Giovanni Paolino, President Avedisco, Italian DSA



Seldia Board of Directors



Seldia is member of the **World Federation of Direct Selling Associations** (WFDSA) and actively cooperates with this organisation as a full member of several of its committees, such as the Global Research Committee in charge of collecting annual statistics on direct selling, the Ethics Committee and the Global Regulatory Committee.



EuroCommerce is the trade association representing retail and wholesale trade in Europe. As an active Member of EuroCommerce, Seldia contributes to the advocacy work of this reputable organisation to ensure a fair market place for consumers and retailers.



Seldia is a member of **The European Services Forum**, which promotes the interests of the European services sector in the WTO GATS negotiations as well as with regional and bilateral trade negotiations such as TiSa.



Seldia has strong ties with the **US Direct Selling Association**, as a member of the DSA's International Council and speaker on European issues in the DSA's annual International Business and Policy Conference.

Direct Selling in Europe An Industry Outlook



Sustained growth: Strong sales figures for direct selling

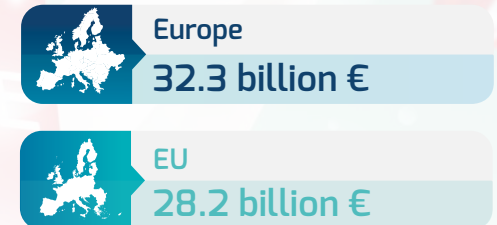
Global retail sales in direct selling increased by 7,7% globally in 2015 compared to 2014 with all regions reporting higher sales. This includes Europe, which has shown a steady and constant growth over the last five years. In 2015 direct selling sales in Europe as a whole grew by 4,5% compared to 2014, and in the European Union by 7,5% ⁽¹⁾ (compared to average retail trade in the EU which grew by 3% in the same time period ⁽²⁾). The first figures for 2016 show this positive trend continuing.

Sales in Europe amounted to €32 billion in 2015, which represents 19% of global sales. The European market is dominated by three countries, which are all represented in the

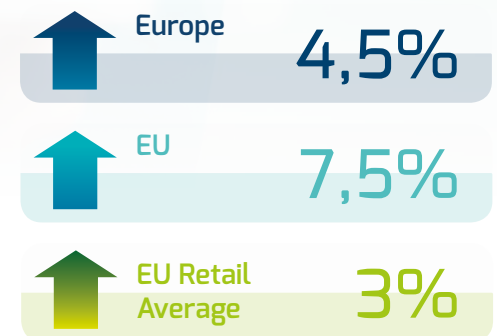
top global direct selling markets: Germany (€13.9 bn), followed by France (€4.1 bn) and the UK (€3.6 bn).

While direct selling is, like all retail, impacted by the current macro and socio economic downturn, the strong 2015 sales results show that the industry's retail model is still strong and that direct selling is in a good position to grow its business further in the coming years. The quality of the products sold, the strength and value of the personal recommendations by the sales force, and the embracement of social media to increase consumer reach; all these elements will help direct selling to continue to expand and remain an important go-to retail channel in the future.

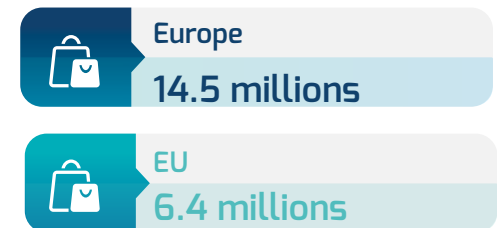
Sales in 2015



Direct selling growth in 2015



People active in direct selling

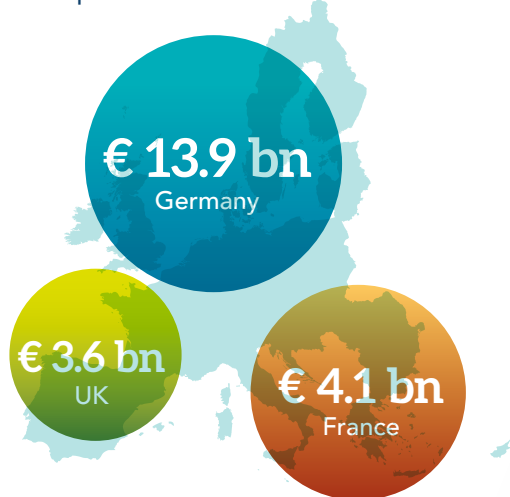


(out of which 79% are women)

(1) WFDSEA/Seldia Global Statistics 2015

(2) Eurostat news release, 3 February 2016

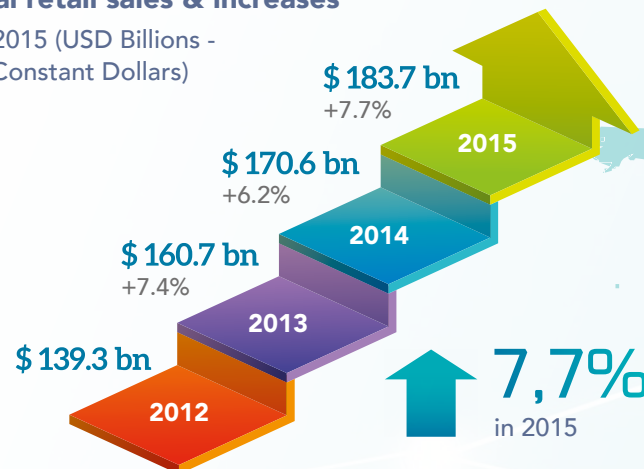
Top markets in EU



Global figures

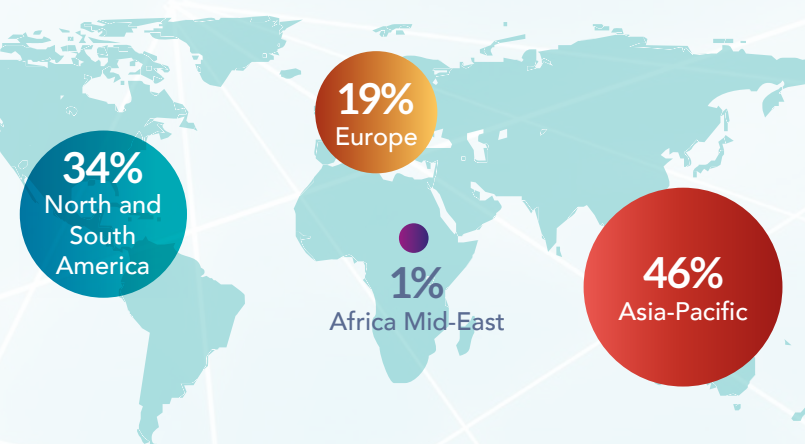
Global retail sales & increases

2012-2015 (USD Billions -
2015 Constant Dollars)

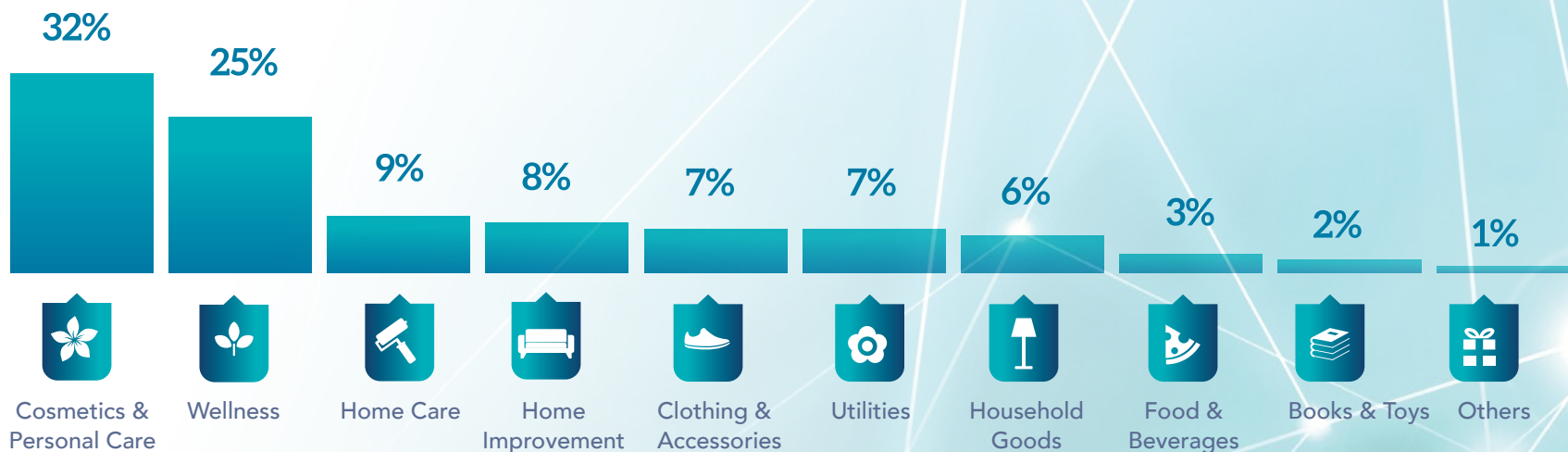


Sources: WFD SA/Seldia (2016)

Sales by Regions



Breakdown of sales per product categories



Direct Selling in Europe An Industry Outlook



Women active in direct
selling in EU in 2015

79%

Entrepreneurship – the 21st century work model?

In line with the current global economic downturn, the rise of the sharing economy and the demand from the new generation of workers for more flexibility in balancing work and private time, the interest of people pursuing entrepreneurship opportunities is growing both globally and in Europe. As shown by the Amway Global Entrepreneurship Report 2015, Europe exploits 38% of its entrepreneurial potential ⁽¹⁾ - which direct selling could address by offering easy, low-risk entrepreneurship possibilities and by supporting flexible part-time work models. The majority of people involved in direct selling in Europe do it on a part-time basis (80%) and most of them are women (in 2015 79% of direct sellers in the EU were women). By providing micro business opportunities, the direct selling sector empowers such entrepreneurs to afford the risk and, if they wish and have the necessary commitment, to develop a direct selling activity into a full time source of income.

(1) Entrepreneurial potential measured as the portion of respondents who can imagine starting a business. See Amway Global Entrepreneurship Report 2015



Putting the consumer first

Like in any other retail sector, the direct selling industry in Europe is faced with an increasing demand to provide more qualified and consumer-oriented products and services. Connecting consumers to businesses and consumers to products has become essential. This offers the direct selling business a golden opportunity for success: being represented by well-trained direct selling representatives has always given direct selling a competitive edge versus traditional retail. Direct selling is perfectly placed to respond to the increasing consumer demand to have in-depth product information since direct sellers have a comprehensive product knowledge and passion for their products.



The importance of e-commerce

Internet and e-commerce represent an important opportunity for direct selling. While the personal relationship with the consumers will always remain a cornerstone of direct selling, the industry must recognise that today's consumers are getting more comfortable making their purchases online and are demanding different consumer services, where easy product access and speed of delivery play important roles. Embracing the often fast-moving digitalisation of the retail world is therefore a must.

Tools such as social media platforms will continue to grow in importance for direct selling over the next years.

Retail Sales 2015

Excl. VAT
Published
15 June 2016

Countries	2015 Sales ⁽¹⁾		2015 - Nr of Direct Sellers ⁽³⁾	
	Local currency (millions)	EURO (millions)	Nr	% women
Austria ⁽⁵⁾	227	227	166757	na
Belgium ⁽⁵⁾	197	197	21244	na
Bulgaria ^{(2) (5)}	170	87	195840	na
Croatia ^{(2) (5)}	294	39	40945	78%
Czech Rep ^{(2) (5)}	6419	235	276666	88%
Denmark ^{(2) (5)}	534	72	68400	na
Estonia ⁽⁴⁾	30	30	35325	90%
Finland	187	187	82598	88%
France	4140	4140	640215	80%
Germany	13697	13697	838833	na
Greece ⁽⁵⁾	135	135	197787	na
Hungary ^{(2) (5)}	56290	182	476661	66%
Ireland	37	37	25000	73%
Italy	2647	2647	514500	55%
Latvia ⁽⁴⁾	30	30	48726	90%
Lithuania	27	27	104473	92%
Luxembourg	42	42	2700	na
Netherlands ⁽⁵⁾	114	114	56280	81%
Poland ⁽²⁾	4002	956	937076	86%
Portugal ⁽⁵⁾	233	233	216845	81%
Romania ^{(2) (5)}	1314	296	307500	na
Slovakia ⁽⁵⁾	137	137	189940	91%
Slovenia ⁽⁵⁾	16	16	21630	70%
Spain ⁽⁵⁾	618	618	208549	68%
Sweden ^{(2) (5)}	2393	256	106883	70%
UK ⁽²⁾	2645	3644	625000	77%
Total EU		28281	6406373	79%
Norway ^{(2) (5)}	870	97	104406	na
Russia ⁽²⁾	130699	1920	5148803	87%
Switzerland ^{(2) (5)}	306	287	157616	na
Turkey ^{(2) & (5)}	2074	686	1306176	na
Ukraine ⁽²⁾	7245	303	1050162	82%
Others ⁽⁵⁾	0	456	376600	na
Total		32030	14550136	80%

© WFDSA/Seldia 2016

na=not available

- (1) Sales figures are expressed at estimated retail level excl. VAT and based on the size of the entire industry unless otherwise noted.
- (2) Average annual exchange rates for 2015 from the European Central Bank were used to convert local currency to euro.
- (3) Direct sellers are individuals who are career minded entrepreneurs building their own business, or part-time entrepreneurs earning extra income. All enjoy significant discounts on products. Some choose only to enjoy and use the products and not to sell at all.
- (4) Figures based on DSA member companies and not the entire industry.
- (5) WFDSA research estimate.

Because We Care

We take corporate social responsibility seriously in the direct selling industry. From helping disadvantaged children to supporting young women fulfil their potential all over the world, most companies in direct selling have included philanthropy activities in their core business since their foundation. A fundamental principle in direct selling is providing equal opportunities to everybody. So not only do companies support charitable causes, a large majority of employees and salespeople in the sector also make cash, service and time donations. The most common forms of contributions are cash donations, cause-related programmes, in-kind contributions, volunteering, sponsorships and matching funds programmes. The result is a 360 degree involvement with the aim of contributing to, helping and improving the world's well-being.

Educational support for deprived children in Kattowice, Poland



50 kids receive a regular warm meal at the Children's restaurant « Lunch Club », Germany



LR Global Kids Fund: improving quality of life for children



HEALTH & BEAUTY

The LR Global Kids Fund is based on the collective commitment of LR Health & Beauty, its employees, sales partners and customers. Since 2009, the association has been supporting projects which promote the talents and healthy wellbeing of children in those countries where LR is doing business. "We want to reinforce this commitment in the next years as there are still many children who need our help," says Dr Thomas Stoffmehl, Chairman of the Board of the LR Global Kids Fund and CEO of LR Health & Beauty.

"The aim is to gain the support of more than 2,000 sponsoring members by 2020. After all, LR's success story should also be reflected in our social responsibility. The LR claim "More quality for your life" does not only apply to our

products and our business model, but also to our social commitment. We invite all LR leaders to set a good example and regularly support the LR Global Kids Fund," stresses Dr. Thomas Stoffmehl.

Donations are also raised through the sale of products during regular cause-related marketing campaigns. Moreover, employees and partners themselves can initiate donation campaigns. "I am delighted to see that our corporate values such as passion, trust and responsibility are not only reflected in our daily business operations, but also in the voluntary commitment dedicated to the LR Global Kids Fund" says Stoffmehl.



Oriflame Foundation: empowering children



Created in 2009, the Oriflame Foundation is an umbrella Foundation that plans and coordinates projects seeking to create long-term value for the people we do not connect with through our business, specifically children and young women. Chairman Alexander af Jochnick comments: "At Oriflame we aim to make a long-term difference in the communities in which we operate. This is why we want to start from the beginning, focusing our community outreach programs or support vulnerable children and young women."

Since its start in 2009, the Oriflame Foundation has overseen charitable activities in the Oriflame communities that has raised more than 7 million euros, with 46 of the Oriflame markets involved in such activities during 2015.

The Oriflame Foundation supports selected projects run by NGOs and charity organisations around the world. One of its main partners is the World Childhood Foundation, founded by H.M. Queen Silvia of Sweden and co-founded by Oriflame and the Af Jochnick Foundation. The Oriflame Foundation also provides grants to projects that have been selected or initiated by local Oriflame market teams, and/or makes donations to projects that Consultants are fundraising for. Oriflame employees are also actively encouraged to become involved with their local projects and in fundraising activities, or they can support local charities by volunteering their time. In 2015, around 200 employees contributed with almost 1100 hours of voluntary work.



In order to engage consultants with charitable actions, Oriflame Ukraine made a promise to its top leaders to donate 1M UAH to a charity of their choice, given that specific recruitment goals were reached during the autumn of 2014. After successfully reaching and even exceeding their goal, Oriflame's Top 15 leaders in Ukraine made the decision to split the donation between two organisations, SOS Children's Villages and Tabletochki. At SOS Children's Villages, the donation was used to finance surrogate families housing displaced children outside of Kiev and Luhansk. Tabletochki, a new progressive organisation that provides care for children suffering from leukemia, used their donation to provide medicine for children in need.

National Associations Members

 Bulgaria Bulgarian Direct Selling Association (BDSA) www.bdsa-bg.com 	 Greece Hellenic Direct Selling Association (HDSA) www.esiap.org.gr info@esiap.org.gr 	 Luxembourg Direct Selling Association of Luxembourg (AVD) www.avd.lu info@avd.lu 	 Slovenia Direct Selling Association of Slovenia (SDP) www.dsa.si info@dsa.si 
 Croatia Croatian Direct Selling Association (HUDP) www.hudp.hr info@hudp.hr 	 Hungary Direct Selling Association of Hungary (KESZ) www.dsa.hu office@dsa.hu 	 Norway Direct Selling Association of Norway (DF) www.direktesalgsforbundet.no post@direktesalgsforbundet.no 	 Spain Direct Selling Association of Spain (AEVD) www.avd.es avd@avd.es 
 Czech Republic Direct Selling Association of Czech Republic (AOP) www.osobniprodej.cz info@osobniprodej.cz 	 Ireland Direct Selling Association of Ireland (DSA) www.dsai.ie Office@dsai.ie 	 Poland Polish Direct Selling Association (PSSB) www.pssb.pl info@pssb.pl 	 Sweden Direct Selling Association of Sweden (DF) www.directsellingsweden.se info@directsellingsweden.se 
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 France Direct Selling Association of France (FVD) www.fvd.fr info@fvd.fr 	 Lithuania Lithuanian Direct Selling Association (LTPA) www.ltpa.lt 	 Slovakia Direct Selling Association of Slovakia (ZPP) www.zpp.sk zpp@zpp.sk 	 United Kingdom Direct Selling Association of the United Kingdom (DSA) www.dsa.org.uk info@dsa.org.uk 

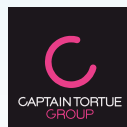
Corporate Members



www.acninc.com



www.amway.com



www.captaintortuegroup.com



www.energetix.tv



www.herbalife.com



www.juiceplus.com



HEALTH & BEAUTY

www.lrworld.com



www.global.oriflame.com



www.kyani.net



www.marykay.com



www.morinda.com



www.nikkenwellbeing.co.uk



www.nlstar.com



www.nuskin.com



www.ozzecouture.com



www.partylite.com



www.pm-international.com



www.stelladot.com

Service Provider Programme

The Service Provider Programme is designed for companies which provide products and/or services to the direct selling industry and would like to offer their services to direct selling businesses in Europe.

Objectives

- Facilitate contacts and exchange of information between Seldia' Services Provider and direct selling companies entering one or more European markets;
- Develop a database of contacts amongst European suppliers of products/services to the direct selling industry;
- Increase Seldia's visibility by enlarging the scope of its services.

How it works

Companies interested to become Services Provider of Seldia will submit an application to Seldia.

“ Meridian Germany has been a service provider member of Seldia since 2011. We see Seldia as an extension of our team and resources. The combination of professionalism when dealing with various public bodies and official institutions - such as government departments and the European Commission - and the deep insight and knowledge about our industry makes the association a great institution. Seldia's annual conferences are a must: valuable information, interesting speakers and networking on a very familiar basis.”

Renate Staab,
CEO, Meridian Germany

Service Provider Members

Meridian Germany

MERIDIAN GERMANY is a renowned privately owned consultancy located in the Greater Frankfurt area. More than 40 years of experience in direct sales and an excellent network developed us to experts in this dynamic industry. We are your competent partner for target-oriented management consulting in the direct sales industry.
www.meridian-germany.de



Sidley Austin LLP

Sidley Austin LLP is one of the world's largest law firms, with approximately 1700 lawyers across 17 offices. Our lawyers provide a broad range of services to meet the needs of large and small businesses across a multitude of industries, including the direct selling sector, as well as financial institutions, governments and individuals around the globe. In Europe, Sidley is a leader in helping clients to navigate and shape EU rules, to structure complex commercial transactions, and to resolve cross-border disputes.
www.sidley.com



Jenkon

Jenkon develops game-changing mobile and web technology solutions for global direct sellers. Jenkon's unparalleled heritage began in 1978 when we became the first enterprise software provider in direct selling history. Since that time, Jenkon has become the world leader in creating and supporting mobile and web-based software solutions for multi-national network marketing and party plan businesses.
www.jenkon.com



Upline

Upline GmbH – based in Munich, Germany – is the European market leader in software solutions for direct selling companies. The UPLINE suite was created as a comprehensive software package for companies who are looking for a cost-effective and flexible state-of-the-art software that grows with their demands. UPLINE has been designed as a modular system that can be customised and extended. Our team of experts in direct selling software continuously develops features and technical innovations for the benefit of our clients.
www.upline.de



DB Schenker

DB Schenker, a world leading provider of logistics services, has a specific focus on the direct selling industry. DB Schenker understands the specific needs of the industry and has customised EMEA & Russia wide solutions to manage your complete logistics operations. The Logistics sector of DB is the world's second largest transportation and logistics services provider based on revenues and performance. DB Schenker has a global network geared toward customer service, quality and sustainability.
www.dbschenker.com



Euro Disney Business Solutions

Business Solutions, a team of experts dedicated to organizing all kinds of events at the unique site of Disneyland Paris. We are dedicated to monitoring professional events (conventions, conferences, seminars, product launches, exhibitions...), gala evenings and privatisation in our Theme Parks as well as motivational programs organized by our customers.
www.disneylandparis-business.com



Vista Events

Vista Events is a leading Destination Management Company specializing in the organisation, management and implementation of Conferences, Incentives, Product Launches and Corporate Events throughout the mainland Greece and the Greek Islands. Voted Best DMC at the M&IT Awards for nine consecutive years.
www.vistaevents.com



Fiska France

Our firm is specialized in direct selling, helps you dealing with fiscal and social issues in the sector. The technical skills of our experts, our commitment and our long experience in the field enables us to support you in daily tasks as well as issues with social and tax agencies
www.fiska-france.fr



Vistaprint

Vistaprint offers ideal online printing solutions for direct selling companies, proposing a large range of products that require a high level of brand control, such as co-branded and supported website to host their print collateral. We offer account management and promotional support, discounted pricing and revenue share.
www.vistaprint.be



Service Provider Members

PAN European Solutions Limited



PAN European Solutions Limited is a team of consultants with unrivalled specialist experience and expertise in the Direct Selling industry. PAN European Solutions Limited is UK-based team, but regularly works on a multi-national basis, drawing upon the local skills and knowledge of collaborators in other countries with whom the team members have developed long-standing, excellent working and personal relationships.

www.paneurosolutions.com

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Landmark Global



For more than a decade, we have enabled the global growth of our customers. Our business has grown from basic international mail and parcel delivery to providing full service end-to-end solutions, including proprietary technology and trade consulting that provides our clients the capability to sell to millions of customers worldwide.

www.landmarkglobal.com

International Direct Selling Technology Corporation – IDSTC



International Direct Selling Technology Corporation (IDSTC) is the global leader in cloud-based enterprise Direct Sales, MLM, and Party Plan Software. With over 450 successful client projects since 2001, our solutions enable organisations to accelerate onboarding of new Sales Reps, enhancing multi-channel ecommerce through better user experiences. Our focus is on optimizing operational efficiencies with our fully integrated platform, and driving increased sales performance through the use of our leading sales force tools. The IDSTC platform has been architected so it is scalable for new startups, emerging, and large multi-national businesses.

www.idstc.com

SBKG & Associés



SBKG & Associés is an International Law firm with offices based in Paris and Marseille. With varied experiences spanning over 20 years, we are 24 lawyers and 5 legal Counsels that make up SBKG & Associés. We assist companies, directors, investment funds and government authorities, both in France and internationally.

www.sbkg.eu

Meridian Mmi Ltd



Meridian Mmi is an International executive search and consulting company, specialising solely within the Direct Selling Industry.

We have been operating for over 20 years, during which time we have created a Worldwide database and network of the very best professionals the industry has to offer.

As a client, you would have access to our portfolio of candidates and to our in depth 'hands on' knowledge of the sector including our team of dedicated partners in Europe and beyond who have the skills, expertise and extensive contacts to collaborate with you in finding the right candidate to drive your business forward.

www.meridian-associates.eu

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ideas worth coding

We provide all of our clients with 360 degree solutions that establish digital competencies within key business functions. This means that although we are a software house, the scope of our activity covers both system engineering and UX design, digitalization activation and project management.

www.e-point.com

Green Logistics Groningen B.V.



Green Logistics provides logistics services through the whole logistic chain until the final client worldwide. From our headquarters in Aduard, near the City of Groningen they provide all logistics services. They can offer each customer a suitable and tailor made logistics process and solution and besides logistics Green Logistics may also offer additional services such as (re) labeling and packaging of goods.

www.glgbv.com/nl/

Xirect Software Solutions



Xirect provides international solutions (software and services). for the direct selling industry, especially targeting network marketing and party plan businesses – using scalable cloud-based technologies. The Xirect offering was designed and built using an flexible Cloud architecture that gives a competitive advantage. They deploy highly customizable, applications without the hassle of managing infrastructure.

www.xirect.com





seldia

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