

2022 Natura &Co Latin America
Integrated Report

AVON



Aēsop®

natura &co

Reflexes in the Rio Negro

Dark but transparent, the waters of the Rio Negro reflect exuberant beauty and life, immersed in the cultural richness of the peoples who inhabit its banks. The images that present this report and its chapters are part of the photographic essay "Reflexes of the Rio Negro", by Christian Knepper and are imbued with great symbolism.

Replete with fertile organic material which gives it its name, the Rio Negro links Brazil with Colombia, where its spring, called Guainía, is located. In Brazil, the river promotes a singular phenomenon, when its dark waters meet the muddy waters of the Rio Solimões and the two flow side by side for around 6 km. When they finally mix, they give way to the Amazon River.

Like the mirror of the river, this report reflects our actions during the course of 2022, the year in which we celebrated the first purchase of bioactives from the Colombian Amazon, always guided by the belief that the longevity of a company, a living organism, depends on its capacity to contribute towards the evolution of society and its sustainable development.

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Presentation

We present the 2022 Integrated Report of Natura &Co Latin America, the business unit that encompasses the management and performance of Natura and the Avon, The Body Shop and Aesop operations in the region. This annual publication presents information on the period between January 1st and December 31st, 2022. **GRI 2-3**

In order to further enhance our management processes and present relevant content aligned with our stakeholders' expectations, in 2022 we conducted the first integrated materiality process for the Natura &Co group. The study involved an in-depth examination of our activities in Latin America, consulting representatives of our main stakeholder groups such as Natura Beauty Consultants and Avon Beauty Representatives, investors, suppliers, academia and organized civil society organizations, employees and leaders of the holding company and the business units. **GRI 2-4**

The process was conducted by GlobeScan in 2022 and involved four phases (see *table*), oriented by the concept of double materiality, meaning it takes into account the environmental and social impacts of the company's activities on the economy, the environment and people, including human rights, as well as impacts on the success of the business and its economic-financial performance.

In addition to consulting our stakeholders, the assessment involved research into guidelines, standards and best practices

We conducted the first Natura &Co group materiality study, with an in-depth focus on activities in Latin America.

in sustainable development, such as the Global Reporting Initiative (GRI), the World Economic Forum (WEF), the Sustainable Development Goals (SDGs), the Global Compact Principles, B Impact Assessment and Health and Sustainable Living Research. Analyses of risk classification structures, indexes and ESG ratings were also taken into account, such as the Sustainability Accounting Standards Board (SASB), Morgan Stanley Capital International (MSCI), Sustainalytics, Task Force on Climate-related Financial Disclosures (TCFD), Financial Times Stock Exchange (FTSE) and Dow Jones Sustainability Index (DJSI).

It is our understanding that materiality assessment as a process should be ongoing. We recognize the importance of doing constant updates to make sure that we are effectively tracking our material topics and that we are addressing the main ones properly. However, since this was the first study undertaken in which the scope was Natura &Co and the Natura &Co Latin America unit, the frequency has not been defined. At the moment, we are focused on understanding the challenges and the new opportunities for the coming years.

Main materiality stages

GRI 3-1

1. Identification

- Internal in-depth interviews with sustainability leaders
- Alignment with the Commitment to Life
- Analysis of external structures and risk classification ratings
- Assessments of other companies
- Mapping of questions already identified in the references, applying double materiality

2. Prioritization

- Online consultation of over 590 respondents
- Prioritization of questions based on the online consultation and the stage 1 analyses, integrating the external and internal perspectives

3. Validation of materiality

- 40 in-depth internal interviews to test the priorities and receive feedback
- Final prioritization and in-depth analysis of the drivers and their intersections.

4. Report

- Detailed report of the materiality assessment and the questions of interdependence.

Our material topics

GRI 3-1, 3-2

Specifically in Latin America, our stakeholder groups indicated topics related to poverty and means of subsistence as factors of greater importance for the Natura and Avon brands. Our business model based on Relationship Selling, through more than 4.1 million consultants and representatives in Latin America, was highlighted as an opportunity to address questions such as a living income, combating inequality, and support for women, topics already aligned with the Commitment to Life.

Biodiversity and deforestation were also worthy of note due to Natura's activities in the Amazon. The stakeholders understand that a sustainable approach to biodiversity could be effective in protecting, restoring and promoting the responsible use of ecosystems for the necessary regeneration of nature, and that Natura could lead in this respect.

In this context, the most relevant questions, which have a significant impact on our capacity to create value in the short, medium and long-term, were grouped in five major topics (see *the following table*), aligned with our Commitment to Life and with global challenges, in particular the Sustainable Development Goals (SDGs), and can be understood by means of three approaches:

- **Engagement in the value chain:** covers the potential our activities have to generate positive value for the businesses and for our production chain and, at the same time, the challenges of reducing and mitigating negative effects;

- **Social and environmental impact:** broadens the vision beyond our activities and recognizes the responsibility and potential businesses have to resolve society's major challenges;
- **Climate action:** understood as a topic that cross cuts all dimensions, it is not limited to goals and targets relative to carbon footprint and includes engagement in collective initiatives of climate justice, climate risk management, defence of public policies and changes in consumer behavior, among other actions.

International references

We have adopted the main references for disclosing results to ensure our communication cycle remains transparent and balanced. This report was developed in accordance with the GRI Sustainability Reporting Standards, from the Global Reporting Initiative (GRI), and the Integrated Reporting Framework, from the IFRS. It also takes into account the indicators of the Sustainability Accounting Standards Board (SASB) for the Household & Personal Care Products sector.

This year, we reinforced disclosure with the publication of the online version of our report together with an interactive **ESG Scorecard**. On this platform, the information is presented dynamically and objectively, and users may personalize their search.

The provision of data on Avon continues to evolve. Furthermore, we maintained the rigour in the provision of information which has led Natura to be a benchmark in transparency and integrated management.

It is our ambition to leverage our proactive stance in ESG and the strategy of valuing our socio-environmental impacts, remaining in the forefront of this agenda.

The financial data take into account the Natura &Co Latin America business unit, which encompasses the Natura business in all its geographies and the operations of Avon, The Body Shop and Aesop in Latin America. Where consolidated information is not available or applicable, there are indications of the scope covered throughout the report.

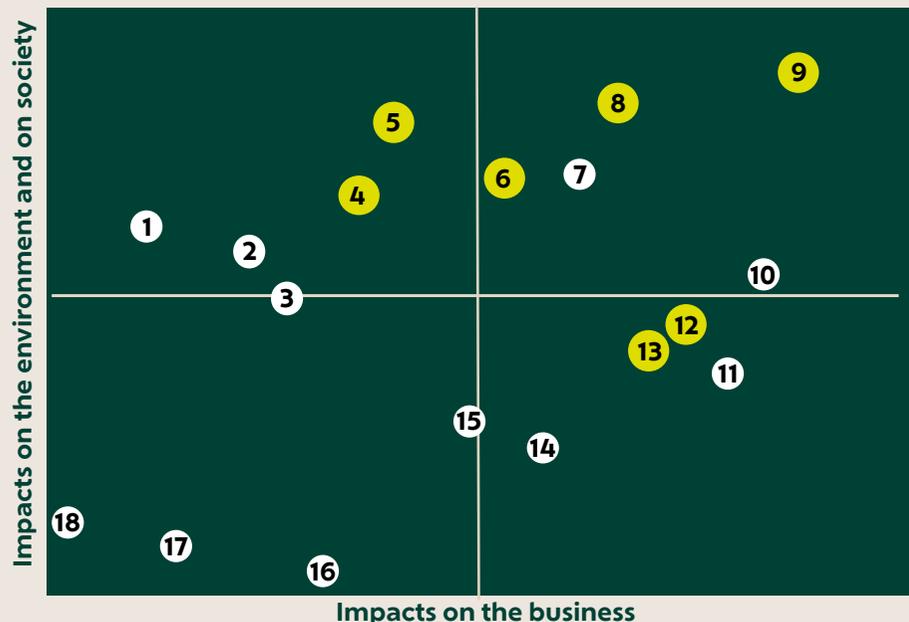
GRI 2-2

Assurance GRI 2-5

This report was submitted to a limited assurance process conducted by PwC Brasil, an independent third-party, reflecting our concern about the accuracy and reliability of the information disclosed.

Any doubts or suggestions may be addressed to relacionamento@natura.net. **GRI 2-3**

Details about the material topics



- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Sustainable supply (managing ingredients) 2. Managing waste and effluents (other than packaging) 3. Diversity of inclusion 4. Impacts on the community 5. Poverty/Means of subsistence 6. Circularity and packaging (recycling and alternative materials) 7. Employee health and well-being 8. Human rights (internal and in the value chain) 9. Climate action 10. Water management | <ol style="list-style-type: none"> 11. Deforestation (impact on the value chain) 12. Regeneration of nature/Managing natural resources/Land use 13. Biodiversity 14. Product design and life cycle management (inc. carbon footprint) 15. Ethics and integrity (inc. bribery and anti-corruption) 16. Consumer relations (transparency) 17. Governance and responsibility 18. Employees and development |
|--|---|

*The priority aspects (in yellow) were grouped in major topics for cohesion and improved information flow, as described in the table at the side.

Material topics GRI 3-2	Description
Climate action	The company's commitment and actions to address climate change and its impacts, going beyond targets and goals to reduce its carbon footprint. This includes engagement and collaboration with climate action and climate justice initiatives. The use of renewable energies and low carbon agriculture, contributing to the elimination of deforestation and advocating related public policies, as well as promoting changes in consumer behavior are part of a successful action.
Regeneration of nature	Protect, restore and promote the sustainable use of ecosystems, habitats, sustainable forest stewardship, a focus on reversing the degradation of land and interrupting the loss of biodiversity, inside and outside the organization.
Social impact	A combination of actions to promote and respect the protection of human rights. Training and awareness programs for employees and the value chain on the importance of this topic. Develop collaboration between companies, NGOs, governments and multilateral bodies to combat poverty and inequality.
Circularity	Promote the development of innovative and sustainable products to fulfill environmental, social and consumer needs. Adoption of circular models, assessment of the environmental and social impacts of products throughout their life cycle, minimizing the use of raw materials and increasing the reutilization of waste.
Distribution of value	Make efforts to reduce inequalities within and between the countries in which the organization operates, mainly through the company's business model. Guarantee a living wage for employees and create means of subsistence for local communities. Initiatives to support employees and third-parties outside the work environment by means of community interventions (education, healthcare).

Message from the Board

"Man did not weave the web of life.
He is merely a strand in it.
Whatever he does to the web,
he does to himself." - Chief Si'ahl (Seattle), 1855

Luiz Seabra, Guilherme Leal and Pedro Passos,
on behalf of the Board of Directors

GRI 2-22

Upon entering 2022, we shared our dream of an end to the devastation caused by the pandemic. In February, that dream became a nightmare, when we began to contemplate the horrors of war and felt its systemic effects. We were perplexed by an evil that we thought had been eradicated from our civilization. Strangely, we also began to witness more deeply the sad spectacle of polarization in several countries: another form of war. An ideological war, that divides and cultivates grudges. That moves our humanity away from a vision that promotes the union of diversity around the common good of human society, respect and preservation of life. For our part, while regretting the divisions and extremist sectarianism, we hold strong to the hope that the union of voices, hearts and minds, the harmony of a great world choir, little by little will advance. We cultivate the conviction that we can help build a fairer society, or, as we summarized at our headquarters, "here, we dream of a better world".

The harsh reality that the pandemic and the war imposed on us had a strong impact on our business. The great potential of global markets at the time we formed Natura & Co Group was suddenly altered by unpredictability.



Our initial priority was to take care of our employees, support impacted communities and guide our companies amid the uncertainties. **GRI 2-22**

With the unfolding of the war, and with the increasing complexity of managing companies, it seemed imperative to decentralize our business model, allowing each company to develop its strategy and to ultimately be responsible for achieving its goals. For this transition, we invited Fábio Barbosa to be the CEO of our Group. He brought us a wealth of knowledge and experience in finance and administration. In addition to a solid background, Fábio is perfectly aligned with our values and ideals, such as sustainability and ethical behavior, both in his heart and in his practices.

Living in dark times, it is important to remember what illuminates us, and what light inspires us. At the beginning of this message, we mentioned that our lifelong beliefs, disseminated 30 years ago, are synthesized by the dream of a better world: "Life is a chain of relationships. Nothing in the universe exists by itself, everything is interdependent. We believe that the perception of the importance of relationships is the foundation of the great human revolution in valuing peace, solidarity and life in all its manifestations.

The permanent search for improvement is what promotes the development of individuals, organizations and society. Commitment to the truth is the path to fostering good relationships. The greater the diversity of the parts, the greater the richness and vitality of the whole. The pursuit of beauty, a legitimate desire of every human being, must be free from prejudice and manipulation. The company, a living

organism, is a dynamic set of relationships. Its value and longevity are linked to its ability to contribute to the evolution of society and its sustainable development." We are confident that, despite the complexities and nature of these times, our beliefs and our entrepreneurial vocation guide us towards finding a brighter future. They guide us towards what our units need: greater possibilities for growth for Aesop and Natura &Co Latin America, and special attention to reassessing the circumstances and possibilities of The Body Shop and Avon International. Through our transformation, creating a much lighter structure, establishing new priorities and resource allocation, promoting the evolution of the traditional direct sales model, and using the best that innovation and technology can offer, we will now be able to expand our integration in Latin America. Our multichannel model, with proximity and strong relationships with our customers, offers incomparable strengths to leverage the foundations on which this group is built.

Having come through the changes imposed by these times of great volatility in the world market, we believe we have prepared our companies to obtain better results in their businesses while maintaining our commitments to combat climate change and reduce social inequalities.

More than ever, we repeat, it is important to remember what illuminates us, and what light inspires us.



Message from the CEO

“The company
needs to be
a driver of
*value creation
for society*”

Interview:

João Paulo Ferreira,
*CEO of Natura &Co Latin America
and CEO of Natura*

GRI 2-22

How would you rate Natura &Co Latin America's performance in 2022? GRI 2-22

JPF: 2022 was an important transition period for Natura &Co Latin America. Based on the changes that occurred in the structure of the Natura &Co group, which now operates as a holding company, the business units gained greater autonomy to manage their needs at a local level, allocating resources in a more precise and agile manner. On the other hand, new challenges emerged after the pandemic, such as the war in the Ukraine and the unexpected inflation in the United States and Europe, which affected consumption patterns worldwide. Global supply chains and freights remained under cost pressure, and we suffered from unstable macroeconomic and political conjunctures in the region, which impacted our operations. Even so, we were able to achieve our financial and socio-environmental goals.

Performance in the year was driven by Natura, with a resumption in revenue growth, mainly in Brazil. The brand also had its highest market share in the region for the last ten years, according to the latest Euromonitor data. Moreover, we progressed further in the digitalization of the consultants, while retail performance was spectacular, with the opening of over 100 stores in the region in 2022.

Avon, which continues to strengthen its brand positioning, showed improvements in the beauty category, in line with the portfolio changes we implemented. For The Body Shop, which faced challenges in profitability, we adjusted our focus to gain efficiency,

without neglecting the brand proposition. Meanwhile, Aesop maintained its double digit growth, a trend in all the markets in which the brand operates.

With Natura and Avon using the same commercial platform we will be able to operate in a more agile and efficient way, making the most of the best of each brand

Did the integration between the Natura and Avon businesses progress in 2022? And which will be the next movements?

JPF: After integrating the logistics, financial and back office processes, among other synergies, we saw that it was time to step up the integration of our businesses, unifying our value proposition for the consultants and representatives. With Natura and Avon using the same commercial platform we will be able to operate in a more agile and efficient way, making the most of the best of each brand. We are boosting the network's earning opportunities with this integrated ecosystem, at the same time ensuring that each brand retains its differentiation for its consumers. In 2023, Peru, Colombia and Brazil will be the first three countries to experience this combined model in Latin America.

GRI 2-22 This combination also boosts our capacity to generate positive impact. For example, the Amazonia Program was extended to Colombia after more than a decade working with the Colombian state and research institutes, enabling the first exportation of cupuaçu butter to the Ecoparque, in Belém (PA) at the beginning of 2023. Our presence in the Pan-Amazon will also be extended to Peru, where we will start working with yet another Amazonian community outside Brazil. The scope of our circularity programs will also be expanded to the entire Natura and Avon network, which should generate a significant increase in the collection of recyclable materials. And the initiatives to combat breast cancer and violence against women, promoted by the Instituto Avon, as well as the educational benefits offered by the Instituto Natura, will reach the entire consultant network.

We believe that addressing the climate crisis is directly related to combating the loss of biodiversity

Has the financial services platform, &Co Pay, progressed?

JPF: &Co Pay has proven to be a major lever for business growth for our network, with more than 600,000 digital accounts, which enable our consultants to manage their payments in a more streamlined and efficient way. We have already noted that the consultants who use the tool more are more productive and less prone to delinquency. In 2022, the Central Bank authorized us to operate as a

financial institution, which provides us with the opportunity to offer our network a range of diverse services. We also extended the &Co Pay services to all our brands and channels in Brazil in 2022, and we started a pilot project in Argentina.

How did the region contribute to the achievement of the Natura &Co Commitment to Life targets in the last year?

JPF: In this respect, the year was undoubtedly marked by our mobilization for the Amazon. Although devastation of the forest has not decreased, our relationship network helped elevate the level of awareness of the Brazilian population in defence of the forest. We aired this topic in the Rock In Rio festival and in the electoral debate, stimulating the presidential candidates to adopt positions on deforestation. We asked them to take urgent and effective measures and undertook a call to action in the Federal Senate for the protection of the biome during the public hearings that preceded the COP27 Climate Conference in Egypt, among other initiatives.

We believe that addressing the climate crisis is directly related to combating biodiversity loss, promoting a green economy and a bioeconomy, and valuing ecosystem services. These fronts require an integrated approach, and it is our understanding that, with its history, Natura could be a catalyst for many of these conversations.

We also advanced in diversity, equality and inclusion, while recognizing that we still have a lot to do. Over the last three years, Avon Brazil has embraced the cause of racial equality with action plans on many fronts, from the development of products for different skin tones based on sociological studies, for example, to internal targets for expand the participation

of black women in leadership positions and specific programs to accelerate their careers. I would also highlight the launch of the Natura Anti-Racist Manifesto (page 97), which established the commitment to accelerate affirmative actions for black people. It should be noted that women's participation in leadership positions reached 51.8% in 2022 here in Latin America. We practically eliminated unexplainable differences in equal pay for men and women (today at -0.82%), and we continue to work on salary review processes to eliminate any differences in 2023. **GRI 2-22**

On the circularity front, we exceeded our targets to incorporate post-consumer waste into our packaging, but we are aware that the Avon reverse chains could be accelerated based on the work already done by Natura in this area. We also continue to invest in nature-based solutions, worthy of note being the first agroforestry system for cultivating palm oil in the world, the Palm Oil AFS, which enables the manufacture of Biôme, our first completely regenerative cosmetics bar product line.

We also continue to invest in nature-based solutions, worthy of note being the first agroforestry system for cultivating palm oil in the world

Has Latin America distinguished itself on the innovation front?

JPF: Natura has developed greatly in this area, principally in Brazil. The launch of the Chronos and Biôme lines combined the best of our knowledge in circularity and applied

biotechnology, for example. In the Ekos line, we increased the benefits offered by the Amazonian bioactives in our formulations, as is the case of Tukumã, which stimulates the skin's production of hyaluronic acid.

Kaiak Oceano, with half of the plastic in its packaging recycled from materials retrieved from the Brazilian coast, had an excellent commercial performance. And according to the actual consumers, one of the product's main positive attributes was precisely the fact that the packaging contains recycled plastic. These days, our stakeholders value this more and more.

In Avon, the launch of the Hydramatic lipstick, which combines a matte effect with hydration provided by hyaluronic acid, introduced technology into the category, delivering excellent quality at a highly affordable price.

Were there advances in support for your consultants and representatives?

JPF: Generating value for our consultants is the basis of our business model. For almost a decade we have measured how beauty consulting impacts their lives. We constantly increment our relationship proposition with a view to expanding the possibilities of generating prosperity and development. The consultant HDI, which measures the level of human development of the network, has been evolving significantly. In the 2022 measurement, the indicator reached its highest point in ten years, at 0.63 (on a scale from 0 to 1), growing 3.6% compared with the 2019 survey. The result was driven basically by two factors: financial education and digital inclusion, two fronts in which we have

invested heavily in recent years, both by providing the network with new digital tools and by offering the consultants financial literacy. With the full integration of the Natura and Avon businesses, in a short while the representative network will also be monitored at this level of detail. **GRI 2-22**

Has the Natura Integrated Profit & Loss (IP&L), which monetizes the business's human, social and environmental impacts, already been incorporated into decision making processes?

JPF: It was an important year for the internal and external dissemination of the methodology. The dissemination helps us to increase the level of understanding about impact valuation processes and tools, which are complex. This is the only way we will be able to refine the model and use it better in decision making that generates positive impact. Internally, we advanced in terms of measuring some indicators more frequently, such as consultant income, which is now assessed quarterly. Throughout the planning process for the full integration of the Natura and Avon businesses, for example, we assessed the expected effects of this change based on the IP&L premises, to favor choices that expanded benefits for our network.

Our managers are increasingly aware of this way of viewing impacts, and the financial area, crucial for our sustainability strategy, has completely mastered the tool, to the point where it supports company governance.

What is the outlook for the future?

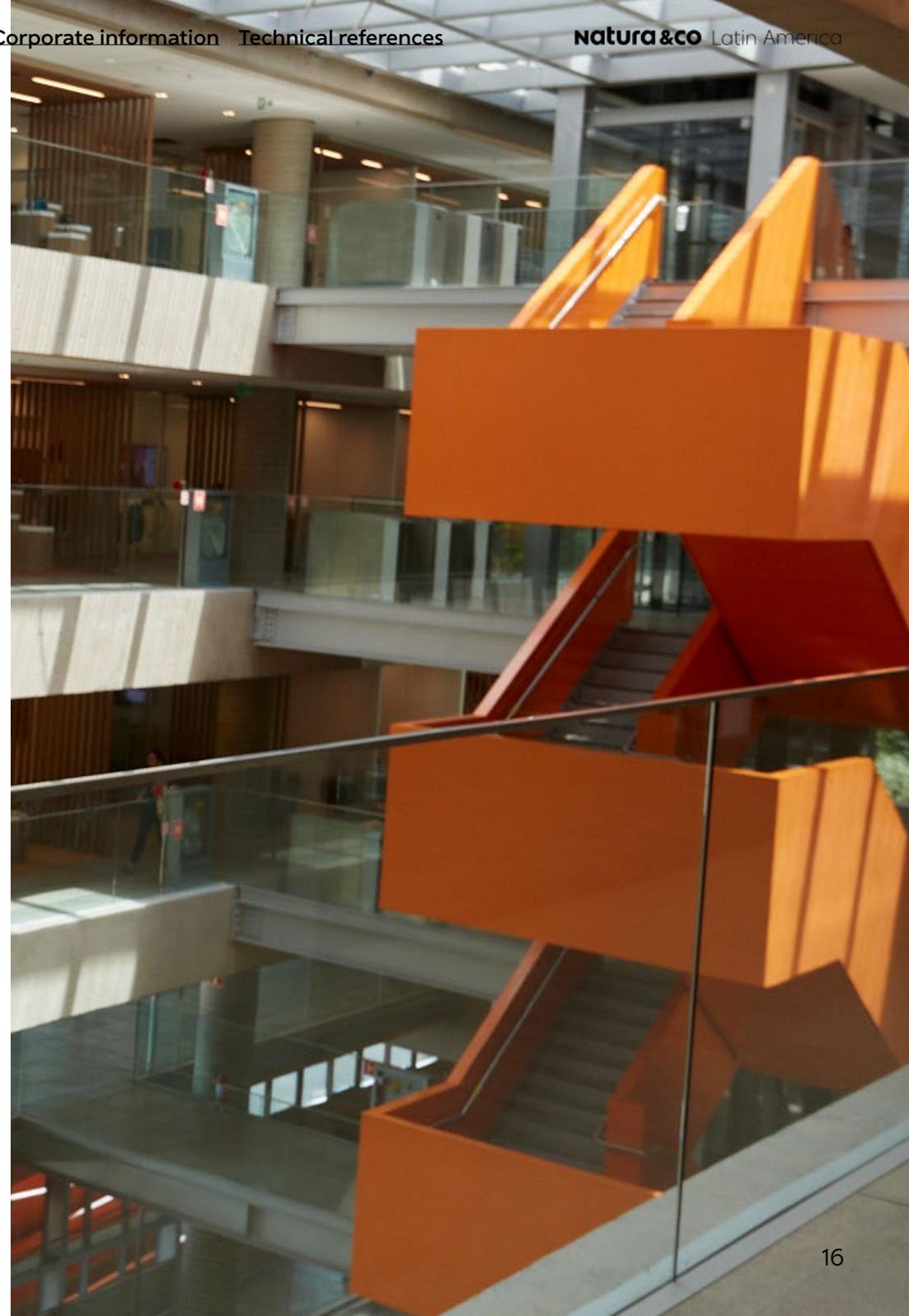
JPF: In spite of the challenges, we have made important and necessary structural changes for the coming years. We are aware that there is still much to be done and are engaged in initiating the second wave of integration for Natura and Avon in Latin America, further driving synergies and expanding business potential for consultants and representatives. We are confident that we have the structure, the planning and the people necessary to achieve the future that we desire: with profitability, the generation of positive social and environmental impacts and maximization of the value proposition for all our stakeholders.

In your viewpoint, what does maximizing the value proposition for all stakeholders mean?

JPF: I always use Natura's sixth belief as a basis. This says that "the longevity of a company, a living organism, depends on its capacity to contribute to the evolution of society and its sustainable development". I see corporate citizenship from a strategic viewpoint, with the creation of value in the long-term. The company's needs to be attentive to the drivers of value creation for society – not just financial value, but economic value. Examples of this are the conservation of two million hectares of standing Amazon forest by means of our business model, improved quality of life for the communities with whom we relate in the Amazon, for our more engaged consultants, the promotion of quality education, healthcare and protecting women from violence,

sustainable consumption behaviors. This is a question of creating well-being for the world through our impacts. Grounded in our values, this directive is incorporated into our by-laws as a B Corp, orientating our activities to generate value for all our stakeholders and not just the shareholders. After all, economic value has to be greater than financial value. This is the premise of the IP&L, which serves as a compass and a governance tool for Natura. **GRI 2-22**

We are confident that we have the structure, the planning and the people necessary to achieve the future we desire: with profitability, the generation of positive social and environmental impacts



Natura &Co Latin America

GRI 2-1, 2-6

Cultivate beauty and relationships to promote a better way of living and doing business. This is the purpose of Natura &Co, the group of which the Natura &Co Latin America business unit is part. The unit shares its aspiration to innovate continuously to promote positive economic, social and environmental impact and to spread beauty in the world.

In addition to the Natura brand, recognized globally for being in the forefront of innovation and sustainability, Natura &Co Latin America manages three important brands in the region: Avon, pioneer in the direct selling model with a focus on female entrepreneurship; The Body Shop, with products that respect and promote activism for nature, made ethically and sustainably; and Aesop, which combines beauty, botanicals and science in a sophisticated way.

Market leadership and presence

61% of Natura &Co's global net revenue is generated in Latin America, the region in which we maintained leadership in the Cosmetics, Fragrances and Toiletries (CFT) market, with a 12.1% share, according to Euromonitor 2022.

At the end of 2022, Natura &Co Latin America had more than 16,000 employees, over 4.1 million Natura Beauty Consultants and Avon Beauty Representatives spread over 15 countries in the region, as well as Natura e-commerce operations in the United States and in France, and an omnichannel presence in Malaysia.

Natura &Co Latin America

GRI 2-1, 2-6

18 countries

907 own stores and franchises

5 factories, 3 of which with integrated production

20 distribution centers, of which 2 are logistics hubs in Brazil, Argentina, Chile, Ecuador, Peru, Colombia, Guatemala, Dominican Republic and Mexico



- Employees
- Factories
- Distribution Center
- Natura
- Avon
- The Body Shop
- Aēsop

16,365 employees

50% of orders shipped jointly by Avon and Natura.

4.1 million consultants and representatives
Our network consists of 2.1 million Natura consultants and 2.6 million Avon representatives. Of these, 500,000 work with both brands.

*Our head office is in São Paulo (SP), in Brazil. Our operations include: Brazil, Mexico, Argentina, Chile, Colombia, Peru, Ecuador, Uruguay, Panama, Guatemala, El Salvador, Honduras, Nicaragua, Dominican Republic, as well as e-commerce in the United States and France; a multichannel operation with a commercial partner in Malaysia; and, via a distributor, in Bolivia.

Natura &Co Holding Company GRI 2-2

Natura &Co Latin America is part of the Natura &Co holding company, which operates in 112 countries, on five continents. To strengthen its organizational structure in 2022 Natura &Co undertook a reorganization to make it lighter and leaner and to enable the business units to respond to their current challenges and the market with greater agility.

The process involved the review of the governance model with the holding company closely focused on the definition of key performance indicators and the continuity of the 2030 Sustainability Vision, Commitment to Life, monitoring the activities of more autonomous brands and leading the allocation of resources for the businesses.

Natura &Co

CEO Fábio Colletti Barbosa

Natura &Co Latin America

CEO João Paulo Ferreira

- Natura
- Avon Latin America
- The Body Shop Latin America
- Aesop Latin America

Avon International CEO Angela Cretu

The Body Shop International *

CEO David Philip Boynton

Aesop** CEO Michael O’Keeffe

*In April, 2023, David Philip Boynton left the group.

**At the beginning of 2023, the group announced a binding agreement for the sale of Aesop.

Performance of Natura &Co Latin America

GRI 3-3

2022 was still marked by the effects of the Covid-19 pandemic, by challenges in the macroeconomic and political conjuncture and by impacts on global supply chains. Within this context, the consolidated net revenue of Natura &Co Latin America totaled BRL 22.0 billion, a 6.3% increase in constant currency (-1.7% in reais) compared with 2021. Consolidated gross profit in the period was BRL 13.1 billion, representing a decrease of 3.2% compared with the previous year.

However, Natura’s performance, both in Brazil and in Hispanic America, is worthy of note. This result was driven by significant growth in retail and in online sales which leverage Beauty Consulting. In the period, Natura revenues in Brazil enjoyed double digit growth, benefiting from price increases and a better category mix.

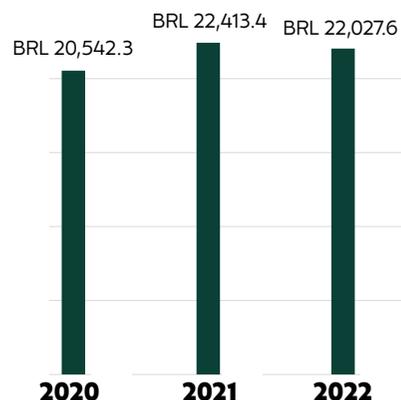
For Avon, the year was characterized by the review of its portfolio, brand repositioning and the pursuit of profitability. Worthy of note in 2022 was the growth in the beauty category in Brazil, which reached 12%, and in the Hispanic countries, in which it grew 7.3% compared with the previous year.

In The Body Shop, we invested in adapting the volume of stores, focused on profitability. The introduction of the new concept of stores for trial and the Christmas campaign, with gifts costing up to BRL100, drove the entry of new consumers. The highlight for Aesop was the double digit growth in all the

regions in which the brand operates. Also worthy of note was the performance of &Co Pay in 2022, a proprietary financial services platform that reached the mark of 500,000 digital accounts and a Total Payment Volume of over BRL 25.6 billion.

Direct economic value generated (BRL million) Natura &Co Latin America GRI 201-1

Consolidated net revenue



Consolidated Ebitda	2020	2021	2022
	BRL 2,369.5	BRL 2,595.7	BRL 1,912.7

Sustainable finances

A pioneering positioning in sustainability and constant evolution have been characteristics of Natura which, by means of long-term commitments undertaken in 2014, intensified with its 2050 Vision, has sought to promote structural changes over the years towards a positive impact business model.

With the arrival of Avon, and the incorporation of the Natura &Co group, we launched the Commitment to Life with bold targets for this decade, while continuing to be oriented to the transformation of socio-environmental challenges into business opportunities.

Also within this context, Natura &Co Latin America's activities are increasingly based on financial decisions that define the success of the businesses by the positive impacts generated for society and the planet, in addition to profitability. As an example, in 2022 BRL 84.3 million was invested in initiatives aimed at promoting positive impact in the region and accelerating the achievement of the Commitment to Life goals.

Also worthy of note is the investment of BRL 119.8 million, made by the Avon Institute and Foundations and the Natura Institute in initiatives aimed at promoting women's health, combating gender violence and promoting education.

Main *recognitions*

Natura &Co the biggest B Corp in the world

B Lab

Natura &Co has been certified as a B Corp by the B Lab since 2021, making it the biggest company to receive this certification in the world. To obtain this recognition, companies need to get at least 80 points in an extensive audit in which the maximum score is 200. Natura &Co scored 110 points. B Corps meet the highest standards of verification of social and environmental performance, public transparency and legal responsibility by reconciling profit and purpose. Natura, The Body Shop and Aesop are already certified. Avon the most recent company to join the Natura &Co family, plans to obtain its certification in the coming years.

One of the most ethical companies in the world

Ethisphere Institute

Natura &Co was recognized as one of the most ethical companies in the world by the Ethisphere Institute in 2022. This was the first time that the recognition was for the group. Natura was featured in the eleven previous assessments, and Avon was also recognized in 2021.

The assessment indicates the leading global companies in commitment to business integrity through ethical practices, compliance and governance. Natura &Co was the only Brazilian organization on the list of 137 companies from 22 countries and 45 business sectors.

Among the hundred best in sustainability

Corporate Knights

Natura &Co was in the ranking of the hundred best companies in the world in sustainability in a survey conducted by the Canadian consultancy Corporate Knights. A total of almost seven thousand companies from all over the world with more than US\$ 1 billion in revenue were assessed. Three Brazilian organizations were featured in the Top 100. The analysis is based on a set of environmental, social and governance indicators based on publicly available information and emphasizes the correlation between performance in the main ESG metrics and the highest returns for investors. In 2021, Natura &Co had already featured in the Global 100 ranking.

Further information

See the other awards presented to our brands in **Natura** and **Avon**.





Strategy

Synergies between the businesses

Since the arrival of Avon in the group in 2020, and the formation of the Natura &Co Latin America business unit, we have reinforced our position as one of the most relevant actors in the beauty market in the region and have established synergy between the businesses as a driver of growth.

Taking into account the maturity of Natura and Avon in the region and the needs and challenges of the market, we intensified the planned synergies capable of accelerating business expansion, generating greater income and benefits for the consultants and representatives and increasing the penetration of our brands in Latin American households, leveraging our results.

There were advances in the integration on diverse fronts, such as logistics and procurement processes, back office, organizational structures, finances and others. In manufacturing, two factories initiated production of Natura, Avon and The Body Shop products: Benevides (Brazil) and Celaya (Mexico), while the Moreno plant in Argentina started producing for Natura and for Avon. Regarding the supply chain, the integration of procurement processes resulted in greater competitiveness, due to the volumes negotiated.

GRI 2-6

The second wave of the integration begins with the combination of the commercial operations of Natura and Avon in Latin America.

Integration of production

Moreno Factory (Argentina): previously dedicated exclusively to Avon, it more than doubled the volume of Natura products manufactured, from 8 million in 2021 to over 17 million in 2022;

Celaya Factory (Mexico): also from Avon, it manufactured 4.3 million Natura products in 2022;

Ecoparque Factory Benevides: (Pará, Brazil): in addition to supplying Natura, it produced 15 million soap units for Avon and 237,000 for The Body Shop.

We also initiated the operation of the first and the most modern distribution center for the Natura, Avon and The Body Shop brands, in Murici (Alagoas, Brazil). Moreover, progress was made in the integration of the distribution centers and corporate offices in Peru, in Chile and in Mexico, as well as the unification of the distribution center in Colombia in 2021. Worthy of note is the fact that the volume of sites certified in accordance with the ISO 14001:2015 international standard reached 66.25% in 2022.

Second wave of integration

The second wave of the integration begins in 2023, with the implementation of a combined commercial operation model for Natura and Avon in Latin America. This includes unified management of the sales forces, a single digital platform

for consultants and representatives, as well as unified incentive plans and logistics operations. The brands remain independent, with their own values, strengths and products for our end consumers.

Peru and Colombia will be the first markets to experience this new way of operating in the first half of 2023. The combination of the businesses' operations is one of the priorities in Natura &Co Latin America strategic planning. The learning and the results of the first three years of integration and the gains in synergy for the group guided the planning of this second phase.

Unified model GRI 2-6

Many consultants and representatives already operate naturally with both the brands. With the combination of the operation, the objective is to leverage the integrated model and maximize the value proposition we offer these stakeholders.

We ended the year with over 500,000 people working with both brands, confirming the gains in synergy and higher profitability for the network. The logic of the Natura model of development by levels (Seed, Bronze, Silver, Gold and Diamond) will be harmonized for the Avon representatives, boosting their opportunities to develop business at the more advanced levels, which offer higher earnings.

Review of the strategic plan

Natura &Co governance was redesigned in the middle of the year to ensure lean management and give the operations greater autonomy. As a result, the focus on synergy and the integration of the brands in Latin America, in particular Natura and Avon, gained even greater strength and will benefit from lower dispersion and greater rigour in the allocation of resources and tighter focus on business needs.

Our strategic pillars remain in place.

We have made way for a new phase of prioritizing actions to achieve our objectives – two of which connected with the commercial structure, with the unification of the Relationship Selling platform and portfolio management that leverages the positioning of each brand in its market efficiently.

The other strategic priorities are strengthening the brands, maintaining Avon's recovery, advances in digitalization and strengthening our ecosystem to develop businesses that deliver new forms of interaction for our network and boost our possibilities of generating well-being. The greatest expression of these new possibilities is the advance of the &Co Pay platform. The final pillars are internationalization and the organizational model.

Accordingly, the acceleration and renewal of our actions plans dovetail with our priorities: the challenges associated with the Avon turnaround, the integration and optimization of the brands and the opportunities to leverage new businesses.

Pillars of the Natura &Co Latin America strategy

1. Brands and categories *
2. Direct selling platform *
3. Strengthening the brands *
4. Omnidigital
5. Ecosystem and new businesses
6. Internationalization
7. Organizational transformation

* Strategic priorities.

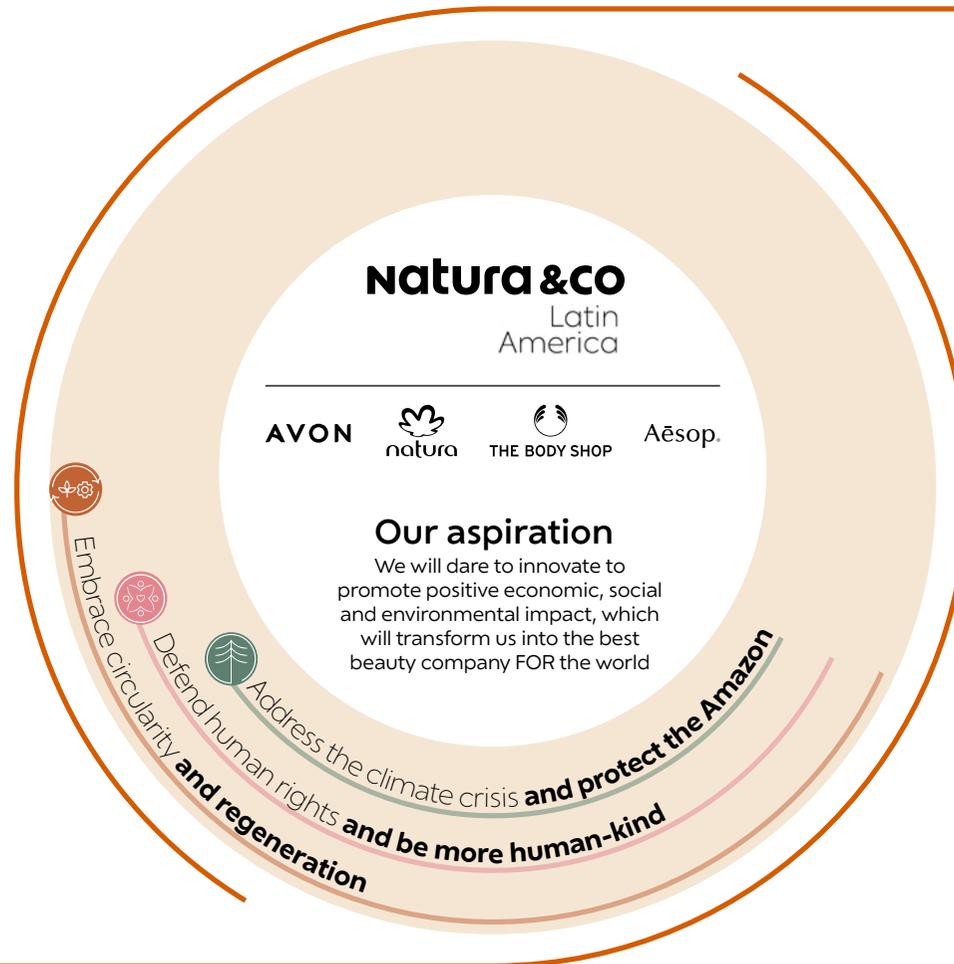
Business model

How Natura &Co Latin America adds, generates and shares value

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Capitals accessed

-  **natural capital**
formulas that value natural and renewable ingredients and keep the forest standing
-  **financial capital**
capital for the operation and investments. US\$ 1 billion raised with the Sustainability-Linked Bond*
-  **social capital**
we are driven by quality relationships and by value generation for our network, including consultants and representatives, supplier communities, suppliers, employees, shareholders and consumers
-  **manufactured capital**
product production and distribution centers, physical and virtual channels for representatives/consultants and consumers
-  **human capital****
In Latin America we have over 16,000 employees, 4.1 million consultants and representatives, and more than 10,600 families in the supplier communities
-  **intellectual capital**
Open innovation ecosystem and organizational capital structured by means of management systems and processes



Outcomes the value we generate

Society and the environment



We seek to maximize our positive impacts and mitigate the negative ones by means of innovation, circularity and regenerative solutions, maintaining neutrality in carbon emissions and working towards Net Zero, in addition to continuously increasing the use of renewable and recycled materials in packaging. The Amazon represents our main innovation platform and, through it, we increase investment in conservation and the regeneration of biodiversity.



We are committed to respecting human rights and promoting them throughout our value chain. Through the Instituto Natura and the "Instituto Avon and Avon Foundations", we promote access to education, combat violence against women and girls and support the fight against breast cancer.

* Natura &Co Holding Company.
** Our understanding about human capital reflects the scope we adopt in the Natura IP&L, which considers the individual development of the members of our network, including the income generated for these groups (read more about the IP&L on page 32).

 **Interactive PDF**
Click on the icons to navigate.

Business model

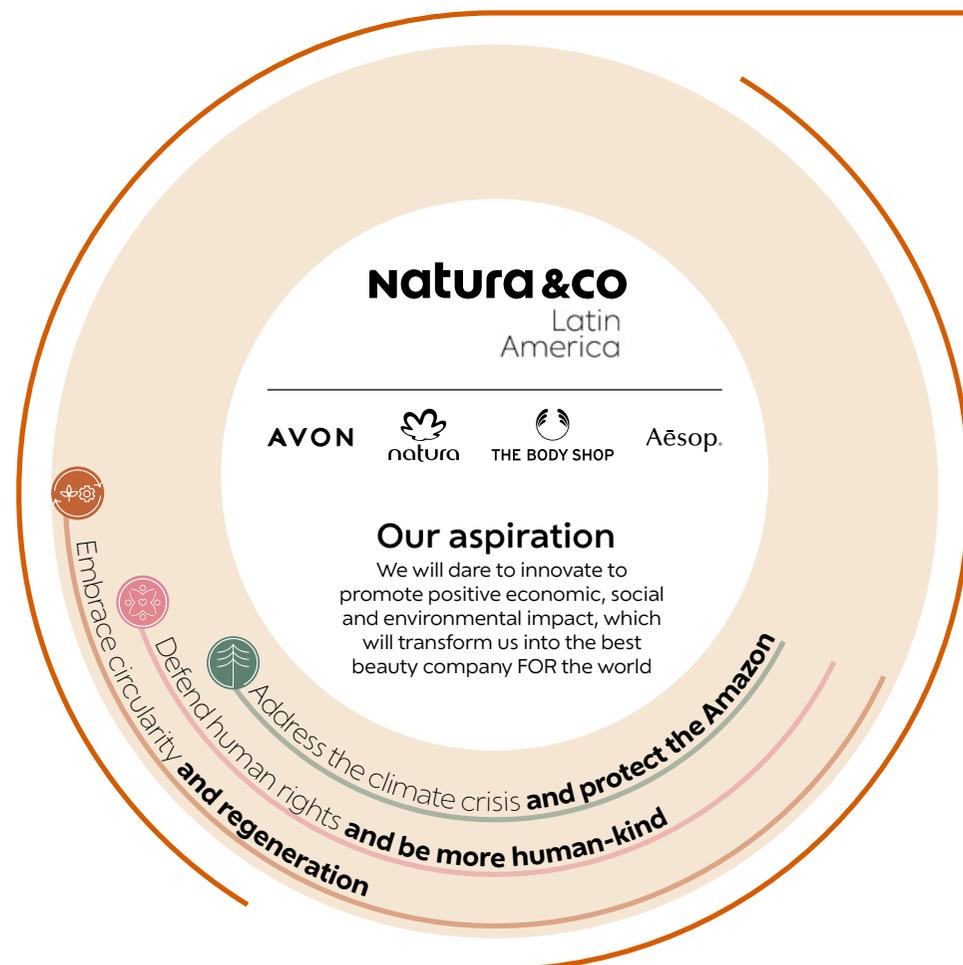
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Outcomes *the value we generate*



Investors
Ebitda of BRL 1.9 billion and net revenue of BRL 22 billion in 2022.

US\$74.8 million* invested in the group's main causes and US\$ 13.5* million in the development of regenerative solutions.

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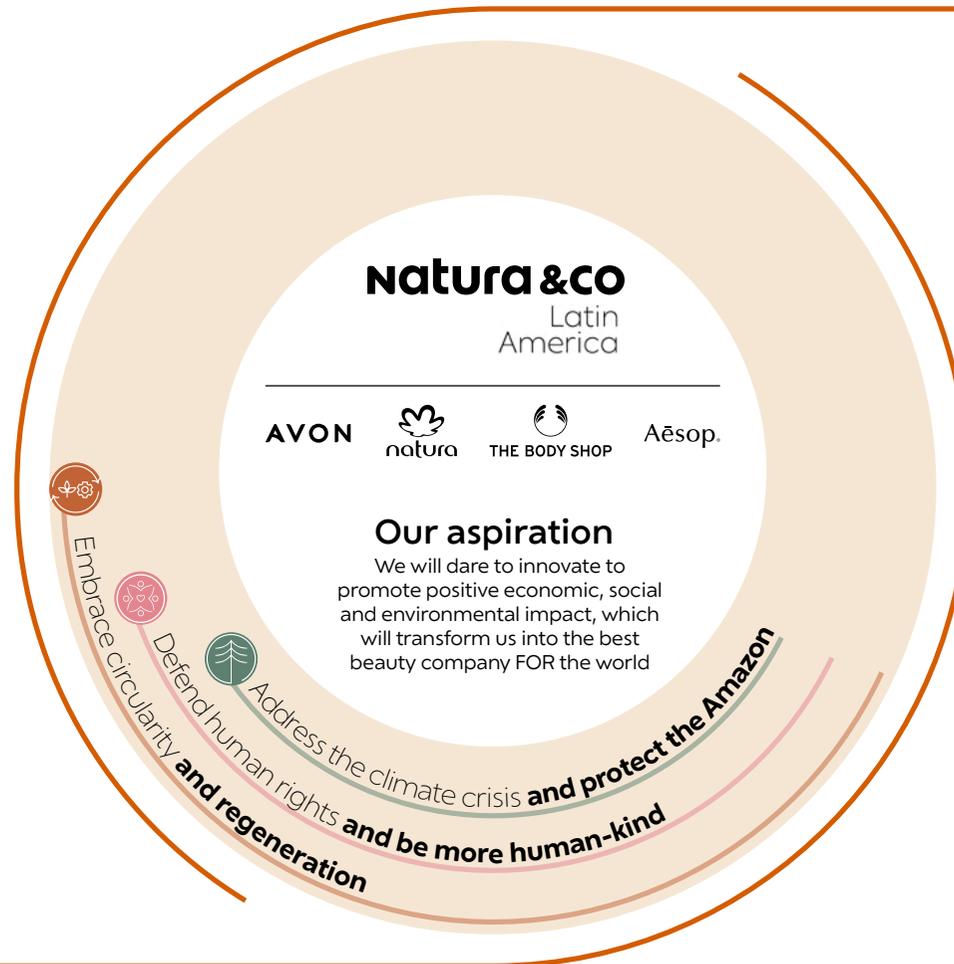
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Outcomes the value we generate



End consumers

High capillarity and brand presence by means of a sales strategy and digital experience.

Access to sustainable, quality products, expression of the Natura &Co brand causes and commitments, that foster well-being and responsible habits for the planet.

Interactive PDF
Click on the icons to navigate.

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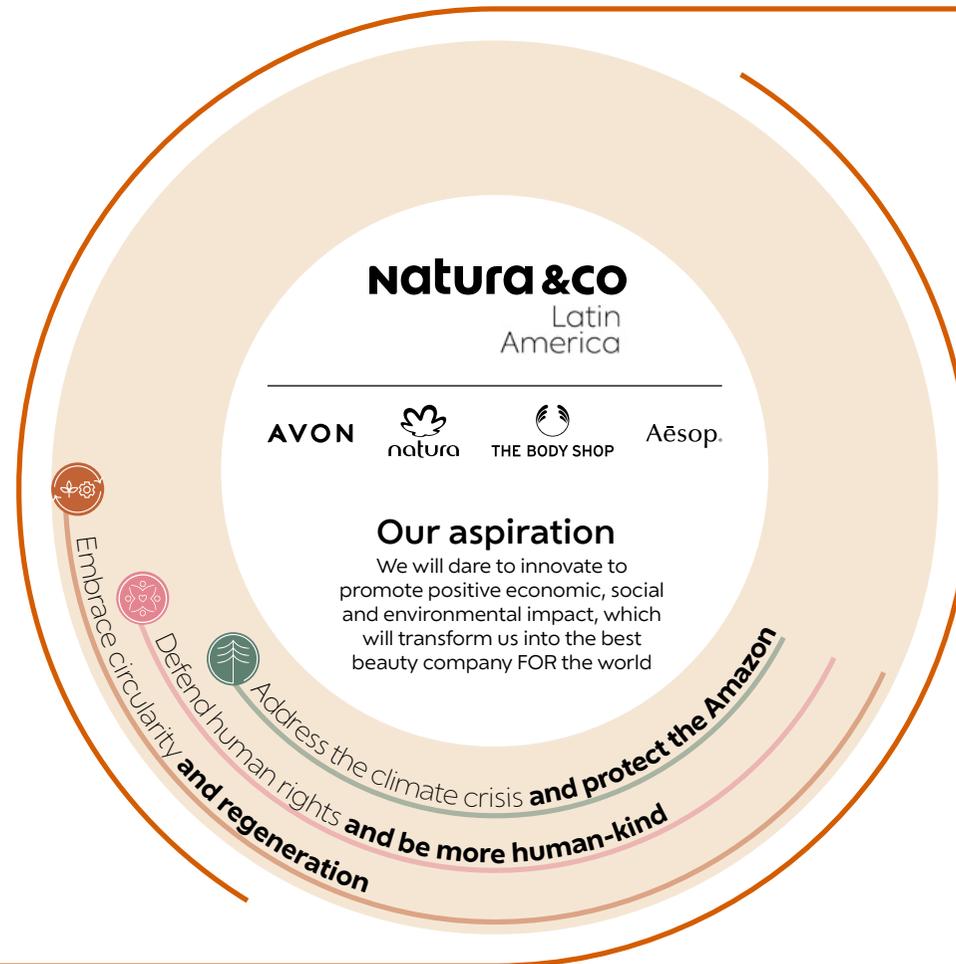
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Outcomes the value we generate



Employees

Construction of an increasingly diverse team and an inclusive environment, with decent, equal remuneration between genders and races and a focus on well-being.

95% of the employees, receive a living wage or more. The amount establishes the minimum for the basic needs of a family. 51.8% of senior management positions occupied by women.

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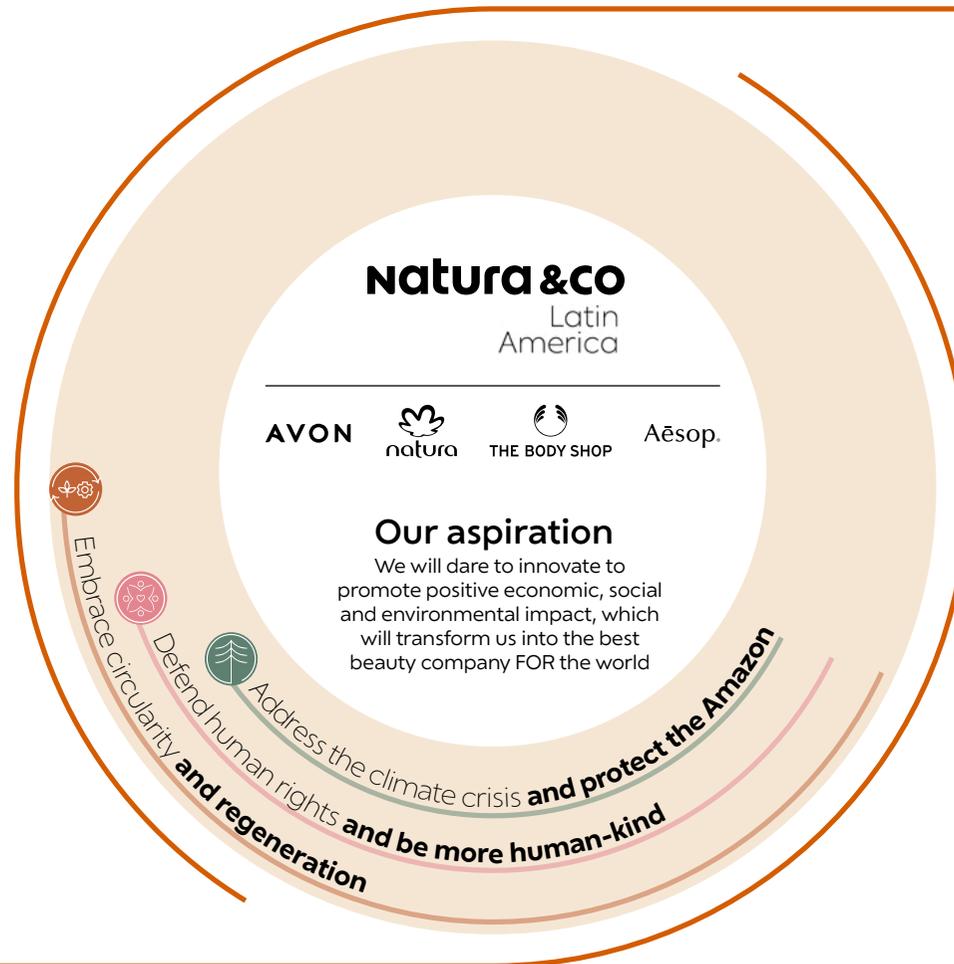
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Outcomes *the value we generate*



Consultants and representatives

Formation of an ecosystem that favors enterprise and income generation based on a fair and reliable model, financial independence and support for causes that improve quality of life for women.

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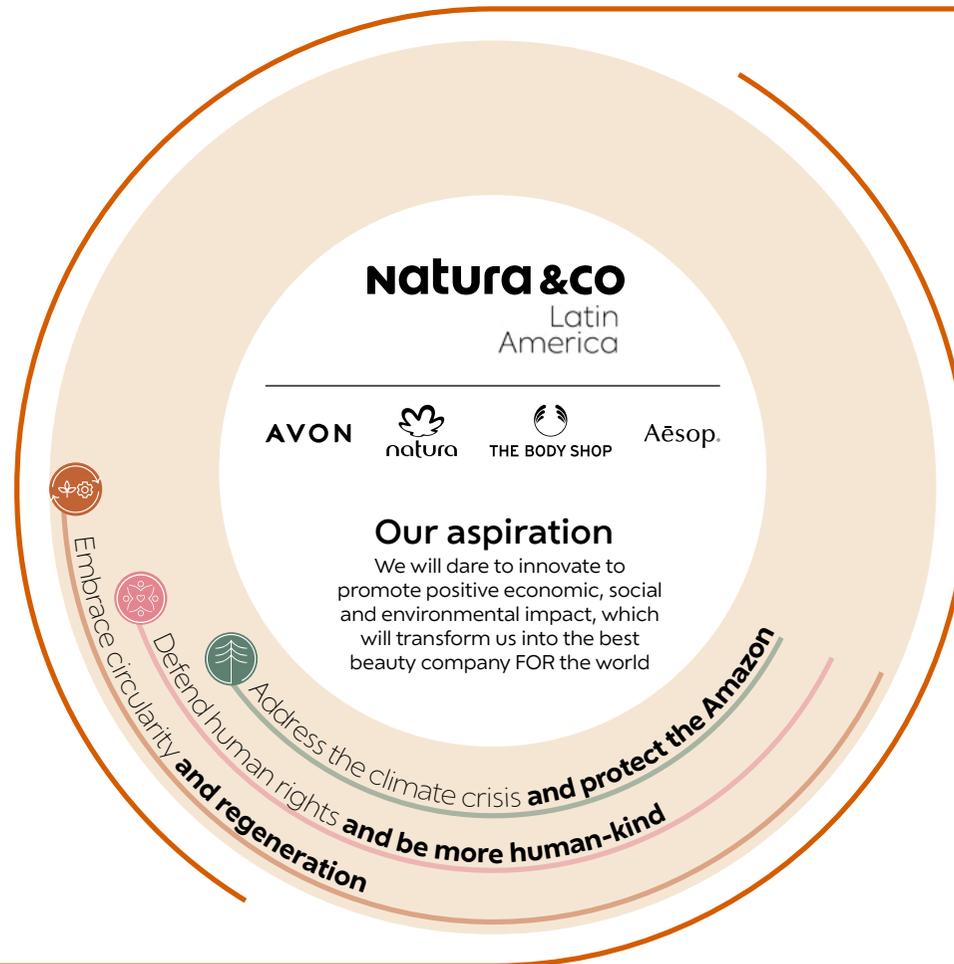
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Outcomes the value we generate



Suppliers

We promote quality relationships that create value for society and the planet. By means of the Embrace Program, we develop our supply chain, as well as promoting sustainable practices.

Relationship based on the group Human Rights Declaration and evolution towards the full certification and/or traceability of critical chains.

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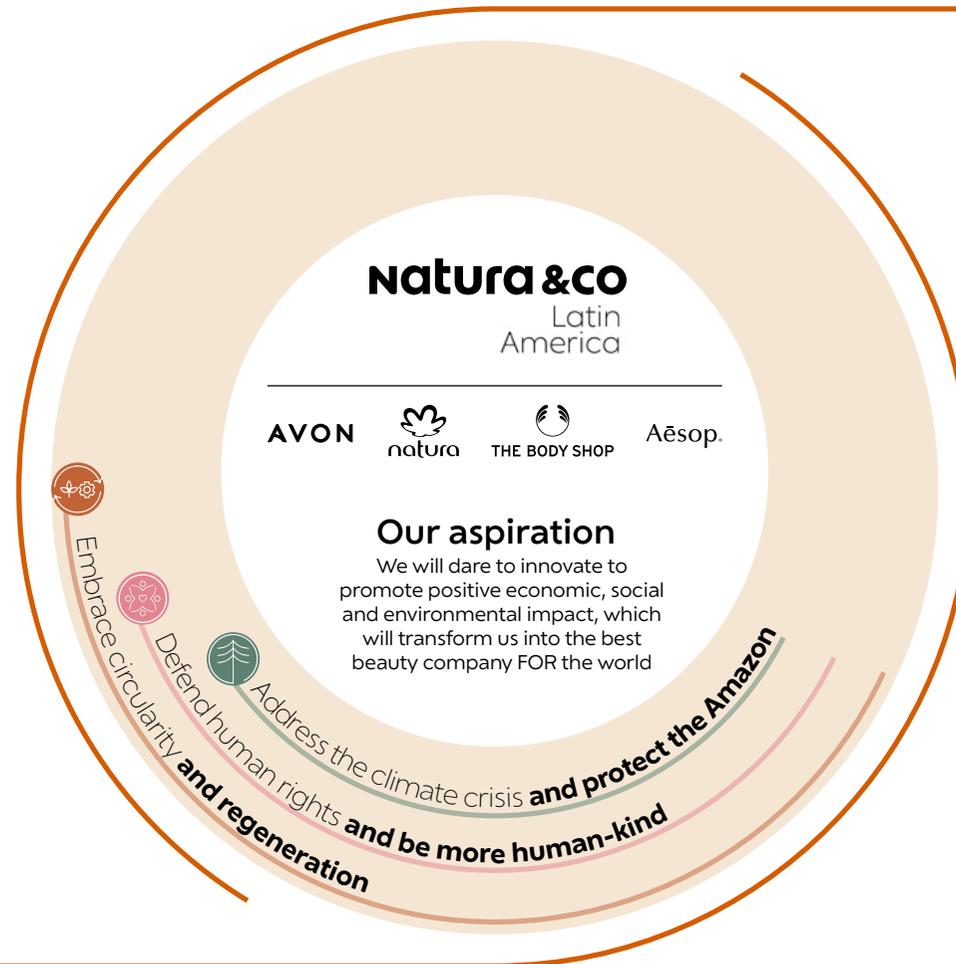
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Outcomes *the value we generate*



Supplier and relationship communities

Access to income by means of relationship and fair trade of bioingredients with cooperatives and small producers that incentivize maintenance of the standing forest.

Support for the development of local infrastructure, access to services and basic rights. In 2022, we shared BRL 45,713,000 (in direct funding) with 48 communities.

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Since Natura was founded, we have pioneered a business model oriented to the generation of positive impact and the mitigation or neutralization of negative impacts.

Commitment to Life

GRI 2-23, 2-24, 2-25

Commitment to Life, the Natura &Co 2030 Vision, harnesses the power of our brands to drive value generation and promote positive impact, as well as contributing to addressing some of the most urgent challenges in the world.

In 2022, the first Natura &Co group materiality study underscored the importance of the topics prioritized and demonstrated the alignment of the 2030 Vision with the demands of our relationship groups.

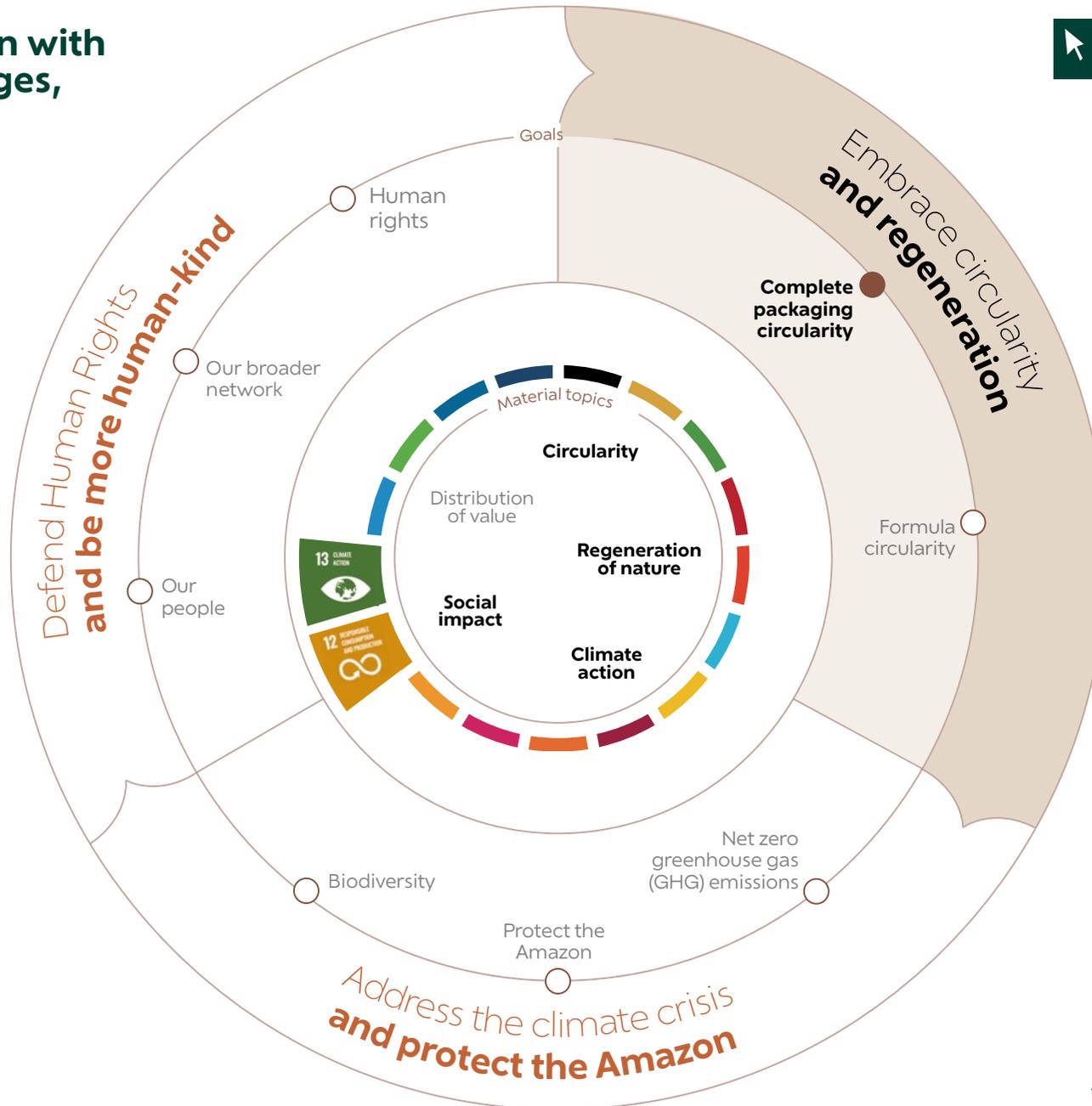
Issues such as circularity, especially linked to the use of plastic, regeneration, climate action and value generated for our relationship network, such as our consultants and representatives, were indicated in the consultations held in the materiality process (further information on page 6).

GRI 2-24

Our connection with global challenges, Sustainable Development Goals (SDGs)

Cross cutting our activities, the commitments and material topics involve all the areas, with support from the sustainability team. The developments are shared in management meetings, in the transversal communication channels and in training.

GRI 2-24



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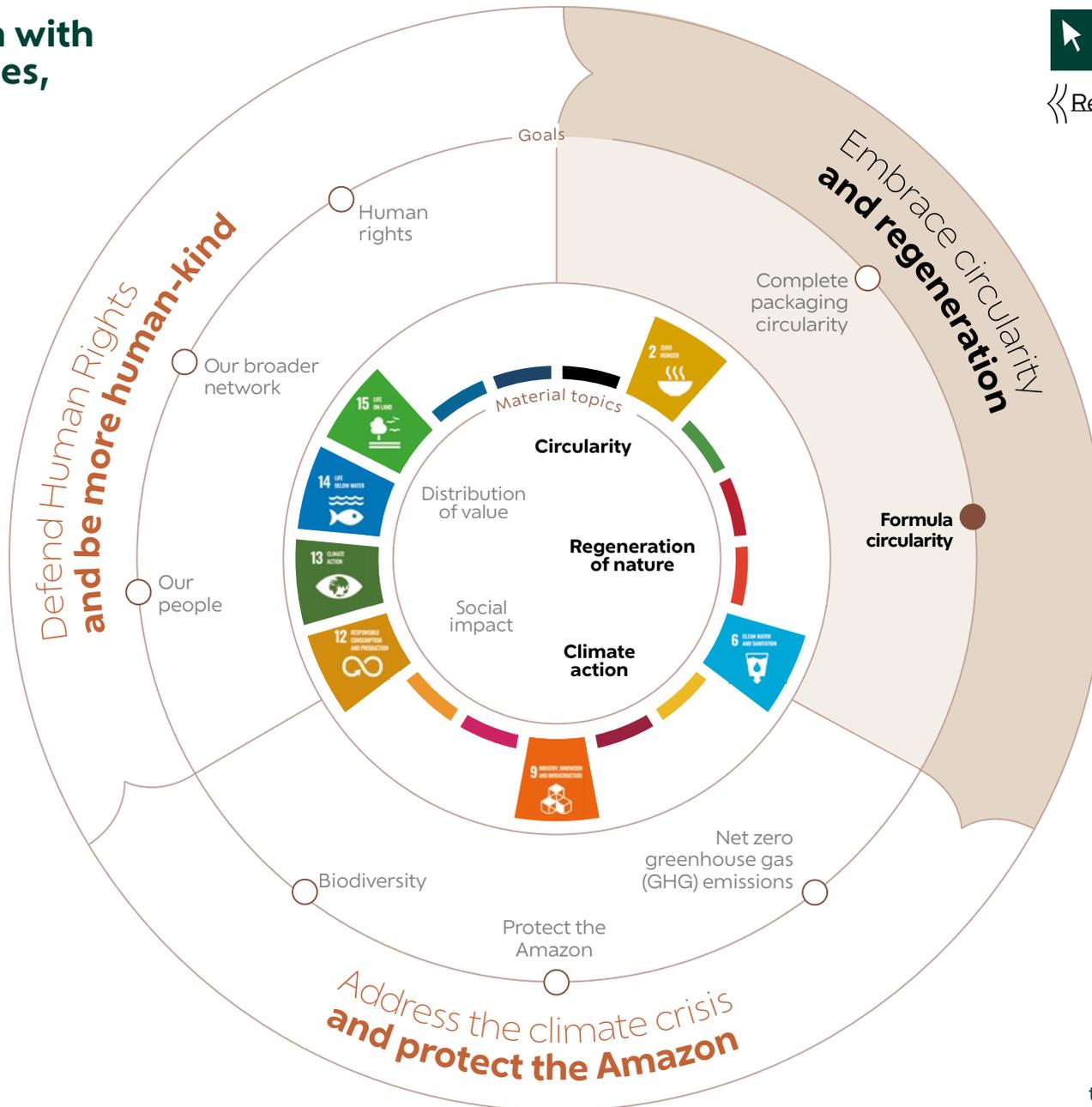
See the **Commitment to Life** targets and results dashboard



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GRI 2-24



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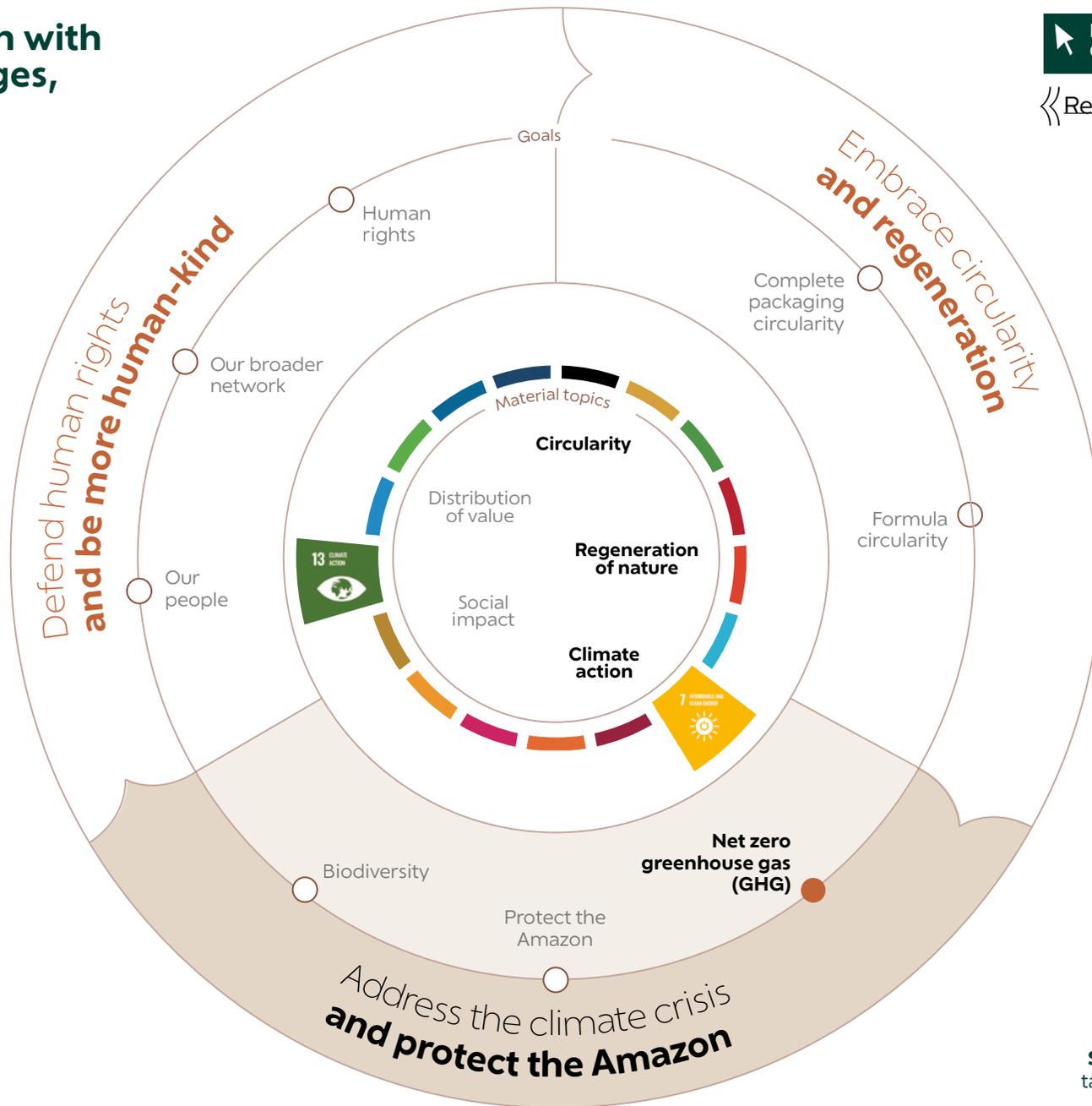
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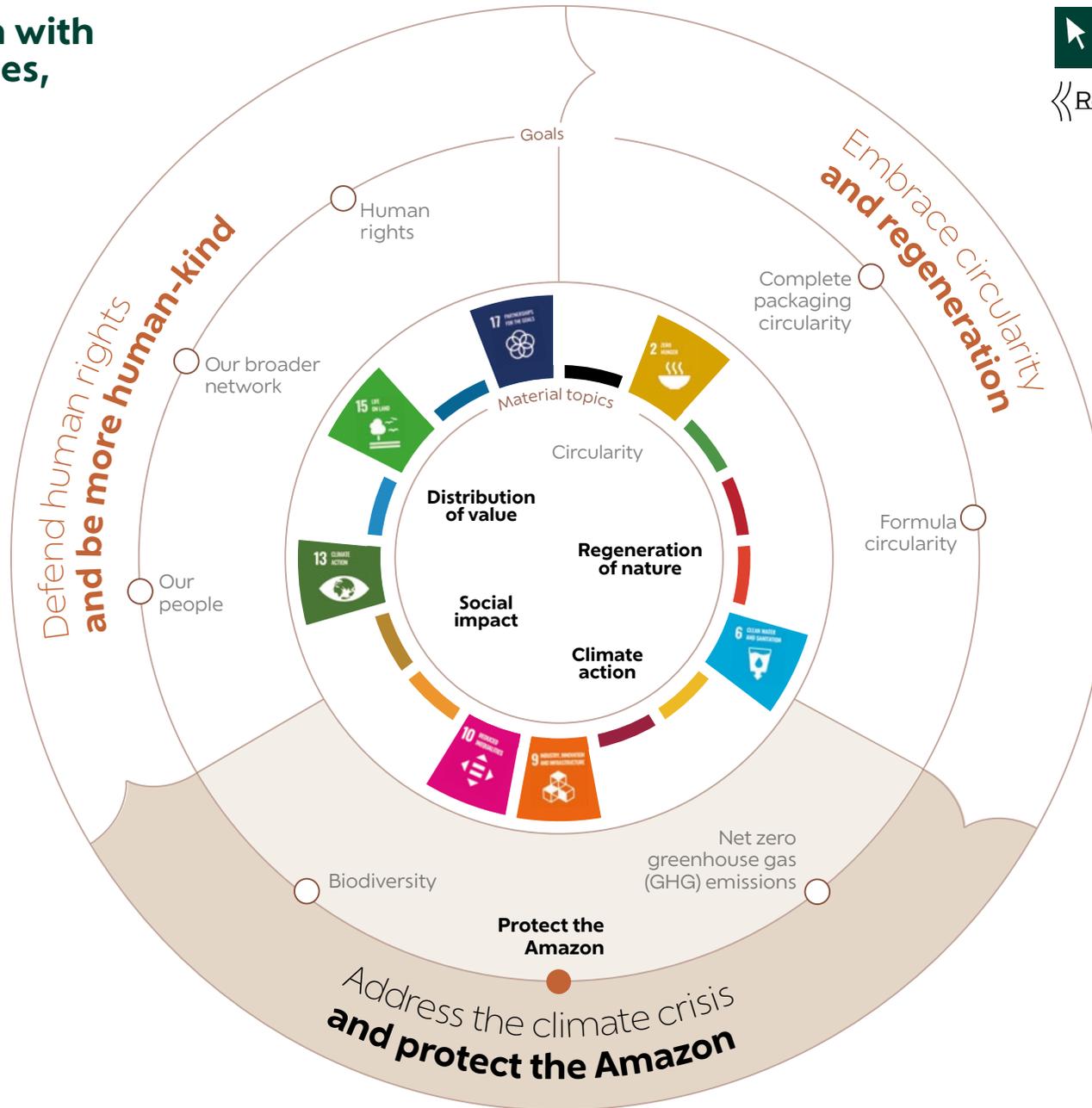
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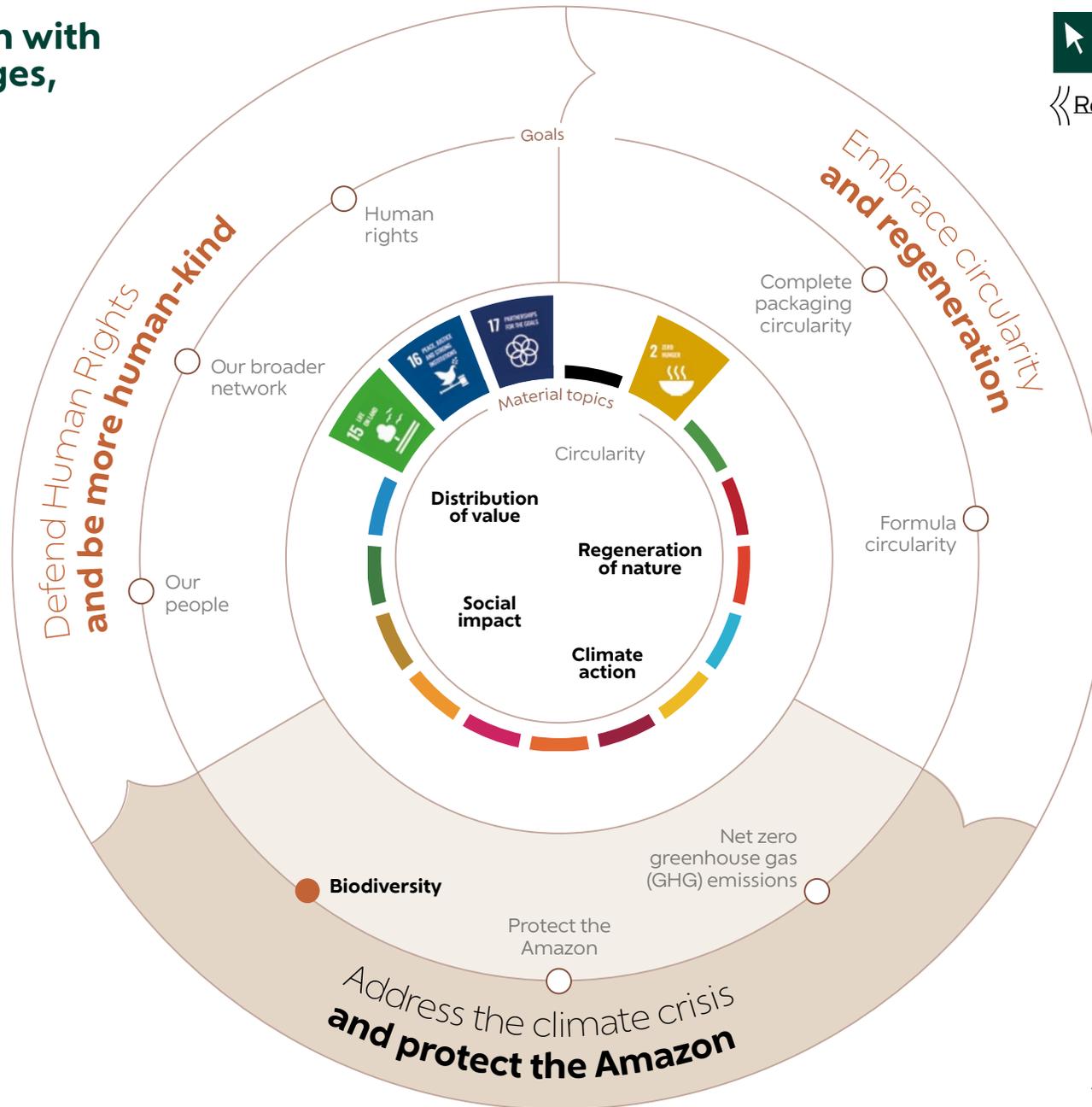
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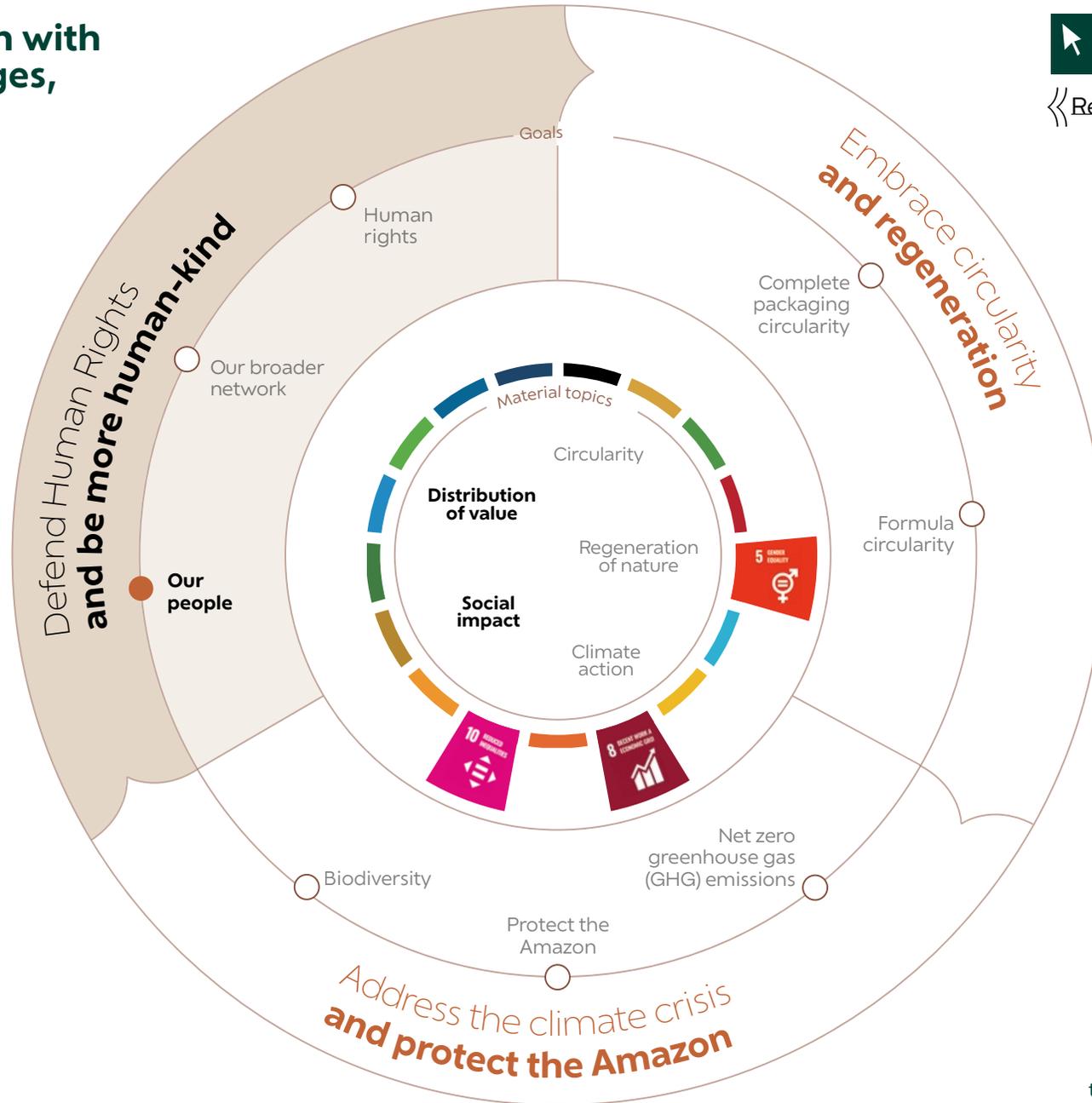
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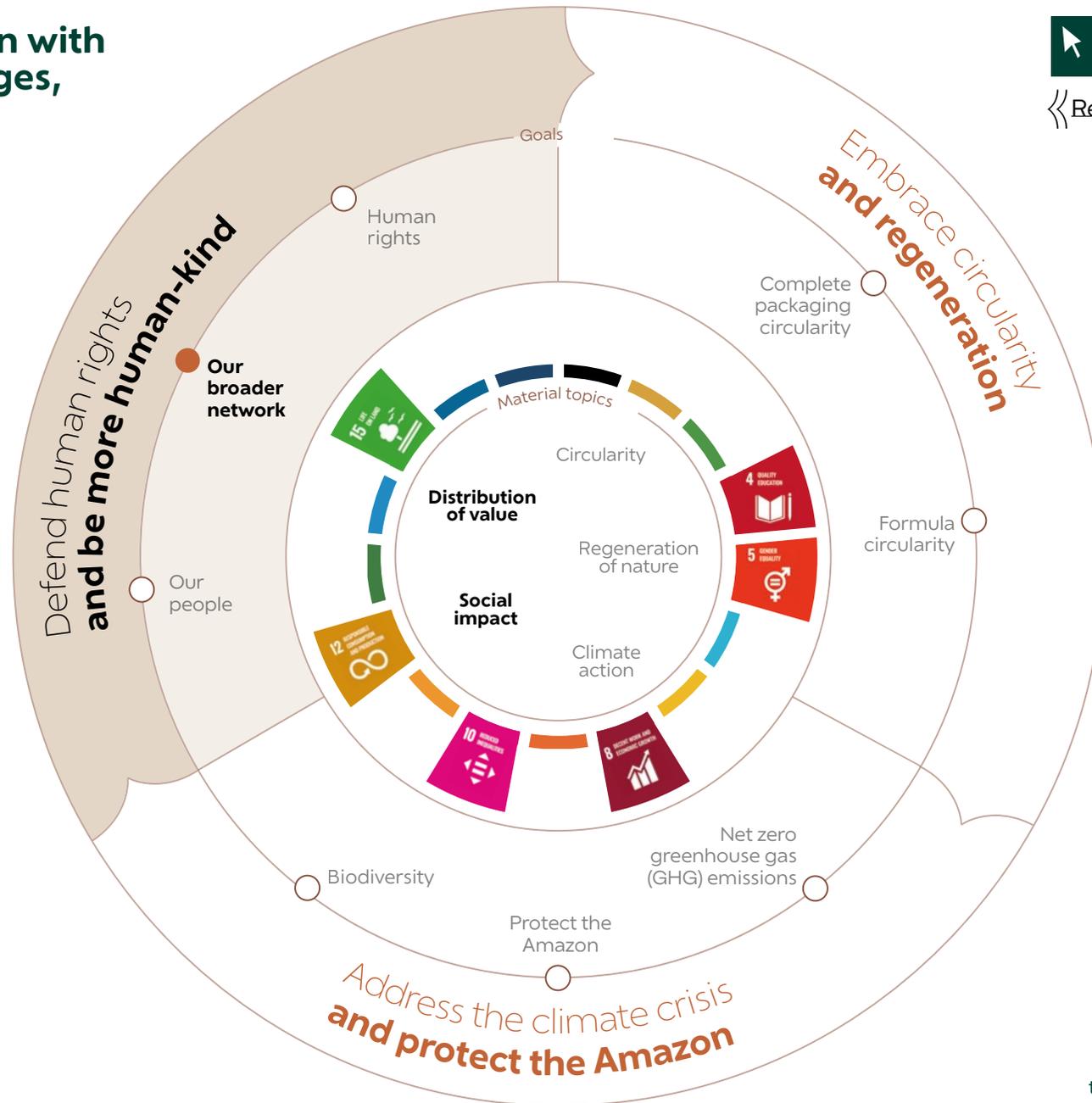
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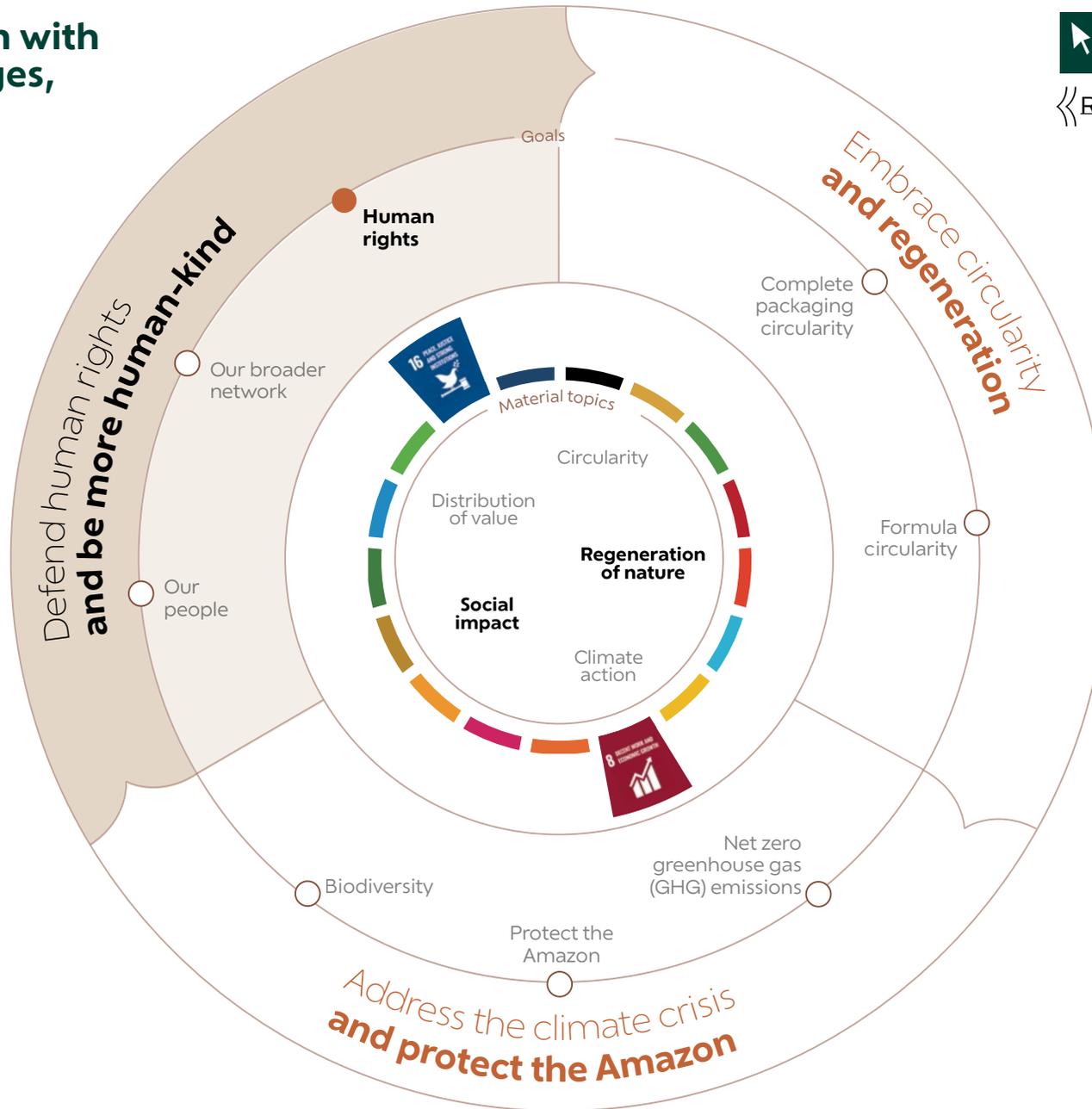
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Performance in our commitments

Address the climate crisis and protect the Amazon

Goals	Metrics and Targets	Target dead-line	Status 2022
Net zero greenhouse gas (GHG) emissions	Net zero emissions, delivering 1.5°C 20 years before the UN commitment	2030	The results for the entire Natura &Co Latin America business unit are being validated and will be updated before the end of 2023. Natura has an audited annual carbon inventory (further information on page 90).
	Adopt the Science Based Targets initiative, SBTi, for all the companies, scopes 1, 2 and 3	2022	We have submitted our targets to the SBTi and are awaiting assessment. We are continuing to develop and implement our decarbonization plan not only in the direct operations but also throughout the value chain.
Protect the Amazon	Expand the organization’s influence in conservation from 1.8 million hectares to 3 million hectares	2030	2 million hectares conserved together with our partner network
	Expand the organization’s influence in forest conservation from 33 to 40 communities	2030	41 communities in the Pan-Amazon ¹
	Increase revenue flows with 55 bioingredients (starting from 38)	2030	42 bioingredients ^{1 2}
	Share BRL 60 million (or more) in value with the communities in the region (starting from BRL 33 million)	2030	R\$ 42.87 million ¹
	Encourage collective efforts towards zero deforestation	2025	In 2022, according to official bodies ³ the deforestation rate in the region was 1.15 million ha, an 11% reduction compared with the same period of the previous year. Natura formed five partnerships focused on mobilizing collective efforts to combat deforestation via the PlenaMata platform (further information on page 83).
Biodiversity	Help to create targets with a network of partners (UEBT, SBTN, BfN/WEF)	2025	We are part of the Science Based Target Network (SBTN) corporate engagement program. To assist in the development of the SBTN methodology, we opted to employ it with our Natura Ekos line, completing steps 1 to 5.
	Expand Natura Access and Benefit Sharing (ABS), in place for 16 years, to the whole group – in accordance with the Nagoya Protocol and the UN Convention on Biological Diversity (CBD)	2025	BRL 9.2 million paid.

1 Only Natura operations.

2 Refers to products belonging to the innovation and technology funnel, not exclusively to products already launched.

3 Source: Prodes/Inpe, from August, 2021 to July, 2022.

Performance in our commitments

Defend **human rights** and be more human-kind

Goals	Metrics and Targets	Target dead-line	Status 2022
Our People	Gender equality: 50% women in senior management and 35% on the Board of Directors	2023	51.8% women in senior management and 31% on the Board of Directors.
	Equal pay: reducing gender differences	2023	The current gap is -0.82%
	Increase under-represented groups to 30% at management levels	2030	8.0%
	Living wage or higher for everyone	2023	95% (considers family income)
Our broader network	Measurable gains for consultants, representatives and the supplier communities (in income, education, healthcare and digital inclusion)	2030	The positive social impact generated by the income of advanced level consultants was BRL 16.4 billion in 2022, according to the Natura IP&L. We also noted that the mobility rate for consultants on a growth path to higher levels of relationship is 15% per year.
	Increase investment in the company's main causes by 20% to US\$ 600 million	2030	US\$ 74.8 million ²
	Promote our fair and reliable model for the future of direct selling	2030	Natura continues leading on the Ethics Committee of the WFDSA (World Federation of Direct Selling Associations), with a view to raising the self-regulatory standards of the WFDSA and the Direct Selling Association (DSA) and improving monitoring and control mechanisms, focused on creating long-term value for direct selling companies.
Human rights	Certification and/or full traceability for:		
	Palm oil	2025	98.5%
	Mica ¹	2025	99.8%
	Paper	2025	95.0%
	Alcohol	2025	99.6%
	Soy	2025	99.0%
	Cotton	2025	87.0%
Adopt a robust human rights policy in accordance with the UNO Guiding Principles	2023	New Natura&Co Declaration of Human Rights approved and available publicly. In 2022, we progressed in the implementation of the policy in our processes, guaranteeing monitoring and the evolution of the strategy.	

¹ There is no global certification standard for mica.

² Cumulative result reflecting the performance in 2020, 2021 and 2022.

Performance in our commitments

Embrace **circularity** and **regeneration**

Goals	Metrics and Targets	Target dead-line	Status 2022
Full packaging circularity	20% (or higher) less material in packaging (in weight)	2030	8.2%
	50% of plastic used must have recycled content (in weight)	2030	10.5%
	100% of all packaging material must be reusable, recyclable or biodegradable	2030	82.5%
	Compensation through collection and reuse programs, to reach the target of 100% responsible disposal where recycling infrastructure is not available	2030	48%
Formula circularity	95%+ natural or renewable ingredients	2030	94.0% ¹
	95%+ biodegradable formulas	2030	95.5%
	100% of new formulas will have a lower environmental footprint, measured in accordance with life cycle analysis (LCA)	2030	We finalized the development of the Natura &Co LCA Ecodesign tool in 2022, enabling measurement of environmental footprint. Tests and assessment of the tool are scheduled for 2023.
	Invest US\$ 100 million (or more) in the development of regenerative solutions, such as: biotechnology, for example, for waste and plastic ingredients etc.	2030	US\$ 13.5 M ¹³

¹ Only Natura Cosméticos.

² The result reflects the sum of the efforts of the Elos Program and the ABIHPEC Mãos pro Futuro sector program.

³ Cumulative amount for 2020, 2021 and 2022.

Natura
IP&L: *from*
governance
to impact



For each
BRL 1 in revenue
Natura generated
BRL 2.7 in positive
socio-environmental impact

GRI 2,25, 3-3, 203-2

In 2022, Natura took another step towards integrating sustainability into its business model. After disclosing our Integrated Profit & Loss (IP&L), a methodology that monetizes the company's impacts on the economy, the environment and society, we continued to enhance the scope for measuring externalities. Based on new analytical filters, we can evaluate them even more accurately to orientate our businesses to the generation of positive impact.

Anchored on the principle that a business's value generation for society must go beyond traditional financial indicators such as revenue and profit, enhancing the IP&L calculation also enabled us to align it with our materiality, making it dynamic and attributing value to what is the most important driver in the company's sustainability strategy.

Updated well-being parameters, which encompass aspects such as quality of life and life expectancy, are the basis for us to estimate our impact for society, as well as the limits of sustainable use of natural resources. Based on this, our

methodology attributes monetary value to the natural, social and human capitals generated by our business, whether they are positive or negative.

GRI 2-25, 3-3

A year later, some advances have been consolidated. Based on the first IP&L results, we started to consider the Beauty Consultant income indicator in our quarterly management, together with the financial results. This monitoring serves as a starting point for the design and implementation of measures that elevate the income of the network, strengthening the direct selling model as a lever for achieving a living income*.

This broadened comprehension of our impacts is a valuable governance tool, that qualifies our assessment of the costs and benefits of strategic projects and investments. More aware of the effects of our decisions, we will be able to contribute towards a truly regenerative economy, that recognizes and accounts for the value of nature for people and for production systems, balancing profit and purpose.

In constant evolution, the IP&L is becoming established as an important driver of stakeholder capitalism.

Expanded measurement

The activities evaluated by the IP&L cover the Natura supplier chain and agro-extractivist communities in the Amazon region, the direct operations, the Beauty Consultants, product use and product end of life.

The impacts we generate on all the links in our chain are monetized in three dimensions:

- **Human Capital:**
- **Social Capital;**
- **Natural Capital.**

Over the last year, some of the aspects contemplated in each one of these dimensions were expanded and/or reviewed **GRI 2-4**. We also recalibrated the model's baseline, adjusting the results obtained in 2021. With the goal of elevating the level of accuracy of the tool, we updated the following calculation scopes of the IP&L:

Further information: the adaptations in the scope of the IP&L bring us close to the targets of the **Commitment to Life**.



Natura IP&L case

See throughout the report the cases that show how the methodology is applied in our value chain.

- [Protecting ecosystems](#)
- [Consultants](#)
- [Circularity](#)

*Natura uses the term living income for the consultants because their activity is entrepreneurial, and the term living wage for employees. In both cases, we use the living wage parameter and methodology of the Wage Indicator Foundation. The amount of living income for consultants is calculated proportionately to the average time (in hours) dedicated to consulting.

Capital Natural

The calculation of our impacts on natural capital is now based on an updated carbon inventory, which covers scope 1, 2 and 3 greenhouse gas emissions, in accordance with the GHG Protocol. In addition to the emissions generated by the direct Natura operations and those from our consumption of energy, the indirect emissions associated with the transportation, distribution and use of our products, as well as with the raw material acquisition phase are accounted for.

In line with our target of achieving net zero emissions, submitted to the Science Based Targets initiative (SBTi) in 2021 by the Natura &Co group, we now consider 16 new impact indicators in our analysis, including the exhaustion of fossil fuels, such as petroleum, gas and coal, used to generate energy and produce materials. We also harmonized the impact valuation factors between all the IP&L dimensions, using the criterion of change in quality of life or well-being of society to substitute the previously predominant economic development factor.

Human Capital

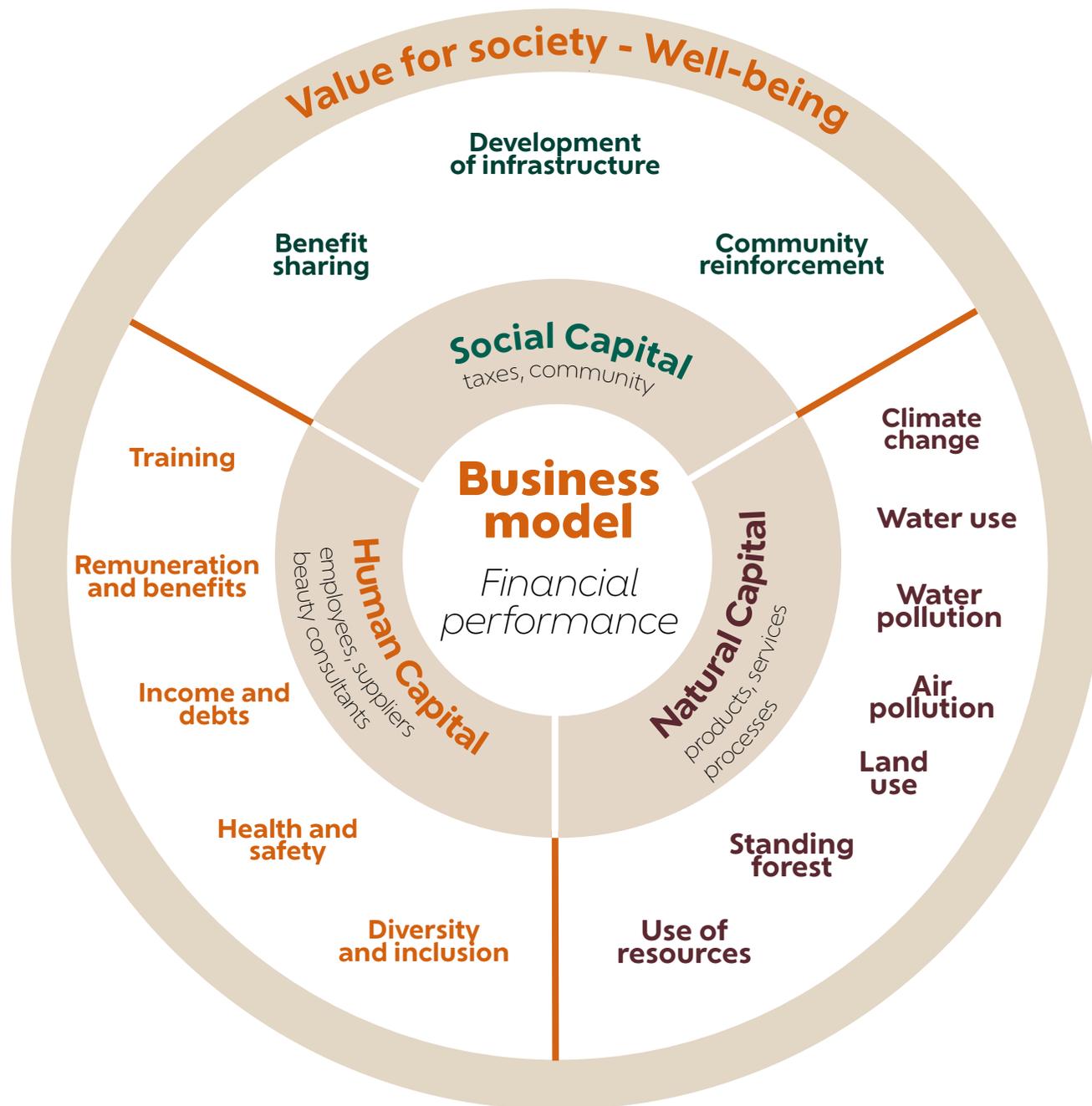
The IP&L starts considering the minimum level of the living wage. Measured by the Wage Indicator Foundation, the living wage is a parameter of the amount that is sufficient to cover the basic needs of a family, which varies in accordance with the local cost of living. Until then, our IP&L took into account the average between the minimum and the maximum level of this reference. Now, the filter applied to the consultants' income is in line with the one we apply to our employees, standardizing the internal metric and the external reporting criterion. We also improved the calculation of the consultants' income per hour and added new elements to the measurement of both the consultants' and employees' income, for example the income obtained by the consultants from e-commerce in Brazil, and employees' participation in the company profit share scheme, so that the model reflects the business reality even more closely.

Social Capital

To make the IP&L directly comparable with our financial P&L, the tax calculation used in the model was adjusted to an accrual basis, rather than a cash basis.

The adaptations in scope that we made in the IP&L bring us close to the targets of the Commitment to Life, the Natura &Co plan to address the most urgent challenges of our times by 2030.

Natura's positive result



IP&L Performance in 2022

GRI 3-3

The IP&L throws light on how we manage our businesses, considering the interdependencies that are established between the human, social and environmental aspects that permeate our value chain. In 2022, Natura generated a net positive impact of BRL 34.2 billion for society, considering the methodological evolutions mentioned previously. The calculations demonstrate that for each BRL 1 in revenue, Natura generated BRL 2.7 in positive social and environmental impact. On comparable bases, the result was driven by the increase in the consultants' income, mainly in Brazil, by the payment of taxes and by the supply of raw materials.

The amount calculated is the result of the balance between the positive and negative impacts we generated and shows the relevance of our contribution to the social and human dimensions, in which our net impact was around BRL 18.1 billion and BRL 19.6 billion, respectively. In terms of natural capital, the result was BRL 3.6 billion negative, principally because of the updating of the scope of the calculation in this dimension.

2022 IP&L Results (in millions of BRL)	Human Capital	Social Capital	Natural capital	2022 Total
Advanced level consultants	16,382	-	-	16,382
Taxes (sales and corporate)	-	14.039	-	14,039
Supply chain	5,177	2,687	-1,906	5,959
Direct operations	2,747	587	-146	3,188
Instituto Natura	1,814	488	-	2,301
Carbon credits	358	0	871	1,229
Supplier communities	54	321	40	415
Social support	12	-	-	12
Product use and end of life	10	-	-2,443	-2,433
Beginning level consultants	-6,908	-	-	-6,908
Total	19,647	18,122	-3,584	34,185

have a higher level of engagement and proximity to Natura.

have less proximity to Natura.

impact of water and energy use in the consumption stage, on waste and on packaging.

adding up all the positive impacts in the human, social and natural fields, and subtracting the negative impacts, the balance of the positive impact generated by Natura for society is the equivalent of almost three times its net revenue.

Further technical information and details on the methodology are available in the [technical case study](#).

Learnings and next steps

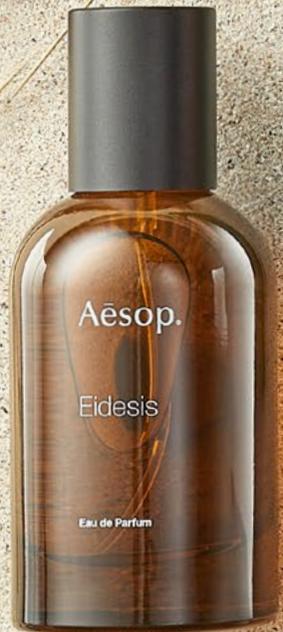
GRI 3-3

Throughout 2022, we undertook more extensive analyses that will enable us to identify bigger and better opportunities to generate positive impact, as well as our sources of negative impact, particularly in the natural capital dimension. We reinforced the incorporation of the methodology into the routines of our managers so that this will be an instrument for decision making in the short and long-terms. Meanwhile, we continue to disseminate our IP&L externally, mainly in accounting and finance forums, because we believe that by sharing this tool with diverse actors, we will contribute to an ever more integrated and transparent view of financial, environmental and social data by businesses and investors.

In line with the full integration of the Natura and Avon businesses in Latin America, we are preparing to extend the application of the IP&L to the Avon operations, as the program progresses in the countries in the region. By monetizing the impacts generated by the value chain of the company, whose capillarity in Latin America is highly relevant for the Natura &Co businesses, we will significantly increase our comprehension of our externalities, and we will be more apt to pursue opportunities to generate shared benefits.



Our brands



Natura

Founded in 1969, Natura is a Brazilian multinational in the cosmetics and personal segment. It is the leader in the direct selling sector in Brazil and is recognized for protecting Amazonian social biodiversity through its sustainable business model.

Aware of its potential for social, economic and environmental impact, the brand pioneered innovation and remains in the forefront of innovation in ingredients from Amazonian social biodiversity and in products, as well as in maximizing value generation for its diverse stakeholders.

well-being
being well



Our Essence Reason for being

Our Reason for Being is to create and commercialize products and services that promote well-being/being well.

well-being
is the individual's harmonious, agreeable relationship with himself, with his body.

being well
is the individual's empathetic, successful and pleasurable relationship with others, with the nature of which they are part, with the whole.

Beliefs

Life is a chain of relationships. Nothing in the universe stands alone, everything is interdependent. We believe that valuing relationships is the foundation for the great human revolution in the pursuit of peace, solidarity and life in all its manifestations.

Continuously striving for improvement develops individuals, organizations and society.

Commitment to the truth is the path to fostering good relationships.

The greater the individual diversity, the greater the wealth and vitality of the whole.

The pursuit of beauty, a genuine aspiration of every human being, should be free of preconceived ideas and manipulation.

The company, a living organism, is a dynamic set of relationships. Its value and longevity are linked to its ability to contribute to the evolution of society and its sustainable development.

Vision

Natura, due to its corporate behavior, the quality of the relations it establishes and its products and services, will be a global brand, identified with the community of people committed to building a better world through better relationships with themselves, with others, with the nature of which they are part, with the whole.

In 2022, Natura continued to lead the Cosmetics and Personal Care market in Latin America, also worthy of note being its leadership in the perfumery and body categories in the region, according to Euromonitor data.

It is also the strongest brand in cosmetics worldwide, according to studies by Brand Finance.

We believe in the potential of relationships and in the power of cosmetics to expand consciousness. Based on this premise, our Relationship Selling model enables us to reach the homes of millions of people and is a driver of income and benefits for an extensive value chain, ranging from partners and communities supplying social biodiversity ingredients to the network of Natura Beauty Consultants. This network, which extends from Brazil and Argentina to Chile, Colombia, Mexico, Peru and Malaysia, consists of over 2 million people. It also extends to the United States and France, where we work with e-commerce.

Certified B Corp



Corporation

Since 2014, Natura has been certified as a B Corp, by B Lab, which indicates engagement in new forms of business that balance profit and purpose. We are one of the few companies in the world to score in seven impact models defined by the methodology, including areas such as employee development; conservation of resources, land and wildlife; ecological and innovative manufacturing processes, among others.

Omnichannelness

to leverage business and prosperity for our network

Our presence in online (e-commerce and social selling) channels and in retail expands opportunities for our consumers to look for our products in accordance with their preferences and also leverages the business and income generation possibilities for the Natura Beauty Consultant network.

Our network

Our consultant base grew by approximately 5% in the year, while average productivity increased by 15% in Brazil compared with 2021, and by 11% in Hispanic America. For the consultants with higher levels of engagement, Silver, Gold and Diamond, who represent the largest proportion of sales, productivity in Brazil grew by 17.3% compared with the previous year. This means that the higher the engagement of our consultants, the more they earn.

This is the result of a training strategy aimed at boosting the prosperity of the consultants, with the consolidation of social learning and the expansion in formats and contents for this training. In 2022, 42% of the consultants received training, eight percentage points more than in the previous year. 5.7 million training programs were concluded, with an average of 11 contents per consultant. Worthy of note are the learning trails focused on specific items in the categories, such as the Perfumery Trails and the Chronos Trail; advanced training in core beauty and online training focused on retail.

We consolidated the social learning model, called Rede Treina Rede (Network Trains Network), a collaborative, horizontal and decentralized model in which 76 consultant trainers produce educational content on business development for other consultants. They do this independently and creatively and are remunerated for this complementary activity. By the end 2022, more than 308,000 consultants had been trained. The average remuneration of the trainers is more than BRL 2,000 (*further information in Living income*).

In Brazil, the content producer consultants share information about the daily routines of the activity, providing tips on how to set up an intelligent stock and how to leverage sales via the [Comunidade Natura](#) website, which is open to anyone.

Training in 2022*

512,000 consultants trained
(443,000 in 2021)

5.7 million courses concluded

42% penetration,
8 p.p. growth compared with 2021

43% penetration for beginners
(199,000 single beginning consultants trained)

Training via App

479,637 single consultants trained
(405,028 in 2021)

39.6% penetration (34.1% in 2021)

5.2 million courses concluded
(7,288,578 in 2021)

Webinar

46,393 single consultants trained
(51,205 in 2021)

3.8% penetration (4.0% in 2021)

76 million courses concluded
(75.759,000 in 2021)

*Numbers valid for Brazil.

Loyalty rate

To identify opportunities to improve relations with our network, we periodically monitor consultant satisfaction and loyalty. Measurement of the consultants is conducted in each sales cycle, while for leaders it is in each two cycles. In 2022, the satisfaction and loyalty rates among the consultants decreased, due to the service level. During the year, diverse actions to identify points and opportunities for improvement were implemented. **GRI 2-25, 2-29**

Relationship quality – Natura Latin America¹ Consultants	2020	2021	2022
Satisfaction ²	76.04	80.03	77.13
Loyalty ³	24.28	28.27	26.59

1 The consolidated result takes into account the weight per country, according to the projection of the consultants available in the year (average of cycles). Source: Cyclical survey, conducted by the Kantar Institute in the first quarter and by Ipsos in the later quarters of 2022 (Brazil) and by Questmanager (Hispanic America).
 2 Satisfaction: percentage of consultants who are "satisfied" or "very satisfied", who gave a score of 4 or 5 ("Top2Box") on a scale from 1 to 5 points in relation to their overall satisfaction with Natura.
 3 Loyalty: percentage of consultants who gave the top score (TopBox), on a scale from 1 to 5 points in three aspects: overall satisfaction with Natura, intention to continue with the company and recommendation of Natura to other people.

Advisory council GRI 2-25

In 2022, we formed an Advisory Council, made up of members of the consultant network from diverse parts of Brazil; it meets on a monthly basis. The objective was to gain deeper understanding of the omnichannel model and to provide a basis for the creation of policies focused on the future of the consultants' business in their development journey. Natura employees also participate in the co-construction dialogue.

Digital channels

The digital channels also constitute an important tool for driving business and promoting prosperity for our network. In 2022, consultant digitalization continued to grow, as did their adhesion to the training trails.

Our digitally enabled sales, which comprehend direct purchase by the end consumer via e-commerce and social selling (sales by the consultants leveraged by digital assets such as their digital spaces, the interactive magazine and other sales customization tools) grew 19.8% compared with 2021.

Digitalization in numbers

more than 1.5 million digital stores
opened by our consultants

82.1% digital penetration*

60.6% social selling penetration**

*Consultants who accessed the app or the website at least once in the last 120 days.

**Consultants who accessed the Interactive Magazine or Minha Divulgação at least once in the last 120 days.

Social selling

On the social selling front, worthy of note are the digital magazines, that can be shared with customers via WhatsApp and other messaging applications. The publication is formatted with the use of data intelligence and permits the consultant to customize promotions for each customer, who decides whether to buy via e-commerce or via the consultant.

In the sale process, the consultant can chose to close the order using either Natura stock or her own. She may also customize a series of Natura contents and share them via the social networks. Digitalization provides support for consultants' sales and streamlines the implementation of changes or adjustments in commercial management, when necessary. In parallel, it is part of our greenhouse gas emission reduction strategy.

Retail in the spotlight

To leverage our omnichannel strategy and access consumer profiles at different purchase moments, we conduct studies and adapt store formats. We expanded our activities with Natura stores in the northern and north eastern regions of Brazil and boosted the growth of the Aqui Tem Natura franchise network, administered by consultants. As a result, there was a 39.3% increase in productivity compared with 2021. Another highlight was the re-introduction of trial for face products in the stores, interrupted due to the Covid-19 pandemic.

Even faced with a challenging macroeconomic conjuncture, these actions brought in new consumers and led to 17.3% growth in the networks of own stores and franchises in 2022. In Hispanic America, the performance of Chile, where we intensified our omnichannel presence, and Peru was worthy of note. For 2023, our goals are to consolidate the retail trade in Chile, to continue to expand in Mexico and Argentina, and to open up in Colombia.

Retail in numbers

113 new own stores and franchises

We have a total of:

- **772 stores**
- **118 own stores** in: Brazil, Argentina, Chile, Mexico and Peru.
- **654 units** of the **Aqui Tem Natura** chain (belonging to consultants) in Brazil

Artificial intelligence to improve relationships

In 2022, the end consumer satisfaction rate was 4.2 (on a scale from 0 to 5). For the next cycle, the target is to reach 4.5 in this indicator.

We employ artificial intelligence to help identify the needs of our consultants and our consumers and to anticipate solutions. Nat, our virtual assistant, is responsible for monitoring deliveries and making contact by WhatsApp in the event that an address cannot be found, if there is nobody to receive the order, or if the delivery date is delayed or brought forward. The tool also provides the consumer with updates on every stage of the logistics process until the order is delivered.

GRI 2-25, 2-29

Preventive monitoring is also used in Hispanic America and is reflected in the level of satisfaction of consultants and consumers. The technology also sends consultants in Brazil text messages advising them about bill due dates and the existence of debits, among other collection-related questions.

As a way of improving services for consultants and consumers, we remain focused on offering the best service levels, including on-time delivery in the distribution process. In 2022, there was a slight increase in the average delivery time,

impacted by difficulties in supply chains and by processes related to the integration of the operations. The average delivery time for consultants in Brazil was 5.4 days. In the other countries, this time varied from 3.5 days in Mexico to 7.2 days in Chile.

Deliveries in 48 hours

Brazil

21.3% of direct sales and 29.6% of e-commerce sales

Hispanic America

55.1%

See the table in the ESG Scorecard

Further information about our relationship with and value generation for the Natura Beauty Consultants in the **Consultants and Representatives section (from page 99), part of the Commitment to Life chapter.**





Our unique way *of making products*

In 2022, Natura invested **BRL 341.8 million in Research and Development (R&D)**, of which BRL 297 million in innovation and BRL 44.8 million in the development of sustainable solutions.

At Natura, we develop natural ingredients from Amazonian biodiversity based on the traditional knowledge of the local communities and advanced science, promoting regenerative agriculture and delivering products with surprising sensory experiences and differentiated benefits for the consumer.

Our Research and Development (R&D) area is manned by a highly qualified multidisciplinary team of researchers that, based on the application of in-depth knowledge of skin, hair and microbiota sciences, develops high performance products that are proven to be effective and safe for human beings and the environment, using advanced in vitro modelling techniques such as, for example, 3D bioprinted skin. The use of biodata and artificial intelligence increases the processing capacity of the information generated, permits predictions and boosts the agility and effectiveness of our developments. Our exclusive fragrances are created by our In House Perfumer in a co-creation process with major names

in world perfumery. Each fragrance is enriched with Amazonian aromatics with a unique olfactory signature.

Our team also focuses on designing sustainable packaging, prioritizing the development of reusable, recyclable or compostable packs, as well as using Post Consumer Recycled (PCR) materials and materials of renewable origin in their composition. Worthy of note among the sustainability initiatives is the pioneering development of refills since the 1980s. The most recent innovations include the refill for the premium perfume Essencial and for the Una brand make-up foundations..

The company has an Ecodesign Committee, made up of employees from diverse areas such as R&D, Sustainability, Design Nucleus, Consumer Experience and Reverse Logistics, which analyzes and elaborates proposals to reduce the environmental impact of the products and debate the projects under development.

Natura innovation indicators	2020	2021	2022
Investment in innovation (BRL million)	233	262	297
Percentage of net revenue invested in innovation (%)	2.1	2.2	2.3
Number of products launched ¹ - Brazil	211	367	222
Innovation rate ² - Brazil (%)	67.1	66.3	57.4

¹ The number of products launched includes only products that represent a new value proposition for the consumer, such as new packs and formulations.

² Share of sales of products launched in the last 24 months in total gross revenue in the last 12 months.

As a result of our focus on innovation, between 1992 and 2022, **Natura filed 1,186 patents and 683 industrial designs**. In 2022 alone, we filed 45 patents and three industrial designs.

Innovation Centers in Latin America

Natura is at the forefront of the development of products that generate disruptive and regenerative solutions, conserving and restoring ecosystems and promoting quality of life. To do this, we have two key Innovation Centers in Latin America, which are also connected with open innovation networks worldwide, to generate innovations that promote positive social and environmental impact.

- **Natura Amazonia Innovation Nucleus (NINA):** installed in the Ecoparque in Benevides (PA), where there is a bio-refinery to assess the potential for scaling up extracts and essential oils from Amazonian biodiversity. NINA is part of the Natura Amazonia Program, which promotes innovation and technological development in the region, adding value to sustainable local production. With researchers dedicated to bioprospecting species, assessing the feasibility of incorporating new bioactives into our formulations and ensuring the conservation of species, the center also develops stewardship protocols for the supplier communities.

NINA promotes the bioeconomy in the region by joining forces with other organizations to promote science and technology that value the standing forest and generate local income (*further information on page 77*).



- **Natura Innovation Center:
located in Cajamar (São Paulo),**

our R&D center leverages innovation and the development of more natural formulas with exclusive, powerful and safe ingredients from Brazilian biodiversity, especially the Amazon, without conducting tests on animals to prove the safety and effectiveness of our products. The technology park has latest generation laboratories and equipment to identify in depth the vocation of the ingredients and to transform this knowledge into science applied to the products, ensuring high performance. It also houses

collaborative spaces such as the sensory laboratories and the Co-creation Space in which consultants and consumers are invited to participate in the development process of our products, helping us to enhance our prototypes. The center also conducts activities aimed at dissemination, inspiration and co-creation with universities, start-ups, suppliers and partners.

Natura Startups

Launched in 2016, the Natura Startups program is aimed at connecting new entrepreneurs with the challenges in our businesses. Since its creation, some 5,700 start-ups have participated in the initiative, which tested 136 solutions created by them and established at least 55 commercial partnerships. In 2022, 53 start-ups had an active relationship with Natura.

Considered fundamental for our organizational transformation in line with an increasingly collaborative and transversal innovation culture, the program has resulted in the recognition of Natura as the health and well-being company that is most engaged with start-ups in Brazil for two years in a row, according to TOP 100 Open Corps.

Among the solutions presented to meet sustainability goals, the use of drones, in conjunction with the start-up Speedbird Aero to deliver Natura products is being assessed. This should contribute to the reduction of net greenhouse gas emissions. Another example of positive impact technology is audio services for websites, created by the healthtech Audima, which permit the digital inclusion of the hearing impaired.

Open innovation

It should be emphasized that we operate under the concept of open innovation, with a significant part of the projects undertaken in collaboration with research institutes, universities, start-ups and large companies from all over the world.

The opportunities for interaction occur throughout the innovation process, from the initial stages, such as co-creation processes with scientific groups such as Encontro da Escola São Paulo de Ciência Avançada em Amazônia, fostered by the São Paulo state research development organization Fapesp (Fundação de Amparo à Pesquisa do Estado de São Paulo) which brought together over 80 doctoral level researchers from Latin America to share challenges and generate joint development proposals.

Another example of open innovation at Natura is the consortium established in 2022 with other leading companies in their segments and benchmark research centers in the country for the creation of the Centro de Ciências para o Desenvolvimento de Soluções para resíduos pós-consumo (Scientific Center for the Development of Post-Consumer Waste Solutions). Fostered by Fapesp and led by the Cetear/ITAL Packaging Technology Center, we expect to be able to develop cross cutting solutions for the consumer goods chain in which we operate. This type of initiative, together with our organic engagement programs such as Natura Campus (since 2006) and Natura Startups (since 2016), enables us to access and co-build promising solutions for an ever more sustainable future.

Commitment to Life

The principles of circularity and regeneration underpin all our product choices, including formulas and packaging. The choice of the best ingredients from the origin to final disposal is monitored by means of indicators such as the percentage of natural/renewable origin inputs and the percentage biodegradability of rinsable products, which are based on global references such as ISO 16128 for natural origin and OECD 301 A-F for biodegradability. These are references that permit comparability and transparency while ensuring safety and technical rigour for company products.

No animal testing

Natura has not used animals in safety and effectiveness tests since 2006. Our R&D has a robust technology platform based on data science, enabling integrated, robust alternative approaches for each development, capable of supplying the highest amount of information possible.

The safety assessment of the proprietary raw materials developed by Natura is undertaken using an integrated strategy of methodologies. This is how we developed a methodology that uses microfluidics technology called "human-on-a-chip", in a partnership with the National Biosciences Laboratory (LnBio), of the Centro Nacional de Pesquisa em Energia e Materiais (CNPem). The process consists of integrating the equivalents of human organs,

biomanufactured in laboratory, for in vitro simulations of the functioning of the human organism.

This represents a technical-scientific leap in quality in the generation of data on raw materials and products, that permits the experimental evaluation of critical questions in safety assessment in an unprecedented way. This new methodology has the potential to leverage the use of new ingredients in cosmetics, particularly ones from Amazonian biodiversity.

It should be noted that the only non-vegan ingredient still used in the Natura portfolio is beeswax, used mainly in makeup, and which is gradually being substituted. In 2022, 95% of the Natura portfolio was vegan.

Consumer safety

GRI 416-1

Our concern with the health and safety of consumers and the environment ranges from the research into new ingredients and the conceptual design of the product until its launch. From this point, we continue to monitor its use to identify opportunities for improvement. We use cutting edge technological tools, based on predictive models and data science, which support product safety management.

In our portfolio we only use ingredients that have been proven to be safe in line with the international scientific community. We ban any ingredients of concern to human and environmental health, going beyond regulatory prohibitions. We monitor international lists of controversial ingredients and movements among the scientific community and other influencers related to these substances.

Phthalates, parabens, and triclosan are among the controversial ingredients banned by Natura. In 2022, this process was extended with the prohibition of Glyoxal and Imidazolidinyl Urea, in function of concerns about human health. Moreover, we prohibit the use of any ingredient that is considered to be microplastic (polymers and/or synthetic copolymers in solid particulate form, with particles smaller than 5 mm, insoluble in water and non-degradable), to avoid the risk of pollution to rivers and oceans.

There have been no cases of non-conformance and incidents with our products related to sanitary laws in the countries in which Natura operates, as is the case with the group's other brands. **GRI 416-2**



See the list of
banned ingredients on the
ESG Scorecard



Launches



Essencial Único Fragrances

Co-created by Veronica Kato, Natura's exclusive perfumer, and other renowned perfumers, the Essencial launch has intense fragrances employing superior perfumery ingredients – such as bi-distilled Vetiver and Egyptian Jasmin – enveloped in the iconic notes of fractioned Amazonian copaiba. These unique ingredients are submitted to a purification and filtration process, making the fragrances richer and more involving, revealing the maximum sophistication of Natura Perfumery. With a sophisticated bottle and packaging, Essencial Único was launched with a refill.



Chronos Plumping Bio-Hydrating Serum

This new serum is a hyaluronic acid booster with a plumping and hydrating action that combines *fevillea*, a Brazilian biodiversity ingredient, a powerful prebiotic and triple 1.5% hyaluronic acid. Together, these actives fill and hydrate the different skin layers, reducing wrinkles and fine lines. The super-concentrated formula can increase hyaluronic acid in the skin by up to 75%.

Chronos Intensive Lifting and Firmness Serum

The union of jatobá, an exclusive Brazilian biodiversity active, and a triple peptide promotes an immediate lifting effect, protecting and stimulating the three main types of collagen in the face. The super-concentrated formula leaves the skin firmer, more hydrated, with a defined facial contour. The formula has an immediate, progressive and long-lasting action.





Kaiak Clássico

The product line reinforced its commitment to nature with the relaunch and renovation of the pack of its first version, Kaiak Clássico. The new, more intuitive cap system, is more modern, more resistant and easier to open. The plastic part of the pack uses 20% less material than the previous one. Furthermore, 50% of the plastic in the pack is recycled after being retrieved from the Brazilian coastline.



Ekos among the best beauty products in the world

The Ekos line received international recognition for its sustainability. The Ekos Tukumã Body Moisturizing Deodorant Pulp – based on the Amazonian ingredient Tukumã, which has important anti-ageing properties for the skin – was highlighted in the magazine Allure, which publishes an annual list of the best beauty products in the world.

In the 2022 edition, the product won the "Allure Best of Beauty" award, considered to be the global Oscar in beauty, in the Beauty Clean category. The cosmetic potential of Tukumã was unknown until the beginning of the decade, when Natura started research into the active. Using gene expression studies, we identified important cosmetic properties: the Tukumã butter stimulates the production of hyaluronic acid, present in the human body, filling the skin deeply. The pulp oil protects the skin's natural hyaluronic acid from degradation. When combined, the benefit is boosted, preventing ageing of the skin.

Tukumã has helped empower more than 700 families who have become involved both in harvesting the ingredient and in running the cooperatives, helping to make this plant, until recently disregarded, a potential lever of socio-economic transformation.



Main recognitions

Among the best B Corps in the world

In 2022 Natura was recognized as a **Best for the World B Corp**, the result of our performance in the environmental, social and economic areas and in the B certification process. Natura is one of the few companies in the world to score in seven impact business models (IBMs), such as employee development, conservation of land and wildlife, ecological manufacturing processes and mitigation of poverty. It was placed among the top 5% of all the B Corps of corresponding size in its group.

Certified



The strongest brand in the world

Natura was recognized as the strongest cosmetics brand in the world for the second consecutive year, according to the 2022 **Brand Finance Brasil 100** report. The survey assesses the strength and value of over five thousand global brands. Natura was also recognized as the strongest brand in Brazil and the 7th most valuable in the country in the overall ranking. The company scored 91.5 points (out of 100) in the Brand Strength Index (BSI), and the classification of strength corresponds to AAA, the highest possible. BSI assesses the risk and the potential future of a brand in relation to its competitors, on a scale that ranges from D to AAA. The index also takes factors such as investment in marketing, familiarity with customers, team satisfaction and corporate reputation into account.

Company with the best corporate reputation in Brazil

For nine consecutive years Natura has led the ranking of the companies with the best corporate reputation in Brazil, in the assessment conducted by **Merco** (Monitor Empresarial de Reputação Corporativa). In the Hispanic American countries, we continue to be ranked among the companies with the best reputation in the countries in which we operate, in particular in Argentina (6th), Peru (10th), Mexico (11th) and Chile (12th). Natura also leads the Merco ranking of companies with the best ESG reputation in Brazil – and is placed in leading positions in Hispanic America: Argentina (2nd), Chile (2nd), Peru (2nd), Mexico (9th) and Colombia (13th).



Main *recognitions*

Unprecedented distinction from the CDP for combating climate change

For its management of greenhouse gas (GHG) emissions, Natura is on the CDP list of world leaders in combating climate change. In 2022, we received the unprecedented rating of "A" in the assessment. Natura also received a distinction in the CDP Supplier Engagement index, for its work with the value chain.

The cosmetics brand most engaged with start-ups

For the second year running Natura came first in the Health and Well-being category in the TOP 100 Open Corps. The company also stood out among the Brazilian companies most engaged with start-ups.

Top ten most influential brands

In the 10th edition of the "The Most Influential Brands" survey, organized by **Ipsos**, Natura was recognized as one of the ten most influential brands in the daily lives and behavior of Brazilian consumers in six dimensions: Innovation, Trust, Presence, Empathy, Engagement and Socio-Environmental Responsibility.

Creativity and innovation in design

The company received a distinction for the fourth consecutive year in the award that recognizes creativity and innovative potential in Brazilian design, the Brazil Design Award. This is considered to be the biggest in the segment in the country. Natura won nine awards in diverse categories, worthy of note being the Natura Biôme product line.

Natura was also distinguished in other important awards, including:

- **Exame Best in ESG**
- **Eco Award**
- **Valor Innovation Award**
- **SDG Pioneers**
- **CNI Innovation Award**
- **Glamour 2022 Award**
- **Caliber Index**



Avon

Founded in 1886, Avon connects people in over 70 countries, using the power of beauty to transform women's lives for the better.

One of the biggest direct selling companies in the world, Avon has more than 2.6 million Beauty Representatives in Latin America. In Brazil for over 60 years, the company works to strengthen women's self-esteem and to democratize beauty by offering quality products at attractive prices. Since 2020, it has been part of the Natura &Co group.

Purpose

Empower women, promote their financial independence and enhance all types of beauty.

Mission

Celebrate the power of women to generate beauty and positive impact for the world

AVON

In 2022, we consolidated our new brand positioning and expanded the new commercial model. We are working on recovering our profitability, increasing productivity, strengthening relations with consumers and forging a closer connection with our Beauty Representatives. We are also seeking to elevate the loyalty and satisfaction rates between professionals and customers and strengthen the link between them.

Additionally, the company is reinforcing diversity and inclusion and seeking to reduce its environmental impact, in line with the goals of our Commitment to Life. Another priority was to continue to optimize the portfolio and to accelerate the digital strategy, as described ahead.

Our Network

In 2022, there were 2.6 million Avon Beauty Representatives and 36,700 entrepreneurs, a base 10% lower than 2021, but with increased productivity. In Brazil, which accounts for almost half of the network's sales in Latin America, there was a double digit increase in productivity and stability in the representative base in the last two quarters.

Also in Brazil, more than 147,000 representatives received training in 2022, compared with 106,000 in 2021. There was a 94% increase in accesses to training during the year.

The assessment of our representatives' satisfaction is one of the metrics used to evaluate relationship quality. The rate remained stable in 2022 at 58.4% in the consolidated figure for Latin America. **GRI 2-29**

	2020	2021	2022
GRI 2-29 Representative satisfaction¹ – Latin America	57.15	58.83	58.44

¹ Percentage of representatives who gave scores of 8, 9 or 10 ("Top3Box") on a scale from 1 to 10 for their overall satisfaction with Avon for Brazil, Argentina and Colombia, and representatives who gave scores of 9 and 10 (Top2Box) for Mexico. Weighting in accordance with projected number of representatives available/year. Source: Reps Satisfaction survey conducted by Ipsos Institute on a quarterly basis.

Digital network

Digitalization represents a lever for the development of our representatives' businesses. This is why we promote the use of digital tools that generate interaction and bring them close to consumers in the online environment.

Currently, 80% of our network is already digital and uses tools such as the website, the app, the digital magazine and Avon Conecta – or digital store. With more than 245,000 stores open in Brazil and Argentina, the representatives are able to place orders, access sales records, verify credit and forward the digital magazine to customers, among other functionalities that facilitate the digital sales flow.

An additional lever for the representatives' business is the Nossa Avon App, a communication platform with news about campaigns, product information, incentives and training courses. In 2022, we included social selling tools in Brazil and Argentina, enabling the representative to customize banners and offers for their consumers in a professional way - more than 30% of our representatives are using these tools to increase their sales. We also continued with the digitalization of the magazine, which contributes not only to gains in efficiency, but also to reducing carbon emissions. Moreover, we expanded customization capacity for the representatives and initiated the personalization of offers and CRM (Customer Relationship Management) communication for clusters in the representative base.

Among the highlights for 2022 were the advances in the automation of the call center and customer service, leveraging the use of Bella, our artificial intelligence persona.

Avon Brazil
240,000 representative
virtual stores
72% penetration in the app

Innovation in Avon

With global management of product research and development, Avon has innovation centers and a network of laboratories worldwide, including Brazil, Poland, China, the Philippines, South Africa and the United Kingdom. These include the Color Laboratory, which develops around 250 new make-up products per year. In addition to providing a grand palette of color options, this work ensures a democratic and diverse portfolio to meet the needs of each skin tone.

Developing a circular approach to product design and development and achieving the targets established in our Commitment to Life are part of the guidelines that orientate Avon product innovation.

Management of innovation is also global and is led by Avon Products with support from Natura & Co Latin America to undertake adjustments and adaptations in ingredients in line with regulatory requirements and regional characteristics.

Further information at **Avon International** (in English).

Further information
about relationship and actions oriented to our network
in the section [Consultants and Representatives](#). (from page 99),
in the chapter [Commitment to Life](#).



Portfolio optimization *and brand positioning*

In 2022, the main pillars of the turnaround strategy were related to the definition of the role of the categories and the product assortment. To drive greater business efficiency, we reviewed the Avon portfolio, with a focus on innovative and differentiated products. We also incorporated lower environmental impact criteria into the design of the portfolio.

With this process, we made room to advance and to innovate in the priority categories, in particular, make-up, skincare and perfumery. We added a total of 2,057 products to the portfolio, of which just over half were beauty products and the remainder fashion and home.

Due to its success in the previous year, we maintained the #WatchmeNow (#OlhadeNovo) movement – a campaign launched all over Latin America and which was a high point in the Big Brother Brasil program in 2022 for the second consecutive year. The program served as a communication platform, highlighting the presentation of the new Avon positioning.



Brand consideration

In the year, the Avon brand consideration rate in Latin America was **60.24, increasing compared with 2021**

The efforts made to reposition Avon are reflected in the brand consideration indicators. In the consolidated index for Latin America, the rating was 60.24%, 1.5 p.p. higher than the previous year. In Brazil, the result was 70.4%, a significant improvement over the 2019 performance of 64.0%.

GRI 2-29

Among the highlights of the year, we organized diverse brand engagement actions in our geographies with celebrities, influencers, make-up artists and sponsorships. We continue to intensify the campaigns to reinforce and conserve the results achieved.

	2020	2021	2022
Avon brand consideration¹ – Latin America	55.2	58.7	60.2

¹ Percentage of respondents who gave a score of 1 (It would be my first choice) and 2 (I would seriously consider it) for the probability of choosing Avon in their next purchase on a scale from 1 to 4 points. (Top2Box). Considering the regions: Brazil, Argentina, Mexico and Colombia, weighted in accordance with the net revenue in the previous year. Source: Brand Consideration survey conducted quarterly by the Kantar Institute.

Performance *highlights*

In our new commercial model, which came into operation in Brazil and Ecuador in 2021, and with some initiatives in Colombia in 2022, the major challenge was the stabilization of the network, which has already shown signs of recovery. In the three countries there was a reduction of less than 3% in the network, with Ecuador presenting a slight increase in the number of representatives and leaders, reaching 69,397 (compared with 69,215). There were also gains in productivity per representative in the priority categories in the region (make-up, face and perfumery). Sales in the beauty category increased, especially worthy of note being perfumery. In 2022, e-commerce grew 14% over 2021 and the penetration of the Avon Beauty Store app grew from 61% in 2021 to 72% in Brazil.

The portfolio review focused on the Beauty categories led to reduced performance in Fashion and Home. It is worth underscoring the quality performance of the products in this category – in 2022, there was a reduction of over 30% in complaints, which had already dropped 12% in 2021, reflecting the success of the portfolio optimization process.

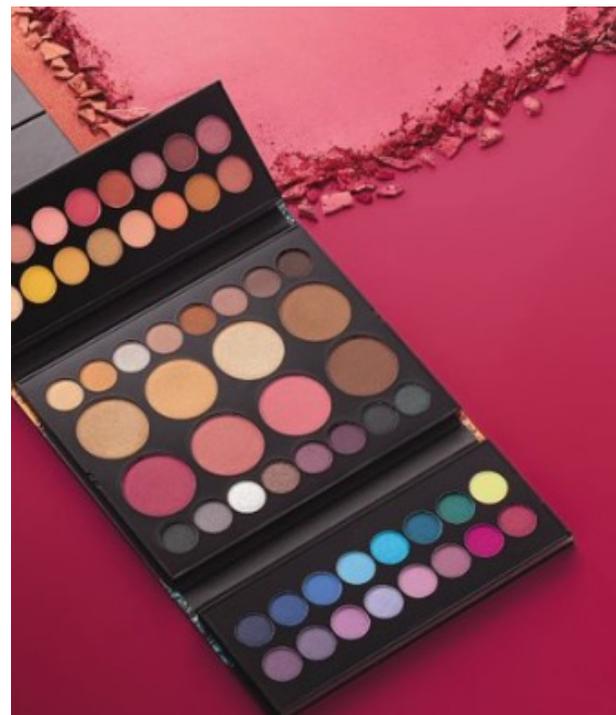
In the operational environment, worthy of note was the junction of the Natura corporate offices in Brazil, Mexico, Chile and Peru. We also inaugurated the first combined distribution center, which operates in Murici, Alagoas, and prepared the resumption of perfumery production at the Avon factory in Interlagos, in the city of São Paulo.

Launches

LOV|U

The brand's new women's Deo Parfum celebrates love with small gestures. A formula with a long-lasting effect, Lov | U introduces a trail of olfactory notes that mixes raspberry nectar and pink pepper, foaming pink champagne with rose petals, as well as toffee apple combined with cashmere wood and whipped almond cream.

The perfume was created with exclusivity by two French perfumers from the IFF fragrance house for Avon Brazil.



Big Pro color palette
Long-lasting and with high pigmentation, the Avon Big Pro Palette has a variety of tones to make women's lives ever more colorful. There are 48 super-pigmented new colors for eye shadows, blushes, highlighters and and tanners. Ranging from vibrant to earthy and nude, the colors work for all skin tones.

Hydramatic lipstick

Hydramatic lipstick is part of the TRATAMAKE portfolio, which combines make-up with skincare assets. The new matte effect lipstick contains hyaluronic acid and moisturizing active ingredients in the center of the stick, guaranteeing immediate hydration, as well as healthier lips and the reduction of fine lines with continuous use, even after removing the make-up. Available in 12 colors, its creamy formula is coated with intense pigments and a 100% matte finish without drying out or caking on the lips. Additionally, compared with other lipsticks that do not have SPF, the Hydramatic lipstick offers 13x more sun protection.





Main recognitions

Yes to Racial Equality Award

The #WatchMeNow campaign was recognized with the 2022 Yes to Racial Equality Award in the category *Advertising Highlight and Digital Representativeness*. The #WatchMeNow movement invites the public to get to know Avon from a different perspective by celebrating the democratization of beauty, a journey of self-esteem for women and recognizing the parallels between the unique histories of each one and Avon's own journey of reinvention.

Organized by the **Instituto Identidades do Brasil**, the award is considered to be one of the biggest in recognizing people, companies, initiatives and organizations that work for racial equality in the country, in the areas of employability, education and culture.

Instituto Ethos and Época Negócios D&I Award

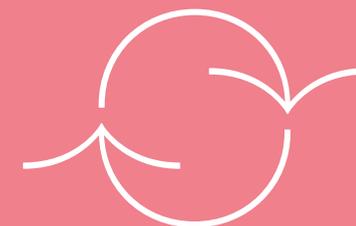
The **Ethos/Época** Inclusion survey highlighted Avon in the *Inclusion of Women* category. We came first because of our performance in female inclusion – in addition to having a majority of women leaders, we have the target of reaching 30% black women at management level by 2030.

TikTok Awards

Avon won in the category *Best Partnership with Content Creator* for a joint action with the cinema critic Isabela Boscov, who did a make-up review that was a success on the platform. The award was granted by **TikTok**.

Avon was also distinguished in other important awards, including:

- **1st place in Best Companies in Diversity Practices and Actions, from Iniciativa Empresarial pela Igualdade Racial**
- **2022 Smarties Award, from MMA Latam**
- **Folha Top of Mind 2022, 3rd place in the Cosmetics category**
- **Aberje 2022 Award, Southeast region, in the Diversity and Inclusion category**
- **Gold in the Effie Awards Brasil 2022**
- **Award from the Brazilian direct selling association ABEVD (Associação Brasileira de Empresas de Vendas Diretas), in the Incentive and Relationship category for the project Meu Mundo Avon**



The Body Shop

Founded in 1976, The Body Shop seeks to promote positive change in the world offering high quality products inspired by nature and produced ethically and sustainably, as well as promoting campaigns for social and environmental justice worldwide.

A pioneer in the philosophy that business can be a force for good, The Body Shop portfolio comprises products for the face, body, hair, make-up and for the home. In Latin America, in 2022 the company had 134 stores (company-owned and franchises) in Brazil, Chile and Mexico, in addition to its e-commerce channel.

Strategic Positioning

We are an activist beauty brand. The Body Shop empowers its consumers, employees and partners to promote positive actions to transform the world.

The Body Shop exists to fight for a fairer and more beautiful world



THE BODY SHOP

The Body Shop Three pillars of activism

Activism for you

Combat idealized beauty, all stereotypes and taboos.

Supply efficacy based on nature -
the most powerful agent of change.

Activism for communities

Elevate collective power to
unlock economic empowerment,
social equality and human rights.

Activism for the planet

Promote an ambitious sustainability
agenda so that all living beings can live
in harmony with nature.



The brand strategy continued to be oriented to the recovery of the channel mix, stabilization of revenue and cost discipline to improve profitability. Faced with economic-financial challenges, we adopted measures to resize the organization, focusing on efficiencies and the main retail channels.

To get even closer to consumers, in Brazil we inaugurated the new concept of store launched in the United Kingdom in 2019. The first unit was opened in 2021, and two new ones were inaugurated in 2022 in Rio de Janeiro and in São Paulo. The Workshop stores express the brand in their architecture, in the message and in the point of sale, inviting consumers to dive into our universe. Inspired by artisan workshops, the spaces were designed with the use of natural, recycled and reused materials; they have interactive product trial spaces, free self-care services, and they amplify messages about important causes for the brand. In 2022, one of these actions was the mobilization of younger electors to exercise their citizenship and activate their voter registration. The inauguration of the store on São Paulo's Avenida Paulista incorporated a creative experience with the movement *Create like a girl*.

Certified as a B Corp since 2019 and a pioneer in anti-animal testing activism, The Body Shop is committed to having 100% of its portfolio certified vegan by The Vegan Society by the end of 2023.



Innovation in The Body Shop

The Body Shop and its vision of pursuing a fairer and more beautiful world orientate its innovation processes based on transformative beauty, to generate positive impact for people, communities and the planet.

Innovation, Research and Development (R&D) are managed by The Body Shop international unit, in the United Kingdom. However, a nucleus in Brazil participates actively in the expansion strategy for Latin American countries. In Brazil, we use the experience and local knowledge of Natura &Co Latin America to develop exclusive products, as well as adapting and adjusting items from the global portfolio in accordance with regulatory requirements and regional characteristics. We value our local supply chains and production to serve the Brazilian market as a means of further driving our positive impact indicators.

Further information in [The Body Shop International](#) (in English).

Launches



Edelweiss

The former Drops of Youth inspired this new skincare line which challenges the anti-ageing narrative and presents the passage of time as a privilege which may be experienced with self-esteem and empowerment. Edelweiss is enriched with double the concentration of the extract of edelweiss, a rare alpine flower which has powerful antioxidant properties. The formula is 43% more powerful than retinol and has 99% ingredients of natural origin to help smooth and protect the skin.



Vitamin C with camu-camu line

The revitalizing vitamin C serum is rich in extract of camu-camu, a fruit native to the tropical forests of South America, which has up to 60 times more vitamin C than orange. The formulation also contains Brazil nut oil and vitamin E, and keeps the skin hydrated and protected against free radicals. The vitamin C line also encompasses liquid peel, moisturizing lotion, microdermabrasion scrub, energizing spray and illuminating hydrating gel.



Aesop

Founded in 1987 in Melbourne, Australia, Aesop is known for creating products with attention to detail, in conjunction with the unique exploration of the intersection of botanicals and science to create sensorial and highly effective formulations for the skin, body, hair, fragrances and for the home.

A premium segment cosmetics brand, Aesop was the first company to join our group, in 2013. A B Corp since 2020, Aesop develops highly efficacious, sensorial formulas.

Values

Respect
Creativity
Excellence
Passion
Integrity

Vision

We are proud of who we are at Aesop and are committed to creating an inclusive environment, where everyone may feel safe and able to bring their authentic self to the workplace. We are all responsible for building a work environment where we can realize our full potential because when our people prosper, so do our customers.

Mission

Our objective has always been to formulate skin, hair and body care products of the finest quality. We investigate widely to source plant-based and laboratory-made ingredients, and use only those with a proven record of safety and efficacy. In each of our unique stores, informed consultants are pleased to introduce the Aesop range and to guide your selections. In addition to our commercial activities, we explore and support the arts as a path to inspiration, learning and communication.

Vision

We are proud of who we are at Aesop and are committed to creating an inclusive environment, where everyone may feel safe and able to bring their authentic self to the workplace. We are all responsible for building a work environment where we can realize our full potential because when our people prosper, so do our customers.

Committed to the generation of positive impact, Aesop is certified by the Leaping Bunny program, from Cruelty Free International, by PETA (People for the Ethical Treatment of Animals) and by the Australian Climate Active program, attesting that its operations in Australia and New Zealand are carbon neutral.

In Latin America, Aesop has one store in Brazil and an e-commerce channel. Worldwide, there are almost 300 unique stores in 29 countries.

After evaluating strategic alternatives, at the beginning of 2023 the Natura & Co Holding Company announced a binding agreement for the sale of Aesop. The measure is aimed at supporting the financial deleveraging of Natura & Co, positioning the company so that it may focus on its strategic priorities.

Launches

Cedar & Citrus Lip Salve

A nutritive formulation offering exceptional moisturization for dry or chapped lips. It also contains a blend of vegetable-derived emollients to smooth and soften.



Sculpt Hair Polish

With a light and gentle texture, the gel shapes and structures most hair types imparting volume to fine, flat or limp hair. Formulated with hydrolyzed oats and infused with the essential oils of bergamot, lime and cloves, it imparts a healthy shine and a subtle, refreshing citric fragrance to the hair.



&Co Pay

&Co Pay, our financial services platform idealized to promote digital and financial inclusion for our network of consultants and representatives, helped enhance consultants' business management and leverage sales. In Brazil, all the Natura relationship channels are already processed by &Co Pay. In 2022, transactions totaled BRL 25.6 billion.

The Brazilian Central Bank approved &Co Pay as a financial institution, which opens up new internal and external opportunities to democratize consultants' access to other means of payment and to credit. The platform has as a premise the generation of a virtuous cycle, in which the consultants gain in productivity and reduced delinquency, in addition to increasing their average ticket.

The service enables consultants and representatives to have access to a credit card, a digital account and fair credit, in addition to leveraging their cash generation and enabling them to choose other means of payment better suited to their reality.

During the year, &Co Pay was expanded to the physical retail and to Argentina. The extension to Avon has already begun, and plans are underway for the other countries, taking into account their specificities, such as bankarization and digitalization rates. For 2023, we want to expand the services on the platform, which should introduce other benefits for the consultants and representatives (*further information on financial education on page 101*).

Commitment *to Life*



A photograph of a dense, lush green forest. In the foreground, a body of water reflects the trees and foliage. The reflection is clear and detailed, showing the intricate branches and vibrant green leaves of the trees. The overall scene is peaceful and natural, emphasizing the beauty and importance of the Amazon rainforest.

Address the climate crisis
and protect the Amazon

Biodiversity *and nature*

GRI 3-3

Integrated vision

We defend an approach that correlates **climate, biodiversity and human rights**

Protecting biodiversity is preserving living conditions on Earth. In this respect, in 2022 the United Nations Biodiversity Conference (COP15) and the United Nations Climate Conference (COP27) sought to reformulate global efforts to address the loss of biodiversity and the climate crisis, ranked by the World Economic Forum (WEF) among the ten principal global risks that threaten life on Earth in the coming years.

We have a growing understanding of the correlation between the balance of ecosystems and climate regulation, in particular in the Amazon region given its megabiodiversity and its role in conserving resources and in the climate agenda. Based on the Convention on Biological Diversity, our activities for over 20 years in the region and the set of targets in our Commitment to Life, we contributed to global and local discussions, emphasizing the importance of an integrated approach to climate, biodiversity and human rights.

It should be noted that we recognize the value of biodiversity as a foundation of our business, which is oriented to using natural (vegetable or derivatives) ingredients and bio-ingredients coming mainly from Amazonian social biodiversity, acquired and developed ethically and sustainably,



Natura contributes to the **conservation of 2 million hectares of the Amazon*** together with its local partners

We maintain **41 communities supplying social biodiversity ingredients in the Pan-Amazon** (from a total of 48 communities)

We have developed **42 Amazonian bio-ingredients**

*Based on the area of three conservation units: the sustainable development reserves (Uacari and Rio Iratapuru) and the extactivist reserve in Mid Juruá, where a large part of the supplier communities is located. The criteria for including the units were: families supplying inputs that represent over 50% of the inhabitants in the unit; they have had relations with Natura for over five years, and there is a field presence of the Natura Relationship and Social Biodiversity Supply team, responsible for interactions with these communities.

with respect for people and for biodiversity. The Amazon represents our main platform for innovation and for generating positive impact.

This essential connection between biodiversity and our business model orientates our guidelines, which include promoting environmental conservation and regeneration, the sustainable use of biodiversity and the implementation of fair and equitable benefit sharing. Our activities seek to generate benefits principally for agro-extractivist communities with initiatives aimed at conserving the forest, promoting a low carbon economy and social inclusion.

We believe in the power of collective action and in networking, joining a series of movements and actions committed to conserving the forest. One example is the relaunch of the PlenaMata platform, created by Natura in partnership with Mapbiomas, InfoAmazonia and Hacklab. This presents scientific data, qualified information and disseminates data on deforestation with the purpose of sensitizing and mobilizing people around the need to conserve the Amazon (*further information on page 83*). We also participate in the Amazon Concertation, a network of over 300 leaders working for the sustainable development of the region; in the Coalizão Brasil, Clima, Floresta e Agricultura; and we are signatories to the business commitment Compromisso Empresarial Brasileiro para a Biodiversidade, whose goal is to underscore the importance of ecosystem services in a movement coordinated by the sustainable development body CEBDS (Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável), in which we are co-leaders of the Biodiversity Chamber.

Natura Amazonia Program

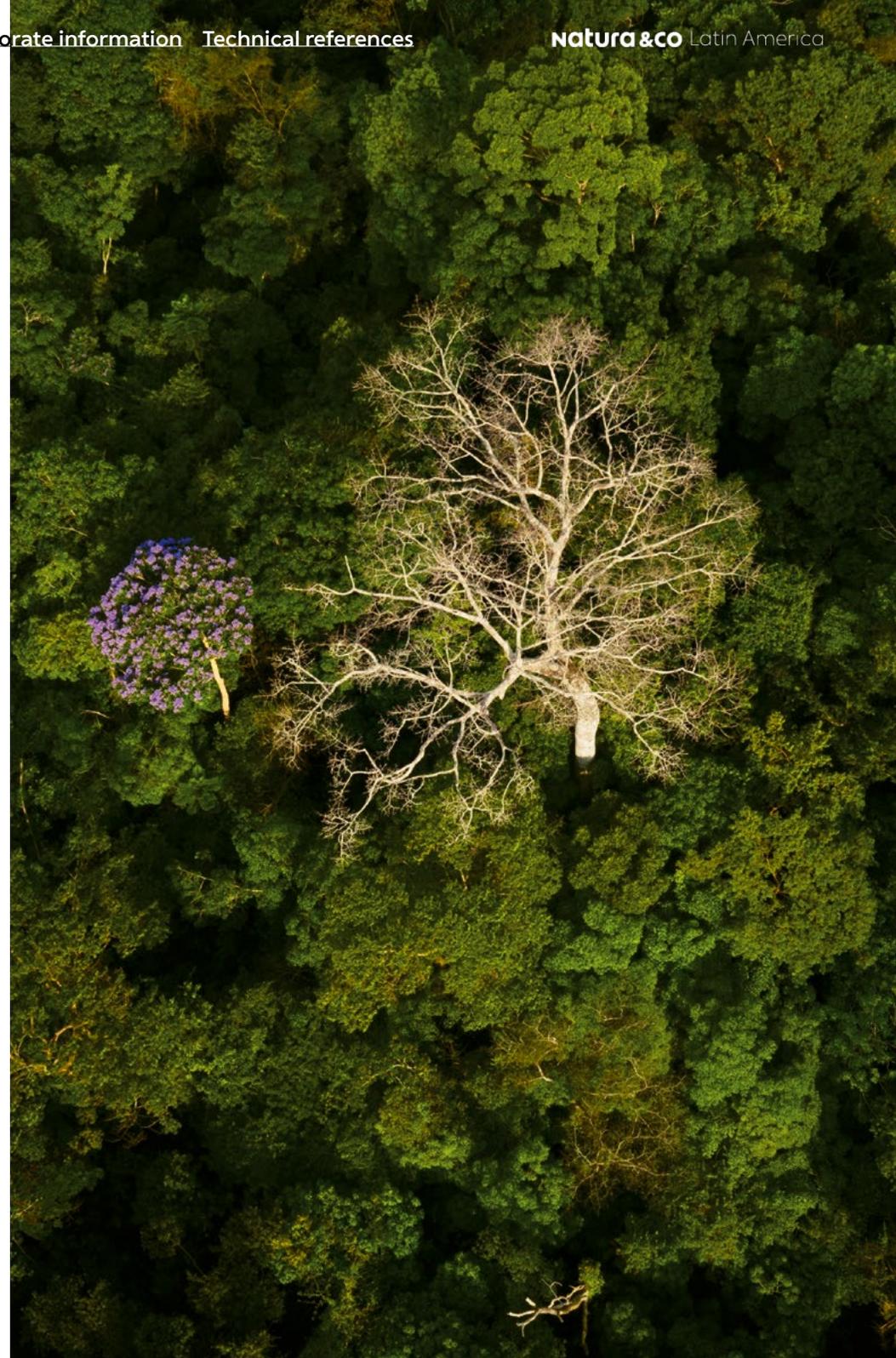
GRI 3-3, 203-1, 413-1

In existence for over a decade, the Natura Amazonia Program came about to maximize positive impact in the region, which is home to over 90% of the agro-extractivist communities with whom we maintain relations.

Our strategy in the Pan-Amazon region is based on three pillars:

- **Science, technology and innovation:** a research and development strategy to increase the use of Amazonian vegetable inputs and social biodiversity ingredients in our portfolio;
- **Social biodiversity production chains:** a relationship strategy with supplier communities, oriented to the generation of work and income and their social and economic development;
- **Institutional reinforcement:** networking with a view to consolidating the bioeconomy, leveraging socio-economic prosperity for related communities and territories and reinforcing environmental conservation and regeneration.

To manage and monitor impacts, we have indicators such as the number of relationship communities, resources allocated in the communities, hectares conserved and the application of the Social Progress Index (SPI). Our activities are aligned with the targets of the Commitment to Life and Natura's own targets in the region.



In 2022, we maintained relations with 48 communities, of which 41 in the Pan-Amazon region, that is, in Brazil and in Hispanic America. In the year, we shared around BRL 46 million (Natura funds) with our relationship and supplier communities, 93.8% of the funds for the region.

We invested in strengthening the management of 15 cooperatives and associations in the Mid Juruá, Lower Tocantins and Tapajós territories in partnership with the Sebrae Pará, Amazonas and National units. Together with APACC (Associação Paraense de Apoio às Comunidades Carentes), in Lower Tocantins, we promoted digital inclusion in rural communities in the municipalities of Abaetetuba, Igarapé-Miri and Cametá in Pará with the installation of internet networks, the purchase of equipment (antennas, modems and computers) and training in basic computing and equipment use. Moreover, since 2019 Natura has partnered with Conexsus to promote the standing forest and entrepreneurship in the communities with which we relate based on the strengthening of community organizations and opportunities of new markets.

In 2022, business modelling activities and studies were developed to support diversified commercialization for four cooperatives and associations that maintain relations with Natura in the Lower Tocantins (PA) and Tapajós (PA) territories.

GRI 203-1, 413-1

Regarding the number of bio-ingredients developed by Natura, we are aligned with our planning and increased from 41 in 2021 to 42 in 2022.

Social Progress Index in Tapajós

GRI 203-1

We use the Social Progress Index (SPI) metric with a view to leveraging and sustaining quality of life in the territories in which we operate. After applying the assessment in Lower Tocantins the previous year, in 2022 it was the turn of Tapajós to submit to this pioneering method of measuring socio-environmental development at a local level based on the collection of primary data.

In the municipalities in which Natura operates in Tapajós, the SPI was 59.33 points (scale from 0 to 100), indicating challenges in the areas of education, health and digital inclusion and more robust rates regarding safety, individual rights, housing and sustainable ecosystems. In this context it is worth mentioning that the index is higher than the 2021 Amazon SPI (54.59 points), applied by Imazon*.

*Source: disclosure of Imazon.

Also in 2022, we evolved in the consumption of Amazonian inputs indicator, now called the Amazon Bioeconomy Spend. The new metric provides improved directions for supply and the vocation of the ingredients in the region. Previously, the data were compared with the total Natura volume of raw material purchases. Now, the comparison has been adjusted to take into account the inputs that have technical potential to be developed and supplied by the region. The new indicator permits a more accurate view of what we may potentially generate in the region and offers clearer directions for decision making.

Furthermore, we stopped considering the volume of palm oil and derivatives in the metric – due to the high volume, the data distorted the result. Although these are fundamental ingredients for our portfolio, we decided to include only the data for palm from agroforestry systems. With these adjustments, the indicator is no longer comparable with the figures up to 2021. Therefore, in 2022 we reached a spend on the purchase of Amazonian inputs of equivalent to 8.4% of Natura’s total spending on the acquisition of raw materials (under the adjusted scope of the indicator). In absolute numbers, there was 33.15% growth in the amount spent on input purchases from Amazonian chains.

We invest in and support the development of processing units for oils, butters and essential oils in the agro-extractivist supplier communities, seeking to add local value. In 2022, for example, an essential oil processing unit was inaugurated by Aprocamp, in Santo Antônio do Tauá (PA). This strategy makes a significant contribution to this indicator and to improving local income.

Funds invested GRI 203-1

Approximately BRL 47 million¹ transferred to the supplier communities in 2022

93.8% of the volume went to communities in the Pan-Amazon region

8.4% of raw materials acquired in the Pan-Amazon region

(compared with the total spend on raw materials)²

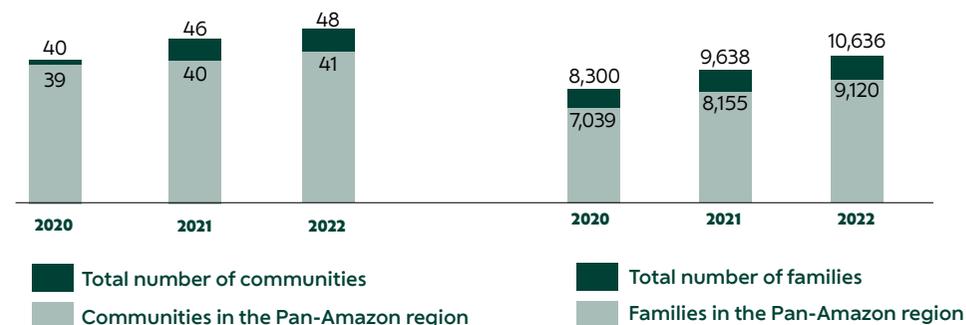
1 The volume includes payment to suppliers, benefit sharing, forest businesses, socio-environmental initiatives and direct and indirect environmental services. The amount includes investments by other partners but that were made through a partnership project, a counterpart agreement or due to intermediation by Natura in 2022.

Relationship communities and families GRI 203-2

GRI 203-2

Supplier communities

Families involved



Supply from the Colombian Amazon

After many years working with the Colombian State and different organizations in this country, in 2022 Natura signed a cooperation agreement to establish its first social biodiversity supply chain in the Colombian Amazon for the supply of cupuaçu butter.

This commitment was signed between Natura, the Colombian Ministry of the Environment and Sustainable Development, the Instituto Amazónico de Investigaciones Científicas, Sinchi, the cooperative Agrosolidaria and the Associação Cupuaçu de Belén de los Andaquíes. The initiative involves a total of 66 families.



Ethical and sustainable supply

Working to protect biodiversity and the transition to a low carbon economy also involves promoting ethical and sustainable supply. This is because 73% of Brazilian greenhouse gas emissions come from land use. 46% of these emissions result from deforestation, most of which is illegal and occurs on public lands or even in areas protected by law .

In this context, our commitment goes beyond our businesses and is extended to our value chain. In the Ekos product line, our supply chain has been audited and attested by a third-party since 2018. It has Union for Ethical BioTrade (UEBT) certification, which is focused on the ethical supply of biodiversity ingredients. Among other criteria, the assessment examines whether the entire supply chain of natural vegetable ingredients and derivatives used in Ekos is managed by a due diligence system in line with the principles of ethical biotrade. The effectiveness of the due diligence system (Social Biodiversity Chain Verification System) is also assessed in the certification. **GRI 2-23**

Moreover, we have extended the management system set forth by UEBT to all the natural ingredients and derivatives used by the Natura brand.

In 2022, we designated an area dedicated to responsible procurement in Latin America and formulated policies for six critical input supply chains, approved unanimously by the Natura &Co group Operational Committee, with the

establishment of management guidelines. The chains are soy, ethanol, cotton, paper, palm and mica. The goal is to achieve complete traceability and/or certification of these inputs by 2025, as well as monitoring global principles and legislations such as the Accountability Framework Initiative focused on protecting forests, natural systems and human rights and supporting forest conservation solutions in high conservation value areas.

The documents present demands and a plan with milestones and commitments aimed at our suppliers.

Among the directives proposed for 2022 and 2023 are:

- Natura &Co will not accept cotton of unknown cultivation origin in all its new product developments;
- All cotton of high risk origin used by Natura &Co in the development of new textile products will have to be certified by a third-party;
- Certification will be required for the development of new Natura &Co products containing paper;
- No palm oil of unknown cultivation origin will be used by Natura &Co in the development of new products;
- Minimum RSPO MB* certification will be required for the development of new Natura &Co products.

Additionally, for Latin America our ethical supply process sets forth guidelines for managing the carnaúba palm chain; the current volume used by the Natura brand is fully Fair Trade certified (with Organic or UEBT certification).

*The Roundtable on Sustainable Palm Oil (RSPO) is an organization associated with the palm oil supply chain dedicated to developing and implementing global standards for sustainable palm oil.

Percentage traceability of supply chains (%):

Palm	98.50
Mica	99.83
Paper	95.00
Alcohol	99.56
Soy	99.00
Cotton	87.00
Carnauba ¹	100.00

¹ Refers only to the volume used by Natura.

Bioeconomy and nature-based solutions GRI 203-1

We believe that the development of a social biodiversity bioeconomy and the decarbonization of the economy represent an enormous opportunity for Latin America. The continent has the capacity to lead the low carbon agriculture, forest conservation (REDD+), reforestation, regeneration and environmental services agendas, with social inclusion and benefits for traditional peoples and communities.

Among the nature-based solution initiatives, worthy of note is the Palm AFS, the first palm oil cultivation agroforestry system in the world. Led by Natura since 2008, in partnership with Embrapa and the Camta cooperative (Cooperativa Agrícola Mista de Tomé-Açu), the AFS cultivates palm oil sustainably in Pará, reproducing its original environment in the forest through the association of diverse plants in the production system. The cultivation practices in the areas are based on agroecological stewardship, without using crop defence products, to promote the regeneration of the local ecosystem and capture carbon from the atmosphere.

Also worthy of note is Tukumã, one of the bio-ingredients used in our products, whose production involves over 700 families, generating income and development based on the sustainable use of actives and keeping the forest standing (*further information on page 54*).



Further information

Detailed information about seals and certification may be found in the [ESG Scorecard](#).



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DEFORESTATION IN THE BRAZILIAN AMAZON IN 2023

155,976,936

of trees felled

 Trees cut down

 Area degraded

daily average 801,771

Real-time estimate 

Living Amazon Forest Cause: mobilize and protect

Our business model and Commitment to Life leverage discussions, social engagement and actions to protect the Amazon. In 2022, together with Mapbiomas, InfoAmazonia and Hacklab, we relaunched PlenaMata, a portal that presents real time data on deforestation in the Brazilian Legal Amazon region. Developed to inform and mobilize people around the Living Amazon Forest cause, the portal is available in Portuguese, English and Spanish.

The tool now serves as a collective global mobilization tool for the protection of the biome. It counts the number of trees

In 2022, **PlenaMata won the Aberje Award** in the Organizational Sustainability regional category **and the Eco Award from AMCHAM-Brasil** (Brazil-USA Chamber of Commerce).

felled, with real time estimates. It also has an archive of contents and a glossary of technical terms related to deforestation, conservation and environmental regeneration. PlenaMata has also incorporated engagement initiatives by our network to protect the Amazon, such as campaigns and petitions.



In 2022, we mobilized the Living Amazon Forest Network, comprising Natural Beauty Consultants, Natura &Co group employees, specialists, influencers and leaders from all over Brazil engaged in protecting the forest. The initiative sought to boost urgent dialogues to extend the reach of initiatives and engagement in this cause.

Throughout September, in which Amazon Day is commemorated (September 5), with the proximity of the 2022 presidential elections in Brazil, we installed the largest digital panel in Latin America in Brasilia with a counter showing the number of trees felled in the forest. Located close to the Praça dos Três Poderes, the panel showed statistics on deforestation and other information related to the conservation of the

largest tropical forest in the world from the PlenaMata platform on a daily basis. The purpose was to inform and to draw the attention of authorities and electoral candidates to the urgent need for effective action to promote the conservation and regeneration of the forest.

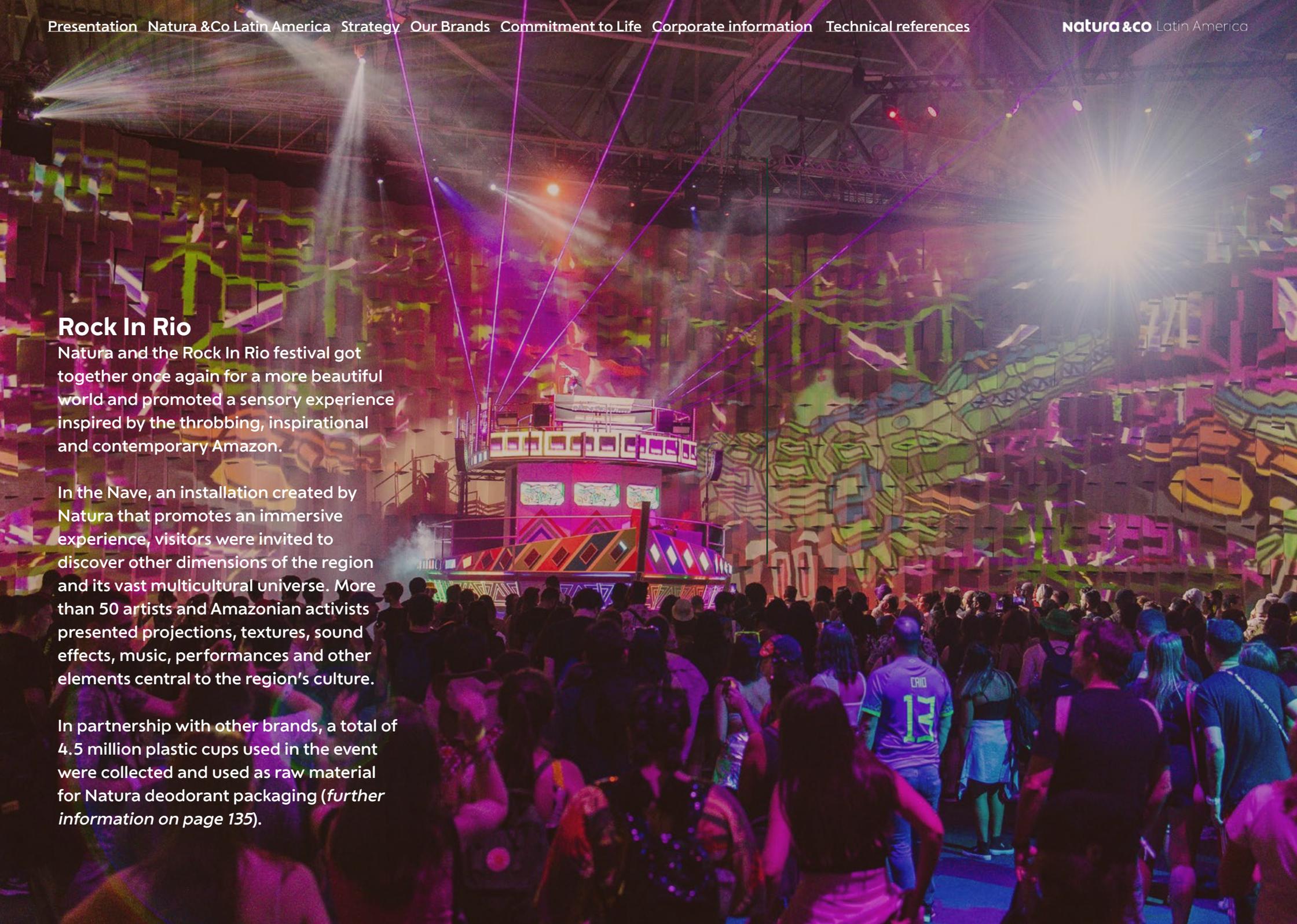
In the @AmazoniaViva profile on Twitter, created especially to drive engagement and social mobilization in the month of September, we divulged contents based on PlenaMata data and helped propagate the Natura "The Power is in Our Hands" campaign, aimed at reminding society that it is time to regenerate the Amazon through conscious consumption and collective mobilization.

Rock In Rio

Natura and the Rock In Rio festival got together once again for a more beautiful world and promoted a sensory experience inspired by the throbbing, inspirational and contemporary Amazon.

In the Nave, an installation created by Natura that promotes an immersive experience, visitors were invited to discover other dimensions of the region and its vast multicultural universe. More than 50 artists and Amazonian activists presented projections, textures, sound effects, music, performances and other elements central to the region's culture.

In partnership with other brands, a total of 4.5 million plastic cups used in the event were collected and used as raw material for Natura deodorant packaging (*further information on page 135*).



Standing Amazon Bill of Law (Amazônia de Pé)

We believe that protecting the Amazon requires systemic, structured and collective efforts. In this context, in 2022 we supported the Amazônia de Pé (Standing Amazon) initiative, led by the organization NOSSAS together with over 200 institutions engaged in this cause.

The action promotes engagement and the collection of signatures in support of a public bill of law aimed at reserving 57 million hectares of public forest land in the Amazon for the protection of indigenous peoples, *quilombola* communities, extractivist smallholders and conservation units.

Given the need to obtain 1.5 million signatures to lodge the bill in the National Congress, Natura &Co Latin America was the first large company to mobilize its stakeholders around the project, managing to collect 55,000 signatures from its network in the second half of 2022 alone. Further information in [Amazônia de Pé](#).

Financing to drive the bioeconomy in the Amazon

GRI 203-1

The Amazônia Viva financing mechanism, developed by Natura &Co Latin America in partnership with FUNBIO (Fundo Brasileiro para a Biodiversidade) and Vert Securitizadora, was selected by the development bank BNDES (Banco Nacional de Desenvolvimento Econômico e Social) for ongoing development by means of a tender with mixed funding from private, social and public sources for investments in social impact businesses.

The initiative plans to boost the production and revenues of more than 40 smallholder cooperatives and benefit more than 10,000 families in the region, fostering the development of some 16 territories.

Natura IP&L

Protecting ecosystems

GRI 3-3



Further information:

Natura IP&L - Circularity (page 136)

Natura IP&L - Consultants (page 104)

BRL 573 million was the positive impact generated by our protection of the ecosystem chain in 2022

The calculation of our impacts takes into account our entire value chain, ranging from the supply of the natural ingredients used in our portfolio, to product end-of-life, measuring impacts such as land use and air and water pollution, for example. Due to this range, the balance of our impact on natural capital and biodiversity is negative.

GRI 2-25

Upon expanding the scope of the IP&L, we reclassified impact categories in relation to ecosystems. Accordingly, our interpretation of the effects we generate for natural capital is more sophisticated. Connecting the valuation of impact with management of this topic in the company, we demonstrated the interdependence between biodiversity and climate, two highly material subjects for Natura.

This understanding stimulates us to transform socio-environmental challenges into business opportunities, prioritizing projects that ally profitability and positive impact on nature, like the Palm Oil AFS. This agroforestry system, which combines the cultivation of palm

with native Amazon species, results in palm olein for the Biôme line of bar cosmetics. Although this initiative is not yet considered in the IP&L calculations, we are focusing on it to scale up our positive impact on this front. **GRI 3-3**

Even though our net effect on natural capital is negative, principally because of the plastic in our packaging, this challenge is being incorporated into our circularity strategies. Further information [here](#).

The IP&L also demonstrates that Natura's contribution to the conservation of 2 million hectares of forest generates BRL 40 million in positive impact on ecosystem conservation. Similarly, the benefit sharing model by which we remunerate communities for the use of forest resources, reallocates part of the money paid in forest conservation projects in a virtuous circle that protects and regenerates these ecosystems. On this front, we generate

a net positive impact of BRL 42.2 million.

Meanwhile, the carbon offsetting projects that neutralize our emissions generate a positive impact of around BRL 488.5 million for the protection of ecosystems. This is the result of the valuation of the ecosystem services rendered, for example, by forest areas linked with Reducing Emissions from Deforestation and Forest Degradation (REDD+) projects. The benefits generated by reforestation programs that we support, dedicated to reclaiming degraded pasture land, help to make up the number, among other initiatives.

The Rios Vivos (Live Rivers) project, the Amazonian component of the Natura Elos program, also has a relevant weight in the valuation of the positive impact we have on ecosystems, particularly waterway and marine systems. Since 2019, we have promoted the collection of plastic waste in

the forest together with riverside communities in Amazonas and Pará. The major part of the plastic that reaches the oceans is transported by rivers, and the Amazon basin is the main conduit to the sea for these materials in South America. In 2022, the Rios Vivos project collected 14.1 tons of plastic in ten riverside communities, generating a net positive impact of approximately BRL 600,000 on this front. Ecosystem services represent the benefits obtained by people and by economic activities based on the flows generated by nature.

Transition to a low carbon economy

GRI 3-3

We address the climate agenda from the perspective of the transition to a low carbon economy. This strategy involves aspects associated with governance, managing greenhouse emissions throughout the value chain and the assessment of climate risks and opportunities.

We pursue a multisector, multilateral commitment involving diverse groups and actors aimed at overcoming the global challenges involved in decarbonizing the economy, halving emissions by 2030 and reaching Net Zero in 2050, so that it will be possible to limit the average global temperature increase to 1.5 °C by the end of the century.

In addition to participating in the Global Compact Net Zero Ambition movement, that challenges companies to accelerate their changes in this direction, the Natura &Co group has the target of achieving net zero emissions by 2030, that is, two decades before the commitment established by the United Nations Organization (UNO).

To foster the high integrity carbon market, Natura was one of the companies that supported the study Opportunities for Brazil in Carbon Markets, promoted by ICC Brasil – International Chamber of Commerce, together with Way Carbon. We are also part of the Brazilian Voluntary Carbon Market Initiative (BR VCM), which is aimed at developing actions and mechanisms to unlock the potential and drive the development of the carbon credit market in Brazil, so that the

country can contribute to this global market.

Another climate agenda initiative is the Plataforma Compromisso com o Clima (Climate Commitment Platform), that connects businesses with socio-environmental projects that generate carbon credits. Idealized in 2017 by Natura in partnership with the Instituto Ekos Brasil and Itaú Unibanco, the strategic planning of the platform was reviewed in 2022, which involved reflection on the results generated. Moreover, three new institutions joined the initiative, which grew to 11 companies. Three new users also joined the initiative.

Decarbonization of business and the value chain

To address the internal decarbonization front in Natura &Co Latin America, we established six specific work flows – Avon Fashion & Home, raw materials, packaging, printed magazines and materials, logistics and manufacturing – in order to develop action plans, promote improvements in management and greater accuracy in managing greenhouse gas (GHG) emissions.

In this regard, in partnership with SINAI Technologies, we automated management of our carbon inventory and created MACC (marginal abatement cost curve) curves for each emissions reduction project in order to compare diverse initiatives and provide a basis for fund allocation decisions focused on decarbonization.

Among the initiatives in the logistics process in our value chain, we started using natural gas powered truck trailers. The projection is that pollutant emissions will be 16% lower than with the diesel powered fleet. This means the company will avoid emitting over 98 tons of GHG per year. The vehicles

are also able to run on biomethane fuel, capable of reducing emissions impacts even further. When they use biomethane, the emissions reduction potential will reach 82%. The initiative is being conducted jointly with Coopercarga, a freight partner that is seeking to expand this type of operation.

Moreover, the digitalization of our magazines helps leverage decarbonization. With the review of the Avon print communication strategy and optimizations at Natura it was possible to reduce Natura's volume of printed material (lower print runs, fewer pages, reduction in the grammage of the paper used in the magazines). This initiative has the potential to reduce emissions from this material by up 33% compared with 2021.

With management improvements and data precision, we progressed in managing emissions at Avon. We established a set of criteria and guidelines that support the choice of a lower environmental impact portfolio, and we incorporated carbon and circularity strategies, benefiting both agendas mutually (*further information on page 130*).

Additionally, we started updating the product carbon footprint model, reviewing data from the raw material and packaging material value chain to drive greater accuracy on the emissions factors in our supplier chain. As a result of this work, we will have an even more specific view about where, in which link of the chain and with which suppliers, to act to decarbonize the value chain. For the coming years, these initiatives and the integration of the commercial team should further accelerate achievement of these goals.

Emissions performance in 2022 GRI 3-3

Natura conducts and publishes its Greenhouse Gas (GHG) Emissions Inventory, which is audited by a third-party and which includes not only the company's direct operations, but its entire value chain. The measurement of Avon and The Body Shop emissions is being conducted together with the rest of the group for the base year 2022, with its first baseline calculated in 2020.

In the measurement of Natura emissions in 2022, scope 3 showed a reduction of 7.2%. This category represents over 95% of our GHG impact and encompasses principally activities in the production chain, including the extraction of raw materials, the distribution, use and disposal of products. The main scope 3 reduction is associated with the growing digitalization strategy for our consultants and the optimization of printed materials, whose emissions fell by 27%. Moreover, absolute emissions from the products decreased by 41%, worthy of note being the improvement in the fragrance portfolio due to the refill strategy and the incorporation of post-consumer recycled (PCR) material.

In scope 1, which measures direct emissions from the Natura operations and accounts for 1.4% of total emissions, the result was 46% higher compared with 2021. The biggest impact came from the consumption of refrigerant gases used in operational maintenance. Other factors that contributed to this performance were the increase in gasoline consumption in company vehicles in Latin America after the most critical period of the pandemic; the increase in the consumption of diesel in generators, used in the event of energy outages in the operations; and external factors such as the percentage of biodiesel in diesel fuel in Brazil.

In 2022, Natura invested some **BRL 9.7 million in carbon offsetting projects**

Accordingly, Natura relative emissions were 2.83 tCO₂e per kg of product mass billed, against 2.80 in 2021. This is because, despite the 7.9% reduction in total absolute emissions due to the good performance in product circularity and the reduction in paper consumption, processes such as logistics had an increase in absolute emissions due to the unstable conjuncture, particularly in exportation. The decrease in product mass billed also contributed to the increase in relative emissions.

In 2022, we also advanced in the project to acquire renewable energy certificates (I-RECs) in Brazil, Mexico and Colombia, which guarantees the use of low carbon renewable energy in our direct operations. We also acquired carbon credits from wind energy plants installed in Argentina, fostering the decarbonization of the energy matrix in the country.

GRI 305-4 GHG emissions intensity	2020	2021	2022
Total GHG emissions (tCO ₂ equivalent) ¹ (total emissions in tCO ₂ e / product mass billed in tons)	347,570.35	360,974.23	332,486.54
GHG emissions intensity	2.85	2.80	2.83

1 Considers scope 1, 2 and 3 emissions.

GRI 305-1, 305-2, 305-3 GHG emissions – scopes 1, 2 and 3 (tCO₂ equivalent)^{1,2,3,4}	2020	2021	2022
GHG emissions – Scope 1	4,777.22	3,311.67	4,838.52
Indirect emissions from the acquisition of energy – Scope 2	5,523.01	9,843.73	4,837.92
Other GHG emissions – Scope 3	337,269.87	347,818.83	322,810.10
Total	347,570.10	360,974.23	332,486.54

1 The greenhouse gas emissions inventory takes into account total emissions from all stages of the Natura operations, from the extraction of raw materials, through our processes and those in our production chains, to the final disposal of post-consumer packaging. We comply with the GHG Protocol standards and the principles of Brazil's ABNT NBR ISO 14064-1 standard and the IPCC Fifth Assessment Report (Intergovernmental Panel on Climate Change Report) The limited assurance of the Natura GHG Inventory in 2022 was conducted by PwC Brasil. The inventory does not take into account the operations in France, the United States and Malaysia.
 2 The calculations take the following gases into account CO₂, CH₄, N₂O and HFCs.
 3 2020 was the base year, with total emissions of 4,777.22 tCO₂e.
 4 The premises presented here are extended to all the GRI 305 series disclosures.

To understand



Direct Emissions (Scope 1)
 Direct emissions from proprietary sources or ones controlled by the company.



Derived Emissions (Scope 2)
 Indirect emissions from the generation of electricity, steam, heating and cooling acquired by the company.



Indirect Emissions (Scope 3)
 All the other indirect upstream and downstream emissions occurring in a corporation's value chain – from the goods it purchases to the disposal of the products it sells.

Payment for environmental services

With our systemic vision of the climate, social inclusion and biodiversity protection agendas and over 20 years working in the Amazon, we have disseminated discussions about the need to incorporate income generation mechanisms for local communities in carbon market regulations.

In this context, we foster the payment for environmental services rendered by local communities, as well as the transition to regenerative agricultural systems that are resilient to climate change (sustainable agriculture and livestock production and agroforestry systems).

Unprecedented recognition from the CDP

Because of the historical recognition of the program and advances in risk management and climate opportunities that affect the business, in 2022 Natura received unprecedented recognition from the CDP. The company received the unprecedented score of "-A", including it in the ranking of world leaders in combating climate change and making it an example of best practices for the market.

Our carbon inventory is part of one of the three pillars of the Natura Carbon Neutral Program. The initiative, now in place for 15 years, establishes the measurement – by means of our carbon inventory – the reduction and the compensation of the emissions not only from the Natura operations, but from those of the company’s entire value chain.

Once again, Natura also received a distinction in the CDP Supplier Engagement index, for its work with the value chain.

One of our strategies to reinforce actions with greater potential to contain deforestation is to stimulate the role of the family agricultural producer in the conservation of the forest. The first project to pay for carbon offsetting within our production chain, called Circular Carbon, has been in place since 2017.

The initiative was undertaken initially with the cooperative RECA (Cooperativa de Reflorestamento Econômico Consorciado e Adensado), with agricultural producers in Porto Velho (RO) and regions around Acre and Amazonas in Brazil, and consists of three fronts: purchase of ingredients, benefit sharing for access to traditional knowledge/genetic heritage and forest conservation.

The RECA cooperative has supplied ingredients for the Ekos line since 2001 and is located in one of the regions in Brazil most under pressure for deforestation, both due to livestock production and timber exploitation. Up to 2022, more than BRL 4.2 million had been paid to the communities for rendering the environmental service of forest conservation.

This amount should be at least tripled by the end of the contract in 2038 if the conservation measures undertaken by the community maintain the same effectiveness. The goal is to achieve zero deforestation in the region in the coming years. It should be noted that the methodology developed for the project has been systematized and is publicly available for replication by other organizations.

Further information
Risks and opportunities related to climate change (from page 153)





Defend human rights
and be more human-kind

Human *Rights*

GRI 2-23, 3-3

As part of our commitment to Defend human rights and be more human-kind we address actions oriented to our employees, the consultant and representative network, the suppliers and, by means of the Instituto Natura and the Instituto Avon and its Foundations, the whole of society. Our agenda in this area includes questions we consider to be fundamental, such as: promoting gender equality and the inclusion of under-represented groups; ensuring the payment of a living wage; and fostering the increase in income and development of our network, quality education, health and the non-violation of human rights.

We eliminated our unexplainable differences in **remuneration between female and male employees** one year ahead of target and we reduced the pure difference

95% of our employees receive a living wage *

51.8% women in leadership positions
(director level and above)

BRL 88.6 million invested in public education through the Instituto Natura

More than BRL 15 million invested by the Instituto Avon and Avon Foundations to combat domestic violence and address breast cancer

*The percentage corresponds to the amount sufficient to meet the basic needs of a family. If the family consists of just one person, the percentage is 99%.



Our commitment to respect the human principles of empathy and solidarity, not only as a company, but collectively, is reflected throughout the Natura &Co group and in our global [Declaration of Human Rights](#), published in 2022. We act in line with the International Charter on Human Rights and Declarations of the International Labor Organization (ILO) on the Fundamental Principles and Rights at Work and on Multinational Companies, the Guiding Principles on Business and Human Rights of the United Nations (UN), and we are signatories to the Global Compact and the Women's Empowerment Principles. **GRI 3-3**

These directives are explicit in our non-tolerance of any violation of human rights throughout our value chain which includes, mainly, employees, suppliers and the network of Natura consultants and Avon representatives.

To ensure this is effective, we have established a list of priority human rights related to our activities and those of our commercial partners, based on the contributions of our stakeholder groups. In the locations and populations where there are more serious threats, these priorities guide the focus of our resources and our attention to address or remediate adverse impacts.

The declaration also sets forth clear guidelines for implementation and governance of the question. Moreover, we have advanced in the strategy and in the elaboration of human rights-related due diligence procedures.

Priority human rights questions for Natura &Co

- Harassment
- Forced labor
- Gender equality
- Discrimination
- Privacy and integrity
- Decent and safe working conditions, including freedom of association and collective bargaining
- Minorities and community rights
- Land rights
- Fair salaries and economic empowerment
- Child labor
- Right to a healthy environment

Human rights in the value chain GRI 2-25

To ensure a cross cutting vision of our priority groups, including employees, consultants, representatives and suppliers, we have areas dedicated to social and human rights questions. In our value chain, for example, potential Natura &Co suppliers need to undergo the registration and qualification processes. Depending on the product or service to be provided there is a categorization that indicates the need to fill out questionnaires and/or undergo a social audit. Every two years companies within this scope are assessed, during which a new audit may be required (*further information on page 126*).

In the social biodiversity supply chain, UEBT certification and traceability criteria involve social questions (*further information on page 81*). Similarly, the Elos recycling chain program, which oversees relations with post-consumer waste picker cooperatives, verifies commercial conditions, fair pricing and social questions (*further information on page 133*).

In relation to other groups, worthy of note in Natura &Co Latin America is Avon's proactive stance in addressing racial equality and violence against women and girls, which has been extended to the the other companies in the region. In 2022, the organization's commitments related to gender equality, the inclusion of under-represented groups, a living wage, increase in the earnings of the broader network and structural initiatives aimed at society have evolved.



Access

the **Declaration of Human Rights** of the Natura &Co group
Information about the **initiatives for each group**
are presented in the sections ahead.

Valuing and promoting diversity, equality and inclusion

GRI 3-3

Defending human rights and being more human-kind involves valuing and promoting diversity, equality and inclusion based on understanding and addressing social tensions originated in our societies and expressed in the form of injustice and inequality. Accordingly, we established the commitment to make our organization a reflex of the societies in which it operates.

In 2022, in line with the Natura &Co Latin America Policy on Diversity, Equality and Inclusion, we accelerated initiatives that address the diversity targets established in our Commitment to Life with actions on the following fronts: gender equality, promoting ethnic/racial equality, inclusion of disabled persons and valorization of sexual and gender diversity.

Because we operate in different countries in Latin America, we prioritize actions in accordance with the main challenges related to diversity and the inclusion of under-represented groups in each location. In Brazil, for example, we seek to represent the reality of the country, which consists of a majority of black people, in our headcount and our value chain. In Hispanic America, we seek to address inequalities based on the reality in each country.

Anti-racist commitment

Combating racism is one of the main activity fronts for protecting human rights. In recent years, Avon has led this agenda in the group, with the launch of its 2020 anti-racist commitment, "Black lives matter". In this context, and understanding that combating racism involves the adoption of anti-racist measures by the whole of society, we address actions directed at all stakeholder groups. Among these was the 2020 launch of a portfolio of make-up products that includes tones and sub-tones for black skins, based on a global study conducted by the brand.

Moreover, to attract, retain and develop black women, we have the DIVA (Diversity + Avon) project. In addition to an exclusive talent bank for black professionals on LinkedIn, which already has 500 participants, the initiative called Minha Cor S.A. (My Color S.A.) is a movement to bring recruiters and black talent together by means of an auto-declared ethnic-racial seal. Since it was created, the platform has had more than 10,000 accesses and has issued 1,200 seals (*further information on page 111*).

Inspired by these measures and with the purpose of leveraging its actions on the ethnic-racial front and in combating racism, in 2022 Natura published its Anti-racist Commitment, through which it proposes to combat racism in its culture, management and communication, as well as promoting and influencing anti-racist behaviour beyond the organization .

Based on the "[Anti-racist Manifesto](#)" and considering the all-encompassing nature of this issue, we developed a broad agenda that includes all our groups and key topics for the business, to accelerate this transformation in Natura.

Combating racism is integrated into our Commitment to Life, through which we seek to address transversal affirmative actions for all our audiences.

Worthy of note among the brand actions was the creation of services to develop and support our consultants that include racial literacy programs accessible to the whole network and a psychosocial support service with legal guidance via WhatsApp for consultants who have suffered racial violence and want to talk about it in a safe and confidential environment.

In 2022, we also sought to apply an anti-racist perspective to the most recent edition of the HDI-Consultant created by Natura.

The assessment identified that the rate is lower for black consultants who, on average, have a lower income than white consultants. Based on this initial assessment, we committed to promoting ways to increase the income of black consultants.

GRI 3-3

In Natura &Co Latin America, we started to prioritize the contracting of consulting services and agencies, among others, run by black people. Along the same lines, we started including information on human rights and diversity on the supplier management portal.

Regarding our employees, we developed affirmative actions on different fronts to guarantee equality in the inclusion of black people in selection processes at all levels, such as the program CorageNatura, for trainees, Avante, focused on career acceleration, and the intern program, with at least 50% of the places reserved for self-declared black university students (further information on page 110).

See the **Anti-racist Manifesto**



Consultants *and representatives*

GRI 2-6

Working proactively to ensure our broader network prospers is part of our business model and the Commitment to Life. In 2022, we had more than 4.1 million Natura Beauty Consultants and Avon Representatives in 15 countries in Latin America - 2.1 million consultants and 2.6 million representatives, with 500,000 of them working with both the brands. We seek to actively address measures to reinforce entrepreneurship and maximize value generation by means of income, education and health, as well as combating gender violence and promoting gender and racial equality.

In terms of income our purpose is to create conditions to boost the value that our relationship network can generate based on their relationship with our brands.

With the combined consultant and representative working model, part of the Natura and Avon integration strategy for Latin America that will be accelerated in 2023, we expect to contribute towards increasing the network's income (*further information on page 24*).

Also worthy of note is the civic awareness education trail for consultants and representatives with a focus on the importance of voting. This was created based on the Conscious Vote campaign (*further information on page 140*).

Movimento Social Support

GRI 3-3

Active in all the countries in which we operate in Latin America, the Movimento Social Support supports consultants, representatives, leaders and entrepreneurs who get in touch with it. Social assistants assess the context and refer them to the specialized services we offer: telemedicine, psychological counselling, support in the event of domestic violence and/or financial assistance for food, medical expenses and cases of public calamities. In 2022, the center provided support for 2,700 consultants and representatives, involving an investment of BRL 1.25 million.

Information about **initiatives for Natura Beauty Consultants and Avon Representatives is presented ahead**

Check out the connection with the Consultant and Representative table in the **ESG Scorecard**





Natura *Beauty Consultants*

Living income*

GRI 203-2

Natura has adopted the concept of a living income since 2019, to monitor the prosperity of its consultants and leaders and drive earnings with Relationship Selling. Based on a calculation that considers that a consultant's total income may include other activities and allows for proportionality, a living income would correspond, on average, to BRL 13.10 per hour dedicated to the activity.

In 2022, the average income of the Natura consultant in Brazil increased 17.55% compared with the previous year, and was BRL 9.7/hour, due mainly to the resumption of face to face sales and the adjustment in product prices. In the case of business leaders, another measurement unit is considered - 21-day sales cycles - and, besides the income from the consulting activities, the activity involves accompanying a group of consultants. The leaders' income increased 13.52% in 2022, reaching an average of BRL 3,032/cycle.

In 2022, Natura invested **BRL 3.1 million in actions related to educational credit, the Acolher program**, social support for the consultants and the movement against violence, among other initiatives.

GRI 203-1, 413-1

*In 2020 and 2021, the indicator was calculated using the average income for the cycles in the reference year. Further information about income calculation on page 104. **GRI 2-4**

The Consultant HDI

grew 3.6% in 2022

The index was 0.63 (scale from 0 to 1),
the highest since assessments were begun (considers Brazil).

The Knowledge dimension presented an increase of almost 9% compared with the last measurement, leveraged by the financial education and digital inclusion pillars.

Consultant-HDI GRI 413-1

We believe that prosperity is a concept that goes beyond income, involving other aspects related to living conditions and quality of life. In this context, inspired by the indicator proposed by the United Nations Development Program (UNDP), in 2014 we implanted the Natura Beauty Consultant Human Development Index (HDI), the first corporate indicator of its kind in the world.

By means of this indicator, we have measured the Natura network's living conditions over the years and used the results to address strategies that improve the value proposition we offer our consultants, their access to education, healthcare and their rights.

In 2022, the Consultant HDI in Brazil was 0.63 (scale ranges from 0 to 1), the highest recorded in the assessment, representing a growth rate of 3.6% compared with the previous survey, in 2019. This significant growth in the HDI-CN reflects Natura's constant efforts to develop its network through training and digital tools which, in addition to supporting consultancy during the pandemic, drive the personal development of the consultants, promoting income generation and prosperity for their businesses. The survey was driven by the knowledge dimension, which grew 8.9% in the last assessment, leveraged by all the pillars, including

financial education and digital inclusion, which grew 24% and 7%, respectively. In 2022 alone, for example, around 85,000 Consultants took part in financial education courses that included basic financial concepts, such as interest, risk/return ratio, inflation and how to manage the earnings from beauty consulting better.

In Hispanic America, there was a 5.6 drop in the indicator (from 0.62 to 2019), reflecting the social and economic challenges after the pandemic in the countries in the region. However, worthy of note was the advance in the Health dimension in all the countries, driven by improvements in access to medical care and in lifestyle. Another highlight was the improvement in financial education in all the countries. Colombia has the best HDI among the Hispanic countries, followed by Mexico, Chile, Peru and Argentina. With the updating of the survey, opportunities aimed at enhancing quality of life in all dimensions for our consultants were mapped.

Fostering education

By means of the Natura Educational Credit program, consultants and their family members have access to an allowance to take technical, graduate, postgraduate and language courses. Through the [Natura Financing platform](#), which comprehends the stages of applying for and approval of the educational credit, anyone can invest in the fund and contribute to the studies of the consultants and their families.

Managed by the Instituto Natura and the partnering fintech Mova, the program offers interest free financing repaid in up to 36 installments. Payment of the credit conceded is made directly to the educational institution chosen. In 2022, 142 consultants and family members made use of the program.

2022 Highlights

GRI 413-1

968 consultants and leaders took advantage of the educational partnership benefits;

142 Natura Beauty Consultants and leaders participated in the educational credit program, totaling BRL 650,473.59;

243,000 single consultants concluded the Education Trails in partnership with the Instituto Natura;

5,381 consultants prepared for Brazil's National Secondary Education Examination (Enem) or the Youth and Adult Competency Certification Examination (Encceja) with free preparatory courses financed by the Crer Para Ver Program;

841 Business Leaders received grants in the Study Scholarship Program.

Ciranda Natura, the first business school with affection in Brazil

In 2022, Natura launched "Ciranda Natura, Business School with Affection", an initiative whose mission is to accelerate the development of more than 1 million Natura Beauty Consultants by means of knowledge, boosting their possibilities of growth and income generation.

The initiative consists of a learning journey that includes online and classroom courses with contents segmented in accordance with the maturity of the consultants' business. By means of a digital platform, the school presents an extensive educational offering with different lesson formats, spaces for exchanges, sessions for clarifying doubts, among other resources.

Course to help women rupture cycles of violence

On International Women's Day in 2022, Natura launched a free course on healthy relationships via WhatsApp. The goal is to train the consultant network and society in general to identify, prevent, break and report cycles of violence.

The course presents concepts related to healthy relationships, ways of identifying the features of a positive loving relationship and ways of identifying channels for helping people who realize that they are not in a healthy relationship.

It should be noted that Natura has a channel to support women who are victims of violence and, since 2022, this has also addressed racial questions. The service was accessed 283 times; 90 of the cases were reports of violence.

Movimento Natura

For over 17 years the Movimento Natura has been dedicated to generating social impact for consultants and leaders, seeking to leverage their role as agents of transformation within their communities. The initiatives undertaken by the Movimento Natura in 2022 involved investments of over R\$ 3.1 million, including the Movimento Social Support and the Acolher Program, among others.

- **Acolher**

Created over 10 years ago, the Acolher program consists of a prize aimed at recognizing and valuing social projects led by the Natura Beauty Consultants, as well as fostering the development of new community leaders. In 2022, there were 1,150 candidates, from whom 52 were selected to participate in a six-month educational journey of online mentoring, with study scholarships of BRL 1,500 per month. Among those selected in the 2021/2022 edition, 84% are women, one of whom is a trans woman; 54% are self-declared as black or mixed race; and one person is visually impaired.

In addition to the conclusion of this training in 2022, the second phase of the Movimento Acolher was organized. A total of 20 proposals were selected with each winner receiving BRL 7,500 in installments (R\$ 3,000 in December 2022 and R\$ 4,500 in January 2023) to invest in their social plans.

Natura IP&L Consultants



Further information:

Natura IP&L - Circularity (page 136)

Natura IP&L - Protecting ecosystems (page 87)

BRL 9.5 billion
in positive net impact
for the consultants
in 2022

The Relationship Selling model is a powerful value generation instrument for our network. While generating opportunities for social ascension through the sale of cosmetics, Beauty Consulting also drives broader benefits. Upon starting a relationship with Natura, the consultant has access to professional training, education and an important social support framework, ranging from promoting women's health to protection against racial and gender violence.

The IP&L permits us to assess the impact this model has on the lives of our consultants, measuring not only the income generated by product sales, but also whether we contribute in general terms to an increase in their quality of life and achievement of a living income.

GRI 2-25

The consultants' income in Brazil grew 17.55% in the period. The result was due, in large part, to gains in consultant productivity, especially for those more

engaged with the brand, that is, at more advanced stages of relationship with Natura in Brazil.

This positive figure also reflects the updating of the 2021 baseline.

The consultants benefited from strategies to individualize strategies to individualize promotions, the good results in the perfumery category, more hours of training and access to new digital tools, such as the interactive magazine. The percentage of consultants with earnings higher than the level of a living wage also grew, reaching 54.6% in Brazil among more advanced level consultants.

In the Hispanic countries, these results were broadly impacted by the level of inflation during the last year, particularly in Argentina. To address this situation, we are going to intensify

training for our network in these geographies, to accelerate the evolution of the consultants at all levels of the commercial model.

The net positive result of BRL 9.5 billion represents important growth of BRL 5.2 billion in comparison with the 2021 result, considering all the methodological adaptations we made. Among the consultants at more advanced levels, our net positive impact was more impressive: BRL 16.4 billion. Among consultants at the initial levels of relationship, our impact is still negative. By monitoring this indicator on a quarterly basis, we expect to help them to ascend economically and socially.

For further information on the calculation of income, **access the technical paper**





Avon Beauty *Representatives*

Financial independence

On International Women's Day, Avon disclosed the results of the survey Measurable Gains, conducted by the brand in partnership with Ipsos, a research and market intelligence company. For the study, 1,457 members of the sales force, most of whom are women aged up to 34 years, were interviewed.

The survey showed how working as an Avon Beauty Representative contributes towards self-sufficiency and financial security. 45% of the interviewees reported that they are no longer as financially dependent on other people as they were before working with relationship selling.

The profits help this group to put food on the table for their families (28%), to build or to buy a house (21%) and to pay off debts (36%). For 10% of the interviewees, the activity is the family's major source of income and for 42%, a complement to income.

The study also indicates that the representatives have a more positive perception of themselves, with 53% of the interviewees stating that their self-esteem is better and 68% believing in their own potential to achieve major goals.



#JuntasTransformamos (#TogetherWeTransform)

The Juntas Transformamos Award was created by the Instituto Avon Brasil to identify and recognize ideas and projects created by Avon Beauty Representatives and Avon Beauty Entrepreneurs aimed at the two causes in which we engage: combating violence against women and girls and care related to breast cancer.

The winners participate in a program that offers training and mentoring in social enterprise. It also offers the possibility of financing for the best projects showing the most growth

potential. There were 318 candidates for the 5th edition, which recognized 271 representatives.

During the year, the institute also promoted the 2nd edition of the Prêmio Inspiradoras (Inspirers' Award). Held in partnership with UOL Universa, at the Casa Natura Musical in São Paulo, the event recognizes, highlights and celebrates female leaders who fight to transform life for Brazilian women. The award is focused on three main causes: violence against women, breast cancer and equality.

Natura &Co Latin America team

GRI 2-7, 401-1

Our people

GRI 3-3

In 2022, the organization had 16,365 employees for whom we promote actions oriented to career development and offer well-being programs. We guarantee employees a living wage and a work environment that values diversity, in line with our Commitment to Life. From the total of employees, 65.98% were covered by collective bargaining agreements. **GRI 2-7, 2-30**



*The number of employees is 7.4% lower than the previous year, when there were 17,672. The variation is due to internal restructuring. As a result, the Natura &Co Latin America turnover rate in 2022 was 18.41%.



Further information

See more data on employees in the ESG Scorecard

Basis of our culture

With the integration of our people management strategy, initiated in 2020 with the arrival of Avon, and the consolidation of the new Natura &Co Latin America organizational design, we were also able to progress in the integration of a common cultural base for our operations, underpinned by the following pillars:

- **Employee at the Center:** deliver learning experiences designed in function of people’s work routines and by means of an inclusive process;
- **Evolve based on what we already have:** take advantage of the synergies among the group companies to promote learning;
- **Simplification:** use technology to democratize knowledge: where, when and how people want it; and
- **Scale up:** develop global solutions in a centralized way, suitable for all the brands, regions and audiences, promoting accessibility.

Engagement GRI 2-29

Twice a year, we conduct an engagement survey with Natura, Avon, The Body Shop and Aesop employees. This frequency ensures agility in discovering people’s perceptions and permits the rapid identification of points that require improvement. During the year, questions about psychological security were included, and questions related to culture were reviewed, to reflect the priority behaviors for the current strategic cycle. The last survey in 2022 had a participation rate of 90% of the employees and presented engagement of 85 points, one point higher than the previous year and 14% higher than the market average

Living wage GRI 202-1, 3-3

We defined the concept of the living wage as the base line for employee remuneration. Aligned with the UN Sustainable Development Goals (SDGs), the parameter establishes the minimum income necessary for a person and their family to supply their basic needs: food, rent, healthcare, education, clothing, transportation and savings.

In 2022, 95% of the Natura &Co Latin America employees received a living wage or more considering the income for a family, or 99% considering income for an individual*. Our target is to ensure 100% receive a living wage by the end of 2023. The reference amount is based on the Wage Indicator and is calculated in accordance with the cost of living, which varies among the regions in Brazil and the countries in Hispanic America. The amount of the living wage is also higher than the official minimum salary in the countries of Latin America.

We pay close attention to equal remuneration between genders and races in the company, with an in-depth evaluation to ensure equal pay (*further information ahead*).

* The percentage considers a living wage for a family with two adults and two children; in the case of individual income, it considers one adult.

An environment that values diversity, promotes inclusion and ensures equality

In connection with our Commitment to Life, the policy on Diversity, Equality and Inclusion for Natura &Co in Latin America encompasses, in addition to gender equality, areas such as the inclusion of disabled people, the promotion of ethnic-racial equality, and the valorization of sexual and gender diversity.

In Brazil, we have four affinity groups for under-represented or minority audiences: Nós (Us - related to gender), Eficientes (Efficient - PwD), Raízes (Roots - color and ethnic origin-race) and LGBTQIA+. Made up of volunteers from all levels of the organization and with the participation of senior management as sponsors, these groups contribute towards enriching our literacy, sensitization and mobilization measures and to strategy reviews, so that we can incorporate the changes necessary in accordance with our targets.

In the Hispanic American countries, we have Diversity Committees, made up of employees, to drive the agenda. We also have a corporate Diversity and Inclusion area, which oversees this aspect in Natura &Co Latin America as a whole.

Affirmative actions

As part of our strategy, we study and recognize activity focuses for each country. For Brazil, the focus is on boosting inclusion and promoting the development of black people, who correspond to a majority of the Brazilian population but are not proportionately represented in our structures,

2022 Highlights Natura &Co Latin America GRI 405-1, 405-2

51.8% participation of women in leadership positions

We eliminated the unexplained gap (-0.82%) in remuneration between male and female employees (it was 1.31% in 2021)

-0.15% gap based on race

11.51% representation of black and mixed race people in management positions in Brazil

6.20% persons with disability in our work force in Brazil

particularly in leadership positions.

We are aware that we need to evolve and learn to achieve what we want. In this respect, we have defined targets, including: reaching 40% black and indigenous employees in Brazil by 2025; 30% of management positions occupied by black people by 2030; and ensuring equal pay, eliminating any kind of racial difference, as is already the case with gender.

Selection processes take diversity into account

Among the gateway actions, we have launched a unified intern program for the group, which since 2019 has established that over 50% of the vacancies should be filled by black university students. With the same target, we have the Apprentice Program, aimed at socially underprivileged

youngsters who live in the cities of São Paulo, Cajamar, Benevides and Itupeva.

In 2022, 170 vacancies were opened for candidates to work in operational areas, distribution centers, factories or corporate areas. The purpose is to contribute to the integral development of the apprentices by means of professional training. Furthermore, there is the CorageN selection process for Natura &Co trainees, in place in Brazil and Argentina. The vacancies in Brazil were all reserved for black candidates.

Career acceleration programs

The Avante Program, valid for Natura &Co employees in Brazil, was created with the goal of accelerating the career of black employees aimed at expanding representativeness in management positions. The project lasts one year and consists of individual development journeys, mentoring and workshops to enable the employees to develop the skills and competencies necessary to assume leadership positions in the medium to short-term. More than 170 applied for the first edition of the program, competing for 30 places. From those selected, 65.5% were women from every region in Brazil and from all the group brands.

Moreover, the Avon DIVA project includes measures such as the racial literacy program UniDiva; Divas Potentes (Powerful Divas), oriented to developing black talents together with influential black leaders from the market;

Fast Track, which involves an individualized growth and mentoring plan for black employees; a Book Club, in which works on diversity and inclusion are shared; and the Uma Sobe e Puxa a Outra (One Climbs and Pulls the Other), in which female leaders at Avon provide support for black employees in their professional development (*further information on page 97*).

Racial literacy

In Avon Brazil, we concluded 100% of the racial literacy program with employees in the country, with individual accompaniment and mentoring for leaders. The action included eight monthly meetings, encompassing subjects such as women in leadership roles, emotional health and psychological security in the work context, inclusive communication and relationship as managers, limiting beliefs, self-management and planning, managing hybrid teams and developing skills for leadership.

Diversity census

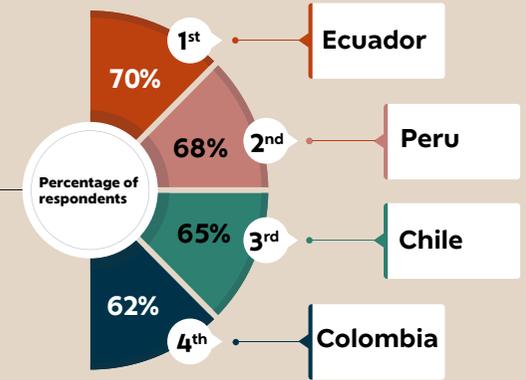
GRI 405-1

In 2022, we organized a diversity census for the first time. The purpose was to obtain more demographic data related to diversity on our employees and to define under-represented groups, so these may serve as inputs for the targets linked with the Commitment to Life.

A global survey was conducted among all the brands in 72 countries, with 35.6% participation on a global level and 46% in Natura &Co Latin America. Worthy of note among the results in Latin America are:



The countries with most respondents in Latin America were



Further information
See complementary data on diversity in the **ESG Scorecard**



LGBTQIAP+

- 11.0% Identify as members of this community
- 6.2% of managers belong to this group



Disabled people

- 66.4% declare they are cisgender women
- 32.6% declare they are cisgender men
- 0.4% are transgender or non-binary



Disabled people

- 2% Physical disability
- 1.5% Sensory disability (sight or hearing)
- 0.4% Intellectual disability



Race and ethnic origin

- 44.1% White
- 17.3% Mulatto
- 16.6% Mixed race
- 7.7% Black
- 3.8% Caucasian
- 2.3% Oriental
- 2.2% Afro-Colombian
- 0.9% Indigenous

Gender equality

GRI 3-3

Since 2021, at least 50% of our senior management positions have been occupied by women, beating our Commitment to Life target by two years – in 2022, the rate was 51.8%. The rate takes into account director level positions and higher. If we consider management positions, female participation is 58.7%.

We also have the ambition to have 35% women on the Board of Directors by the end of 2023. Currently, women are a majority at all functional levels, except in operational positions. On the Board of Directors, female participation stood at 31% at the end of 2022.

The Commitment to Life also includes implementing the measures necessary to ensure salary equality, eliminating any gender differences in all of the Natura &Co companies by 2023. To do this, in conjunction with the leading human resources consultancy Mercer, we have developed annual studies on salary equality in the group, encompassing data on salaries, positions, level of experience, length of time in function, performance, country and gender.

In 2022, we conducted a third edition of the study to address this question in the annual salary review cycle. We are focused on unexplainable salary differences. In 2022, we eliminated the salary gap (-0.82%) in Natura &Co Latin America. There was a reduction compared with the previous year, when the gap was 1.3%, and we continue to work to maintain the level we have reached. In Brazil, we also examine the salary gap from a racial standpoint, concluding that there was a gap of 0.15% in 2022.

The methodology for calculating the gender equality gap involves the comparison of the base salary received by a person within the organization, with the base salary in the market for equivalent positions (in qualification, level of experience, performance, time on job, country). It also takes into account the following concepts:

- **Pure salary difference:** the difference between the average salary of men and women regardless of position, experience, time in job, performance, country and gender;
- **Explainable salary difference:** situations in which the payment differs because men and women occupy diverse functions, have different levels of experience and/or there are also distinctions in the other factors mentioned above;
- **Unexplainable salary difference:** residual difference, which is not explained by legitimate variables and could constitute salary inequality due to gender, race or ethnic origin.

In addition to the work on ensuring salary equality, we seek to harmonize the actions of the Natura &Co Latin America brands. This is the case with the initiatives to support women who suffer from gender violence, which are extended to the female employees of all the group brands and are supported by the Natura &Co Latin America Anti-Gender Violence Policy. We also have the Anti-Gender Violence Committee, comprising leaders from diverse areas who decide on the support provided to female employees, ranging from psychological counselling to the granting of leave and credit to cover additional expenses.

Moreover, there are measures and benefits that promote co-responsibility in bringing up children, including maternity leave of 180 days and paternity leave of 40 days, and a nursery for the children of female and male employees. Both homoaffective couples and single-parent families are entitled to parental leave.

Inclusion of other under-represented groups

GRI 3-3

In addition to the company's anti-racist and pro-gender equality measures, during the year we also maintained our actions to promote the inclusion of disabled persons. In 2022, 6.20% of our employees in Brazil were disabled.

On the LGBTQIA+ front, the work done by Avon is worthy of note. In its participation in the Contaí Summit, held in Salvador, Bahia, the brand brought together leaders and entrepreneurs to foster opportunities and strategic connections for LGBTQIAP+ individuals. Avon took part in the event both as a sponsor and participant in the event panel discussions. Avon also promoted Violet Month, an initiative focused on trans health. Investing in driving awareness about the importance of healthcare for trans and non-binary individuals, we amplified information about access to free and specialized medical care, enabling telemedicine services. At the event, which was attended by a special team of trans influencers, consultations with speech therapists and nutritionists were provided, as was medication with discounts.

Check out the connection with the Consultant and Representative table in the **ESG Scorecard**



Well-being and development

Managing our human capital also involves processes and practices related to learning, development and career transition and a range of benefits, among other aspects. Ahead, we present some of the people management-related processes and initiatives:

Learning Ecosystem

GRI 404-1

We want to generate a learning culture in which people take charge of their development, as well as creating a network for the connection of people and knowledge, inside and outside Natura &Co Latin America. To do this, we consolidated a large learning ecosystem for operational and corporate employees in 2022. This comprehends online learning platforms, functional training courses and a focus on entry level programs, such as the ones for apprentices, interns and trainees.

In addition to the subjects available via the ecosystem, by means of artificial intelligence and partnerships with educational platforms employees may select subjects of interest and skills that they wish to develop and receive recommendations of articles, videos, books or courses, creating their own personalized learning journey. During the year, the average number of hours training per employee was 5.45 (4.54 in 2021), broken down as 5.65 for men and 5.33 for women. See the tables in the [ESG Scorecard](#).

Leadership

GRI 404-1

The bimonthly meetings held between members of the Executive Committee and leaders feature discussions on business strategy and the presentation of results. We organize workshops for leaders on the pillars of the Commitment to Life, among other subjects.

In 2022, we focused on preparing leaders to strengthen the company culture and the priority behaviors. There were five editions of the Leaders Meeting, with 100% attendance and a satisfaction rate of 99.25%. The topics addressed include the role of the leader, alignment with strategy, business vision and priorities, as well as engaging with consultants and representatives, among other subjects.

Through the Cultural Ambassadors program, 86 leaders and vice presidents participated in experiments on the Way of Being and Doing Things in the Natura &Co culture. For 2023, we intend to resume the Executive Acceleration program by means of a succession mapping exercise. Another initiative scheduled is establishing the profile of the Natura &Co Latin America leader in preparation for addressing business challenges and opportunities.

Career development

In 2022, we extended the harmonization of mapping employee potential and development to the operational area and the sales force. Employing the performance review

process, we prioritize internal recruitment, managing to fill 70% of vacancies with existing employees.

Re-signify

After two years of predominantly remote working, from April we gradually resumed work in our offices. To elaborate a return to work proposal that embraced the transformation in the workplace, without neglecting to value the power of proximity and relationships, in 2021 we launched the Re-signify project. The proposal is aimed at valuing our culture, giving new meaning to our spaces, being together and meeting up with the team again, underscoring the significance of these factors in developing people.

Career transition

GRI 404-2

We have an outplacement program to provide support for employees who have been terminated in their next career move. The policy has existed since 2014 and covers all employees. In 2022, 41 people benefited from this service.

The Natura Brazil Building the Future program, aimed at Business Managers, seeks to encourage the construction of an ongoing plan for living, guided by belonging, prosperity and purpose.

The employee journey

GRI 401-2

In 2022, we mapped the employee journey to identify areas for improvement and to support more effective decision making in line with business strategy and the commitment to maximizing the value proposition for our teams.

Along these lines, in Brazil and in some countries in Hispanic America we started up a shared services center, with a centralized group responsible for supporting employees in transactional human resources routines, such as processing vacations.

Remuneration and benefits

GRI 401-2

In 2022, we defined a single remuneration process and aligned our short and long-term incentives. We also concluded the process of harmonizing benefits. This reinforces our organizational culture based on promoting well-being and prioritizing care for our people.

Natura &Co employees are entitled to over 30 benefits with a focus on balance between paternity and maternity, on the well-being of the employee and their family, in particular their children, including cases of adoption by same-sex couples. Aspects such as career development for women, the promotion of physical and mental health, employee safety and experience with company brand products are a focus of the strategy.

Benefits to promote physical and mental well-being

- **Espaço Saúde (Health Space):** we have a specialized team covering a range of fields such as occupational health, assistance, physiotherapy, ergonomics, workplace exercises, psychology, gynaecology/obstetrics, orthopaedics, nutrition, social assistance, dentistry, speech therapy, occupational and laboratory examinations
- **Personal Support Program (PAP):** this is an open communication channel with a multidisciplinary team

- providing psychological, financial, legal and social support by telephone 24 hours a day, 7 days a week. Employees and their dependents are entitled to six face to face sessions with a psychologist, two financial consulting sessions and legal support.
- **Live Psychology:** free psychological counselling for company employees, extended to dependents at a reduced price.
- **Natura Meditation (App):** we created an app for guided meditation and relaxation that can be accessed free of charge

The standard benefits for full-time employees include: extended paternity and maternity leave; nurseries and/or nursery allowance for children of employees aged up to 36 months; disability and invalidity allowance; pension fund/ benefits plan; vehicles; healthcare plan; life insurance; access to physical activity and dental plan.

In Latin America, 1,415 men and 2,128 women were entitled to take paternity/maternity leave in 2022, with 23 men and 30 women using the benefit. In Brazil, 153 men and 306 women were entitled to leave. 131 men and 194 actually took leave during the period (see table in ESG Scorecard). **GRI 401-3**

Occupational safety
GRI 403-1, 403-2, 3-3

Guaranteeing occupational health and safety is a premise for the development of all our activities. We have an occupational health and safety management system compliant with the

ISO 45001 standard and with Brazilian regulations. It covers 100% of company employees, as well as service providers, temporary workers and visitors in all operational activities.

GRI 403-1, 403-8

We identify and categorize risks related to hazards and controls, focused on mitigating or eliminating the risk. This process is discussed in local forums and is updated on an annual basis. The following procedures are used to investigate incidents and adopt corrective measures: incident investigation procedure; hazard and risk assessment; preliminary risk assessment and work permit.

The action plans resulting from this mapping exercise are monitored on a monthly basis. To ensure employees report hazards and risks, there are diverse tools which do not require the identification of the person making the report, including, a risk reporting application. Moreover, employees participate in consultations and make reports on occupational health and safety issues through the Internal Accident Prevention Committee (CIPA), established in accordance with the Ministry of Labor and Social Security NR 05 standard. The committee comprises employees elected to represent the work force and meets on a monthly basis. All employees are informed of their Right to Refusal to exercise determined activities by means of training on the guidelines in the Code of Ethics.

GRI 403-2, 403-4, 403-7

It should be noted that we adopt a harmonized Occupational Health and Safety protocol based on ISO 45001, to assess vulnerabilities and risks in all the operations. The first round of audits for the application of this protocol took place in 2021. It generated a detailed action plan that was executed in 2022 and accompanied by means of forums. A new round of audits is scheduled for 2023 to verify the effectiveness of all the changes implemented and the updated status of vulnerabilities identified.

All employees, third-parties and temporary workers participate in training courses and health, safety and environmental induction programs. Employees involved in high risk activities receive specific training in correlated procedures, including, road safety for the sales forces; store safety for shop staff; and innovation and quality for laboratory staff, in addition to the mandatory training established by regulatory standards. **GRI 403-5**

We ended 2022 with a reduction of 19 incidents compared with 2021. Our YTD 2022 TRC (total recordable cases) rate was 0.12 (compared with 0.18 in 2021). This result was due mainly to the following measures:

- The evolution of the Natura &Co Safety Management System, focused on careful leadership and the review of hazards and risks in the different areas;
- The application of proactive tools in all the operations;
- The review of Rules that Save Lives, courses and awareness campaigns throughout the year;
- Standardization of critical processes and the tracking of integration projects;
- Investments to remediate safety risks;

- The evolution of the Safety Culture program (focus groups, talks and forums, among others).

The accident severity rate (SR), however, suffered a significant impact in January, 2022, due to a fatality involving a service provider engaged in pruning a tree at the corporate office in São Paulo (SP). Every measure of support was provided for the victim's family, and the accident was investigated by external specialists. There was a review of the processes of contracting and managing service providers, as well as the internal controls systems, including rules on the use of cellular telephones, which were widely disseminated at all the Natura &Co sites. *Further information in the ESG Scorecard.*

GRI 403-9

Occupational health

GRI 403-3, 403-6, 403-7

To ensure employee and worker health, we assess ergonomic risks and undertake occupational examinations and analyses of signs and symptoms that could result in the early identification of any changes in health related to work. The Ergonomics Program is applicable on demand and the occupational examinations are undertaken every two years, at most. The interval may be even shorter depending on the doctor responsible. Information on employee health is restricted to the organization's healthcare professionals and is confidential. In 2022, there were no fatalities resulting from work-related ill health. There were 14 cases of work-related ill health requiring mandatory communication, of which three involved mental health; two cases of hearing loss and nine musculoskeletal complaints (further data available in the ESG Scorecard).

As a result of these cases, we have implemented a hearing conservation program; we also perform a triage for symptoms of mental overload in the occupational exams, and have maintained the measures in the ergonomics program. Although we do not have information on third-party work-related ill health we monitor all work-related injury communications (CATs) made by the third-party companies, which include work-related ill health. **GRI 403-10**

Beyond occupational health, we facilitate access to medical and healthcare services not related to work. First aid services are offered to all employees, comprehending medical and nursing services, as well as specialized services such as psychologists, physiotherapists and nutritionists; there are emergency services for all the people in our units. We have programs on first aid, control of employees with chronic diseases, nutrition, physiotherapy and orthopaedics in the Health Spaces, as well as medical assistance and telemedicine service for low complexity events for employees and their dependents. Other health promotion services include subsidies for access to gyms, courses on caring for newly born infants, workplace exercise programs and psychological support, and a platform for psychotherapeutic services, among others.

Further information
See our Personnel and Health
safety indicators
on the **ESG Scorecard**



Private *social investment*

Instituto Natura

GRI 203-1, 203-2

In 2022, the Instituto Natura maintained its commitment to contributing to improved public education in Latin America, considering the specificities of each country in which we operate.

In Brazil, the focus was on continuing to foster public education through actions, interaction with public authorities and advocacy. We advanced in the K-9 and technology education agenda, as well as in the number of single consultants benefiting from our education offerings.

In Hispanic America, we sought to reinforce our entry into sub-national bodies through articulation with public authorities and partnering organizations. In Argentina, we consolidated agendas on the literacy and secondary school fronts and expanded our activities from four to six provinces. In Mexico, we advanced in our fundamental education agenda, progressing from three to five states covered. In Chile, where access to education is lower, we worked with two local services focused on reducing educational inequality and emphasizing secondary schooling.



In Colombia, 2022 was dedicated to preparation, with studies for formatting public policies. We established our way of working, focused on secondary education, and initiated actions with three certified territorial bodies. For Peru, we continued studies for the design of the best approach to maximize benefits.

For 2023, the institute plans to expand the literacy program to another five Brazilian states, reaching 17, as well as full-time secondary education, which should be extended to 24 states. There is also the prospect of reinforcing our activities in the areas of technical teaching, technology and teachers. For the remaining countries in Hispanic America, the plans revolve around consolidating the institute's entry and expanding its coverage.

In Brazil, with investments in excess of BRL 50 million in 2022, the Instituto Natura benefited three million children and young people, in addition to 244,000 Beauty Consultants. In Hispanic America, the combined investment in the five countries was BRL 32 million, benefiting more than 471,000 students through transformational public policies, as well as over 85,000 consultants.

In the year, the Crer Para Ver program, a line of non-cosmetic products the profit from which is fully invested in education via the Instituto Natura, completed 27 years of existence.



Further information

about the activities of the Instituto Natura at:
<https://www.institutonatura.org/>

Instituto Avon and Avon Foundations

GRI 203-2

With a proactive stance and a focus on female empowerment as a driver of social transformation, for over ten years the Instituto Avon has combated violence against girls and women and promoted care related to breast cancer.

The main focus in the combat against violence in 2022 was the consolidation and expansion of the Acolhe (Support) program. The initiative was created two years ago and, in addition to advocacy measures which include the formation of a government support network, encompasses a range of support and assistance services for women suffering from violence, including shelter and opportunities to start over, in partnership with local public networks.

For women and dependents victims of violence, the program offers temporary accommodation in hotels and financial support to improve temporary shelters. It also provides meal allowances, as well as legal, psychological and social assistance during their stay in the shelters. Moreover, the program seeks to strengthen public policies, through the articulation, engagement and integration of agents in the victim support network and through access to legal assistance.

By means of these relations with public agents from the legislative, executive and judicial spheres, we have managed to extend our support programs for women victims of violence to 22 states in Brazil. Together with new partners, we have taken the program to 309 new municipalities by means of collaboration agreements. The Natura consultants were also included in the program, with the offer of support, shelter and

assistance for cases of gender violence. The Instituto Avon invested more than BRL 6.4 million in the fight against breast cancer and in combating violence against women and girls in Brazil.

In Hispanic America, we conducted a public opinion survey on gender violence, in which we addressed the Critical Path women should follow to request help. This unprecedented survey was conducted in Argentina, Colombia, Ecuador and Mexico, covering 2,735 cases.

Acolhe Program in 2022

2,090 daily hotel rates donated;

BRL 126,000 donated in meal vouchers;

Seven shelters supported in six states, with a total investment of BRL 833,600;

Almost 6,500 women assisted by the activities offered in the shelters supported;

210 beneficiaries and dependents received meal vouchers.

Combating breast cancer

The work on breast cancer involved investments in implementing pilot projects and in the formalization as law of a social technology known as Patient Navigation. The tool was created to reduce the waiting time for diagnoses and to speed up the beginning of treatment for breast cancer.

Implemented as a pilot project by the Instituto Avon in São João do Meriti (RJ), the project was presented to the Women's Public Prosecution office in the Chamber of Deputies and passed into law. This achievement represented a milestone: for the first time in 19 years working on this cause, we managed to approve legislation for combating breast cancer. Now, every woman in Brazil is entitled to participate in the National Navigation Program for Patients with Malignant Breast Neoplasm, instituted by law 14.450/2022.

In Argentina, worthy of note are the Avon Walk, the largest breast cancer awareness event in the country, and the Avon Federal Route for the Early Detection of Breast Cancer, which provided 11,700 mammograms for women at risk and with no medical coverage. We also organized the Stories that Cure campaign, with a series of statements about the importance of doing mammograms, aired in Argentina, Uruguay and Mexico.

In Uruguay, we made a donation to the Patient's Path project, a digital platform that enables patients to visualize information about each stage of treatment. In Chile, the highlight was Let's Talk about Breast Health, a series of awareness videos, and the continuity of the Avon Mobile Clinic, which provides mammograms for women without access to healthcare.

In Colombia, Peru, Ecuador, Mexico, Guatemala, El Salvador, Panama, Honduras, Nicaragua and the Dominican Republic a woman's run was organized, as were Pink October actions to drive awareness of breast cancer.

Also worthy of note was the 2022 launch of the Good Practice Guide for the Navigation of Patients with Breast Cancer in Brazil. This proposes a model of care focused on driving rapid diagnosis and beginning of treatment for suspected cases of breast cancer. The material also helps to diminish the barriers faced at any stage of the disease with a view to reducing the number of fatalities.

During the year, we maintained the company's awareness and education campaigns. One particular highlight was the presence of the mammography tracking trailer and the Pink October event at the Natura & Co Latin America head office in São Paulo in October, concomitantly with the move of the Avon employees to the new address.

Now, every woman in Brazil is entitled to participate in the National Navigation Program for Patients with Malignant Breast Neoplasm, instituted by law 14.450/2022

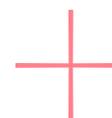
QUEM TEM PEITO TEM DIREITO



In 2022, the Instituto Avon in Brazil, launched the campaign #QuemTemPeitoTemDireito (EveryOneWithABreastIsEntitled) for Pink October. The initiative invited women to take care of breast health and to familiarize themselves with the laws that protect and ensure treatment for patients. The strategy for this year, which underscored the importance of examining, caring and obtaining information about breast cancer, focused on two main pillars: knowledge about patients' rights and the importance of sharing this knowledge with contacts.

The measure publicized the laws mandating the limit of 30 and 60 days for the diagnosis and beginning of treatment of breast cancer, access to free medication and breast reconstruction.

Further information
about the activities of the Instituto Avon and the Foundations in: **Brazil, Argentina** (includes Chile and Uruguay), **Colombia** (includes Peru and Ecuador) and **Mexico and Central America**





Natura Musical

In 2022, the Natura Musical program completed 17 years, reinforcing the brand’s historical commitment to culture through the following activity fronts: Natura Musical Call for Proposals, Casa Natura Musical and the more than one hundred projects sponsored. The Natura Musical platform projects received investments of BRL 950,000 via tax incentive laws and BRL 7.3 million via company funds.

The profile of the initiatives and artists sponsored continued to promote the diverse panorama of musical genres and languages, of individual and collective works which share a commitment to contribute to a vibrant musical scene, ensure visibility of different narratives and develop new perspectives.

In the Natura Musical Call for Proposals, we received almost 2,500 entries from all the states of Brazil. Investments will be made in 30 new projects, encompassing 15 artists, eight festivals and seven collectives of different musical genres and languages.

Regarding the hundred projects underway, last year we resumed the personal and live experiences, with over one hundred cultural projects launched and more than 160,000 people impacted, including: "Elza Soares – Live at the Municipal", the last record of this voice of the millennium. Meanwhile the Casa Natura Musical in São Paulo was the stage for a total of 128 shows, with an audience of 60,000 people and presentations by over 500 artists.

Managing the *supply chain*

Cultivating beauty and relationships for a better way of living and doing business involves engaging our suppliers so that they work together with us towards science-based targets, combating climate change and the loss of biodiversity, supporting human rights and other commitments we have assumed to generate positive impact, as well as reducing and mitigating negative impacts.

In 2022, this principle was reinforced with the review of the Supplier Code of Conduct, which became a single, universal document, applicable to all the companies in the Natura &Co group, in all geographies. The document establishes minimum standards and expectations related to compliance with applicable local and international laws, rules, regulations and official requirements related to human rights, forced or compulsory labor, labor practices, sustainability and environmental responsibility, anti-corruption and money laundering, economic sanctions, information security and data protection.

It also sets forth Natura &Co's commitment to ethical conduct and ensuring decent working conditions and best environmental practices in its supply chain, by means of supplier assessment programs and the adoption of a positive engagement and continuous improvement process. Beyond the code, the contracts signed with suppliers contain clauses on human rights, such as the risks of child labor and forced or compulsory labor.

Supplier socio-environmental assessment

GRI 414-1, 414-2

In December, we launched a Global Supplier Approval Policy, which mentions a specific Responsible Procurement document and factory assessment guidelines. We also conducted a pilot project with 58 suppliers who do not come under the scope of physical audits. This requested human-rights related documents covering areas such as decent work, inclusion and diversity and social responsibility. The participating supply categories were facilities (civil fire fighters, effluents, sensory research, recyclables, transportation of effluents), human resources services (employee transportation, third-party and temporary manpower) and marketing (events, media, paper and printing). Our goal was to test the mapping process and the scoring of the criteria analyzed with a view to incorporating sustainability topics into the procurement process.

We assess the performance of critical suppliers by means of the six pillars that support the Natura &Co vision and strategy: Quality, Service, Innovation, Competitiveness, Capability and Skill and Commitment to Life. The assessment is undertaken using a scoring system that, by means of Embrace (*further information in the table*), identifies and recognizes those partners who present the best practices in pre-established indicators for each category. This group of suppliers also participates in specific events in which Natura &Co shares its strategy, plans for the future and best practices.

GRI 2-24

From the total of 779 new suppliers in 2022, 59 (7.57%) were contracted based on social criteria. Moreover, audits identified suppliers that presented non-conformances in infrastructure and labor policies. Relations were terminated with six suppliers having critical non-conformances that did not present action plans to remediate the non-conformance or did not implement the proposed action plan. These were located in Italy, China, Mexico and Colombia.

During the year 12 suppliers were identified in Mexico, Argentina, China, Brazil and Colombia in which employees were not aware of their union rights. Action plans were elaborated with these suppliers to regularize the situation. One of the suppliers did not implement the corrective actions mapped, resulting in the rescission of its contract. **GRI 407-1**

The audit processes also identified risks related to child labor in nine suppliers in Brazil and Mexico, due to lack of diligence in recruitment and in processes for workers to report suspected breaches. As a result, an action plan was developed for the suppliers to remediate the non-conformances. One supplier did not comply with the premises established, and its contract was rescinded. **GRI 2-26, 408-1**

In 2022, there were no operations at risk of forced or compulsory labor; however, four suppliers were identified as lacking detailed policies in this area. Again, action plans were defined. These were not implanted by two suppliers, whose contracts were rescinded. **GRI 409-1**

Improvements in management

During the period we concluded the integration of the global procurement area and systems, driving benefits in volumes negotiated, categories negotiated, price levers and competitiveness with suppliers. Furthermore, given the challenges imposed by the impacts on the global supply chains, work was done on developing alternative suppliers and alternative packaging and raw material specifications in a joint effort between the procurement and R&D areas.

At the end of 2022, our supplier chain consisted of 10,663 partners. Of this total, 449 were responsible for 80% of our purchase volume during the year. A total of BRL 14.1 billion was spent on the acquisition of products and services during the period. In the year, 49.08% of the Natura and 33.59% of the Avon, procurement budget was spend on local suppliers.

GRI 2-6, 204-1

Review of the Supplier Code of Conduct

GRI 205-2 In 2022, we reviewed our Supplier Code of Conduct to incorporate the entire Natura &Co group, all the brands and all geographies. The document, disclosed to all commercial partners, includes a set of rules and principles to be adopted by all the suppliers, with mandatory adherence for all group partners. The areas covered by the code include guidelines on employment, anti-corruption, sustainability, ethics and integrity practices and relations with Natura &Co.

Embrace Program

GRI 2-29

To embrace and include our partners in our ambition to generate positive impact, we have the Embrace program, which covers all the Natura &Co brands and geographies. Aligned with our sustainable supply chains strategy, this development program encompasses the assessment of partners in critical indicators for service levels, quality and competitiveness, in addition to socio-environmental questions.

The investment and the long-term socio-environmental impact of participating partners is assessed and their progress is recognized via an annual award. In 2022, we had 207 strategic suppliers, who accounted for 44.45% of our total supply spend.

Along these lines, we also created the supplier onboarding process, which was applied in all the business units in 2022. This comprises a system of audits and assessments covering financial health, human rights practices and other socio-environmental aspects.



Further information
Critical input chain policy

Code of Conduct

Further information about traceability in critical supply chains in **Address the climate crisis and protect the Amazon**.(page 81)

Further information about promoting human rights in the value chain in **Defend human rights and be more human-kind**.(page 96)

See the supplier chain indicators in the **ESG Scorecard** GRI 414-2

Embrace circularity
and regeneration



Circularity in products *and packaging*

GRI 3-3, SASB-CG-HP-410a.2

Our commitment to the new way of producing and consuming, which embraces circularity in inputs and the regeneration of natural systems, involves a wide-ranging strategy that permeates an extensive value chain ranging from Research and Development (R&D) initiatives aimed at packaging materials and biodegradable ingredients or ones of natural origin to support for recycling chains.

This topic requires a systemic approach, including how we choose more regenerative ingredients and how we design packaging with a lower environmental impact. At Natura, R&D researchers are able to visualize the impact of their choices in new product development by means of our Environmental Calculator. From the product conception stage, this tool enables the company to capture environmental benefits from accelerating the use of post-consumer recycled materials and reducing packaging weight, for example.

Understanding the challenges in implementing production chains aligned with the principles of circularity and regeneration, we have established targets for which we have adopted innovation processes to evolve in this area and promote the circularity of our products. In line with our



Commitment to Life, we should:

- Reach 95% or more natural ingredients in our formulations: in 2022, the rate was 94% for the products manufactured by Natura. Meanwhile the Natura vegan product rate reached 95% in 2022*;
- Increase the biodegradability in formula ingredients to 95% by 2030: we exceeded this target by reaching the rate of 96.5% biodegradability for rinsable products in Natura and Avon in Latin America in 2022;
- Another front in this pillar is related to product packaging: in 2022, approximately 83% of Natura and Avon packaging was recyclable, reusable or compostable.

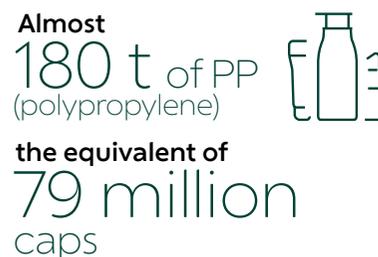
SASB CG-HP-410a.1.

Beyond the targets of the Circularity and Regeneration pillar, our choices about how to manufacture our products are closely related to our actions to combat the climate crisis and reduce carbon emissions. Whenever we opt to use a recycled material instead of a virgin one, or when we reduce waste generation from a package, we are also reducing greenhouse gas (GHG) emissions. At Natura, the use of recycled plastic avoided emissions of over three thousand tons equivalent of carbon in 2022, and our strategy of commercializing refills avoided the generation of 2,300 tons of waste and 6,100 tons of GHG emissions.

* Currently, the only non-vegan ingredient in the Natura portfolio is beeswax, used mainly in make-up, and which is gradually being substituted.

Less waste and carbon impact

In 2022, Natura actions enabled the reincorporation into the production process of:



We avoided
2,300 t
of waste

with the use of refills, or the volume of waste generated by 4.2 million people in 1 day



+2,000 t
of green
PE (sugarcane
polyethylene),
avoiding emissions
equal to
1,000 car trips
around the Earth

+300 t of paper
equal to
67 million
sheets of
print paper



Performance in packaging

GRI 3-3

The acceleration in the integrated management of circularity at Natura and Avon was worthy of note in the year. We reached 10.5% use of post-consumer recycled plastic, compared with 8.5% the previous year. Natura increased the use of post-consumer recycled plastic in its packaging from 16% to 20%. Avon uses 1.7% PCR in its packaging and has been investing in research to accelerate this process. The sum of the circularity initiatives also led us to exceed the target linked with the variable remuneration of the entire Natura &Co Latin America headcount for the period.

During the year, we increased the use of post-consumer recycled (PCR) material for the entire Natura Kaiak perfumery line – previously restricted to Kaiak Oceano. The product has a cap made from 50% recycled material retrieved from the Brazilian coastline. Also in Natura perfumery, Essencial Único now has a refill option, a key element in the circularity strategy, given that the Essencial refill reduces the waste generated by 49% and the carbon emitted by 55%, compared with a traditional pack. Additionally, its bottle contains up to 45% post-consumer recycled glass, and its cap is made from post-consumer recycled plastic.

Moreover, as part of our strategy to accelerate the use of recycled material, 50% recycled plastic has been incorporated into the shoulders of the Kaiak deodorant spray caps.

Also worthy of note is our partnership with the Instituto Recicleiros and the processor Massfix to enable the supply of recycled glass from remote regions in Brazil, an initiative which demonstrates that joint efforts between all the links in the production chain contribute towards sustainable results.

Natura Elos: our connection with responsible and inclusive recycling GRI 3-3

The Natura Elos program completed five years in 2022. This initiative helped to develop material recycling chains to supply our production process, in addition to fostering a traceable post-consumer recycled (PCR) ecosystem, certified from end to end, that promotes the productive inclusion of waste pickers.

This is a reverse logistics program that involves the packaging manufacturers and the recycling cooperatives, in which Natura organizes and stimulates the professionalization of the waste pickers, promoting the highest levels of compliance and good practices throughout the entire chain.

Audits are conducted to verify requirements related to organizational management, as well as social and environmental responsibility. In these audits, we assess the level of transparency in resource management, respect for human rights, safety conditions in machine operation, environmental legislation, cleanliness and comfort in the work place.

The process enables us to create and implant training and development plans with partners focused on the most critical

Natura Elos highlights in 2022

GRI 3-3

13% increase in the volume of materials recovered and recycled

PET (polyethylene terephthalate polymer) (+41%)
and PP (polypropylene) (+550%)
and Glass (+12%)

14,900 tons or post-consumer recycled material recovered

The number of cooperatives increased from 25 to 47

more than BRL 8.2 million in revenue for the cooperatives from the sale of recycled materials to the Elos program chains

areas of each organization. Based on this plan and the regular supply of recyclable waste we are able to establish long-term relationships with these suppliers characterized by mutual trust and engagement.

As part of the company efforts related to the Commitment to Life targets, in 2022 the number of participating cooperatives almost doubled, from 25 to 47, and the number of waste pickers involved reached 2,039 people. With the circularity measures of the Elos Program and the sector association Abihpec's Mãos pro Futuro program (*further information about the IP&L case on Circularity on page 136*), we were able to guarantee the recovery and use of over 48% of Natura and Avon post-consumer packaging materials.

Since 2018, the Elos program has enabled the recovery of over 50,000 tons of materials that have been incorporated into our packaging and support materials – primarily at Natura, with the gradual expansion of the program to Avon in 2022.

Rios Vivos (Live Rivers)

The Amazonian arm of the Natura Elos program, the Rios Vivos project received support from an investment fund to expand and finance the collection of plastic waste in the Amazon forest region. The Rios Vivos fund is managed by Sitawi and will receive investments from Natura &Co to drive improvements in the supplier cooperatives and the expansion of the project to other locations in the Amazon.

The first transactions took place with the riverside communities throughout the Mid Juruá region in the municipality of Carauari (AM), where Natura has worked with social biodiversity cooperatives for over 20 years. Of the 14.1 tons of material acquired from the waste chains in the Amazon, over 500 kg came from riverside communities in this municipality. The remaining volumes came from partnering cooperatives in Manaus (AM). In 2023, supply from a new Rios Vivos hub will be initiated in Belém (PA).

Fostering conscious habits

With the purpose of promoting more conscious habits related to circularity among consumers, our stores operate as waste collection points. For each five empty packs of any Natura & Co brand (Natura, Avon, The Body Shop and Aesop), customers and consultants receive exclusive benefits.

Since the beginning the Recicle com a Natura (Recycle with Natura) program in 2020, we have received approximately 50 tons of cosmetics packs that have been reintroduced into recycling chains or disposed of properly. For 2023, we will continue with projects to expand the reach of the program, including harmonization with Hispanic America.

In the 2022 Rock In Rio festival, which was supported by Natura, a partnership with Heineken, Braskem and Coca-Cola permitted the recycling of around 4.5 million plastic cups used in the event. Based on a circularity strategy, the recycled resin will be used in Natura deodorant packaging. Going beyond the correct disposal of this plastic waste, the objective was to use the event to mobilize people around the question of circularity and make them agents of transformation.

The action encompassed diverse awareness activities related to recycling, starting with the festival communication encouraging the public to dispose of waste properly in the bins and containers located around the Cidade do Rock festival site. The cups also had printed messages incentivizing correct disposal, and there were special gifts and experiences to catch people's attention.

With support from a series of partners and a traceable process using blockchain technology, it was possible to ensure the transparency of this process. The Rio de Janeiro urban cleaning utility Comlurb was responsible for overseeing the transportation of the plastic waste to the cooperatives partnering with the 2022 Rock In Rio Brasil festival. The sorted material was transformed into circular resin by Braskem and Clean Plastic. The organization Reutiliza was responsible for the traceability of the waste. After transformation, the resin is inserted in the Natura production chain for the manufacture of the packaging of diverse Natura deodorant packs.

More natural formulas

More and more, Natura has been using data science in the development of new ingredients and has integrated the sensory efficacy area to launch increasingly regenerative products of interest to consumers. In 2022, innovations in the assessment and testing of natural ingredients enabled the company to arrive at 94% ingredients of natural and renewable origin in Natura products.

Part of the expansion of the range of products using cutting edge science with biodiversity ingredients, Natura Chronos Plumping Bio-Hydrating Serum contains a super-concentrate with *fevillea* – a Brazilian biodiversity active.

Natura IP&L Circularity

GRI 3-3



Further information:

Natura IP&L - Consultants (page 104)

Natura IP&L - Protecting ecosystems (page 87)

**BRL 287 million in
net positive impact**
from our reverse logistics
programs in 2022

To truly promote a regenerative economy, we need to transform the way we produce and consume, be it by favoring the use of sustainable and biodegradable natural ingredients, be it by ensuring the recycling of the materials used in our product packaging.

This course requires a systemic vision that encompasses not only the links in our value chain, but also the broader context of the correct disposal of solid waste, particularly challenging in Latin America. This is the reason that we have participated in the Mãos pro Futuro program, organized by the Brazilian CFT sector association Abihpec (Associação Brasileira da Indústria de Higiene Pessoal, Perfumaria e Cosméticos) since 2016. Together with other companies in the sector, we have financed a wide-reaching packaging reverse logistics program, which currently works with 188 recyclable material waste picker cooperatives all over Brazil. The objective is to enable the collection and reuse of post-consumer packaging, reducing the volume that ends up being disposed of inappropriately in landfills or waste tips, promoting systemic circular economy practices throughout the country.

The Natura Elos program, created by Natura in 2017 to develop its packaging recycling chain, is another important positive impact front involving circularity. To reduce the negative impact of our product packaging on the environment and, in parallel, increase the percentage of post-consumer recycled material in new packaging, we established a connection between our operations, packaging manufacturers, recycling cooperatives and recycling operators.

In 2022, while we guarantee the return of approximately 15,000 tons of plastic, paper and glass to our production process, we are also contributing directly to boosting the income of 47 waste picker cooperatives, a social group of key importance in promoting sustainability in the country. Doing this, we establish a virtuous circle: we reduce the use of virgin raw materials in our products, while generating income for partnering cooperatives. This also enables us to

impede mismanagement of plastic waste, preventing an important volume of this material from being disposed of in landfills and polluting the soil and groundwater.

GRI 2-25, 3-3



Corporate
information

Leadership and social engagement

GRI 2-23, 2-24, 2-28, 413-1

Through its brands, Natura &Co Latin America has an impressive track record in leading social engagement in urgent global issues that demand multilateral, collective efforts. By means of the Instituto Natura, we promote advocacy to foster public education; meanwhile Avon is a pioneer in combating gender violence and fostering racial equality, an agenda that has been adopted by the whole group. Promoting citizenship, protecting biodiversity, engagement to protect the Amazon and the climate agenda are areas we have worked in that go far beyond our businesses.

In 2022, worthy of note was the civic education trail for consultants and representatives, focused on the importance of voting. The engagement in protecting biodiversity and the Amazon, as well as the climate agenda, were reinforced by our participation in the United Nations Biodiversity Conference (COP15) and the United Nations Conference Climate (COP27), as well as measures for diverse groups in our value chain. These include the dissemination of information at Rock In Rio; engagement of logistics providers to mitigate greenhouse gas (GHG) emissions and contacts with a broad chain to promote circularity, among other fronts. *Further information in the chapter Commitment to Life.*

We also participate actively in sector associations, such as the direct selling association ABEVD (Associação Brasileira de Empresas de Vendas Diretas), with a focus on the digitalization

We believe it is our role to act collectively and join forces with social organizations, companies and public authorities to make the world a more beautiful place.

of Relationship Selling, entrepreneurship and decent working conditions, among others, and the CFT sector association Abihpec (Associação Brasileira da Indústria de Higiene Pessoal, Perfumaria e Cosméticos), focused on the tax agenda and actions to debureaucratize regulations for products in the sector.

We also maintain relations and participate in external initiatives. These include the United Nations Organization's (UNO) Global Compact; the World Business Council for Sustainable Development (WBCSD); the Brazilian Business Council for Sustainable Development (CEBDS); the B Lab Movement Builder; the Task Force on Climate-related Financial Disclosures (TCFD) and the Science Based Targets initiative (SBTi), among diverse others.

Natura &Co campaigns for conscious voting

To raise the awareness and mobilize consultants, representatives and all the group's employees in Brazil about the full exercise of citizenship, above all in an election year, we launched an unprecedented political education campaign.

One of the drivers of the initiative, data from the Consultant HDI and the survey conducted by the Quid laboratory for mobilization for causes in partnership with Natura and the Instituto Natura, identified a growing distance from politics on the part of consultants. Most of them are not knowledgeable in this area and believe that their vote does not make a difference.

Based on this and on the belief that political participation and awareness are essential for a fairer, more sustainable and supportive society, we developed a campaign that stimulated dialogue and reflection on the importance of voting and trustworthy information.

Among the contents, which employed accessible language and emphasized the indirect influence of politics on everyone's life, are the web series *A vote for a better life* and a live meeting with specialists held in São Paulo, that was broadcast via the web for consultants, representatives and our employees. The contents were aired by the official channels of the brands, by the Instituto Natura and by the Natura consultant training channel.



Further information on the de
Investor Relations website

See the list of associations on the **ESG Scorecard**

Governance

Commitment to the highest standards **GRI 2-9, 2-10, 2-11**

Natura &Co Latin America is a business unit of Natura &Co Holding S.A, with shares listed under the ticker symbol NTCO3 on the São Paulo B3 stock exchange – and is part of the Novo Mercado segment, with the highest level of governance on the exchange.

We are also subject to the requirements of the NYSE – New York Stock Exchange as a private foreign issuer of American Depositary Receipts (ADRs). Each ADR represents two ordinary Natura &Co shares and is traded on the NYSE under the ticker symbol NTCO.

Amidst the reorganization of the group in 2022, we maintained our commitment to corporate governance and further strengthened our adherence to the Brazilian Corporate Governance Code, established by the Brazilian Institute of Corporate Governance (IBGC), attaining a score of 92%.

In 2022, the Natura &Co group Board of Directors comprised 13 members, who may be elected and removed by the General Shareholders' Meeting. They have a unified term of office of two years, with re-election permitted. Eight of the 13 members of the Board of Directors were independent, equivalent to 61.53% of its composition, a rate higher than that established in the Novo Mercado rules recommended by the Brazilian Code of Corporate Governance.

The requirements to fill a position on the Board of Directors are qualification in terms of academic background and professional experience, as well as market recognition of the members' technical skills in their respective areas of activity. The Board meetings are chaired by one of the Board co-chairmen, positions currently occupied by the three co-founders of Natura Cosméticos.

The then-Executive Chairman of the Board of Directors and Main Executive of the Group, Roberto de Oliveira Marques, resigned from his positions in June, 2022 and remained as a member of the Board of Directors until the end of 2022. The position of Main Executive of the Group was filled by Fábio Barbosa in June 2022, and three founders of Natura became co-chairmen of the Board of Directors. **GRI 2-11, 2-17**

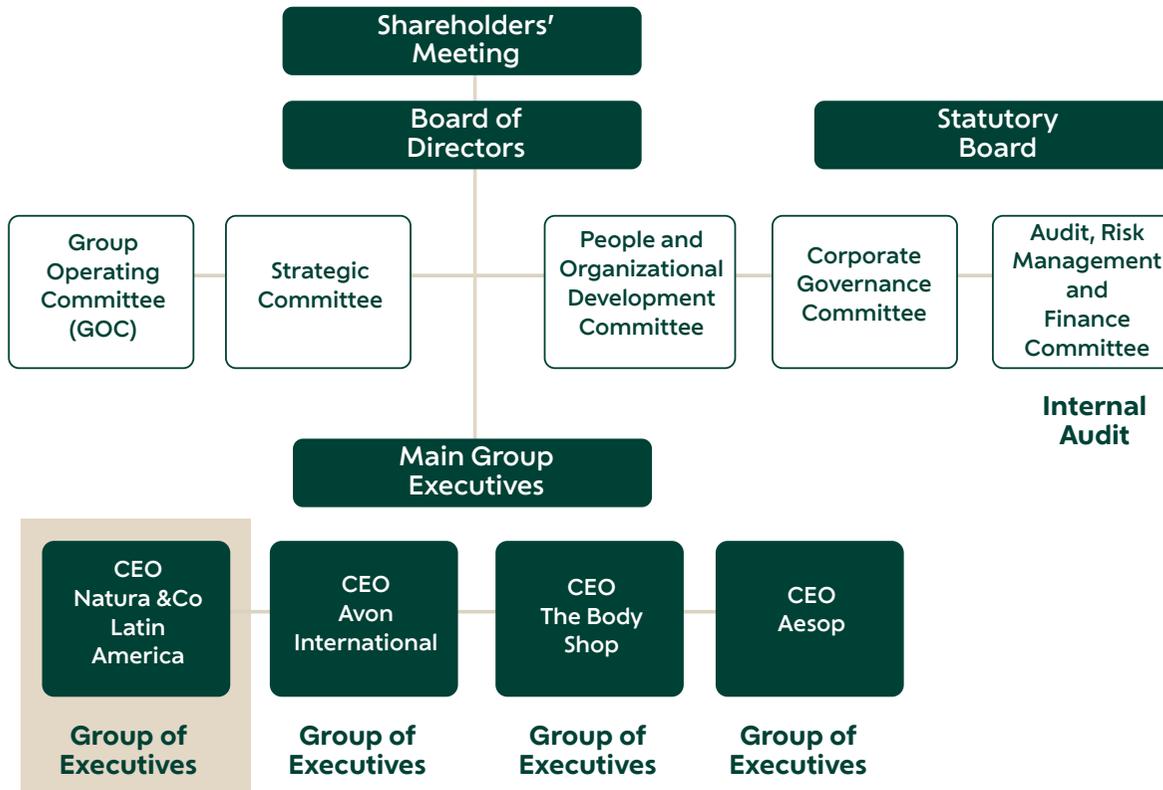
Criteria for composition GRI 2-10

The indication of members for election by the General Shareholders' Meeting takes into account qualifications, the complementarity of executive experiences, identification with the business principles of the group and the absence of conflicts of interest, in accordance with the company's Administrator Indication Policy.

The process also takes into account the availability of members to exercise their functions and diversity of knowledge, experiences, behaviors, as well as cultural aspects, age group and gender. The proposal to re-elect board members should take into account the results of the periodic board self-assessment process.

In April 2023, Natura &Co disclosed a proposal to reformulate the corporate governance structure, which was discussed and approved by the General Shareholders' Meeting. As of this meeting, the Board of Directors was reduced from 13 to nine members. Details about the composition are available on the Investor Relations website.

Corporate Governance Structure GRI 2-9



Worthy of note among the main measures in 2022 are:

1. The Chief Executive Officer (CEO) no longer accumulates the position of Executive Chair of the Board of Directors;
2. There were exclusive meetings for external members of the Board of Directors that were not attended by company executives or other guests;
3. Although contributions of a political nature on behalf of Natura & Co are banned, they may be made under exceptional circumstances, as long as they have been approved by the Board of Directors, contrary to the prior rule of exclusive approval by the Ethics & Compliance area.

Board of Directors GRI 2-9	BUSINESS									SPECIFIC SECTOR		GEOGRAPHY			
	Finance and accounting	Sales, marketing & brand	Strategy and innovation	Digital	Leadership/ International experience	Legal & regulatory	ESG	Risk & ethics and compliance	Operations	Direct selling	Consumer goods segment Beauty & Health	North and Central America	Latin America	APAC	EMEA
Luiz Seabra		o	o		o		o	o	o	o	o		o		
Guilherme Leal		o	o		o		o	o	o	o	o		o		
Pedro Passos	o	o	o		o	o	o	o	o	o	o		o		
Roberto Marques	o	o	o		o		o	o	o	o	o	o	o	o	o
Carla Schmitzberger		o	o	o	o				o		o	o	o		o
Fábio Barbosa	o		o		o	o	o	o					o		
Gioberto Mifano	o				o	o	o	o					o		
Jessica Herrin	o	o	o		o		o	o	o	o	o	o			
Ian Bickley	o	o	o		o		o	o	o		o	o	o	o	o
Andrew Mc-Master Jr.	o		o		o	o	o	o	o			o			
Don Cornwell	o		o		o	o		o	o		o	o			
Nancy Killefer	o	o	o		o		o	o	o		o	o			
Georgia Garinois Melenikiotou		o	o	o	o						o	o	o	o	

Natura &Co¹
Board of Directors

GRI 2-9, 405-1

61.5% independent members

Gender (%)

Female 31

Male 69



Age group (%)

Between 30 and 50 8

By color/ethnic origin (%)

Black 8

White 92



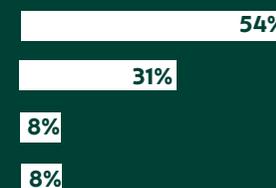
Origin, by country (%)

Brazil 54%

United States 31%

United Kingdom 8%

Greece 8%



Length of time on the Board (%)



1. Data refers to the composition of the Natura &Co Board of Directors on December 31, 2022. See details of the curriculum vitae of each board member, including information about participation in other companies on the Investor Relations website.

**Our Board of Directors
in 2022 (from left to right):
Georgia Garinois Melenikiotou,
W. Don Cornwell, Andrew McMaster Jr.,
Ian Bickley, Jessica Herrin, Pedro Passos,
Luiz Seabra, Guilherme Leal,
Carla Schmitzberger, Nancy Killefer,
Fábio Barbosa, Gilberto Mifano
Absent: Roberto Marques**



Main agendas for the year

GRI 2-12, 2-13

In 2022, the Board of Directors met nine times in ordinary and extraordinary meetings, with full attendance at all of them, demonstrating members' commitment to monitoring and the strategic definitions of the group. The subjects discussed included the effects of the external environment on company business, assessment of quarterly results, strategic planning, risk management, people and culture, sustainability and the transition of group management to a more simplified holding structure.

The Board of Directors was supported by five advisory committees: Corporate Governance, Strategic, People and Organizational Development, Audit, Risk Management and Finance and the Group Operational Committee (GOC), the last two of which are statutory. As a result of the alterations in the group structure, the finalization of the activities of the GOC will be submitted to the general meeting in 2023.

We are constituting a Sustainability Committee to assist the Board of Directors in the development of our strategy and governance in these transversal areas. The committee should monitor strategic discussions related to the company's Commitment to Life (*further information on page 27*). It should be noted that the Board monitors company results and the performance in the Commitment in Latin America on a quarterly basis.

GRI 2-13, 2-14, 2-17

Annually, the co-chairmen of the Board of Directors conduct a review of the main group executive and the Corporate

Governance Committee assesses the composition, activities and work flows of the Board of Directors' advisory committees. However, due to the significant group reorganization process that took place in the year, these processes were not formally executed in 2022. In addition to the results from the assessments in previous years, we are benefiting from the insights provided by the Corporate Governance and Transition Committees captured during the changeover. **GRI 2-18**

Compensation of administration

GRI 2-19, 2-20, 2-21

Our remuneration strategy is comparable to the median of the Brazilian and international markets, in accordance with the terms of our Administrator Remuneration Policy, evaluated in the Ordinary Shareholders' Meeting. Each member of the Board of Directors receives a monthly pro-labore and share-based incentive plans to promote long-term commitment. Members who serve on committees also receive a fixed monthly increment to their regular remuneration.

Executives receive a fixed monthly salary and direct and indirect benefits. Their variable remuneration is a combination of short and long-term incentives, linked to the achievement of purpose-oriented results. Remuneration policy is evaluated in the Ordinary General Meeting, for approval by the shareholders.

Further information about the main subjects discussed by the Board of Directors in the year, as well as about the composition and meetings of the advisory committees is available in the **2022 Natura & Co Annual Report**



In 2022, in accordance with plan, we also started to remunerate our administration for achievement of the targets related to the 2030 Commitment to Life and the US\$ 1 billion sustainability-linked bond issued by Natura Cosméticos (subsidiary of Natura &Co) in 2021. For approximately 20 years we have linked sustainability targets to executive remuneration, and this is yet another step in our commitment to generating value for all our stakeholder groups.

In the period, the total annual compensation of the highest paid employee at Natura was more than 30 times the average annual remuneration of the other employees (with the exception of the highest paid employee). The indicator considers the full calculation of annualized amounts in US dollars, using as a base the employees of all the brands and in all the countries. The highest remuneration paid decreased by 28.89% compared with 2021, while the reduction in total average remuneration was 3.31% in the same period.

GRI 2-21

Conflicts of interest GRI 2-15

The company has provisions in the Code of Conduct, in the Global Conflict of Interest Policy and the Policy on Transactions with Related Parties that address this question objectively, indicate the expected conducts and how situations involving conflicts of interest are managed. Operational decisions are submitted to senior management in accordance with the competencies defined in the by-laws. In the event of a potential conflict of interest between the questions under analysis and a member of our decision making bodies, we follow corporate legislation whereby the respective member should abstain from voting.

We also have a Conflict of Interest Policy which establishes the principles that govern the conduct of all employees and should be obeyed in conjunction with the Code of Conduct, the Group Anti-Corruption Policy, the Transactions with Related Parties Policy and the Natura &Co Management of Conflict of Interest Policy (*read more in the document on the **Brazilian Code of Corporate Governance**, item 5*). These policies determine the roles and responsibilities of the governance bodies, including the Board of Directors, to inhibit and assess cases involving conflicts of interest.

Further information about the total compensation of the Natura &Co group Board of Directors and the Statutory directors for the fiscal years ended on December 31 2021 and 2022, respectively, may be found in the Reference Form ,item 13.1.

By-laws





Our Executive Board in Latin America, COMEX, in 2022 (from left to right): Silvia Vilas Boas, Agenor Leão, Daniel Silveira, Erasmo Toledo, Paula Andrade, Ana Costa, Jose Manuel Barbosa, João Paulo Ferreira, Tatiana Ponce, Flávio Pesiguelo, Josie Romero, Diego de Leone

Natura &Co Latin America Board

GRI 2-24

Natura &Co Latin America combines the operations of Avon, The Body Shop and Aesop in the region and the Natura brand in all its geographies in a model that pursues accelerated growth and the guarantee of group strategic priorities in Latin America.

The Natura &Co Latin America Executive Committee (Comex) is headed by João Paulo Ferreira, CEO of Natura &Co Latin America, and also the global head of the Natura brand. He is accompanied on the committee by 13 executives, eight men and five women, who play key roles in the integration of the four brands in the region.

To drive greater focus on synergies and accelerate the operational integration of Natura and Avon in the region, the organizational design was altered, with new work flows and responsibilities for business leaders of the two brands, such as the formation of the Natura Hispanic America, International and Avon Peru and Colombia vice presidency area. Combined working will be important for the execution of the integration of the two commercial models in the first countries in which this is taking place: Peru and Colombia. In Brazil, although there are specific leaders for each brand, the commercial processes were adapted to drive more connections and synergy.

Accordingly the leaders of the Natura Brazil; Avon Brazil; Natura Hispanic America, International and Avon Peru and

Colombia; Avon Hispanic America (the other countries in which Avon operates) are on the Executive Committee, as are the leaders of strategic areas: Retail; Finance; Legal, Government Relations and Communication and Corporate Reputation; Brand and Innovation; Operations and Logistics; People, Culture and Organization; Integration and Expansion of New Businesses; and &Co Pay and New Businesses.

Sustainability Committee

This committee supports the Natura &Co Latin America executive board in the application and monitoring of the Commitment to Life agenda for the four brands in the region. In 2022, the committee was integrated into Comex, where it leads sustainability-related discussions every two months and presents the main indicators for the area on a quarterly basis. GRI 2-13

Critical concerns GRI 2-16

Critical concerns are included in the company's risk map and in its Commitment to Life, comprising 31 sustainability targets to be achieved by 2030. The Board advisory committees are also responsible for analyzing the main critical concerns in their meetings, including the People Committee.

Ethics *and compliance* **GRI 2-23, 3-3**

Nourishing beauty and relationships for a better way of living and doing business requires conduct oriented to ethics, transparency and compliance. Our values are set forth in the Natura &Co Group Global Code of Conduct, which encompasses guidelines related to our commitment to people, to the brands, to information and assets, to communities and to ethical conduct in business.

Going beyond compliance and alignment with the legislation in the countries in which we operate, with respect to matters such as corruption, money laundering, data protection and competitive conduct, the document sets forth clear guidelines for conduct in areas such as human rights, discrimination, conflicts of interest, contracting suppliers, due diligence of third-parties, environmental care and relations with our communities, among other topics.

We also have a unified Group Anti-Corruption Policy in place in all our business units, as well as specific policies for transactions between related parties, the disclosure of information and security trading and the use of privileged information, among others. To disseminate our values and principles in our value chain, in 2022 we published our Global Supplier Code of Conduct (*further information in Ethical supply, in the Amazon and Climate*).

The oversight and application of the Natura &Co Code of Conduct is the preserve of a global Ethics & Compliance structure manned by an integrated team of 26 people in 12

markets. The team supports all the group brands and business units. In addition to Latin America, there is a leader and specialized team for North America (NA); Europe, Africa and the Middle East (EMEA); and Asia and Oceania (APAC). Each leader is responsible for overseeing the Networks of Excellence (NOEs) related to the pillars in our Compliance Program: NOE in Communication & Training, NOE in Data Protection and NOE in Anti-Corruption, Monitoring and Investigation

Training and communication

Our values and guidelines are broadly disseminated to Natura &Co Latin America employees. By the end of the year 98% of employees had been trained and communicated about Code of Conduct guidelines, including anti-corruption practices. We reinforced these measures with the Code of Conduct Awareness Week and took advantage of calendar events such as Anti-Corruption, Protection of Data Privacy and LGBTQIAP+ Pride days to underscore that we do not tolerate any kind of discrimination. GRI 205-2

Natura &Co Ethics Line

GRI 2-26, 406-1

To raise doubts, question or report suspected violations of our Code of Conduct or internal policies, there is the Natura &Co Ethics Line (LEN), an independent global channel, managed by a specialized company, and available 24 hours a day, seven days a week in the language of the country in which the person is located. The report may be made via the website or

or by toll-free telephone call. The person making contact may choose to remain anonymous or not, with full confidentiality and security.

All the reports are recorded and investigated impartially and confidentially by the Ethics & Compliance area. We adopt an integrated approach with other functions to ensure that the questions raised are handled in a consistent, coordinated manner by specialists and escalated as required. We do not admit any form of retaliation against those raising a concern, doubt or reporting a violation of the Code of Conduct or internal policies.

All reports are investigated in accordance with an internal protocol and confirmed cases are addressed in the Remediation Committee. Cases classified as serious or very serious are forwarded to the Latin America Ethics Committee. The indicators of the channel are reported quarterly to the Ethics Committee, the group Audit Committee and the leaders' committees organized by the business units.

GRI 2-16

Furthermore, the Audit Committee is charged with reporting the overall status of reports to the Board of Directors, as well as any disciplinary measures adopted. In 2022, there were no confirmed incidents of corruption in Natura &Co Latin America. **GRI 205-3**

Most ethical companies in the world

In 2022, Natura &Co was once again recognized as one of the most ethical companies in the world by the Ethisphere Institute, a global leader in the definition of standards for ethical business practices.

Critical concerns GRI 2-26

During the period, there were 14 cases related to discrimination, of which two were deemed grounded, seven were not proven and five are under investigation. The proven cases were submitted to the Remediation Committee for consideration of disciplinary measures. We have a Committee to Address Violence Against Women and a Protocol of Intervention and Prevention of Gender Violence and Protection of Women Victims of Violence, which assist in analyzing such cases.

Ethics in tax practices

GRI 207-1, 207-2

Our commitment to ethics and integrity is extended to tax practices in Latin America. We are signatories to the B Corp responsible tax principles and comply with all international and local tax legislation. Tax management, which includes the identification of risks and opportunities is conducted by a global area, with the involvement of the finance and legal areas. In Natura &Co Latin America, we have a Tax Management Group that meets periodically to take the main associated decisions.



Further information

about revenues and tax payments in the ESG Scorecard

Integrated *risk journey*

Intent on maintaining an integrated, robust risk governance model to ensure the achievement of corporate goals and to honor our responsibilities, we use a methodological approach based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework, on the guidelines set forth in the ISO 31000 standard for Risk Management and on the Three Lines model, developed by the IIA (The Institute of Internal Auditors)..

The Risk Management and Internal Controls area, comprising a multidisciplinary group, conducts the mapping of the main risks that may impact the achievement of strategic goals and maintains a robust and efficient internal controls environment. In 2022, these processes kept pace with the major business transformations, in particular: (i) supply chain and information technology integration processes, among others; (ii) organizational restructuring; (iii) shared services; (iv) the new &Co Pay payment platform; (v) developments in the Commitment to Life; (vi) transfer of technology services management; (vii) readjustments in strategy; and (viii) changes in ways of working, among others.

Risk Management

Faced with this internal context as well as the challenges (macroeconomic, geopolitical and supply chain, among others) imposed by the external conjuncture in Latin America, we adopted initiatives to ensure even greater robustness in risk management. Worthy of note are:

- We implemented risk self-assessment in digital format;
- We incremented our risk assessments, considering: (i) calibration of risk exposure by brand and region; (ii) connection of risks based on strategic pillars; (iii) identification of the most critical factors and respective mitigation measures; and (iv) implementation of the Commitment to Life driver (*see following table*);
- We adjusted our Risk Appetite methodology and integrated it into our assessments;
- We identified the most critical processes by means of BIA (Business Impact Analysis) assessment;
- We fomented the company's risk culture, intensifying the risk agendas of the leaders of the Executive Committee;
- We disseminated the Risk Culture jointly with the Quality and Management Systems areas;
- We progressed in the integrated management of the Risk functions (Internal Audit, Internal Controls and Corporate Risks) with the implementation of monthly reporting of performance indicators to the Executive Committee;
- We evolved in socio-environmental risk management.

Commitment to Life and socio-environmental aspects

As a means of managing potential events that could impact the achievement of our socio-environmental targets, we incorporated the Commitment to Life impact driver into the Natura &Co Latin America corporate risk map. Qualitatively and transversally, risk owners incorporated the assessment of how the materialization of their risk scenarios could impact our 2030 targets.

We incorporated the "socio-environmental commitments, including the Commitment to Life" scenario, which enables us to manage exposure levels for each pillar and establish mitigation measures, an example being the Organizational Transformation Forum, which monitors the main projects and initiatives necessary to achieve company goals.

We also continued to focus on the main risks that could influence the successful delivery of strategic initiatives for Natura &Co Latin America.

Moreover, given the relevance of the question, our risk scenarios are assessed in terms of impact and probability, considering changes in the business environment, the existence of controls and the implantation of response measures for each level of exposure.

Our corporate risk map is reported annually to the Executive Committee, ratified by the Audit, Risk Management and Finance Committee and submitted to the Board of Directors for approval.

Internal Controls

Given the transformations listed, we adopted efficiency measures without compromising the robustness of the coverage of our internal controls environment, including the harmonization of control processes between Natura and Avon; the reassessment of the risk associated with certain controls based on historical performance and degrees of exposure; and the reassessment of the level of criticality of the associated systems and controls. We also substituted some transactional controls with direct Entity Level Controls (ELCs) and interacted more closely with those responsible for controls related to relevant topics with a view to addressing recurring problems in the test cycles. As a result of these actions – including assessments of the controls on Avon's financial statements in Latin America – , there was an increase in the percentage of effectiveness of the internal controls, as well as in the confidence of the external auditors in the work of the administration.

Risks and opportunities related to climate change

GRI 3-3

As part of the enhancement of risk management, in 2022 we evolved in mapping the risks and opportunities related to climate change that could impact our businesses, in the light of the recommendations made by the TCFD (Task Force on Climate-related Financial Disclosures).

In this process, transition risks and opportunities and physical risks were mapped considering the impacts on our Commitment to Life and the financial effects that could affect our businesses, operations and results. The transition risks, related to the movement towards a low carbon economy, include the following categories: technological, reputation, regulatory and market. Meanwhile, the physical risks are associated with climate threats (risk factors) that could cause events (acute) or long-term changes (chronic) in the operation of our assets.

- **Technological:** Investments and access to new resources to update old systems could generate risks in competitiveness and efficiency in the medium and long-term.
- **Reputation:** The non-achievement of the transition plan targets or distorted or unfounded information could impact the organization's reputation.
- **Regulatory:** These could arise from political and legal

restrictions that involve the mitigation of greenhouse gas emissions and ones aimed at promoting adaptation to climate change. The associated risk and the financial impact of the changes in policy depend on the nature and the moment of the implementation and change in the regulatory framework.

- **Market:** This is manifest in changes in the supply and demand for certain commodities, products and services, as well as in access to determined markets because factors related to climate change are increasingly being incorporated into decision making..
- **Physical risks:**
 - **Acute physical:** These include the increase in the severity and intensity of extreme climatic events, such as droughts, fires, hurricanes or floods.
 - **Chronic physical:** These include changes in rainfall patterns and extreme variability in climate patterns, increase in average temperatures, chronic heat waves or increases in sea levels.

Transition risk [SSPI – Horizon 2030]

Exposure to Residual Risk [1]					
	Threats	Risks	Commitment to Life	Opportunities	Level
Technological	Scarcity of inputs and raw materials	Increased expenditures on R&D Restrictions or changes in production activities <i>Commitment to Life Pillars impacted:</i>	 	Development of products with substitute raw materials from critical chains	
	Need for technological change for the development of new products or the adaptation of existing ones	Increased expenditures on R&D Restrictions or changes in production activities Expenditures on the transition to more sustainable technologies <i>Commitment to Life Pillars impacted:</i>	 	Diversification and amplification of product portfolio with technologies and production processes Products with more sustainable and innovative technologies	
Reputation	Scarcity or difficulty in accessing raw materials and lack of supply alternatives	Incapacity to deliver products <i>Commitment to Life Pillars impacted:</i>	 	Consolidate the image of a benchmark brand in the transition to a low carbon economy	
	Regulations associated with carbon – pricing of carbon and GHG emissions standards	Technological restrictions and increase in cost of products <i>Commitment to Life Pillars impacted:</i>	 	Implementation of more efficient processes related to the use of Amazonian biodiversity inputs	
Regulatory	More restrictive regulations on Amazonian biodiversity inputs	Increase in product sale prices and/ or reduction in profit margin Restrictions in production and sales activities <i>Commitment to Life Pillars impacted:</i>	 	Implementation of more efficient processes related to the use of Amazonian biodiversity inputs	
	More restrictive regulations on packaging	Increase in product sale prices or reduction in profit margin Increase in R&D costs <i>Commitment to Life Pillars impacted:</i>	 	Use of increasingly sustainable and less expensive packaging	
	Restrictions in legislations on the use of water resources, reverse logistics and waste disposal	Increase in costs associated with adaptation of production <i>Commitment to Life Pillars impacted:</i>	 	Construction of solutions for reverse logistics	

Transition risks [SSPI – Horizon 2030]

Exposure to Residual Risk [1]						
	Threats	Risks	Commitment to Life	Opportunities	Level	
Market	Implantation of measures for the transition to a low carbon economy	- <i>Commitment to Life Pillars impacted:</i>	- 	Increase in competitiveness		
	Changes in consumer behavior and preferences with higher demand for more sustainable products and services	- <i>Commitment to Life Pillars impacted:</i>	- 	Increase in revenues		
	Scarcity of inputs and raw materials	Difficulties in access to biodiversity ingredients or scarcity of raw materials		-	-	-
		Increase in costs of raw materials Loss of revenues <i>Commitment to Life Pillars impacted:</i>	 			
Withdrawal of less sustainable products from the portfolio	Loss of revenues <i>Commitment to Life Pillars impacted:</i>	 	-	-	-	

[1] Risk exposure is determined by the intersection of two conditions: probability of occurrence and impact (non-financial). For the driver Commitment to Life, we broadened the exposure and which pillars of our targets would be impacted. Another important point is that the exposure already takes our mitigating actions into account, that is, the residual impact.

Risk exposure:

- Low
- Moderate
- High
- Very High

Level of Opportunities:

- Moderate
- Exceptional

Commitment to Life Pillars:

- Address the climate crisis and protect the Amazon
- Defend human rights and be more human-kind
- Embrace circularity and regeneration

Physical risks [SSP3 – Pessimistic vision]

		Exposure to residual risk*	
	Threats	Risks	Commitment to Life
Acute	Meteorological drought	Increase in energy costs	[2]
		Stoppage of operations due to lack of water	[2]
		Deterioration of water quality	[3]
		<i>Commitment to Life pillars impacted: no direct connection with the targets</i>	
	Floods	Risk to physical integrity of employees	[3]
Employee difficulty in accessing installations		[3]	
Damage to infrastructure, equipment and product stock		[2]	
Increase in costs of repair and maintenance		[2]	
Interruption and delay in operations due to logistics issues (e.g. impossibility of entry or exit of products)		[2]	
<i>Commitment to Life pillars impacted: no direct connection with the targets</i>			
Fires	Damage to infrastructure, equipment and product stock	[2]	
	Risk to physical integrity of employees	[3]	
	Employee difficulty in accessing installations	●	
	Interruption and delay in operations due to logistics issues (e.g. impossibility of entry or exit of products)	[3]	
	Loss of flora and fauna in the region	●	
<i>Commitment to Life Pillars impacted:</i>		● ● ●	
Extreme climatic events	Increase in premiums paid to insurers	[2]	
	Possible increase in exposure to losses due to refusal of insurance sector to cover determined events, conditions and geographical areas or responsibility policies	[2]	
	<i>Commitment to Life pillars impacted: no direct connection with the targets</i>		

[1] Risk exposure is determined by the intersection of two conditions: Probability of occurrence and impact (non-financial). For the driver Commitment to Life, we broadened the exposure and which pillars of our targets would be impacted. Another important point is that the exposure already takes our mitigating actions into account, that is, the residual impact.

[2] With impact on our businesses; however, without direct impact on the Commitment to Life targets.

[3] Our concern and care for our employees, partners, suppliers, consultants and representatives and the whole of our network is directly connected with our way of being and doing things, our well-being-well culture. As such, these topics do not directly impact our sustainability targets.

Physical risks [SSP3 – Pessimistic vision]

			Exposure to residual risk*
	Threats	Risks	Commitment to Life
Chronic	Heat wave	Physical discomfort of employees	[3]
		Increase in energy consumption due to ventilation/refrigeration	●
		Reduction in efficiency of physical-chemical processes	[2]
		Adaptation of times of activities	[3]
		<i>Commitment to Life Pillars impacted:</i>	●

[1] Risk exposure is determined by the intersection of two conditions: Probability of occurrence and impact (non-financial). For the driver Commitment to Life, we broadened the exposure and which pillars of our targets would be impacted. Another important point is that the exposure already takes our mitigating actions into account, that is, the residual impact.

[2] With impact on our businesses; however, without direct impact on the Commitment to Life targets.

[3] Our concern and care for our employees, partners, suppliers, consultants and representatives and the whole of our network is directly connected with our way of being and doing things, our well-being-well culture. As such, these topics do not directly impact our sustainability targets.

Risk exposure:

- Low
- Moderate
- High
- Very high

Commitment to Life Pillars:

- Address the climate crisis and protect the Amazon
- Defend human rights and be more human-kind
- Embrace circularity and regeneration

Governance and risk management and climate opportunities

GRI 201-2 and GRI 3-3

The result of the risk mapping enabled greater visibility about the aspects that represent higher vulnerability for our business, providing inputs for decision making about initiatives to reduce exposure to risks, as well as leveraging the opportunities mapped. The metrics for managing these risks, as well as the governance and strategy front, in line with the TCFD guidelines, are:

Risk management and climate opportunities

Strategy

- The organizational changes, including aspects of the integration of the brand operations in Latin America,
- take into account aspects related to the risks relative to the targets of the Commitment to Life based on the implementation of organizational transformation forums;
- The socio-environmental targets are inserted in our supplier selection, assessment and maintenance processes;
- We seek to leverage and optimize the diverse initiatives and strategic fronts identified as opportunities to accelerate the transition of the business to a low carbon economy.

Governance

- Active participation of the risk management area in the Sustainability Organizational Transformation Forum;
- With their incorporation into the corporate risk map, the climate risks and opportunities become part of our governance model and structure.

Metrics

- Incorporation of the "Commitment to Life" impact driver into the risk assessment, which covers risks related to the climate agenda;
- Assessment of the financial impacts of the physical and transition risks;

Emerging Risks

Since the outbreak of the Covid-19 pandemic, we have experienced a series of unprecedented events that have marked and continue to mark the global scene. The pandemic has not ended completely and the war in the Ukraine has been generating global consequences.

The emerging countries, that were already suffering from uncommon questions, have also suffered collateral effects from the global crisis, such as increased inflation and the interruption of supply chains, higher commodity costs, political crises, an increase in social insecurity, increased cost of living and reduced purchasing power, among others. All of these factors decelerate global

economic growth and exacerbate levels of indebtedness for society and governments.

Such events divert attention from the environmental and social ambitions of society, companies and governments. This leads to the unrestrained use of natural resources, a reduction in the policing of environmental controls and human rights, deviations in investments and actions by private companies and non-compliance with environmental laws, impacting advances in urgent agendas, such as mitigation and adaptation to climate change.

Furthermore, remote working and the desocialization imposed by the pandemic, as well as the increase in work loads and sick leave for health reasons, such as burnout, depression, anxiety and other aggravated psychological illnesses in recent years have demonstrated the urgent need for the world to pay attention to **mental health**-related questions.

Another point, which has been gaining greater and greater salience based on the physical restrictions imposed during the pandemic, is the growing use of technology for personal and professional life, which has boosted management of personal, corporate and financial data in the cloud, e-commerce sales and the use of virtual reality applications, among others, which in turn has given rise to discussions about the use of **artificial intelligence**. All these factors indicate an uncertain and challenging future, for which preparation and resilience should be the main attributes to be explored.

How we manage

Mental health

To mitigate the adverse effects on mental health and provide support for Consultants and Representatives, we have measures such as the Social Support Center; a space for caring for consultants who are in an extremely vulnerable situation (domestic and racial violence, lack of food, psychological difficulties); the offer of financial education courses; studies to map the social and economic conditions of Natura Beauty Consultants; and the offer of medical examinations at more affordable prices, among others (*further information on page 99*).

We have our Health Space, oriented to occupational health, assistance, physiotherapy, ergonomics, workplace exercises and psychology, among other fronts. In Natura in Brazil, the center also provides assistance for mental and behavioral disorders. Incidence of these cases is below market levels.

We also provide the Personal Support Program (PAP in the Portuguese acronym), with a multidisciplinary team that provides support in the psychological, financial, legal and social areas, with unlimited telephone service available 24 hours a day, seven days a week. Employees and their dependents are entitled to six face to face sessions with a psychologist, two financial consulting sessions and legal support. Additionally, we have created the Natura Meditation app, with free access to guided meditation and relaxation journeys (*further information on page 117*).

Furthermore, the impacts of these effects are already connected with the following risk scenarios: People and Culture, focused on the implementation of our strategic transformations, taking into account aspects such as employee overload, dependence and loss of key people, failure to maintain and motivate our key employees and our "Socio-environmental Commitments, including the Commitment to Life", focused on the targets in the pillar Defend human rights and be more human-kind.

Climate change and natural disasters

GRI 3-3

In addition to mapping climate risks and opportunities and adopting mitigation measures (further information on page 158), under the Commitment to Life, we have goals and initiatives related to the climate, biodiversity preservation and social inclusion agendas (*further information on page 29*).

Artificial Intelligence [AI]

We consider this topic to be a risk factor in the Data Privacy and Ethics and Compliance Corporate Risk Scenarios, and we comply with laws and regulations for the sector; anti-trust laws, rules, doing business in a fair and correct manner; internal policies and standards; and good information security practices; as well as the adoption of global cybersecurity and data security programs, with a technical/scientific base, curatorship of information and tracking of usage indicators.



Technical references

The Natura &Co Latin America Integrated Report is in accordance with the following reporting references.

- GRI Sustainability Reporting Standards – See the list of disclosures addressed from the following page.
- Sustainability Accounting Standards Board (SASB) – We complemented the performance information with indicators from the Household & Personal Products segment in the Consumer Goods sector.
- Integrated Reporting – We reinforced alignment with the Integrated Reporting Framework.
- Sustainable Development Goals (SDGs) and Global Compact Principles - The connection between the SDGs and the Commitment to Life is presented on page 28. The SDGs are also integrated into the GRI Content Index.

Task Force on Climate-related Financial Disclosures (TCFD)
– See the information on page 158.

The report was assured by an independent auditor, as determined by Guidance CPC 09 from the Brazilian Accounting Pronouncements Committee (CPC), and Resolution 14 from the Comissão de Valores Mobiliários (CVM). **GRI 2-5**

Additionally, the CEO of Natura &Co Latin America and the vice president of Legal, Corporate Affairs and Sustainability accompanied the elaboration of the Natura &Co Latin America Integrated Report. **GRI 2-14**

GRI content *summary*



The Content Index - Essential Service concluded that the GRI Content Index is clearly presented in accordance with the standards and the references for disclosures 2-1 to 2-5, 3-1 and 3-2 correspond to the appropriate sections in the body of the report. This service was rendered originally in the Portuguese language.

Indicators marked with an asterisk (*) were assured by PwC.

DECLARATION OF USE - Natura &Co Latin America reported in accordance with the GRI Standards for the period January 1st to December 31st, 2022.

GRI 1 - GRI 1: Foundation 2021

GENERAL DISCLOSURES

GRI Standard / Other source	Content	Location	Omission			SDG
				Reason:	Explanation	
General disclosures						
GRI 2 General Disclosures 2021	2-1 Organizational details	17 and 18	Disclosures in which the "omission" field is not applicable.			
	2-2 Entities included in the organization's sustainability reporting*	7 and 19				
	2-3 Reporting period, frequency and contact point	4 and 7. Report published on June 29, 2023. The document presents information for the period between January 1 and December 31, 2022.				
	2-4 Restatements of information*	4, 34, 100. Additionally, presentation of the series 302 indicators was in GJ and no longer in MWh.				
	2-5 External assurance*	7 and 162				
	2-6 Activities, value chain and other business relationships*	17, 18, 23, 24, 99 and 127				
	2-7 Employees	108	Requirement B.iii	Information not available.	All employees have a defined work load, either full or part-time. There are no data on third-party employees and companies classified under this item.	8.10
	2-8 Workers who are not employees		Requirements A, B and C.	Information not available	There are third-party workers in the Natura &Co Latin America operations; however, there is no consolidated information about the total number of workers and their contractual relations for 2021 and 2022. Moreover, the areas are undergoing integration, the indicator is being developed and will be tracked for future disclosure.	8
	2-9 Governance structure and composition*	141, 142 and 143				5, 16

GENERAL DISCLOSURES

GRI Standard / Other source	Content	Location	Omission			SDG
				Reason	Explanation	
GRI 2 General Disclosures 2021	2-10 Nomination and selection of the highest governance body	141				5, 16
	2-11 Chair of the highest governance body	141				16
	2-12 Role of the highest governance body in overseeing the management of impacts	145				16
	2-13 Delegation of responsibility for managing impacts	145 and 148				
	2-14 Role of the highest governance body in sustainability reporting*	145 and 162				
	2-15 Conflicts of interest*	146				16
	2-16 Communicating critical concerns*	148 and 150				
	2-17 Collective knowledge of the highest governance body	141 and 145				
	2-18 Evaluation of the performance of the highest governance body	145				
	2-19 Remuneration policies	145				
	2-20 Process to determine remuneration	145				
	2-21 Annual total compensation ratio	145 and 146				
	2-22 Statement on sustainable development strategy*	9 to 16				
	2-23 Policy commitments	27, 81, 94, 139, 149				16
	2-24 Embedding policy commitments	27, 28, 126, 139 and 147				
	2-25 Processes to remediate negative impacts*	27, 34, 44, 46, 87, 96, 104 and 137				
	2-26 Mechanisms for seeking advice and raising concerns	127, 149 and 150				16
	2-27 Compliance with laws and regulations*	In 2022, there were no cases of non-compliance with environmental laws and regulations resulting in fines or sanctions.	A. B. C. D, for scopes not related to environmental laws and regulations	Information not available	For this cycle, the environmental scope of the indicator was broadened relatively. In relation to the other scopes, the areas are being integrated and the indicator is being consolidated and will be fully disclosed from next year.	
	2-28 Membership of associations	139				
	2-29 Approach to stakeholder engagement*	44, 46, 58, 61, 109 and 128				
2-30 Collective bargaining agreements	108				8	

MATERIAL TOPICS						
GRI 3: Material Topics 2021	3-1 Process to determine material topics*	5 and 6	Disclosures in which the "omission" field is not applicable.			
	3-2 List of material topics*	6 and 8				
Circularity						
GRI 3: Material Topics 2021	3-3 Management of material topics*	130, 132, 133, 136 and 137				
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change*	158	Requirements a.iii and A.iv	Confidential data	Decisions related to the publication of risk valuation will be taken after the company's integration has been completed.	13
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	127				8
GRI 301: Materials 2016	301-1 Materials used by weight or volume*	Access the ESG Scorecard				8, 12
	301-2 Recycled input materials used*	Access the ESG Scorecard				8, 12
	301-3 Reclaimed products and their packaging materials*	Access the ESG Scorecard	Requirement A.	Confidential information	The indicator is reported on a consolidated basis by type of material used for packaging billed products in the categories: Shaving, Hair, Body, Deodorant, Make-up, Oils, Perfumery, Sun Protection, Face, and Soaps. The total includes only primary (bottles, caps, seals) and secondary (cartons, wrapping, labels, stickers) components. Tertiary items (e.g. shipping cartons, plastic wrapping film for pallets) were excluded.	8, 12
SASB: Management of packaging life cycle	SASB-CG-HP-410a.1 (1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials and (3) the percentage that is recyclable, reusable and/or compostable.	131				
	SASB-CG-HP-410a.2 Discussion of strategies to reduce the environmental impact of packaging throughout its life cycle*	130				
GRI 302: Energy 2016	302-1 Energy consumption within the organization*	Access the ESG Scorecard	Requirement D.	Not applicable.	Natura &Co Latin America does not sell energy.	7, 8, 12, 13
	302-2 Energy consumption outside the organization*	Access the ESG Scorecard				7, 8, 12, 13
	302-3 Energy intensity*	Access the ESG Scorecard				7, 8, 12, 13
	302-4 Reduction of energy consumption	Access the ESG Scorecard	Requirements A, B, C and D.	Information not available	Areas are undergoing integration, the indicator is being developed and will be tracked for future disclosure.	7, 8, 12, 13
	302 -5 Reductions in energy requirement of products and services		Requirements A, B and C.	Information not available	Areas are undergoing integration, the indicator is being developed and will be tracked for future disclosure.	7, 8, 12, 13

MATERIAL TOPICS						
GRI Standard / Other source	Disclosure	Location	Omission			SDG
				Reason	Explanation	
Circularity (cont'd)						
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource*	Access the ESG Scorecard				6, 12
	303-2 Management of water discharge-related impacts*	Access the ESG Scorecard				6
	303-3 Water withdrawal*	Access the ESG Scorecard	Requirements A.iii, A.iv, B	Information not available	Areas are undergoing integration, the indicator is being developed and will be tracked for future disclosure.	6
	303-4 Water discharge*	Access the ESG Scorecard	Requirements B, C, D.iii	Information not available.	Areas are undergoing integration, the indicator is being developed and will be tracked for future disclosure.	6
	303-5 Water consumption*	Access the ESG Scorecard				6
SASB: Water Management	SASB-CG-HP-140a.2 Description of water management risks and discussion of strategies and practices to mitigate those risks	Access the ESG Scorecard				
	SASB-CG-HP-140a.1 (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Access the ESG Scorecard				

MATERIAL TOPICS						
GRI Standard / Other source	Content	Location	Omission			SDG
				Reason	Explanation	
Circularity (cont'd)						
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Access the ESG Scorecard				3, 6, 11, 12
	306-2 Management of significant waste-related impacts	Access the ESG Scorecard				3, 6, 8, 11, 12
	306-3 Waste generated*	Access the ESG Scorecard				3, 6, 11, 12, 15
	306-4 Waste diverted from disposal*	Access the ESG Scorecard				3, 11, 12
	306-5 Waste directed to disposal*	Access the ESG Scorecard				3, 6, 11, 12, 15,
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria*	Access the ESG Scorecard				
	308-2 Negative environmental impacts in the supply chain and actions taken*	Access the ESG Scorecard				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria*	126				5, 8, 16
	414 -2 Negative social impacts in the supply chain and actions taken*	126 and 128 Access the ESG Scorecard				5, 8, 16
GRI 416: Consumer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	52				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	52				16
SASB: Product environmental, health, and safety performance	SASB-CG-HP-250a.3 Discussion of process to identify and manage emerging materials and chemicals of concern	Access the ESG Scorecard				
SASB: Revenue from products designed with green chemistry principles	SASB-CG-HP-250a.4 Revenue from products designed with green chemistry principles - Clean Revenue	Access the ESG Scorecard				

MATERIAL TOPICS						
GRI Standard / Other source	Content	Location	Omission			SDG
				Reason	Explanation	
Circularity (cont'd)						
SASB: Environmental & social impacts of palm oil supply chain	SASB-CG-HP-430a.1 Volume of palm oil acquired; percentage certified by the Roundtable on Sustainable Palm Oil (RSPO), as: (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim	Access the ESG Scorecard				
Distribution of value						
GRI 3: Material Topics 2021	3-3 Management of material topics*	33, 34, 36, 37 and 109				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed*	20	Requirements A.iii, A.iv, B	Information not available.	The Natura &Co Latin America financial statements are consolidated in line with Natura &Co holding company definitions. Access the complete financial statements here . For the coming cycles the possibility of disclosing the statements along other lines will be assessed.	8, 9
GRI 202: Market presence 2016	202-1 Ratio of lowest wage compared to local minimum wage by gender	109	All	Information not available.	In line with our internal strategy, we report this information by means of our own Living Wage indicator, which refers to the minimum income necessary for a person and their family to meet their basic needs. For the moment, there are no plans to alter this methodology.	1,5,8
GRI 203: Indirect economic impacts 2016	203-1 Investments in infrastructure and services supported*	77, 78, 79, 82, 86, 100 and 120				
	203-2 Significant indirect economic impacts*	33, 79, 100, 120 and 122				1, 3, 8
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	108				5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	116				3, 5, 8
	401-3 Parental leave	117				5, 8

MATERIAL TOPICS

GRI Standard / Other source	Disclosure	Location	Omission			SDG
				Reason	Explanation	
Distribution of value (cont'd)						
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	117				8
	403-2 Hazard identification, risk assessment and incident investigation	117				8
	403-3 Occupational health services	118				8
	403-4 Worker participation, consultation, and communication on occupational health and safety	117				8, 16
	403-5 Worker training on occupational health and safety	118				8
	403-6 Promotion of worker health	118				3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	117 and 118				8
	403-8 Workers covered by an occupational health and safety management system	117				8
	403-9 Work-related injuries*	118	Requirements A.iv, B.iv, C.ii, C.iii	Information not available	For this cycle, the requirements informed are not available. The possibility of disclosure will be assessed for the coming cycles.	3, 8, 16
	403-10 Work-related ill health*	119	Requirement B.	Information not available.	There are third-party workers in the Natura &Co Latin America operations; however, there is no information on work-related ill health for this category. The possibility of disclosure will be assessed for the coming cycles.	3, 8, 16
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	115				4, 5, 8, 10
	404-2 Programs for upgrading employee skills and transition assistance programs	116				8, 10
	404-3 Percentage of employees receiving regular performance and career development reviews	Access the ESG Scorecard				5, 8, 10

MATERIAL TOPICS						
GRI Standard / Other source	Disclosure	Location	Omission			SDG
				Reason	Explanation	
Distribution of value (cont'd)						
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees*	110, 112 and 143				5, 8
	405-2 Ratio of basic salary and remuneration of women to men*	110	Requirements A and B.	Information not available	The disclosure of information by functional category is not part of the strategy in this area. The information was synthesized in accordance with a specific company category, and no alterations in this methodology are planned. Although the discrimination by functional category is not available in this cycle, the metric presented could be used as a reference for the content of the topic, due to the fact that the intention is similar to that of the data reported.	5, 8, 10
GRI 415: Public policy 2016	415-1 Political contributions	Natura &Co Latin America does not make contributions to campaigns, parties and/ or candidates during or outside electoral processes in line with internal policy. The rule is valid for all the operations.				16
GRI 207: Tax 2019	207-1 Approach to tax	150				17, 1, 10
	207-2 Tax governance, control, and risk management	150	Requirements i.v, B, C.	Not applicable.	To raise doubts, question or report suspected violations of our Code of Conduct or internal policies, there is the Natura &Co Ethics Line (LEN), an independent global channel, managed by a specialized company, and available 24 hours a day, seven days a week in the language of the country in which the person is located. The report may be made via the website or by toll-free telephone call. The person making contact may choose to remain anonymous or not, with full confidentiality and security.	17, 1, 10
	207-4 Country-by-country reporting	Access the ESG Scorecard	Requirement B.	Information not available	Discrimination not available for the criteria requested. At the moment it is not possible to estimate the time it will take to disclose the information requested.	10, 17, 1

MATERIAL TOPICS						
GRI Standard / Other source	Disclosure	Location	Omission			SDG
				Reason	Explanation	
Social Impact						
GRI 3: Material Topics 2021	3-3 Management of material topics*	94, 95, 97, 98, 99, 113 and 114				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	149				5, 8
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	127				8
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor*	127				5, 8, 16
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour*	127				5, 8
GRI 411: Rights of indigenous peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples*	In 2022, there were no cases of violations of indigenous peoples' rights.				2
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs*	77,78,100,101,102 and 139 There are engagement programs in the communities around all the operations.				
	413-2 Operations with significant actual or potential negative impacts on local communities*	There are no operations with negative impacts on local communities.				1, 2
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption*	Access the ESG Scorecard				16
	205-2 Communication and training about anti-corruption policies and procedures*	127 and 149	Requirements A, B, D, E.	Information not available.	Data accounted for through consolidation in relation to: - total number of employees trained in anti-corruption policies and procedures; - total number of commercial partners trained in anti-corruption policies and procedures. For the coming cycles the possibility of discriminating the disclosure in other ways will be assessed.	16
	205-3 Confirmed incidents of corruption and measures taken*	150				16
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no law suits related to anti-competitive behavior or violation of anti-trust laws in 2022.				16

MATERIAL TOPICS						
GRI Standard / Other source	Disclosure	Location	Omission			SDG
				Reason	Explanation	
Regeneration of nature						
GRI 3: Material Topics 2021	3-3 Management of material topics*	75, 87, 88 and 89				
GRI 304: Biodiversity 2016	304 -1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas*	Access the ESG Scorecard	Requirements A.vi, A.vii	Information not available	Areas are undergoing integration, the indicator is being developed and will be tracked for future disclosure.	6, 14, 15
	304-2 Significant impacts of activities, products, and services on biodiversity*	Access the ESG Scorecard	Requirements B.iii, B.iv	Information not available	Areas are undergoing integration, the indicator is being developed and will be tracked for future disclosure.	6, 14, 15
	304-3 Habitats protected or restored*	Access the ESG Scorecard				6, 14, 15
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations*	Access the ESG Scorecard				6, 14, 15
Climate Action						
GRI 3: Material Topics 2021	3-3 Management of material topics	89, 90, 153, 158 and 160.				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions*	91				3, 12, 13, 14, 15
	305-2 Energy Indirect (Scope 2) GHG emissions from the acquisition of energy*	91				3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions*	91				3, 12, 13, 14, 15
	305-4 GHG emissions intensity*	91				13, 14, 15
	305-5 Reduction in GHG emissions*	Access the ESG Scorecard				13, 14, 15
	305 -6 Emissions of ozone-depleting substances (ODS)	Access the ESG Scorecard				3, 12
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions	Access the ESG Scorecard				3, 12, 14, 15

(A free translation of the original in Portuguese)

Natura &Co Holding S.A.

Independent auditor's limited assurance report on the non-financial information included in the 2022 Natura &Co Latin America Integrated Report



(A free translation of the original in Portuguese)

Independent auditor's limited assurance report on the non-financial information included in the 2022 Natura &Co Latin America Integrated Report

To the Board of Directors and Stockholders
Natura &Co Holding S.A.
São Paulo - SP

Introduction

We have been engaged by Natura &Co Holding S.A. ("Company" or "Natura &Co") to present our limited assurance report on the non-financial information included in the 2022 Natura &Co Latin America Integrated Report and certain contents selected from attachment ESG Scorecard 2022 (hereinafter referred together as "2022 Natura &Co Latin America Integrated Report") of Natura &Co for the year ended December 31, 2022.

Our limited assurance does not cover prior-period information, or any other information disclosed together with the 2022 Natura &Co Latin America Integrated Report, including any incorporated images, audio files or videos.

Responsibilities of the management of Natura & Co

The management of Natura &Co is responsible for:

- . selecting or establishing adequate criteria for the preparation and presentation of the information included in the 2022 Natura &Co Latin America Integrated Report;
- . preparing the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI - Standards), with the basis of preparation, developed by the Company, and with Guidance CPC 09 – Integrated Reporting issued by the Brazilian Federal Accounting Council (CFC), related to the Basic Conceptual Framework for Integrated Reporting, prepared by the International Integrated Reporting Council (IIRC);
- . designing, implementing and maintaining internal controls over the significant information for the preparation of the information included in the 2022 Natura &Co Latin America Integrated Report, which is free from material misstatement, whether due to fraud or error.

Independent auditor's responsibility

Our responsibility is to express a conclusion on the non-financial information included in the 2022 Natura &Co Latin America Integrated Report, including certain contents selected from attachment ESG Scorecard 2022, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01 – Issuance of Assurance Reports related to Sustainability and Social Responsibility, issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is

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Natura &Co Holding S.A.

equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB).

Those standards require that the auditor complies with ethical requirements, independence requirements, and other responsibilities of these standards, including those regarding the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on the compliance with ethical requirements, professional standards and relevant legal and regulatory requirements.

Moreover, the aforementioned standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the 2022 Natura &Co Latin America Integrated Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of Natura &Co involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that allows us to issue a limited assurance conclusion on the information, taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the 2022 Natura &Co Latin America Integrated Report, taken as a whole might present significant misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation, materiality, and presentation of the information included in the 2022 Natura &Co Latin America Integrated Report, other circumstances of the engagement and our analysis of the activities and processes associated with the significant information disclosed in the 2022 Natura &Co Latin America Integrated Report, in which significant misstatements might exist. The procedures comprised, among others:

- (a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the 2022 Natura &Co Latin America Integrated Report;
- (b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through inquiries of the managers responsible for the preparation of the information;
- (c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the 2022 Natura &Co Latin America Integrated Report; and
- (d) when non-financial data relate to financial indicators, comparing these indicators with the financial statements and/or accounting records.

The limited assurance engagement also included the analysis of the compliance with guidelines and criteria of the Global Reporting Initiative (GRI - Standards), the principles for the Integrated Report, pursuant to Guidance CPC 09 – Integrated Report, related to the Basic Conceptual Framework for Integrated Report, prepared by the International Integrated Reporting Council (IIRC), and the provisions established in the basis of preparation developed by the Company.



Natura &Co Holding S.A.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement vary in nature and timing and are less detailed than those applied in a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would be obtained in a reasonable assurance engagement. If we had performed a reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the 2022 Natura &Co Latin America Integrated Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior periods nor future projections and goals. Likewise, our work did not include detailed analysis or tests that would allow us to provide a conclusion, albeit limited, on the Impact Profit & Loss (IP&L) results presented throughout the 2022 Natura &Co Latin America Integrated Report. On this topic, our work was limited to inquiries to the IP&L team to obtain an understanding of the basic aspects of the methodology.

The preparation and presentation of non-financial information and indicators followed the definitions of the basis of preparation developed by the Company and the guidelines of the Global Reporting Initiative (GRI - Standard) and, therefore, the information included in the 2022 Natura &Co Latin America Integrated Report does not have the objective of providing assurance with regard to the compliance with social, economic, environmental or engineering laws and regulations. However, the aforementioned standards establish the presentation and disclosure of possible cases of non-compliance with such regulations when sanctions or significant fines are applied. Our assurance report should be read and understood in this context, inherent to the criteria selected and previously mentioned in this paragraph.

Conclusion

Based on these procedures performed, described herein, and on the evidence obtained, no matter has come to our attention that causes us to believe that the non-financial information included in the 2022 Natura &Co Latin America Integrated Report for the year ended December 31, 2022 of Natura &Co has not been prepared, in all material respects, in accordance with the criteria of the basis of preparation, guidelines of the Global Reporting Initiative (GRI - Standards), and with the Guidance CPC 09 – Integrated Report.

São Paulo, June 29, 2023

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Maurício Colombari
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