



Our brands





Natura positioned for the future

The performance of the Natura brand in 2023 was excellent, particularly in Brazil. This was driven by the strength of the omnichannel business model, which elevated the Beauty Consultants' income generation potential and boosted their productivity.

In parallel, the retail channel enjoyed robust growth in Brazil propelled by impressive store sales and the accelerated pace of store openings, both company-owned and franchise outlets, indicating the potential future growth in this channel. Meanwhile, digital sales benefited from adjustments in the e-commerce platforms and the social networks to enhance the omnichannel connection, as well as seasonal sales on commemorative dates such as Christmas or Natura Friday. The Natura brand showed a resilient performance in the implementation of Wave Two in Peru, Colombia and Brazil and faced challenges in the adjustments made in the commercial model in Mexico.



Product innovations also supported the positive result, worthy of note being the Todo dia Toda Noite line and the Essencial Ato fragrances. After the launch of the Biome zero plastic bar product line, Natura positioned itself in the premium market with its entry into the home products segment thanks to the Bothânica line, a new brand with exclusive fragrances and essential oils in products that care for, transform and integrate into different spaces.

What if?

In 2023 we revisited the Natura brand narrative in Latin America to position cosmetics as a transformative vehicle, capable of opening up the world for each individual, combining science and nature for the well-being and beauty of all forms of life. Based on the new product lines and in connection with the business expansion cycle, we created communication campaigns and marketing strategies to forge close links between the company purpose and consultants and consumers, reinforcing attributes such as innovation and high performance.

*"What if the Amazon imbued
your skin with the power
of hyaluronic acid?"*



By presenting products as tangible expressions of our purposes, we invite the public to interact with the brand reflecting on the power of their choices, with a simple but not obvious provocation, "What if?". With this question, Natura proposes that people reflect on the transformative power of their choices, presenting the product at the core of the communication, as a spokesperson and point of connection with Well Being Well.

In response to the growing interest in skincare evident through social media searches, we're reevaluating our approach. Why limit skincare tutorials and campaigns to facial care when the term encompasses broader aspects of skin health? Natura EKOS extended an invitation to rethink body skin care with a special edition of Natura Ekos Tukumã, a complete anti-signs of ageing line that leaves the skin firmer and more even, boosting natural hyaluronic acid production by 77% based on a fruit from Amazonian biodiversity, transformed into a powerful cosmetic bioactive through research, technology and innovation.

Natura Musical

For 18 years the Natura Musical Program has fostered culture through the responsible and transparent use of funds from tax incentives. On this journey, it values music as a vehicle for well-being, connection and personal and collective transformation. To date it has sponsored more than 600 artists and projects all over Brazil, promoting musical experiences that reveal the diversity of



the country's culture. In partnerships with festivals and the Casa Natura Musical venue, the platform promotes encounters aimed at transforming the world through art.

A total of BRL 11 million was invested in Natura Musical projects in 2023, of which BRL 3.9 million from tax incentive laws and BRL 7.1 in company funds. During the year, the program supported more than 90 projects, resulting in the launch of 130 cultural products. Highlights were the launch of the unprecedented album Canto Coral Afro-Brasileiro, by Os Tingoãs, much awaited for 40 years, and the award winning album from Latin Grammy winner João Donato, Seratonina. Moreover, the program promoted new talents such as the singer from Bahia Melly, winner of the Prêmio Multishow de Artista Revelação; it also supported collective initiatives, such as the Festival Latinidades, which toured a number of state capitals. The Casa Natura Musical, in São Paulo (SP), promoted more than 120 shows by artists from all over Brazil, with a total audience of over 65,000 people in the year.

Launches

Natura Ekos Brazil Oil Concentrate

The first concentrated moisturizing body cream in the world, the results of three years of study by the Natura R&D team, it represents the combination of innovation and positive impact. The launch, available for sale in 2024, represents a global innovation in the cosmetics market, reinforcing the brand's commitment to sustainability, noteworthy being its refillable pack. Made from 100% plastic retrieved from riverine regions, it contributes to a significant reduction in waste and the development of sustainable post-consumer plastic chains in riverside communities, as well as fostering recycling cooperatives.



Natura Tododia Todanoite:

What if you didn't wait till tomorrow to sleep? Developed by the Natura Well-Being Sciences area in partnership with Instituto do Sono, the product line proposes a pre-sleep routine that cares for the skin, reduces the time to go to sleep and improves the quality of sleep up to fourfold, with proven effectiveness. The product line comprises prebiotic nutrition, vitamin B5 and chamomile tea and lavender fragrance.



Natura Bothânica

The line offers well-being in every detail, from the skin to the home ambience. With the launch, Natura is evolving in the premium categories, inaugurating the home care segment with perfumery for the home. Focused on e-commerce and retail sales, the products seek to harmonize body, the home and the planet, by means of natural formulas, exclusive fragrances and essential oils.



Essencial Ato

An olfactory creation from Verônica Kato, Natura's exclusive perfumer, in which we capture the smell of the Brazilwood flower combined with Amazonian power of *priprica* root essential oil. An exclusive innovation from Natura Perfumery, that took five years to develop a fragrance equal to that of the Brazilwood flower, enabling its use in perfumery while leaving the flowers on the trees using Headspace sustainable technology, which absorbs the molecules responsible for producing the odors, which are then subject to a series of laboratory essays to identify the molecules responsible for creating this olfactory identity.





Our *certifications*



B Corp In 2014, Natura became the first publicly traded company to receive B Corp certification. In 2020 we received our third consecutive certification with the highest score in our historical series (153 points), growing 39% compared with the initial certification. We are one of the few companies in the world to score in seven impact business models (IBMs). In 2023, Natura undertook a new recertification process, which will be concluded in 2024.



The Leaping Bunny: Bestowed by Cruelty Free International, one of the oldest and most respected organizations fighting to eliminate animal testing. The certification attests to Natura's commitment to ban animal testing at all product development stages, which has been in place since 2006. Natura was the first company to receive this certification in Brazil in September 2018.



UEBT (Union for Ethical Biotrader) certification: For the sixth consecutive year the certification guarantees that all the vegetable ingredients in Natura's Ekos line product formulations were sourced with respect for people and the environment. The process involves a rigorous system that verifies UEBT ethical biotrader principles in the field, such as the existence of practices that guarantee the maintenance of ecosystems, fair sharing of benefits from the use of biodiversity and associated traditional knowledge, as well as safe working conditions. The Ekos line has had UEBT certification since 2018 and is one of the few products that have it worldwide.



Awards and *recognitions*

Brand Finance®

Brand Finance:
For the third time running, the strongest cosmetics company in the world in the Brand Finance 2023 report.



Folha Top of Mind:
Winner in the Moisturizing Cream and Environmental Preservation categories



Clean Production Award (Peru):
Award granted by the Environment Ministry, in the Sustainability and Commitment to Society and the Environment category



Monitor Empresarial Corporate Reputation (Merco):

- 1st place in Brazil for the ninth consecutive year
- 5th place in Argentina



Valor Innovation Award:
6th most innovative company in Brazil.



AmCham Award(United States Chamber of Commerce in Argentina): Winner in the Transparency and Ethics category, for the IP&L case study.



Best Corporations for Start-ups:



Merco ESG:

1st place in Brazil
2nd in Argentina, Chile and Peru
9th in Mexico



Exame - Biggest and best:
Special recognition for winning the most awards in the segment (12 times).



POY Award (Chile):
Best product of the year, with the Ekos Tukumã moisturizer



Startups Awards 2023:
Distinction in the Corporate category



Merco Talento:

1st place in Brazil
10th in Argentina



Aberje Award:
Regional winner with the Voto Consciente case study.



Private social investment index (Colombia):
Leading company in the ranking.



Open Startups Ranking:
TOP Open Corps.

Avon

Prepared for growth

In 2023, as part of a global movement in the brand, Avon concluded the first cycle of its transformation, whose first wave began in 2020. This stage re-established the foundations of its business model, including optimization of its portfolio, improved product quality and renewal of the brand expression, incorporating key innovations in priority categories, such as make-up, as well as sustainability in its operations.

These fundamentals were aimed at preparing Avon for the second wave of the combination of operations with Natura in Latin America, which began in 2023 in Peru, followed by Colombia and Brazil. With the integration, the Beauty Consultant network gains an enhanced value proposition aimed at boosting productivity gains as well as enabling access to a series of benefits hitherto only available to Natura consultants, such as financial services and education for them and their families. The integration also permitted investment to ensure the Avon operations in the countries adopting the combination become carbon neutral as early as 2024.



Throughout 2023, we streamlined brand expressions across Latin America with a fresh identity, revitalized portfolio, and revised communication strategies. We revamped product presentations by integrating new technologies and reexamined our relationships with consultants and consumers.

We also boosted the momentum of digitalization, with the internalization and relaunch of the e-commerce channel in Brazil, which produced very promising results, especially on commemorative dates.

It was a period in which perception of brand quality was changed based on the "Olha de Novo" (Watch me now) campaign. We invited people to rediscover Avon and its products using a more direct and immediate language. It was successful and made consumers reconsider the brand and reconnect with its purpose.

The brand was positioned as the leader of the make-up category in Brazil (Kantar), underscoring the Power Stay product line and the Tratamake platform.

Launches

Matte Hydramatic Lipstick

The first with the powerful **tratamake nucleus**, which combines intense color and a matte finish with moisturizing properties. The formula contains hyaluronic acid and glycerine, known for their high moisturizing power. The launch inaugurates a treatment platform within the make-up category.



Renew Line

This consists of products that reinforce care in the skincare routine. They range from cleansing to anti-signs of ageing treatment, including moisturizing and protection. The key components in the formulation include protinol, an exclusive brand ingredient that promotes the production of the two types of collagen present in our skin. The result is greater softness, plumping and firmness.

Power Stay

Long-wearing make-up for a complete look every day. It comprises lipsticks, foundations, concealer, eyeliners and mascara. The launches for the year include new lipstick colors and a liquid eyeliner.





Awards and *recognitions*



Instituto Ethos:
Best company for black women



Aberje Award:
Regional winner with the Avon Olha de Novo case study



Lápiz de Oro Award (Argentina):
Best advertising with the "La voz" campaign



Colombia Women's Department:
Award for being a company made up
of Powerful Women



Bosque Urbano Award (Mexico):
Awarded to companies committed to recycling paper packaging



Violeta Magazine (Ecuador):
Equality and Inclusion certification

The Body Shop

In line with global strategy, The Body Shop focused on stabilizing its main distribution channels and reducing costs in Latin America, with a view to driving cash generation and resumed growth in tune with the market.

With the sale of the brand finalized by the end of the year, we transitioned into our role as master franchisees in the region, proud to uphold the brand's positioning and attributes.

Awards and *recognitions*

- **Glamour de Beleza Award 2024:**
Winner in the Skin category, with Edelweiss Night Mascara
- **GQ Brasil Grooming Awards:**
Winner in the Body Skin category, with the dense butter for long-wearing moisturizing Body Butter Avocado (Vegan) and Moringa bar soap



Launches

Jamaican Castor Oil Line
Developed especially for coily and curly hair, its formula contains vegan keratin, shea butter – from Ghana Community Fair Trade – and Jamaican castor oil, with a recyclable and 100% recycled pack with Community Fair Trade plastic retrieved from the streets of Bengaluru in India. All are dermatologically tested and certified by the Vegan Society.



THE BODY SHOP



Flor do Limoeiro (Lime tree flower)

The new product line consists of Shower Gel, Body Yoghurt and Face and Body Mist with fresh, citric floral aromas. All are vegan and dermatologically tested with a minimum of 92% ingredients of natural origin.

Wellness Line

Anchored on three special pillars (Sleep, Breathe and Boost), it is oriented to self-care to re-energize the body and mind. The Sleep line contains a minimum of 90% ingredients of natural origin and upholds ethical principles in the essential oil sourcing chain. In the Breathe line, noteworthy are the 100% natural eucalyptus essential oils from China and rosemary from Spain, with at least 95% ingredients of natural origin. Meanwhile the Boost line contains 100% natural tangerine and bergamot oils, as well as other ingredients from Fair Trade programs with communities in Europe, Asia, Africa and Latin America.



Innovation, science *and knowledge*

With the integration of our businesses, we consider the role of research and development (R&D) and investments in them to be even more important. For us, nature, technology and beauty should go side by side to generate value for society and for the environment.

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. We use machine learning, big data and artificial intelligence (AI) to boost the processing capacity of the information generated by these professionals. This process is further enhanced by leveraging other technological solutions, such as augmented reality and the Internet of Things.

In 2023, we reviewed our entire innovation process, including our organizational structure, aimed at accelerating our creations in the market. The R&D teams for each brand continue to work independently, ensuring each one's exclusive "way of making products". Natura maintains its investments in Brazilian biodiversity actives, while Avon has a strategy linked with global

trends. In parallel, the restructuring has resulted in teams that work in synergy, seeking opportunities to optimize processes, infrastructure and technology. Some areas are now shared between Natura and Avon, such as advanced skin research and the Perfumery Development Nucleus.

These modifications were enabled by the installation of the Avon Global Innovation Center beside the Natura Innovation Center in 2023. Both are located in the municipality of Cajamar in Brazil. This move has made Latin America the group's main technological investment hub in the world. Together, the two form the largest cosmetics innovation center in the southern hemisphere.

Beyond the synergies, Brazil is also strategic because of the diversity of its climate and consumption habits, as well as the different skin and hair types found in the country. Such a diverse region in geographical, cultural and ethnic-racial factors helps to leverage the creation process for products that meet the demands of consumers on all the continents. Avon, for example, is the major benchmark for black skin, with four times greater market share than the competition, and will benefit from this proximity to the consumer market. In parallel, executing this

development from Brazil will drive knowledge sharing with other Avon centers worldwide and foster the development of new talent in the organization in Latin America.

The installation of a pilot plant for make-up together with the innovation centers is scheduled for 2024. This will be used to conduct tests both for Natura and Avon, functioning as a factory on a smaller scale.

Combining actives from nature with human knowledge and sensitivity and state-of-the-art technology enables us to develop high performance products with proven effectiveness and safety for people and for the environment.

Natura innovation indicators	2021	2022	2023
Investment in innovation (BRL million)	262	297	292
Percentage of net revenue invested in innovation (%)	2.2	2.3	2.1
Number of products launched¹ – Brazil	367	222	273

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

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

We believe that companies not only have the potential but rather have the duty to generate solutions for socio-environmental challenges. We see these as opportunities for innovating and generating positive impact. Innovation is the front that guarantees the perpetuity of our businesses in conjunction with sustainability and the R&D area focused on beauty products. We innovate in our commercial model to increase our capacity to generate prosperity for our network, in new businesses such as Emana Pay to drive digital and financial inclusion for our network, in the way we measure our impacts not only in terms of finance but in socio-environmental factors by means of the Integrated Profit & Loss (IP&L), throughout our value chain to guarantee human rights and foster the protection of social biodiversity, as well as promoting social innovation tools such as the Financial Mechanism to protect the Amazon. We also innovate constantly in the way we connect with our customers, not only offering them solutions for their needs, but also fostering their connection with more sustainable behaviors. In this context, our investment in innovation in its broadest sense has increased over the years.