

# Innovation Centers *in Latin America*

## **Natura Innovation Center 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 optimal 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 process of developing our products. The center also conducts activities aimed at dissemination, inspiration and co-creation with universities, start-ups, suppliers and partners.

## **Natura Amazonia Innovation Nucleus (Nina)**

Nina is installed in the Ecoparque in Benevides, Pará, where there is a biorefinery for developing processes to obtain extracts, fixed oils, butters and essential oils from Amazonian biodiversity. The center is part of the Natura Amazonia Program strategy to promote innovation and technological development in the region and add value for sustainable local production. Partners in the



**Inauguration of the Avon Global Innovation Center in Cajamar - São Paulo, Brazil.**

initiative include the Federal University of Pará (UFPA) and Embrapa. As part of our expansion strategy for the Pan-Amazon region, we also have a partnership with the Instituto Sinchi in Colombia.

- **Among the notable fronts of activity in 2023 are:**

The launch of two new bioingredients of Amazonian origin, raising the total from 42 to 44 ingredients. With the expansion of our area of activity, we are contributing to the conservation of 2.16 million hectares of land and initiating a partnership with new communities.

- Acquisition of new equipment for our biorefinery, expanding production and technology capacity for the development of new eco-efficient extraction processes to obtain Amazonian bioingredients.

- technological processes that drive digital transformation in scientific research into biodiversity and the democratization of access to leading edge technology, benefiting the communities.
- Development of a simple device with a virtual communication interface to capture, measure and process data from remote regions in the interior of the Amazon.

### **Global Avon Innovation Center in Brazil**

In 2023 we brought the Avon Global Innovation Center from the United States to Brazil, in the municipality of Cajamar, driving synergy between the structures. The new hub is responsible for innovation, product research and development for all the brand's categories for some 50 markets worldwide.

The decision was also taken to bring the brand even closer to the Latin American public. The idea is to ensure the investment makes the products more rapidly available for the end consumer. More than 300 scientists are focused on the development of formulas, packs and new technologies, constituting a significant competitive differential in the cosmetics industry.

## **At the forefront of** *new technologies*

We invest in in vitro models and methodologies for research into skin physiology and hair biophysics, as well as their reaction with the environment, with microbiota and with processes in the human organism, such as ageing. By means of these methodologies, in 2023 we conducted studies that identified new cosmetic intervention mechanisms for treating the skin, scalp and hair strands. This approach allows for the selection of the most appropriate ingredients for each intervention, directly impacting the development of efficient and innovative cosmetic products tailored to meet specific consumer needs.

Among the innovations under development or application, worthy of note is the investment in a machine that simulates exposure to the sun for conducting product tests. This will join other leading edge technology products for research and development, such as high performance chromatographs, capable of separating complex compound mixtures, effectively targeting the application of exclusive raw materials in products.

### **Artificial Intelligence**

The expansion of the use of AI and data in all our R&D processes is part of our strategy, with a focus on accelerating and ensuring the effectiveness of technical decision making. In 2023, we developed big data tools for simulations and the ecodesign of

formulas that enable real-time comparative analyses with the complete Natura portfolio. The goal is to simulate the impacts of substitutions of ingredients, formulas and packs, as well as Commitment to Life indicators to boost agility in decision making and choices that reduce environmental impact.

We implemented AI models to forecast safety parameters for natural ingredients as an evolution in new alternative methods to the use of animals. We also leveraged analysis flow in omic technologies, involving structured data bases and artificial intelligence computational models and machine learning in transcriptomics and metabolomics, the process used to assess the vocations and chemical signatures of proprietary bioingredients.

## **Ingredient safety and consumers**

### **GRI 416-1, 417-2**

We are fully committed to the health and safety of consumers, assessing 100% of our product and service categories. In 2023, we had 11 significant product and service categories, all rigorously assessed in terms of their health and safety impacts. This process ensures that each product commercialized by Natura complies with the highest safety standards, using safe ingredients in line with the most recent scientific criteria and in compliance with relevant Brazilian and international legislations.

We have a specialized team of researchers that uses advanced in vitro modeling techniques, such as bioprinted 3D skin. The integrated methodologies strategy enables safety assessments for the brand's proprietary raw materials, combining different computational models to predict the toxicity of an ingredient and biological models.

An example is the Human-on-a-chip methodology, developed by Natura in partnership with LnBio (National Biosciences Laboratory of CNPEM – Centro Nacional de Pesquisa em Energia e Materiais). The procedure simulates the functioning of the human organism in laboratory for assessing the safety of ingredients or products. In 2023, the technology was incorporated into the company's routine safety tests. The method enables us to understand whether a raw material with no historical usage data is critical or not for relevant toxicological components.

In 2023, we also incorporated and used three new in vitro biological models and a computational model that enables us to study, accelerate and innovate in safety assessments of ingredients of natural origin, pursuing greater possibilities for the application of proprietary technologies to maximize their performance.

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.

The controversial ingredients banned by Natura include triclosan, parabens, phthalates, Glyoxal and Imidazolidinyl Urea, in function of human health and/or environmental safety concerns.

We also prohibit the use of any material that may be considered a microplastic (polymers and/or synthetic copolymers in particulate solid form, with a particle size lower than 5 mm, insoluble in water and non-degradable), to prevent the risk of these components polluting 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 has commercial operations in Latin America.

## **No animal testing**

The adoption of alternative methods to animal testing is a strategic choice for Natura & Co Latin America. The Natura and Avon R&D teams employ a technological platform based on data science to advance in robust, integrated alternative approaches capable of supplying the highest possible volume of information for safety assessments of proprietary raw materials. Moreover, the company has partnerships with research institutes and universities in Brazil and abroad to develop alternative methods for assessing product safety and effectiveness.

## **Vegan products**

The only non-vegan ingredient currently present in the Natura portfolio is beeswax, used mainly in make-up, and which is gradually being substituted. In 2023, 95% of the Natura portfolio was vegan.

**You can verify the list of banned ingredients  
and details of consumer safety practices  
in the Databook Latin America.**





## Open innovation

For over 20 years, we have believed in the collective purpose of creating via networks, with open innovation projects executed jointly with research institutes, universities, start-ups and large companies worldwide. These initiatives enable diverse actors to connect with Natura's challenges, fostering science and technology through partnerships involving the private sector and an extensive network of partners.

This is the reason for Natura Campus, a program that stimulates connection via networks to strengthen the innovation ecosystem

and drive results in scientific development, innovation and technology. Natura Campus houses diverse collaboration formats. We invest in interconnected research areas active in the generation, growth and diffusion of knowledge and that deliver benefits for the company's entire relationship network.

In 2023, we expanded our strategic partnerships with some collaborative initiatives deserving attention, such as the partnership with Solubio and the Instituto SENAI de Inovação em Biomassa, aimed at developing solutions based on micro-organisms to boost palm production through socially and ecologically responsible innovations. Another was hosting the Packaging & Sustainability event, organized by the Instituto de Embalagens, at Cajamar in Brazil. This brought together representatives of diverse sectors engaged in enabling circularity in Brazil.

## Natura Startups

Created in 2016, Natura Startups pursues solutions for the company's challenges by means of collaboration. Thousands of startups have been involved in this initiative. Its multiple points of contact disseminate an innovation culture, the digital mindset, entrepreneurship, collaboration and promote agility across our different business areas, helping drive Natura's organizational transformation. The initiative is monitored and assessed using a start-up funnel indicator, which measures the entire process from the initial analysis to the contracting of approved partners. In 2023, the project addressed 21 challenges in diverse areas, resulting in the conclusion of nine tests and interaction with over



## **Singu: our first startup acquisition**

In 2023, we acquired our first startup. This is the home beauty digital service platform Singu. The company had already been a Natura investee initiative for two years. With the purchase, we assumed management of the company. The decision permitted the combination of major business fronts on this platform because a significant part of our Beauty Consultant network works with or is engaged in the beauty service segment (manicures, pedicures, massages, hairdressing).

The platform brings these professionals closer to the end customer's needs by putting them in contact and shortening distances. This direct contact gives the professional access to a much more inclusive level of income compared with working in a beauty salon.

**Check the results of Natura Startups in the  
Databook Latin America**

