

Packaging and *circular economy*

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

We employ a proactive approach to product life cycle management. We conduct a detailed mapping of the production process for the main inputs, enabling the identification of opportunities to reduce environmental impacts throughout the suppliers' value chain. This collaborative work is aimed at ensuring the visibility of processes generating higher carbon emissions throughout the value chain, enabling the development of carbon emission reduction projects. In 2023, we finalized the review of the carbon footprint methodology for inputs and packaging materials not only in order to update the supplier base but also the methodological bases of the study. The tools used to assist in the development of new products include the Environmental Calculator. This tool, developed by Natura 15 years ago and constantly updated, enables researchers to anticipate and quantify the environmental impact of products in the development phase, assessing how different design choices affect pre-established environmental indicators.

This type of approach is also being extended to assist in decarbonization throughout the development of Avon products.

Examples of good practices are the Natura Biôme solid personal care products (further information on page 134), our first regenerative cosmetic bar product line. Another initiative which shows the company's commitment to circularity is the launch of Ekos Castanha, the first concentrated body moisturizer in the world.

Packaging and refills

SASB CG-HP-410a.2

We have an R&D team dedicated to researching solutions and technologies to reduce the environmental impact of packaging, with a prevailing focus on material circularity. To do this, we prioritize the development of reusable materials, minimizing waste generation. We favor the use of post-consumer recycled and renewable materials and seek to improve the recyclability and compostability of our packaging.

In 2023, 87.8% of our packs were recyclable, reusable or compostable. We reached 13.1% use of post-consumer recycled plastic, compared with 10.6% in 2022. Considering only the Natura brand, we increased the use of post-consumer recycled plastic from 20% to 21.8% and avoided emissions of 3,359 tons of GHG.

SASB CG-HP-410a. 1, GRI 301-2

Further information about life cycle management of our packaging in the [Databook Latin America](#).

The post-consumer recycled material (PCR) rate in 2023 was 10.6 % for the Natura brand and 1.2% for the Avon brand. Considering Natura &Co Latin America the rate was 7.67 %, an approximate 14% increase in the use of PCR compared with the previous year.

GRI 301-2

We have a pipeline of projects to increase the incorporation of PCR in all the brands up until 2030. Avon, in particular, continues to invest in research to improve its performance. The major part of the brand's bottles already include at least 30% PCR in their composition. Recycled polyethylene (PE) and polypropylene (PP) resins are currently being validated for future inclusion in other packaging.



40 years of refills

A pioneer in the use of refills, Natura commemorated 40 years of the first launch of this type of packaging. In 2023, the Natura refills avoided the generation of 2,131 tons of waste - equivalent to the volume of waste produced by 3.9 million people in one day - and the emission of 5.4 tons of GHG.

Reverse logistics

and circularity **CG-HP-410a.2, GRI 3-3**

Natura Elos Program GRI 308-1

Created in 2017, the Natura Elos reverse logistics program seeks to strengthen plastic, glass and paper recycling chains and shared responsibility with our packaging suppliers, including cooperatives, recycling operators and manufacturers.

The goal is to foster a sustainable ecosystem for the supply of post-consumer recycled material. The activities comprehend support for training suppliers, driving professionalism and fostering a proactive mindset throughout the chain with a view to fulfilling elevated standards of compliance and good practices to guarantee the traceability and sustainability of the production chains. It also includes the development of waste picker cooperatives, strengthening work relations and gains in efficiency, in addition to valuing and recognizing the services these workers render for society.

All of our operations have engagement measures and development programs for recycling cooperatives, although we do not conduct assessments or formal complaint processes, neither do we publicly disclose impacts for these stakeholders. Our activities are concentrated in Brazil and Mexico, but in all the countries in the region the cooperatives are submitted to

internal audits to ensure adequate work, administrative and environmental practices. **GRI 413-1**

In 2023, BRL 803,500 was invested in the project, of which BRL 386,900 in the form of direct investment, mainly in infrastructure for the deposits, in administrative management, in improving working conditions for waste pickers in the partnering cooperatives and in increasing productivity.

The remaining BRL 416,600 was invested in partnerships in the programs Adote um Condomínio, which improves the volume and the quality of the waste reaching the cooperatives, Circulaflex, which seeks to boost Plastic; and Cataki+, a pilot to test parameters for involving individual waste pickers in post-consumer recycling chains in a dignified manner. The amount also includes the investments for the diagnosis and implantation of a program to foster and incentivize selective waste collection in the municipalities in which two of the group's factories are located in Brazil - Cajamar and Benevides, in partnership with the NGO Espaço Urbano. **GRI 203-1**

In 2023, the number of supplier cooperatives and participants in the Natura Elos projects increased from 47 to 64. There are another 9 cooperatives that serve the Recicle com a Natura program exclusively. The number of waste pickers involved in the projects reached 3,091. We recovered 14,900 tons of post-consumer packaging material at Natura and at Avon.

GRI 301-3

We also promote the correct disposal of solid waste by means of participation in the Brazilian CFT industry association Abihpec (Associação Brasileira da Indústria de Higiene Pessoal, Perfumaria e Cosméticos) program Mãos para o Futuro since 2016. This initiative has already collected more than 1 million tons of waste nationwide.

Rios Vivos

The Rios Vivos (Live Rivers) project, the Amazonian arm of the Natura Elos program, involves the mobilization of riverine communities in Amazonas and Pará for the collection of plastic waste in the forest and in the communities and urban districts around rivers in the region. 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. This is an important initiative because it values the positive impact we have over ecosystems, in particular riverine and maritime systems.

In 2023, we initiated the operation of a new post-consumer plastic material supply hub in partnership with a cooperative in the Brazilian city of Belém. This project avoided the disposal of 39.5 tons of waste in rivers and, consequently, in the ocean.

Elo Verde Program GRI 413-1

In 2023, we formulated a public-private partnership with the local government of Cajamar, where the company's largest manufacturing facility in Brazil is located. This involves a reverse logistics initiative for recyclable materials. The program, called Elo Verde, promotes recycling by means of a connection with public schools, the selective waste collection infrastructure and support for waste pickers, incentivizing our suppliers to use waste as inputs for the production of new packaging. City residents are rewarded with Avon products for participating in the initiative. To get the program started, Natura & Co Latin America donated BRL 4.7 million worth of Avon beauty products.

The initiative will help Natura & Co Latin America to achieve its public target of employing 100% reusable, refillable, recyclable or compostable materials in its packaging by 2030.

Recicle com a Natura (Recycle with Natura)

In 2023, the company relaunched its reverse logistics program with a view to stimulating a change in behavior and developing positive habits in consumers and its network in relation to recycling. Called "Recicle com a Natura" (Recycle with Natura), the program increased its capillarity, with more than 680 collection points in over 280 Brazilian cities. The packs, which should be delivered empty, are collected and sent for recycling.

