

# Relationship Selling

GRI 2-6

Relationship Selling, with which over 3.5 million Beauty Consultants and Representatives from our brands work in Latin America, has been a symbol of female entrepreneurship and empowerment for over 130 years. This business model holds a key place in our society's affective memory and has been leveraged by digitalization and the use of social networks. By modernizing rituals, incentives, and training to align with 21st-century demands and leveraging new technologies, we can enhance productivity and gain deeper consumer insights. When combined with the omnichannel experience, this approach enables us to personalize offers and tailor sales strategies to meet individual needs effectively.

Relationship selling is a powerful driver of prosperity for millions of people, in particular, women. We understand that this concept goes beyond generating a living income,

involving aspects related to quality of life in a broader sense. To measure this impact, since 2014 we have employed our Beauty Consultant Human Development Index (HDI), inspired by the United Nations Development Program (UNDP) methodology. This survey is conducted every two years, enabling the tracking of the dimensions assessed and acting directly on critical themes. Added to the previously mentioned IP&L, the HDI is fundamentally different in the way we comprehend and relate to the Beauty Consultant network, in line with our values and with Well Being Well.

The last assessment took place in 2022, revealing a noteworthy enhancement in the quality of life of Natura consultants, with a 3.6% increase compared to 2019, reaching a rate of 0.63 on a scale from 0 to 1. This improvement was particularly driven by advancements in the knowledge dimension, which surged by 8.9%, notably propelled by pillars such as financial education and digital inclusion.

In addition to the HDI, we measure the consultant network engagement in our value proposition and action plans by means of satisfaction and loyalty indices.



## Digitalization of our network

We see the incorporation of new technologies, social networks and other digital media as potential drivers of relationship after selling and encourage the Beauty Consultants to embrace these evolutions in their sales strategies. In this regard, we provide technological support and training for the development of digital businesses, and we continuously update the sales support tools and materials available.

A noteworthy aspect in this regard is the utilization of digital magazines by consultants, shared with customers through applications like WhatsApp. Moreover, for social media publications, we offer pre-designed content crafted using data intelligence criteria and techniques aimed at enhancing the reach and appeal of posts. We include artificial intelligence tools to customize promotions for each customer, who decides how to conclude their purchase, whether via e-commerce or directly with the consultant.

*In 2023, we unified the Natura Consultant Day and the Avon Representative Day, with the commemoration of Natura and Avon Beauty Consultant Day on September 22.*

In 2023, Natura &Co had a total of over 1.3 million digital spaces for Beauty Consultants, with 80% of these spaces concentrated in Brazil. Also during the year, Natura's presence on WhatsApp was certified by Meta, making it the first cosmetics brand certified on this platform. This has enabled us to create a community of beauty and personal care enthusiasts, offering information contents for the categories in which they are involved.

### **Education and training**

We promote the personal and professional development of our consultants by facilitating access to training and education initiatives. This helps to broaden their world view, driving autonomy and income generation.

The priority subjects in Beauty Consultant training include Natura and Avon products, businesses associated with Beauty Consulting, digitalization, financial literacy and education, positioning (soft skills) and the causes promoted by our brands. In 2023 in Latin America, each Beauty Consultant consumed on average 11 contents on our digital platforms, which track participation in and evaluation of the training offered.

We reaffirmed our commitment to expand the reach of the training for the Consultant base. Five macro-initiatives were implemented: expansion of the reach of the

Beauty Consultant Trainers, evolution of content distribution formats, enrichment of the repertoire with more in-depth content and face to face training, training the network for the Natura and Avon combined Beauty Consultancy model, and the launch of the Natura and Avon Business School. A digital platform created to accelerate Beauty Consultant development by means of a learning journey that includes online and face to face courses with contents segmented for the different stages of consultant maturity.

With the Natura Education Educational Credit program, consultants and their family members are able to take technical, graduate, postgraduate and language courses. Managed by the Instituto Natura and the partnering fintech Mova, the program offers interest free financing repayable in up to 36 installments. Meanwhile the "Programming my Future" initiative is oriented to technology training for the children of Beauty Consultants and Business Leaders, focused on inclusion and the development of digital skills.

### **Health and Well-Being GRI 203**

We invest in Well Being Well measures for the Beauty Consultants. We develop programs that promote self-care, socio-emotional development and self-esteem for those in our business and impact network.

and refer them to the specialized services we offer: telemedicine, psychological counselling, support in the event of domestic violence, financial assistance for food and medical expenses. Our social contact channel provided donations and income transfers for over 1,500 consultants and leaders who found themselves in need. On another front, we arrange donations to provide help in the event of public calamities.

The power of recognition and donations to promote self-esteem and well-being constitutes the basis for one of Natura's longest-standing initiatives: The Acolher Program. Introduced in 2010 to recognize and reward consultants who organize consolidated social projects, in 2021 the potential to generate impact was expanded by encouraging Beauty Consultants to act as community leaders by means of a Social Mobilization Education Journey. In 2023, we recognized 45 Beauty Consultants, including: 43 women with 28 people self-declared as black or mixed race. The program is funded with resources raised from a percentage of sales on Natura Friday.

**See the Beauty Consultant satisfaction, training and development indicators in the Databook Latin America**