



Ethics & Compliance

Fostering positive impact

The resilience of our Ethics & Compliance programs proved invaluable during the significant changes which took place at the Holding in 2023. During this time, we steadfastly upheld our commitment to the highest ethical standards with a robust training and communication plan and the introduction of a comprehensive consolidated new Code of Conduct.

Natura &Co has once again been recognized by The Ethisphere Institute as the World's Most Ethical Company.

In addition to navigating the anticipated legal complexities surrounding the divestment of two companies, we remained committed to executing the strategy outlined in mid-2022. The implementation of various controls at Emaná Pay, our financial services platform, and monitoring activities across other countries further strengthened our commitment to maintaining program effectiveness. As a result, alongside upholding a streamlined group-level hub to ensure uniformity in policy enforcement and risk management, we have now established dedicated Legal and Ethics & Compliance teams tailored to the needs of Natura &Co Latin America and Avon International, granting them greater operational autonomy.

The Audit Committee of the Board of Directors diligently oversees the Ethics & Compliance program at Natura &Co, which has once again been recognized by The Ethisphere Institute as the World's Most Ethical Company. This marks the second time our consolidated program has received this accolade from Ethisphere, building on the 11 previous wins by Natura Cosméticos. Furthermore, Natura Cosméticos has been honored for the fifth consecutive year with the Pro-Ethics Seal, bestowed by the Brazilian federal government's CGU (Controladoria Geral da União).

As part of our ongoing simplification initiative, we continually review and refine our policies and procedures, striving to make them concise and easily understandable. These documents cover topics such as privacy and data protection, conflicts of interest, trade sanctions, transactions with related parties anti-trust, anti-corruption and bribery. They can be found [here](#).

In 2023, we introduced an additional document, focusing on Information Disclosure and Securities Trading in compliance with the regulations set forth by CVM, the Brazilian Stock Exchange Commission. This policy outlines procedures for the publication of material information and delineates the expected conduct of relevant parties, ensuring adherence to laws and regulations prohibiting insider trading practices.



Moreover, we have begun implementing compliance tools, coupled with comprehensive training and communication strategies, including successful compliance weeks in Latin America, to support our sustainability efforts, addressing various risk factors such as human rights violations in our supply chain, gender or ethnicity-based harassment or discrimination complaints, and compliance with regulations governing community engagement and partnerships.

Central to this approach is the newly consolidated [Natura &Co Global Code of Conduct](#), which serves as the cornerstone of our business conduct expectations across our organization. Introduced in 2023, this document integrates our core values and beliefs with our operational policies, procedures, and Commitment to Life goals, structured around four foundational pillars, each reflecting a fundamental aspect of our corporate ethos:

1. **People:** this pillar outlines our robust health and safety policies, our commitment to fostering diversity, equity, and inclusion, and our unwavering stance against harassment, violence, and discrimination.
2. **Communities:** here, we detail how our values translate into concrete policies and procedures concerning our Consultants and Representatives, Distributors and Franchisees, charitable and political engagements, protection of human rights, and the cultivation of safety and transparency within our supply chain.
3. **Operating Responsibly:** this pillar underscores our dedication to upholding the highest standards of governance and encompasses policies related to information sharing and data security, managing conflicts of interest, and compliance with anti-corruption and trade regulations.
4. **Planet:** in our pursuit of environmental stewardship, this section shows our commitment to environmental leadership and outlines the policies that guide our colleagues and partners, particularly those engaged in critical supply chains, towards minimizing our collective environmental footprint.

The Natura &Co Global Code of Conduct is readily accessible on all Business Units' intranet platforms and is available in 23 different languages. All associates (including our Board of Directors) within the company are mandated to complete annual e-learning sessions on the code. Notably, in 2023, 99.29% of the targeted users at Avon International and 96.95% at Natura &Co Latin America successfully completed the certification process. Additionally, the code is a focal point of our regular General Compliance training sessions, attended by management and above. These sessions, held annually across various countries, facilitate in-depth discussions on real compliance scenarios and foster a culture of ethical conduct.

Furthermore, we prioritize executive onboarding and compliance training for new hires, ensuring alignment with our ethical standards from the outset. All Directors and officers undergo rigorous screening and background checks upon recruitment, with further reviews conducted at each re-election to maintain shareholder approval.

The Global Code of Conduct is a focal point of our regular General Compliance training sessions

Another notable initiative is the Workplace Behavior Training program, which saw over 2,300 participants in Brazil in 2023, spanning from Directors to frontline employees in Operations and Logistics. Meanwhile, 267 individuals involved with our microcredit and financial inclusion platform, Emana Pay, completed the Anti-Money Laundering e-learning training, representing 94.38% of the target audience. For Avon International, we had 236 associates training on General Compliance topics, in various countries.



Speak Up Culture

GRI 2-16, 2-25, 2-26, 205-1, 406-1

We are committed to cultivating a culture where individuals feel empowered to raise concerns or seek clarification on ethics and compliance matters, as exemplified by our Speak Up Culture initiative. Under the safeguards provided by our Global Whistleblower Policy, we encourage everyone to engage with their line manager or reach out to designated human resources, legal, or ethics and compliance partners regarding potential breaches of the Code of Conduct, encompassing internal policies, laws, or regulations pertinent to Natura & Co. For those who prefer anonymity, reports can be submitted online or via toll-free phone, 24/7, through the independent [Ethics Line Helpline](#), available in 23 languages.

Investigations into reports involving potential violations of the Code of Conduct are conducted by the Ethics and Compliance department, in direct consultation with specialized areas whenever necessary. We unequivocally condemn any form of retaliation against those who voice complaints and concerns.

Complaints concerning third parties and suppliers are routed to the appropriate legal departments (except if involving our employees or related to potential human rights violations, in which case they are overseen by the Ethics and Compliance department), while issues involving Beauty Consultants or consumers are addressed through their respective channels.

The efficacy of our work is assessed through an annual survey, aimed at gauging employees' perceptions of the Ethics and Compliance Program, as well as overall ethics and integrity within the company.

In 2023, the Ethics Line received 1,043 calls, each assigned to experienced professionals who conducted investigations in accordance with established protocols. These calls were comprised of 802 reports and 241 conflict of interest disclosure forms. Conversely, violations of the Code were addressed by an internal management remediation committee (formed by Ethics and Compliance, Legal and Human Resources), with actions tailored according to the risk level for the company and local laws. Disciplinary measures, including termination of employment, may be implemented for employees found in breach of the Code.

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Natura &Co does not make contributions to campaigns, parties and/or candidates during or outside electoral processes

Conflicts of Interest

GRI 2-15, 2-23

To prevent or mitigate conflicts of interest, the company implements and publishes a series of measures, including clear policy and procedure implementation. Natura &Co also promotes education and training on these policies, and has established committees to analyze cases involving Transactions with Related Parties. This ensures transparent record-keeping of all disclosures of possible conflicts of interest (real or apparent), isolation of involved parties, regular policy reviews, and fosters a culture of legal compliance, procedures, and, above all, the company's values.

The company updated its Conflict of Interest Policy in December 2022, internally disseminating it in January 2023 across various languages on business unit intranets for employee accessibility. The update included alerts to leaders about the new version and incorporating a specific conflict of interest module in the annual Code of Conduct training. Employees are encouraged to report conflicts via an online form, with evaluation handled by the Ethics & Compliance team, ensuring transparency and anonymity.

Training

GRI 2-24, 205-2

We communicate and offer training on our policies and procedures. In addition to the mandatory annual training on our Code of Conduct, which all employees, including the Board of Directors, are required to complete, we conducted specific training in 2023 for various segments of our workforce. This included specialized training on Respect in the Workplace for operational staff (2,300 people trained) and Money Laundering for Emana Pay employees (267 people trained).

Following the implementation of a new supplier registration process in 2022, specific training was conducted via webinars in Q1 2023. Participant selection considered areas with suppliers under due diligence, risk countries by Transparency International, and employee hierarchies.

Additionally, 523 managers and Directors were trained on ethics, compliance, anti-corruption, and government interaction.

Natura's role as Co-Chair of the ICC's Commission on Integrity and Corporate Responsibility was also given prominence, promoting business ethics and organizing events on corruption, transparency, compliance, and governance. Natura also acts as President of the Ethics Committee of the WFDSA (World Federation of Direct Selling). GRI 2-24

Monitoring Markets and Suppliers

GRI 205-1

Annually, we conduct assessments to evaluate ethics and compliance risks across operating markets, focusing on the efficiency of our antitrust, anticorruption, trade sanctions, and data privacy policies. These assessments involve interviews, questionnaires, and consideration of indicators such as fears of retaliation, high-risk expenditure, global investigation data, and Corruption Perception Index rankings from Transparency International. In 2023, we evaluated 16 countries in Latin America and in 36 other markets for Avon International.

Our suppliers are expected to uphold transparency and integrity, adhering to our [Supplier Code of Conduct](#), [Conflict Materials Position Statement](#), [Critical Material Policies](#), [Privacy Statement](#), and [Responsible Procurement Guidelines](#). Through a meticulous due diligence process, suppliers undergo assessment using our integrity and reputation protocols upon selection, and every two years thereafter. In 2023, Natura &Co reviewed 510 suppliers and four resellers.

Following onboarding, suppliers receive ongoing support and training, with Avon International providing anti-corruption training to high-risk suppliers and Natura maintaining a committee to oversee next steps for flagged suppliers.

Political Contribution reviews

GRI 415-1

Natura &Co does not make contributions to campaigns, parties and/ or candidates during or outside electoral processes, in line with internal policy and no political contributions were made in 2023. The rule is valid for all operations. The Natura &Co Code of Conduct is explicit about this rule, adding that the company does not contribute directly or indirectly to political parties, movements, committees, political organizations or unions, their representatives, or candidates, except when required by applicable laws.

Charitable contribution reviews

In 2023, we reviewed 453 proposed donations to causes and charitable groups selected by our business units for their shared values, to ensure they uphold our ethical and human rights standards.