



Human Rights

From compliance to **due diligence**

Transitioning from a compliance-focused approach to a comprehensive due diligence strategy is pivotal in safeguarding human rights across our operations and supply chain.

We believe, as a group, that everyone should feel safe speaking up.

In 2021, our Board of Directors endorsed a [Human Rights statement](#), emphasizing the necessity of robust human rights due diligence, including providing access to effective remedy, informing our approach with the perspectives of external stakeholders as well as potentially affected rights holders and communicating the outcomes of putting our human rights approach into practice.

Building upon this foundation, in 2023, we embarked on a journey to enhance our approach, aligned with the United Nations Guiding Principles of Human Rights. This evolution led us to commit to an ambitious target: by 2027, we aim to identify, prevent, and mitigate human rights risks across our supply chain and operations.

To bolster our efforts, we are developing dynamic in-house risk mapping and targeted assessments of identified blind spots. Our methodology is building on compliance audits towards a holistic approach, emphasizing shared responsibilities, system thinking, and stakeholder engagement in solution co-creation.

We prioritize the inclusion of rights holders in all stages of initiative design, implementation, and evaluation, supported by robust grievance mechanisms. Where harm occurs, or is likely to occur, we commit to remediation and leveraging our influence to drive positive impacts, such as gender-based violence initiatives in palm oil extraction and promoting living incomes in critical material mining areas. We believe, as a group, that everyone should feel safe speaking up. Employees and service providers have access to the Natura &Co Ethics Line, our Global Code of Conduct for employees and the Global Code of Conduct for Suppliers. These documents outline rules regarding human rights issues in practice, highlighting the significance of raising concerns and seeking guidance on business ethics and integrity, which are integral components of our values.



In addition, we are establishing a robust human rights governance structure to foster group-wide accountability and improve record and data management.

Women's rights are human rights

In the realm of direct selling, particularly in an industry predominantly composed of women who often engage with strangers, several risks related to human rights can emerge. These risks may include safety concerns, violence or coercive control.

To address these risks and enhance our commitment to women's rights as human rights, we have partnered with external consultants to conduct a comprehensive assessment. This includes:

- Benchmarking against peer companies to identify best practices and areas for improvement.
- Evaluation of existing commercial controls and due diligence mechanisms.
- Providing recommendations to strengthen business-led due diligence efforts.

In addition, we are establishing a robust human rights governance structure to foster group-wide accountability and improve record and data management. This includes appointing business unit sponsors and implementers to integrate human rights considerations into commercial functions, leveraging our resources to enact meaningful change and ensure the safety and well-being of all individuals involved in our direct selling operations.

Critical material certification as a strategic opportunity

Certification serves as a strategic opportunity for Natura &Co, allowing us to address social and environmental risks across our supply chains while fostering transparency and accountability. Here are some key points regarding our certification efforts and strategic initiatives:

Due Diligence Target: We have established group-wide policies and action plans to address risks associated with six materials; palm, mica, alcohol, soy, cotton, and paper. These plans include specific traceability and certification requirements, with annual milestones set to achieve our targets.

Certification Achievements: In 2023, we made significant progress, achieving 87.9% certification for palm oil and 81.2% for paper.

We provide education, training, and interventions to empower women and safeguard their rights and dignity.

Strategic Opportunities: We have identified strategic opportunities to support certification efforts. For example, we fund initiatives to promote environmental and human rights improvements in palm-producing regions such as in Indonesia via Kaleka, a non-profit organization that works with management of sustainable sourcing, conservation and restoration, agri-food systems, community development and environmental and social governance.

Industry Partnerships: Natura &Co Latin America and Avon International are active members of industry-specific organizations such as the Roundtable on Sustainable Palm Oil. Avon International is a member of Action for Sustainable Derivatives, and the Responsible Mica Initiative. These partnerships help increase transparency and promote ethical practices in our supply chains.

Gender-Based Violence Initiatives: Through partnerships with organizations like Her Respect, we are addressing gender-based violence in our supply chain. We provide education, training, and interventions to empower women and safeguard their rights and dignity.

Overall, our certification efforts and strategic initiatives support our commitment to sustainability, ethical practices, and the well-being of our stakeholders across the supply chain.