

# Message from the Holding CEO

In 2023, Natura &Co underwent a transformative journey marked by rebuilding, refocusing, and a remarkable turnaround. Despite facing challenges on multiple fronts that tested our values, I take pride in the accomplishments and the strategic path we forged. Natura &Co persevered without compromising its core values, making tough yet necessary decisions that have set the stage for renewed growth.

Fábio Barbosa

Crucially, the year's successes wouldn't have been possible without the exceptional dedication of our team. Their discipline and resilience in navigating a year of profound change were truly commendable. I deeply appreciate the collective effort and professionalism displayed by the team, playing a pivotal role in positioning the company on a stronger foundation for the future.

In 2023, our adjusted EBITDA reached double-digits, and we successfully shifted our cash generation from negative to positive, in line with our plans. We also successfully reduced our debt through a robust liability management plan, including extending debt maturities. This streamlined capital structure frees up resources and creates a more solid financial foundation for sustainable growth in the next years, allowing us to fully concentrate on our core strengths and drive long-term value creation.

Over the past decade, our vision of global expansion was initially supported by a vibrant worldwide economy influenced by low-interest rates. However, unforeseen challenges, such as the pandemic and subsequent inflationary pressures, posed significant obstacles to our ambitions. By mid-2022, adverse consumer scenarios, especially in retail foot traffic, combined with our debt ratio, hindered our ability to make essential investments so that all our brands could thrive as they should. Consequently, our initial resolution was to streamline the Holding structure, focus on working capital management, and grant more autonomy to business units to allocate resources and pursue strategic priorities. Importantly, we consciously prioritized margins and cash generation over sales growth.

In 2023, we took further steps, including the sale of Aesop in August, unlocking significant value to improve our capital structure and deleverage our balance sheet. Simultaneously, we concluded that The Body Shop needed additional expertise and focus for its transformation, leading to its sale in December. It has been a true privilege to work with both Aesop and The Body Shop, whose values and purpose are deeply aligned with our own.

Moving forward, these strategic moves signify a return to basics for Natura &Co, with a renewed focus on our core strength, the relationship selling model, and the evolution towards omnichannel capabilities. With a simplified capital structure and a commitment to profitability, we aim to protect margins and achieve sustainable sales growth.

In Latin America, under the leadership of João Paulo Ferreira, our aim is to continue the integration of Natura and Avon's operations. We're focused on capturing synergies and aligning the brands to foster future growth. This will be driven by product innovation and the diversification of shopping experiences and occasions, facilitated by enhanced digitalization of Direct Selling and omnichannel integration. Avon International will continue to optimize its operations and reduce costs, while focusing on key geographies to return to a growth path. Gratitude is expressed to Angela Cretu for her leadership, and a warm welcome is extended to Kristof Neiryck as the new CEO of Avon International.

Looking ahead, we recognize the changing landscape of business accountability and the continued importance of addressing social and environmental issues. As we approach



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COP-30 in Belém, Brazil, in 2025, we are committed to embracing partnerships to unlock the potential of nature-based solutions. Collaboration and regeneration will be pivotal in navigating the urgent challenges posed by climate change.

Throughout this journey, we have remained committed to the values upon which Natura &Co was built. Despite facing difficult circumstances, maintaining transparency, engaging in social issues, and prioritizing environmental impact have remained at the core of our business. We take pride in our decision to refocus on our core strengths while upholding our values, maintaining Natura &Co as a business with the ESG agenda at its core.