

2021
annual report



AVON



Aēsop.

natura & co



2021
annual report

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Our
group





We are a global purpose driven group made up of four iconic beauty companies. Natura &Co operates in more than 100 countries, with over 3,700 stores, 35,000 employees and 7.7* million Representatives and Consultants. We believe in challenging the status quo in order to promote *real positive economic, social, and environmental impact*. We believe in the power of cooperation, co-creation, and collaboration.

We are proud to be the world's largest B Corp™.

We are *Avon, Natura, The Body Shop, and Aesop*.

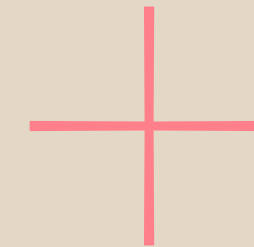
We are Natura &Co.

* As of December 31, 2021

Purpose and aspiration

Our purpose

To nurture beauty and relationships for a better way of living and doing business.



Our aspiration

We will dare to innovate to promote positive economic, social, and environmental impact – and become the best beauty company FOR the world.

Our brands

AVON

Founded in 1886, Avon connects people in more than 70 countries, using the power of beauty to transform women's lives for the better.

5.6 million Representatives across the world sell its iconic products, building their own beauty businesses. Avon believes a better world for women is a better world for all, and is committed to acting for gender equality, speaking out about issues that matter and creating positive change. Together with Avon Foundation, the company has donated over US\$1.1 billion, with a focus on tackling gender violence and breast cancer.



Founded in 1969, Natura is a Brazilian multinational in the cosmetics and personal care segment, a leader in direct sales in Brazil, and recognized for protecting the Amazon social biodiversity through its sustainable business model.

Cruelty free. 90% vegan. With 7,000 employees and two million beauty Consultants in Latin America, Natura operates in 11 countries. In 2014, Natura became the first publicly traded company to receive B Corp™ certification, and its third certification was concluded in 2020. Natura's EKOS line is certified by the Union for Ethical Bioproducts (UEBT).



Founded in 1976, The Body Shop became a certified B Corp™ in 2019.

The Body Shop seeks to make positive change in the world by offering high-quality, naturally inspired products produced ethically and sustainably and campaigns for social and environmental justice around the world. Having pioneered the philosophy that business can be a force for good, this ethos is still the brand's driving force. The Body Shop today is a truly omni-channel business with more than 2,600 retail locations (owned and franchised) in more than 80 countries; The Body Shop at Home direct to consumer channel in the UK, US, and Australia; and an e-commerce presence in nearly 60 markets.

Aēsop.

Established in 1987 in Melbourne, Australia, Aēsop has since expanded to 28 markets around the globe, with each of its 269 signature stores having its own unique design.

Aēsop is renowned for creating products with meticulous attention to detail, along with a unique exploration of the intersection of botanicals and science to create sensorial and highly efficacious formulations for skin, body, hair, fragrance, and home. Aēsop became a B Corp™ certified company in 2020.

→ Message from the Board of Directors

The power *of the collective*



The continuation of the pandemic in 2021 and the outbreak of war in Ukraine at the beginning of 2022 have extended the period of uncertainty the world is experiencing. On one hand, we have been able to confront the coronavirus thanks to giant leaps in science, with vaccination programs being rolled out worldwide, and on the other, tragically, we have seen the renewal of violence in the place of dialogue.

Luiz Seabra, Guilherme Leal, Pedro Passos, and Roberto Marques, on behalf of the Board of Directors

As we are confronted with the return of war on our doorstep, we offer our solidarity to the victims of violence and reiterate the profound conviction that dialogue is always the best path towards peaceful resolution. Conflict forged by arms is illegitimate and ineffective. History is full of examples. All over the world, we have seen polarization hinder building constructive relationships, making it even more difficult to combat the biggest and most urgent challenges of our times. In addition to the war underway, inequalities continue to grow, the climate crisis is worsening, and biodiversity loss is close to irreversible.

At Natura &Co, we reaffirm our belief in the power of the collective. A belief maintained by our companies during this past year, through our four businesses and through the members of our network: our associates, Consultants and Representatives, suppliers, communities, and

customers. Faced with a particularly hard year, we consolidated the first stage of the integration of our businesses. We were able to define paths to move forward, and now our focus is on enhancing operational execution. Our strategic ambition has proven to be robust, and our long-term vision is being implemented, with fundamental transformations ongoing.

The challenges we have experienced have revealed an impact previously unacknowledged: in addition to the irreparable losses caused by the pandemic and the war, people's mental health has also been profoundly affected. Our unwavering focus is therefore to care for people. With the power of the collective, we are acting in defense of life, by providing funding and support for public healthcare systems, engaging in transparent dialogue with governments, institutions, and



Luiz Seabra



Guilherme Leal



Pedro Passos



The profound truth is: "You can't be human in isolation; you are human only in relationships."

– Desmond Tutu

society across the world. The same premise is guiding us in the current conflict: we are providing support and help to refugees and making donations to address the urgent needs of those in and around the war zone.

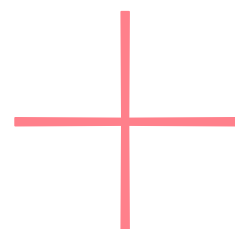
Turning our attention to the planet, faced with climate changes that threaten us with devastating impacts, in November 2021, we participated in COP26, in Glasgow. Natura &Co defended a broad-based global effort for the establishment of ambitious targets for the decarbonization of the economy, as set forth in the Paris Climate Agreement; keeping the Amazon forest alive is a condition necessary to achieve the climate targets it sets out. In addition to making every effort to articulate collective efforts to revert deforestation in the region by 2025, we prioritized the urgent need for the development and application of nature-based solutions that promote the regeneration of



Roberto Marques

areas with high potential to remove carbon from the atmosphere.

"Determination and perseverance move the world" said Dame Sarah Gilbert, the British vaccinologist and Oxford University Professor who developed the Oxford–Astra-Zeneca COVID-19 vaccine, saving the lives of millions of people from the virus. We agree. With this same sentiment, we forge ahead into 2022, building a group that believes in its Commitment to Life, in beauty and in the power of the collective and, above all, in the capacity for science and peace to build a better world.



Natura &Co

in numbers

Triple-bottom line results

R\$ 40.16 billion

Consolidated net revenue 2021

R\$ 4.14 billion*

Adjusted EBITDA 2021

R\$ 1 billion

Net income 2021

* Excludes effects that are not considered usual, recurring or comparable between the periods under analysis.

35,000+
employees

50.4%
women
in leadership positions

USD
\$ 59 million
invested in social &
environmental causes

15.6%
growth
in social selling &
e-commerce sale

2 million
hectares
of conserved forest in
the Amazon region

64 sourcing
communities
based on ethical trade in 17
countries

Approx.
4,000 tons
of virgin
plastic
replaced by recycled
plastic in packaging

Global footprint

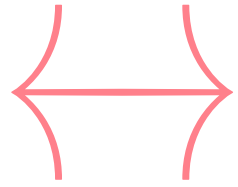
100+
countries

7.7* million
Consultants and
Representatives

3,700+
stores and
franchises



* As of December 31, 2021



Strategy *and Governance*

Strategy

Delivering on our promise

2021 was a year that taught the world many important lessons and continued to test us in unexpected ways. As Natura &Co continued to evolve and adapt, we were gratified to see that one of our core beliefs, that we are all interdependent, was brought to light more clearly than ever before. We stand firm in the belief that only through a truly collective approach can we address the world's most pressing issues, from public health to climate action, from inequality to regeneration, and, unfortunately again, from conflict to peace. For the second year running, Natura &Co's overall strategy was tested, and once

again, through resilience, determination, compassion, and empathy, we were able to achieve a healthy underlying performance and successfully move forward in our goal of building a global, multi-brand, omnichannel, and purpose-driven group that creates value for all.

Due to the ongoing health and safety concerns related to COVID-19, we continued working diligently to minimize its impacts, most importantly on our people and network, whilst ensuring continuity of operations, protecting cash, and improving liquidity. In addition to the uneven recovery from the pandemic in key markets, we also dealt with unexpected headwinds that are still hitting

economies worldwide. Rising inflation, localized supply chain and freight disruption, as well as the contraction of the median income in some developing and emerging economies, led us to reaffirm our priorities and the fundamentals that made us come together as a group.

We tightened our focus on delivering synergies and efficiencies from the integration process in Latin America, accelerating Avon's transformation worldwide, and investing in areas to fuel growth such as digitalization, creating a more targeted portfolio, and exploring geographical expansion. We took the opportunity to honor and leverage our collective intelligence to work together in more inno-

→ Photo: Josefina Bietti & João Ávila



The way forward

→ **Integration with Avon:**

Natura &Co's plan to create a powerhouse in Latin America remains on track, with close to 50% of expected synergies delivered in 2021, ahead of plan of 40%, we are set to achieve our goal of 70% by the end of 2022. Important lessons have been learned in Avon's implementation of a new commercial model in Brazil, inspired by Natura's success story in social selling, and an improved commercial model already brought to life in Ecuador and Central America in 2021, and more recently in Colombia. Beyond Latin America, the model has also been successfully implemented across 14 other key international markets, after pilots held in South Africa and the Nordics. These moves have been supported by an ongoing strategy to rejuvenate the brand, optimize the portfolio, and streamline the operating model, which are all essential steps in Avon's transformational path to growth.

→ **Digital first:** in 2021, our ongoing focus on digitalization allowed for digitally enabled sales to reach more than 50% of Natura &Co's total revenues. We will continue building on this momentum with a view to increasing this share to 75%. Today, Natura already benefits from its own innovation ecosystem to design digital services that enhance its social selling capabilities. This year also marked the rollout of Avon ON which is now live in 51 markets,

transforming the digital Representative and consumer experience for the brand. We will continue to scale up the app together with other tools to accelerate digitalization even further. Aesop and The Body Shop also continue to make strides in e-commerce, driving personalization and loyalty – with The Body Shop sales nearly double those from pre pandemic levels in 2019.

→ **Brand & Innovation:**

as we gain momentum on the innovation front, we continue to move towards a solid pipeline of high-performance products that embrace circularity and regenerative solutions at the heart of the innovation process. In 2021, Brand Finance consultancy positioned Natura as the strongest cosmetics brand in the world, Avon showed encouraging first signs of renewal and strength from the transformational turnaround efforts, while The Body Shop, as planned, regained its activist energy across its 121 Activist Maker Workshop stores and the relaunch of iconic products. Both Avon and The Body Shop were ranked by *Cosmetify* amongst the Top 10 most popular beauty brands in 2021. Aesop's beautiful and unique perspective on fragrance, wellness and design led to the launch of sophisticated products and sensory experiences in 2021, with more on the way to fuel its outstanding year-over-year growth.



→ **Regional strategy:** crucial progress has been made in our entry strategy for China, with Aesop's brand activation and go-to-market set for the second half of 2022, as well as the rollout of The Body Shop into mainland China. We are planning the further rollout of Avon's new commercial model into an additional 12 markets and will engage in several cross-selling and upselling initiatives with Natura with a focus on other Hispanic Latin American countries.

→ **Sustainability:** as sustainability continues to be an integral part of our business model, 2021 saw significant progress in our *Commitment to Life*, Natura &Co's ambitious Sustainability Vision, with the publication of our first 12-month progress report. Another milestone for us was the successful issuance of US\$ 1 billion in a sustainability-linked bond related to two of these targets. It was the largest-ever single issuance of this type by a Brazilian company. Furthermore, Natura &Co attended COP26, a conference on climate change, where we engaged at all levels to push the agenda for preserving the Amazon. As part of our work there, we launched PlenaMata, an online tool available to all, which tracks the live rates of deforestation in the Amazon and its causes, raising awareness of the importance of this critical part of our planet. In parallel, Natura &Co created a short documentary film with our stream-

ing partner *WaterBear*, called *Tree of Plenty*, focusing on Natura's work in the Amazon to bring the ucuuba tree back from the brink of extinction. We are aware of the challenges ahead, but as we have shown many times in our history, it is possible to create solutions that reconcile short and long-term results.

→ **Continued operating**

model improvement: at its inception, Natura &Co set the goal to be a lean, results-driven group, with flawless execution and agile processes that support the success of our four unique, independent brands. In 2021, we embarked on a journey to establish the guiding principles for working together and designed an operating model that can adapt and grow with us. We firmly believe that our capacity to create value as a group for our four brands will be directly related to our willingness to trust, collaborate, and balance autonomy and interdependence. To help us with this, we are investing in a robust IT infrastructure to foster cooperation and improve data collection and analytics, including new procurement and human resources platforms.





↑ Natura Headquarters, Cajamar, Brazil

Governance

An enduring commitment to transparency

The backbone of our corporate governance dates to 2004, when it was created as part of Natura Cosméticos's commitment to robust transparency, fairness, accountability, and corporate responsibility. Since then, we have welcomed Aesop, The Body Shop, and more recently Avon, to create Natura &Co, a global community of people that work together, envisioning world class products paving a better way for living and

doing business. To achieve this, we follow a system that relies on the best international governance practices, reviewed annually to ensure that processes followed align with the guidelines established by the Board of Directors.

Our commitment to the best corporate governance practices is reflected, among other things, by our pioneering listing under the rules of the Novo Mercado on the Brazilian Stock Exchange in 2004 and our growing level of adherence to the Brazilian Code of Corporate Govern-

ance (86% of full compliance). We also observe the recommendations published by the Brazilian Institute of Corporate Governance (IBGC). In 2021, the second year of our integration as four businesses, we continued to enhance these practices in line with the most up-to-date requirements, consolidating our framework and enjoying the beauty of working collectively.

In 2021, we launched a new Investor Relations website to improve our communication with investors and analysts, with a goal of driving continuous transparency. As of December 31st, 2021, our free float was 60.86% of the total shares, with a 37% increase in the number of shareholders, mainly driven by the growth of individual investors, reaching 68,000. The average daily trading volume (ADTV) was R\$ 339.1 million.

Independence and expertise

Our Board of Directors is currently composed of 13 highly experienced members (six men and four women and three members from the group of control), all of whom are elected and dismissed by the General Shareholder Meeting, with a unified term of office of two years. Six of the 13 members are Brazilian residents; six are US residents and one is a UK resident. According to Natura &Co bylaws, re-election is allowed. As defined in the Novo Mercado rules, at least one-third of the Directors must be independent. At Natura &Co, nine of the 13 board members are independent, corresponding to 69.23% of its current

composition. New to the Board is Georgia Garinois-Melenikiotou, also independent, who joined in 2021, bringing her extensive international experience in beauty, complex business, digitalization, Asian markets, and brand equity to Natura &Co.

The other members of the Board are the three Natura co-founders, who uphold the legacy of the original company and contribute to the long-term vision for the group, which is critical for us. They take turns as Chairman of the Board while having the support of Board member Roberto Marques as the Executive Chairman and Group CEO of Natura &Co. In ordinary and extraordinary meetings, the Directors met ten times in 2021 to discuss critical strategic topics for the group and oversee subjects ranging from quarterly results, strategic planning, sustainability, risks to people and culture.

To guarantee its best performance, our Board of Directors has five committees (Strategy, People, Group Operating, Governance, and Audit), two of which are statutory. Annually, these committees undertake a self-assessment with the active participation of the Directors in sharing their views and recommendations to improve the composition, workflow, and responsibilities of the committees. As a result of this feedback, for example, board member W. Don Cornwell joined the Governance Committee in 2021, thus providing his independent contribu-

tions and extensive experience in this area.

In addition to the regular committees, four other subcommittees were formed in 2021 to address specific demands: Finance and Asia Entry, both linked to the Strategy Committee, and Internal Audit and Information Security, within the scope of the Audit Committee. During the year, we focused on strengthening our compliance and cyber security processes and controls. We reviewed new corporate policies on transactions with related parties and management of conflict of interests, enterprise risk management, and dividend distribution, as well as new compliance policies such as the group anti-corruption and the group trade sanctions policies.

This year, the Strategy Committee focused on strategic planning, digital, Asia expansion, and mergers and acquisitions over the course of seven meetings. The People Committee met six times to discuss succession, culture, compensation, diversity and inclusion, and organization. Nine meetings, including one extraordinary meeting, were held by the Audit Committee. Key themes included risk and control, internal and external audits, ethics and compliance, financial operations structuring, and capital structure. Throughout the year, the five members of the Governance Committee covered self-assessment, Board meeting follow ups and updates on governance demands.

Collectively, that's how we work

Alongside assisting the Board of Directors with global strategy, the Group Operating Committee (GOC) is responsible for supervising each of Natura &Co's business units, identifying synergies and opportunities among them. It comprises the four brands' CEOs, the heads of each corporate function (logistics, finance, human resources, and legal), the Chief of Staff, and the Chief Growth Officer. Headed by Roberto Marques as the Executive Chairman of the Board of Directors and Group CEO, the GOC is also responsible for overseeing organizational aspects to ensure fluidity and efficiency, and for making recommendations on administrative and operational structures.

In 2021, this Board committee held six two-day meetings to ensure robust, lean processes for Natura &Co. Furthermore, important organizational changes took place within the GOC throughout the year:

- Guilherme Castellan joined Natura &Co as the new Chief Financial Officer, also assuming the responsibility for Mergers & Acquisitions (M&A)
- The transformation agenda for the group is now under the leadership of Kay Nemoto, Chief of Staff
- Silvia Lagnado's role as Sustainable Growth Officer now includes the Strategy agenda

Our board



Luiz Seabra



Jessica Herrin



Don Cornwell



Nancy Killefer



Guilherme Leal



Pedro Passos



Roberto Marques



Fábio Barbosa



Gilberto Mifano



Georgia Garinois Melenikiotou



Carla Schmitzberger



Ian Bickley



Andrew McMaster Jr.

Board of directors

	BUSINESS									INDUSTRY-SPECIFIC		GEOGRAPHY			
	Finance or Accounting	Sales, Marketing & Branding	Strategy & Innovation	Digital	Leadership/ International Experience	Legal & Regulatory	ESG	Risks & Compliance	Operations	Direct Sales	Consumer goods Industry - Beauty & Healthcare	North & Central America	LatAm	APAC	EMEA
Luiz Seabra		✓	✓		✓		✓	✓	✓	✓	✓		✓		
Guilherme Leal		✓	✓		✓		✓	✓	✓	✓	✓		✓		
Pedro Passos	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓		
Roberto Marques	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Carla Schmitzberger		✓	✓	✓	✓			✓			✓	✓	✓		✓
Fábio Barbosa	✓		✓		✓	✓	✓	✓					✓		
Gilberto Mifano	✓				✓	✓	✓	✓					✓		
Jessica Herrin	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓			
Ian Bickley	✓	✓	✓		✓		✓	✓	✓		✓	✓	✓	✓	✓
Andrew McMaster Jr.	✓		✓		✓	✓		✓	✓			✓			
Don Cornwell	✓		✓		✓	✓		✓	✓		✓	✓			
Nancy Killefer	✓	✓	✓		✓			✓	✓		✓	✓			
Georgia Garinois Melenikiotou		✓	✓	✓	✓						✓	✓		✓	✓

→ Paula Fallowfield, the Chief Human Resources Officer for the group, assumed Internal Communications and Human Rights agendas

Our group exists to support our four businesses, and whilst it is paramount for our brands to be free to manifest themselves through their purposes, we also have an incredible opportunity to leverage our collective intelligence and to do more than we could independently. The immense challenges we have ahead to achieve our *Commitment to Life* Sustainability Vision constitutes a perfect example of this.

We recognize that the determination to balance interdependence and autonomy is unique. It requires us to design a non-traditional operating model that is results-driven, agile, and accountable, but also collaborative, replicable, and able to flourish through its diversity. For years, our brands have operated in an open innovation process; by working as a network rather than a hierarchy, we can operate as a true collective. Operating in a matrix is vital to ensuring collaboration without duplication. Therefore, the GOC relies on three core elements to guide Natura &Co towards better practices and new horizons.

→ **Group Hubs:** Teams or individuals that provide functional services to all business units, capturing economies of scale. A group hub will exist when it is best to leverage one mindset rather than duplicate

four teams in four different businesses. Examples of hubs are Legal & Compliance, The Transformation Office, Procurement, and Packaging.

→ **Networks of Excellence (NEx):** Teams that push our boundaries and set and orchestrate metrics and KPIs in areas of very high strategic relevance for us. At first, these networks were meant to be forums to discuss best practices, but in 2021 they evolved into agenda setters for Natura &Co. There are currently six networks in place: Innovation in Beauty Products and Services (including R&D), Sustainability, IT Transformation, Digital Transformation (focused on customers, Representatives, Consultants, and store managers); Relationship Selling, and Retail.

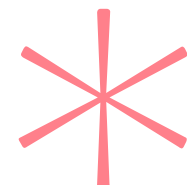
→ **Virtual Communities:** Spontaneous interest groups are encouraged to share knowledge and expertise in specific topics. Some of the communities that have already emerged are Quality and Control (across manufacturing sites), COVID-19 Safety Measures (with the participation of General Managers and Store Managers), and China Regulatory Affairs (to share knowledge on product registration).

→ **Compensation Strategy:** The Company compensation strategy is underpinned by its broader mission on "people, planet and profit". Natura &Co is formed by global purpose-driven, multi-channel beauty brands and is active in

more than 100 countries. Given the Group's structure and business complexities, it is critical to rely on a highly skilled management team to lead the Group on its growth trajectory, executing a purpose-driven business strategy and creating value for all stakeholders. Read more on Natura's ESG metrics on our Sustainability Vision 2030 progress report ([link here](#))

The Company's compensation structure takes into account compensation norms and competitive levels specific to the role's talent market, regulatory requirements, business strategy, and alignment with shareholder interests. As is the norm in the market and aligned to our talent objectives, our compensation structure comprises fixed and variable compensation, the latter of which includes short and long-term incentives. Compensation is designed to be predominantly variable and which does not payout if threshold performance levels are not met.

More information on the Total compensation of the Board of Directors, Statutory Officers and the Fiscal Council for the years ended December 31, 2020 and 2021, respectively, is found on Exhibit III - Reference Form item 13.1.



↑ Photo: Josefina Bietti & João Ávila

Sustainability and finance come together

Our leadership has always balanced business performance, social transformation, and environmental protection. Consequently, sustainability is always at the core of our corporate governance and strategic planning and is embedded in everything we do. We continue to improve our position in sustainability indexes while embarking on more ambitious challenges, such as our Sustainability Vision, *Commitment to Life*, much of which is to be achieved by 2030. In 2021, for the 17th year in a row, Natura &Co was listed by B3 in the Corporate Sustainability Index (ISE, in the Portuguese acro-

nym), holding the fifth position and including The Body Shop's data for the first time. This year was also our eighth inclusion in the Dow Jones Sustainability Index within the NYSE. Furthermore, we were rated AA+ by MSCI ESG, making us the only Latin American listed beauty company with this rating.

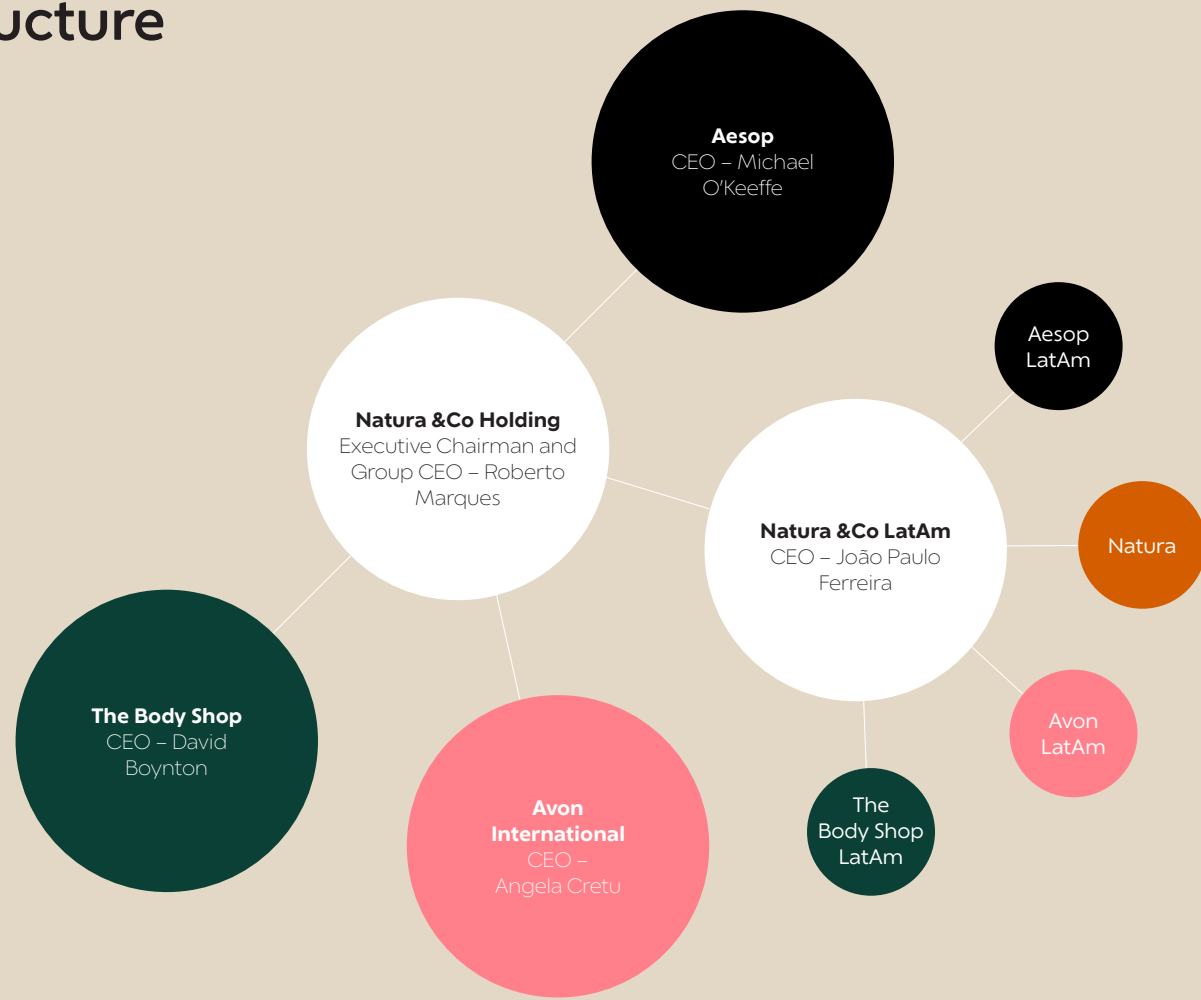
In 2021, we took a step further. We concluded the revision of our variable compensation program to include, from 2022 onwards, beyond the long-term goals, some short-term goals of our sustainability strategy, under the supervision

of the Board of Directors and with the support of the Group Operating Committee (GOC). These targets, which include the reduction of greenhouse gas emissions and the increase of post-consumer recycled plastic in product packaging, are related to our *Commitment to Life* and the US\$ 1 billion sustainability-linked bond successfully issued by our subsidiary Natura Cosméticos in 2021. We believe these incentives create a virtuous circle to hold people accountable, assure discipline in monitoring KPIs, and drive the necessary initiatives to reach our Net Zero ambition.

Our
businesses



Business structure



→ **The Body Shop:** includes all operations under The Body Shop brand, except those located in Latin America. David Boynton is the CEO of The Body Shop.

→ **Avon International:** includes all operations under the Avon brand, except those located in Latin America. Angela Cretu is the CEO of Avon International.

→ **Natura &Co LatAm:** includes all operations under the Natura brand in all markets and Avon, Aesop and The Body Shop brands located in Latin America ('LatAm'). João Paulo Ferreira is the CEO of Natura &Co Latin America.

→ **Aesop:** includes all operations under the Aesop brand, except those located in Latin America. Michael O'Keeffe is the CEO of Aesop.

Roberto Marques

Letter from Executive Chairman and Group CEO

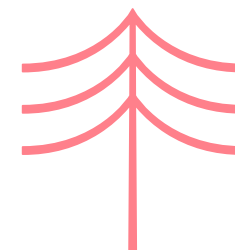
Following a strong 2020 performance for Natura &Co, 2021 was a year that continued to test our resilience and ability to adapt to the ever-changing circumstances imposed by COVID-19.

Throughout the year, we focused on continuing to support our people and consumers with compassion whilst moving forward with the transformational changes within our businesses that are key to our core strategy. After almost two years of living with the realities created by the global pandemic, we have shown that Natura &Co's collective approach is our strength.

We were cautiously optimistic that 2021 would mark a return to normalcy, particularly with the arrival of COVID-19 vaccines, however, as has been the case for many businesses, we were met with a series of headwinds, especially by the second half of the year, due to the continuing pandemic and resulting macro-economic challenges. These were exacerbated by inflationary pressures, commodities and cost increases, further currency devaluation in key geographies, and,

in some key markets, disposable income impact with the elimination of government subsidies.

In response, we focused on the things that we could control. Our focus on costs and continued transformational changes resulted in Natura &Co posting a net sales growth up by 8.8% (3.8% vs 2020 at constant currency) and strong net income of R\$1 billion, significantly higher than 2020, while finishing the year with a strong cash position of R\$6 billion. Our total synergies reached US\$197 million in 2021, close to 50% of plan, and exceeded our guidance of 40% run rate in 2021. And despite the effects of the global pandemic, we remain on track to deliver our 2022-2024 plans, with key initiatives in place to fuel sustainable, profitable growth. We are confident that we will continue to build long-term shareholder value, while remaining committed to a purpose-driven future.





This performance reflects the remarkable mobilization of our teams to focus on sustainable profitable growth, as well as the strength of our "direct-to-consumer", omni-channel model and the depth of the reinvention of the social selling model we are implementing.

Here are some of our highlights, all supported by the continued expansion of digitally enabled sales:

→ Natura &Co Latin America grew 6.3% year-over-year, driven by strength in Hispanic Latin America at +22%. Our Natura brand continued growing, particularly in Hispanic Latin America, where it gained

share in all countries, growing 34%, which more than offset a challenging second half in Brazil.

→ At Avon International, 2021 marked a year of transformation to the core of the business, building the foundation for a decisive turnaround. Courageous decisions were made to accelerate change, despite headwinds created by the pandemic and its 2020 cyber incident. The business made key structural changes and eliminated complexity from the operating model while we evolved the much-needed commercial model. Even with all of that, the Avon brand (International and Latin America combined) posted the best

revenue trend in the last three years, reinforcing our confidence and conviction in its turnaround plan.

→ The Body Shop demonstrated its ability to adapt through an enhanced multi-channel offer, and the brand's growing appeal achieved an all-time high of GBP£800 million to grow 0.7%, despite COVID-19 related impacts and a slowdown in the fourth quarter, as the Omicron variant significantly impacted retail footfall. It continued to deploy its new Activist Maker Workshop retail concept, reaching 100 stores in company markets at the end of the year, and resulting in double-digit sales uplift.



We are living proof that together we are greater than the sum of our parts."

→ Aesop continued its rapid double-digit growth in 2021. 25.1% driven by Asia and the Americas. It continued its expansion, reaching 269 signature stores at year-end 2021, up 22 from year-end 2020.

To advance our *Commitment To Life Sustainability Vision* in 2021, we used our voice on the global stage, including at COP26 in Glasgow, and to address the Chinese Government at the opening of COP15, the Conference of Biodiversity hosted by President Xi Jinping in Kunming, China. One of the ways in which Natura &Co will continue to help drive the agenda to halt and reverse nature loss in 2022

will be with the World Economic Forum's Champions for Nature community which we co-chair for 2021-2022 on behalf of the private sector. A milestone achievement for our group during 2021 was defining the baseline of our carbon emissions of all four brands on scopes 1, 2, and 3, which will now enable us to clearly advance our path to a Net Zero future.

Our belief in the beauty of the collective runs deep. With over 7.7 million Consultants and Representatives, as of 31st December 2021, and over 3,700 stores across five different continents and 100 countries, we collaborate, we

learn from each other, and in turn we grow. We are living proof that together we are greater than the sum of our parts. For all we have achieved, I am especially proud of our teams who demonstrated their resilience time and time again and tirelessly drove results, pushing forward in the spirit of collaboration, and creating synergies to deliver impactful outcomes across the company. 2021 has proven that even in the toughest of times, our business model and our brand strategies are sound, and we continue to move forward with confidence.

As I write this letter, the shadow and devastating consequences of war in Europe are once again around us. Our thoughts and solidarity are with our people, where our priority remains their safety and well-being while already helping all those with donations, logistics and monetary support. We are consistently monitoring the situation and evaluating all options in terms of business continuity. More than ever, in the face of violence, we believe in dialogue, interdependence, in power of the collective and peaceful resolution as the only way forward.

We look forward to continuing our journey side by side with you.

With gratitude,

Roberto Marques,

*Executive Chairman
and Group CEO, Natura &Co*

Building our future *together*

During 2021, we continued to care for our people and support our network as the world forged on fighting the global pandemic. Today, just as we were seeing the positive effects of global collaboration to tackle COVID-19, the world is once again in the shadow of war.

Angela Cretu
(Avon International),
João Paulo Ferreira
(Natura &Co Latin America),
David Boynton
(The Body Shop),
and **Michael O’Keeffe**
(Aesop)

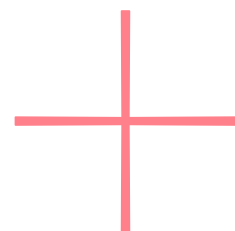
Message from the CEOs

As we see its devastating effects, we commit to taking care of our people and helping all those affected by the violence; we will help those in need and put forth our best efforts, joining forces in the hope that peace will prevail.

For a group with a profound belief in relationships, it was challenging in some cases to evolve our culture and build connections during 2021. Collectively, we innovated, working hard to bring our teams closer together (even in the virtual world), and to ensure our retail stores and our Consultants and Representatives had the tools they needed to keep their businesses going, overcoming limited person-to-person interactions. From the digitalization of the social selling model, to customized online experiences, we are beginning to reap the rewards of our investments. Our hope is that 2022 brings the opportunity

for a better blending of digital and in-person experiences with rich "in real life" interactions fully returning. We have the opportunity to help rebuild the world, making it a better place to live and do business, and it is important to do it "in person".

We’re proud that the beauty of our collective manifested itself in many ways during 2021, helping us to advance our strategic priorities and spread positive impact for the world and its people. For example, on its transformation journey, Avon has learnt from Natura how to develop a more competitive commercial model for Representatives. It is also helping to create significant cost savings for The Body Shop with the production of 100 million units per year of the brand’s iconic body butters. With its strength in the Asia region, Aesop is sharing learnings with The Body Shop for entry into mainland China, planned for 2022.



João Paulo Ferreira



Angela Cretu



David Boynton



Michael O’Keeffe

And at the same time, Aesop is learning how to progress its path to circularity by creating a retail refill station, thanks to shared insights from The Body Shop.

Together, we celebrated the launch of many incredible products across our brands in 2021. While it’s difficult to shortlist favorites, highlights include Avon’s revolutionary ANEW Power Serum skincare range, with award-winning patented Protinol™ that transforms the skin in just seven days; Natura enhanced its entire vegan Ekos range with new formulas, now three times more potent, and introduced a new bio-active from the Amazon forest: tukumã; The Body Shop reinvented its legendary body butter line, now Vegan Society certified and reformulated, with fully recyclable packaging; and Aesop’s extraordinary Othertopias fragrance collection, featuring three complex and unique aromas.

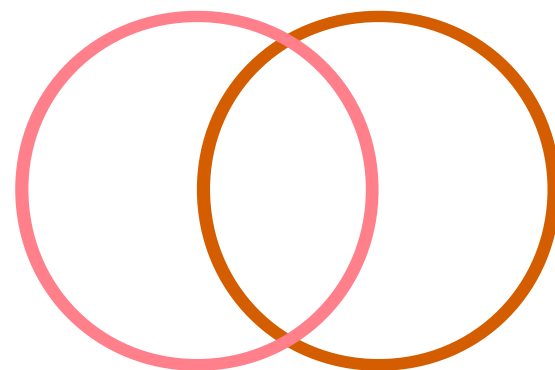
COVID-19 deepened inequalities across the world, particularly in the poorest countries, so we must continue to strive for a better future for all. As a group, our goal will always be to create financially successful, incredible products, while supporting and honoring the environmental and social progress we need to create a fairer, more sustainable world.

The beauty of our collective is also evident on our journey to achieve our *Commitment to Life Sustainability* Vision goals. 2021 marked the year in which each of our businesses established its baseline in carbon emissions, an essential project to aid us in mapping our collective journey to Net Zero. And at COP26 in Glasgow, our four brands came together at the summit and online to deliver a powerful message from Natura &Co: to ensure a Net Zero, nature positive future. We feel confident that our combined geographical reach across every continent will allow us to use our collective voice to help drive the change needed to stabilize the planet and to help achieve a Net Zero world by 2050.

As a group, we value beauty and relationships, and these fundamental parts of life need peace to flourish. As we see violence and war bringing suffering to people all around us, we are mobilizing all efforts we can to drive change and overcome this terrible moment and seeking a peaceful resolution.

The beauty of the collective

Our foundations for growth



↓ Photo: Josefina Bietti & João Ávila



We are very proud of what we achieved in our second year operating together as a global group. Through the second year of the global pandemic, with its continued unexpected effects, Natura &Co was able to adapt to these difficult circumstances with rigor and discipline, enabling us to achieve and in some cases exceed our goals in a timely manner.

Most importantly, we embraced change and faced these challenges with a "human kind" mindset by taking care of our people, including the most vulnerable ones in our network, and moving forward in our integration journey which sets the stage for further value creation from 2024 onwards.

In April 2021, we raised our annual recurring target synergies by US\$ 50 million, to between US\$ 350 million to US\$ 450 million. In Latin America, where integration is well-advanced with all four brands already working collaboratively successfully, we achieved 50% of planned synergies (up from 21% in 2020), ahead of expectations for the year.

Functional areas, including human resources, finance, legal, and supply chain follow the same policies and procedures, leveraging best practices from each brand. For example, Natura &Co in Latin America adopted Natura's know-how in credit operations while utilizing Avon's expertise in debt collection. It has

been a phenomenal effort, and we are humbly taking advantage of this opportunity to create deep and meaningful changes that will drive growth in the future.

We continued to advance in the five-year strategy to integrate our supply chain by taking a global approach to Natura's "qlicar", the renowned 17-year long relationship program with strategic suppliers, which this year evolved into "Embrace" to support Natura &Co's strategy. The goal is to bring together key partners across brands to strengthen ties, boost innovation and cooperation, and reward distinguished achievements in quality, resilience, and positive impact on society. As part of the plan, Natura &Co will have a unified procurement management system to increase savings, enhance productivity, and gather vital data and analytics.

In manufacturing, the production of The Body Shop products at the Avon facility in Poland is on track to achieve 100 million units per year as

planned, and we continue to work on the optimization of our distribution centers across Europe and Asia. In Latin America, the Avon facility in Moreno (Argentina) now produces most of Natura's products, which has been crucial in overcoming supply chain issues, carbon emissions, and importation constraints. We expect more products from the portfolio to join them soon. At Natura's Ecoparque, located in the Amazon city of Benevides (PA), one of the pillars of the group's strategy for the Amazon rainforest, the team is now producing The Body Shop products alongside Natura Ekos and Avon soap bars.

In 2021, we integrated The Body Shop and Aesop distribution hubs in Hong Kong, while The Body Shop will consolidate some of its UK activities in the Avon distribution center in Corby (England) by January 2022. Looking towards our delivery routes in Latin America, the distribution center in Cabreúva (Brazil), Avon's largest in the world, is now exporting Natura products, while Natura's



We inaugurated the first truly integrated Natura &Co distribution center in Medellín (Colombia), with another three going operational in 2022 in Brazil, Peru, and Chile.

center in Itupeva (Brazil) is now an important logistics hub for Avon's Fashion and Home categories. We inaugurated the first truly integrated Natura &Co distribution center in Medellín (Colombia), with another three going operational in 2022 in Brazil, Peru, and Chile (including The Body Shop's products).

A focus on our people

This year, as we continued to integrate the businesses, our people strategy followed suit. We have been building the blocks of our organizational structure and integrating our policies and procedures to ensure they are fair and equitable, and that we have the right capabilities to achieve our goals. As part of that work, the executive teams from the four brands were assessed against a common approach to skills and performance. The results were translated into clear talent mapping and succession planning as well as a development agenda to fill gaps. Also, along with adjustments to the organizational structures, we recruited new talent to

build capacity in critical areas such as marketing, branding, information security, digital, and other supporting functions. Key to improving our governance, we also aligned executive pay across the globe, balancing short and long-term compensation, and in a bold move, linked several of our sustainability goals to them. A new, collaborative, data-driven human resources IT system is also underway to support our people management agenda.

We know that Natura &Co's ability to attract and retain talent is critical to achieving our aspirations both within the group and for each business. This past year helped us learn new skills and behaviors to help our people prioritize their mental health and well-being, as we all adapt to new ways of working. In the spirit of interconnectedness and the importance of relationships, we firmly believe in the need for our leadership to be empathetic, encourage a supportive culture and engage in conversations with each other. The results of our employee engage-

ment survey held in 2021 showed that we are heading in the right direction by remaining stable, and in the top quartile, with a positive output against external benchmarks.

Our leadership is committed to continuing to forge a strong culture that can adapt and respond to external challenges and remain true to our purpose and aspirations, while protecting and celebrating each brand's unique voice. To support this and ensure that our culture is deeply connected to our strategy, this year we put in place several global culture-focused leadership meetings to educate and engage our workforce; these have been replicated at all levels of the business. We spent some time together, deep diving into our brands, into what binds us, and what we can learn from each other, which allowed us to define the guiding principles for how we should work together. These are now key enablers of our culture and the foundation of our unique, matrix-operating model which allows us to leverage our

combined knowledge while balancing our brands' autonomy. Once again, we see the beauty of the collective.

Well-being and mental health

Two years ago, a previously unknown virus radically impacted the way we live and work, transforming our daily lives. Our first response was to quickly make decisions to safeguard our people, our communities, and our company. We are proud that we were able to engage with all our stakeholders, which allowed us to address the challenges, and contribute to the world in a meaningful way.

In 2021, we continued prioritizing the well-being of our people and our communities as we all embraced new skills and behaviors to allow us to operate in a more agile way when needed. We went from a primarily office-based culture to a flexible one, as we began to see leaders become more aware of the importance of supporting colleagues' mental well-being.

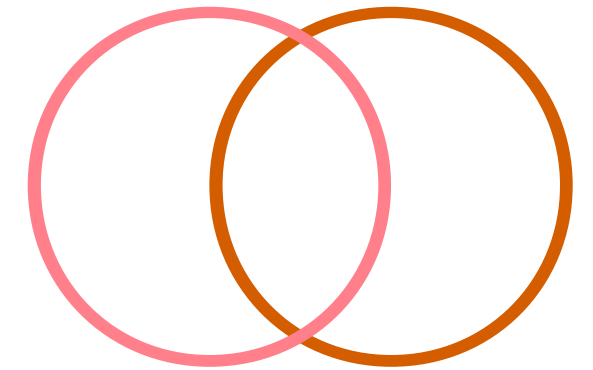
Understanding the challenges we were facing with a human-kind lens allowed the organization to respond with empathy.

The Body Shop, for example, created the Self-Love Day, an annual benefit that allows employees to take an extra day off once a year to recharge and do something they love. Moreover, it gave all staff three days' leave, which it does every year, to volunteer for good causes. The Body Shop also launched LinkedIn Learning, a flexible way for people to develop their professional skills alongside their day-to-day job. In addition, it introduced a menopause policy, from enabling comfortable working temperature control to the adoption of flexible working hours, the measures aim to provide information about workplace accommodations and support for team members experiencing menopause.

Furthermore, The Body Shop implemented a "no meetings on Friday afternoon" policy to help employees get back some focused time be-

fore the end of the week. The same policy was also adopted at Aesop, incentivizing its employees to keep this time free to connect socially, organize their thoughts or reflect and plan for the week ahead.

Additionally, Aesop added a flexibility statement to its email signatures to aid life balance and protect boundaries: 'Aesop is keen to protect the well-being of its people and partners. "If this email finds you after hours, a reply is not expected!' Aesop also rolled out the first phase of its internal Mental Health First Aider program training to the HR and office teams across the globe. This course allows employees to gain a deeper understanding of mental health and taught them how to identify, understand and help someone who may be experiencing a mental health issue.



Co-existing with the pandemic

One year into the pandemic, we approached 2021 with a feeling of optimism thanks to the global rollout of vaccines and the hope for a more normal business landscape. As the world saw new variants arrive along with other geopolitical and human factors, we continued to see a challenging environment.

As a business, we carried on through the storm with agility

As each country experienced different facets of the pandemic at different times, with the backdrop of unique regulatory frameworks, it was necessary as a group to respond and coordinate in a centralized manner. Leveraging the power of each business's independence and interdependence when needed, our teams showed resilience, adapting, and responding to the differing market circumstances. We deployed more resources and gained even greater confidence in our local operations, consolidating our belief in the beauty of the collective, and the core of our operating model.

With the world in flux, we saw a real change in consumption patterns;

Canada, Australia, Japan, Germany, and Malaysia experienced mandatory store closures while others saw the return of customers to traditional channels. Consumers prioritized online channels, with sales over two times higher than pre-pandemic levels. As for our Consultants and Representatives, the continuous adoption of digital assets continued to drive their performance.

As the pandemic continued to disrupt lives across the world, it also had a negative effect on global supply chains, resulting in significant disruptions. We are thankful to our long-term partners and suppliers who prioritized our businesses so that we could continue producing and delivering to our customers. During the 2021 edition of "Embrace", our global suppliers' best practices awards program, we recognized those partners with outstanding performance in resilience and in overcoming obstacles during the first year of the pandemic in the Special Awards category.

In parallel, our sales force in Latin America gained access to Natura's Social Support Center, a call center offering free social services, medical information as well as mental well-being and support for those affected by domestic violence,

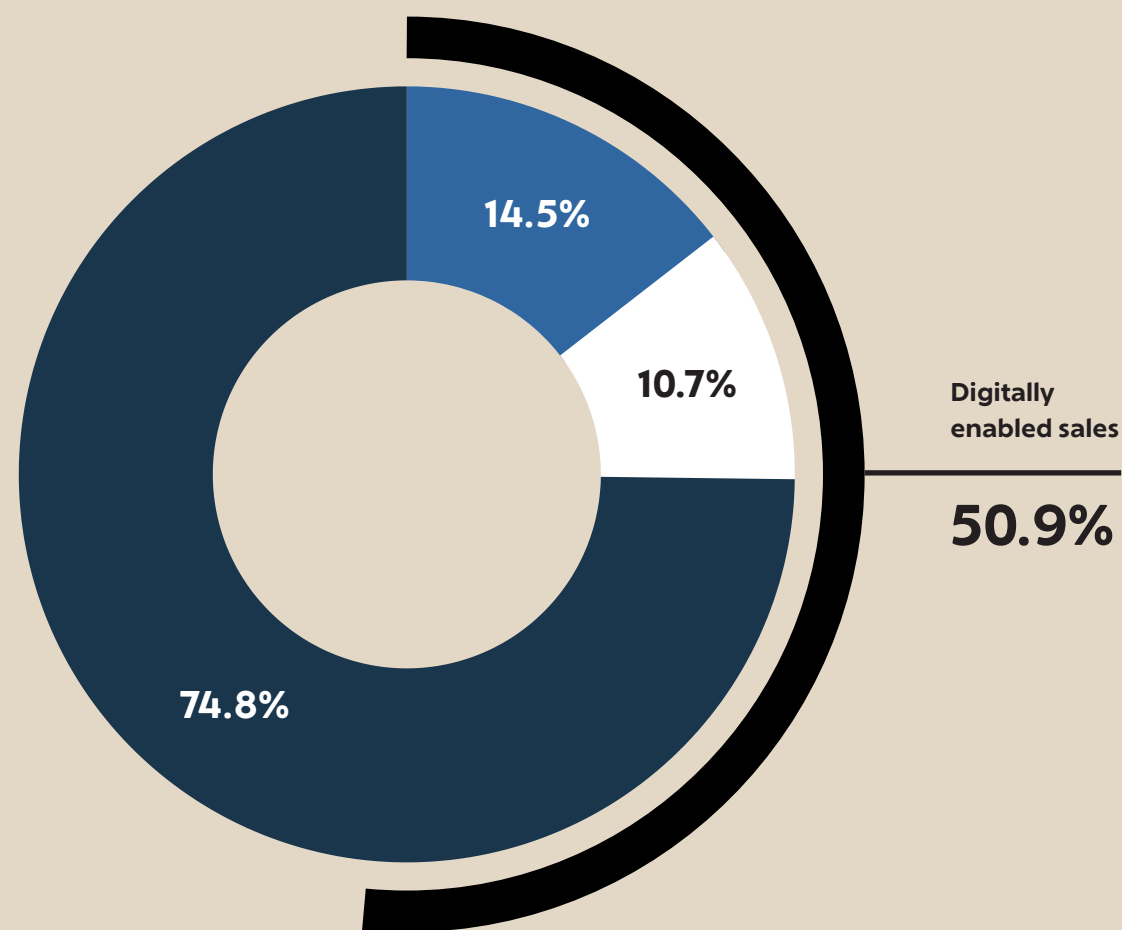
along with financial aid for food, medical expenses, and public calamity. The activities also include a mechanism of direct income transfer which has already surpassed R\$ 1.2 million in donations for more than 5,000 consultants.

Along with supporting education initiatives to raise awareness about the benefits of the vaccine, Natura &Co donated R\$ 4 million to Conectar (the Brazilian Cities' National Vaccine Consortium) for the purchase of hospital equipment and vaccines. We also joined the "United for Vaccine" movement promoted by businesses and civil organizations aiming to facilitate vaccine access for everyone.

Also, Natura &Co joined forces with 11 other businesses to donate more than 5,000 oxygen concentrators to the Brazilian Public Health System (SUS) to contribute to the care of patients with Covid-19. Together with another 20 businesses and civil organizations, we also partnered with UniãoBR, which bought 16 oxygen plants that were sent to public hospitals in 15 cities in the Amazon region.



Digitally enables sales reached
50.9% of total revenue



- Retail
- Online
- Relationship selling

An omnichannel *group*

Drive for change

In 2021, we continued our pivot to a *digital-enabled business model*, building a personalized and convenient experience for our customers to interact with our brands, anytime, anywhere and through the channels and touchpoints of their choice. As we faced the complexities of the pandemic for a second year, *our collective, authentic, global omnichannel value-proposition* once again proved its value.

Avon International

Accelerating the transformation

2021 saw Avon celebrate 135 years of championing women and beauty and make continued progress in its transformation strategy, evolving the original social selling model to meet today's consumer needs.

Starting with resetting its operating model to be more streamlined and efficient, simplifying processes, and optimizing resource allocation, the business is now centered around eight key markets (Italy, Philippines, Poland, Romania, South Africa, Turkey, and the UK) as well as China. These markets operate as central hubs for Avon International's business (excluding Latin America) and co-create campaigns and initiatives with the lean central teams. Examples of simplifying operations include standardizing the number of campaign cycles in all markets to twelve and reducing the product portfolio by 20%, focusing on hero products and innovation in makeup, fragrances, and skincare.

Focusing on building lifetime relationships with its Representatives, Avon rolled out a new reward and recognition model, called Avon Rewards, in 14 markets, after successful pilots in South Africa and the Nor-

dic. Inspired by Natura's success story, the new commercial model offers a more modern, profitable, and attractive value proposition to Representatives, with a career pathway that is more productive and promotes greater engagement with the brand. Initial feedback has been very positive with promising green shoots in their retention and productivity.

Furthermore, Representatives are benefitting from Avon's investments in digitalization and brand appraisal; online sales (including both e-commerce and social selling) are two times higher than pre-pandemic levels. For the whole year, there was a 27.3% increase compared to 2020, driven by the distribution of digital brochures. The average order of Representatives who share both the digital and printed brochures is 50% (59% in key markets) higher than those who only use the traditional printed version.

Digital-enabled sales are expected to accelerate in 2022 with the consolidation of tools into one platform, Avon ON. The app is being used by 15.8% of the Representatives as of December 31st 2021, which represents an 820bps increase in the year. In the UK, Avon ON's adoption reached 40%, while in Italy it increased from 14.8% to 23.4% and in Poland from 6% to 23%, ahead of the target for 2021. Although a key market, the Philippines is still a challenge due to relatively limited smartphone use and data access among Representatives.

In 2021 Avon gained share in the UK, jumping from tenth to third place in market share within the beauty sector, which is a remarkable achievement for a social selling channel in a developed market. Similarly, the brand also increased share in South Africa, progressing from 7.33% in 2020 to 7.81% in 2021. Other encouraging signs were observed the



Philippines and Romania, while Poland and Russia still faced continued effects from the pandemic. In 2022, Representatives from another 12 markets will also have access to the new model, which provides more recognition, support, and benefits at each level of their progress with Avon.

In response to the war in Ukraine, our primary concern has been with the protection and safety of our associates and Representatives facing violence and loss. We are helping our people on the ground, including our sales teams in Ukraine, and are working with organizations providing humanitarian relief such as the Red Cross and local NGOs by donating both funds and personal care products for refugees. Avon is suspending exports from Russia and is assessing shipments to the market. We strive to provide our representatives with the means to sustain their financial independence, so our

local plant will continue to supply their social selling operations. For 135 years, Avon has stood for women wherever they are in the world, regardless of ethnicity, nationality, age, or religion. As a group, we will continue to assess our position as the situation evolves.

Overall Representative satisfaction showed positive momentum compared with 2020 and 2019, driven by South Africa, Poland, and the UK, mainly due to better service levels in the order fill rate. In 2022, Avon will continue with the rollout of the new commercial model and scaling up its digitalization rates. More brand investments are planned to improve perception of Avon's affordable quality, innovation, and contemporaneity, with a focus on cult products and gifting.

Natura &Co Latin America

Building strength

Latin America is leading our integration process and modeling our way of operating as a group with interdependence and autonomy. Today, all four brands work in an integrated way, most notably leveraging synergies between Natura and Avon.

The Natura brand outperformed the CFT markets, with strong growth in Hispanic markets in the fourth quarter that helped offset a tough environment in Brazil, and Avon's new commercial model showed initial positive signs in some markets, with higher productivity, retention and activity.

Furthermore, it reached its highest-ever recorded value (up 19% to US\$ 1.7 billion) in 2021. It was ranked as the world's strongest brand in the cosmetics sector, according to Brand Finance, which considered factors such as marketing investment, customer familiarity, staff satisfaction, and corporate reputation. Also, according to the Merco 2021 ranking, Natura was the number one in reputation in Latin America

for the eighth year running. This represents outstanding and encouraging recognition of the efforts made five years ago within a turnaround strategy anchored on the reconnection to the brand's essence and its vision to build a better world through better relationships.

In 2021, all Latin American markets registered an expansion in the number of Natura Consultants and a significantly higher loyalty index driven by core product categories and increased brand preference. Productivity was up 24.2% in Hispanic Latin America, while it was uneven in Brazil. In the early stages of the segmentation model, new Consultants are building activity with customers and are expected to progress over time, driving an

increase in sales and accessing better payment terms and benefits. The higher segments of the commercial model, representing the most significant part of total sales, registered an increase in productivity, demonstrating the sustainable health and strength of Natura's value proposition.

In parallel, the evolution of Natura's social selling platform, which brought direct sales to the digital age, proved its strength once again. While Natura is creating an ecosystem through the acceleration of digital tools, it is reinforcing relationships across its networks and with its customers to increase value generation. Overcoming challenges brought by the pandemic, brand penetration accelerated in Hispanic



Latin America, notably Argentina, Chile, Peru, as well as Mexico, which is now Natura's biggest market after Brazil. Total online sales (including e-commerce and social selling) for the Natura Brand in Latin America were up 41.9% in 2021, with the number of Natura Consultants online stores reaching 1.5 million (up 50% from 2020).

In Brazil, the sales brochure *Minha Natura*, a cyclical magazine featuring special promotions dedicated to the Consultants, became digital, allowing for the personalization of offers and a reduction in the time-to-market of the campaigns; this move contributes to the group's goals of reducing carbon emissions to achieve Net Zero. In Argentina, Natura took a step further, and the

customer brochure itself is now 100% digital, resulting immediately in increased conversion rates, with 75% of Consultants in Argentina sharing content using the Natura app. Meanwhile, Mexico joined the e-commerce platform, and Chile has become a reference for the omnichannel approach in Hispanic Latin America by bringing together the experiences of retail, e-commerce, and social selling, with the active involvement of the Consultants.

As part of the continuing strategy to evolve its digital ecosystem, Natura launched a new interactive platform in Brazil whereby Consultants can watch launch events online and shop for exclusive offers. In addition, inspired by The Body Shop, Natura is testing a live shopping tool inside

its app to allow customers to shop online as they watch live events presented by the Consultants; along with other content produced for Natura, these are an opportunity to obtain additional revenue.

As for Avon, the new commercial model has been fully implemented in Brazil to drive Representatives' loyalty and increase their remuneration. Throughout the year, there were some adjustments to balance business activity and the recruitment of new representatives by beauty leaders, with good results already seen during the last quarter of 2021. These improvements contributed to a successful launch in Ecuador and Central America in 2021, and more recently in Colombia, enabling the acceleration of

&Co Pay

In 2021, &Co Pay, the group's proprietary financial services platform, reached 340,000 accounts in Brazil. The platform is an enabler of digital, social, and financial inclusion for Natura's networks in Latin America, where approximately 50% of the population are currently unbanked. New features added in 2021 include credit top-up for mobile phones, public trans-

portation passes, sales to Natura Consultants processed via credit card, and Pix (Brazil's Central Bank instant payment service). Because the &Co Pay was born to be scalable and adaptable to create a multi-brand, multichannel and multi-geography experience, the next step is to expand the service to Avon's Representatives and into other countries in the region.

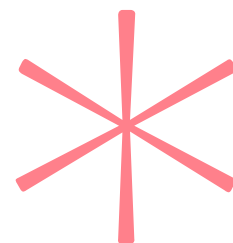
the transformation plan across Latin America. At the same time, it sets the stage for Avon to start maximizing its presence in the region by exploring cross selling and upselling opportunities with Natura.

In Brazil, the Representatives' satisfaction index reached a record-high, with double-digit increase driven by new digital tools, an improved call center and a better portfolio.

The new campaign "Watch Me Now" was launched across the region, driving a significant increase in brand power and customer perception year over year, notably by attributes such as "top of mind" and "differentiation." Avon was a major sponsor of the 21st edition of the

reality television show Big Brother Brazil, which led the brand to lead in share in social media voice (SOV) on Twitter, amongst the 10 trending topics. The brand also participated in the most important fashion event in Latin America, Colombiamoda. According to the Merco 2021 ranking, Avon's reputation was ranked number three in the Beauty and Personal Care sector in Colombia, Argentina, and Mexico. In Brazil, as well as being ranked the number three for reputation in the beauty sector, Avon was also selected amongst the top 10 in the general ranking, assuming the ninth position (from 16th in the previous year). In retail, although Natura's 640+ stores still faced continued restrictions due to the pandemic, the retail channel registered an increased

growth in 2021, bolstered by entry into Mexico, with six stores opened during the year. The Body Shop and Aesop stores in LatAm saw outstanding growth accelerated by investments in digitalization, including the launch of the Aesop e-commerce channel in Brazil and The Body Shop e-commerce in Mexico. Outside Latin America, Natura also saw a 100% growth in sales in the United States and 56% in France, with 43% coming from other countries in Europe.



The Body Shop

The changemaker

In 2021, The Body Shop continued its transformation journey to revive the activist spirit of its founder, Dame Anita Roddick. By creating a refreshed brand experience, the company is engaging its staff and customers to become part of a collective of global changemakers, with environmental and community-minded initiatives designed to return it to the forefront of ethical business.

These efforts resulted in the addition of The Body Shop to Brand Finance's Cosmetics Top 50 ranking in 2021 and the accolade as one of the fastest growing brands in the industry.

Along with a renewed portfolio, with iconic products now further embracing packaging and formula circularity, The Body Shop has successfully transitioned into omni-channel. Its e-commerce platform, re-launched at the height of the pandemic, saw continued investment in 2021 to improve its digital capabilities. As a result, it has driven higher conversion levels, increased the average transaction value, and provided an enhanced consumer experience. Online sales in 2021 have nearly doubled compared with before the pandemic in 2019.

The Body Shop continued to uphold its passionate belief that physical retail will only thrive in the future if it is highly experiential. Hence, it rolled out its "Activist Makers Workshop" concept to 104 stores in 2021, bringing the total to 121 to date. The brand is inviting customers to have fun while playing with the products and learning how to impact the world positively. One of the features available in these stores is the refill station, where customers can reload their recyclable aluminum bottles with hair care products, shower gels, or hand washes. The Body Shop rolled out 410 refill stations in 34 countries year end 2021, and anticipates 400 more will be installed in 2022.

Early results are impressive with

the brand not only saving 120,000 plastic bottles from going to waste in the first year but also delivering an incremental 34% growth for stores with refill stations. Those stores are attracting loyal refillers and seeing a 15% repeat purchase rate. The refill stations are successfully appealing to younger customers, too, with 49% under the age of 35. The Body Shop currently holds the highest share of voice in online conversations mentioning the word 'refill'!

The Body Shop at Home, the direct sales channel, has experienced considerable growth compared to pre-pandemic levels, playing an essential role together with e-commerce in offsetting the gradual and uneven reopening of retail stores in markets such as the UK, Canada, and



Australia. Overall, the sales generated by The Body Shop at Home were almost triple the figure reported in 2019.

Throughout 2022, The Body Shop will follow up on its strategy to reinforce its presence in Japan, where the business was acquired from a head franchisee. In 2021, the new local management team, supported by the brand's revival and the enhanced portfolio, has started to optimize the store footprint while opening three new concept stores. These first moves have already shown positive signs of sales momentum.



Aesop

A tale of consistency

Aesop achieved an outstanding year-over-year overall growth of more than 25%* in all regions in which it operates, well ahead of expectations and the CFT (Cosmetics, Fragrances and Toiletries) market.

Based on a swift, well-executed acceleration of its digital capabilities without compromising its unique brand experience, this growth has been solid particularly in Japan and South Korea (with a 50% increase in sales) where the company has built a relevant retail presence over the last few years. Now, it has seamlessly connected to its customers in the digital world, increasing personalization and loyalty.

In 2021, Aesop kept enhancing the integrated customer experience with the rollout of the new CRM system across 12 markets, representing 80% of the brand's footprint. It also introduced Apple Pay in the e-commerce channel and launched a cross-border mini-program on WeChat, allowing users to purchase Aesop products directly within the app. The same concept has been

applied to make purchases in South Korea more convenient by using the app KakaoTalk. With these ongoing investments, Aesop's share of online sales relative to revenue ended 2021 at double the pre pandemic level.

Although Aesop faced intermittent store closures due to COVID-19 and supply chain disruptions that impacted the availability of some products, retail regained sales share, as expected, rebalancing the distribution among channels. The lack of tourism and the significant reduction in the number of people circulating in traditional inner-city office building areas led to a renewed prioritization of opening stores in local communities and neighborhoods. By the end of the year, Aesop had added 25 stores and nine department store counters worldwide, including in Barcelona, Hong Kong, Seoul, Taipei, Jeju Island (South Korea), Edinburgh, and New Jersey.

This return to the stores, pushed by people's need to interact physically rather than purely in digital channels, was significant in leveraging Aesop's plan to guide its customers through a meticulously designed sensorial journey. In celebration of the launch of a trio of elevated fragrances, the first chapter in the Othertopias collection, Aesop's in-house architects developed a unique retail concept to house this growing product category and encourage sustainable trial through a fragrance chamber and scented ceramic discs, marking its distinct and authentic voice in this category. Fragrance Armoires have been custom designed for and installed in 15 stores worldwide, while in Sydney (Australia) it is inside the Sensorium, a "store within a store experience" that invites customers' senses to interact with the brand. In parallel, Aesop aims to progress in circularity solutions, inspired by the learnings

*at constant currency



from The Body Shop: a refill station is being tested at the South Yarra store in Melbourne (Australia), while a new eco-designed store was opened in Korea.

Looking ahead, Aesop's primary goal for 2022 is entry to the Chinese market, going a step further in its remarkable performance in Asia and paving the way for a broader expansion of Natura &Co. As part of the plan, Aesop has advanced in the product registration process, obtaining the Good Manufacturing Practice (GMP) certificate, a requirement of the Chinese authorities. Aesop's manufacturing plant in Victoria (Australia) has already been authorized to source the products for China. Simultaneously, investments in digital platforms and CRM are being accelerated to support the omnichannel entry strategy.



Innovation *and products*

For a **beautiful** world

At Natura &Co, we are committed to uniting purpose and beauty to develop a unique brand portfolio.



Sustainability is at the core of our innovation process, so that with every product we develop we contribute to advances in circularity and emissions reduction on our journey to achieve Net Zero emissions. To do that, we focus on making each step of our product development cycle more sustainable, from ethical sourcing and renewable raw materials to how we develop formulas, create packaging, and design the product usage experience for our customers. As a group, we are exploring more disruptive, regenerative solutions, which will capture more carbon than they emit, conserve, and restore biodiversity and ecosystems, and generate quality of life through means that are fair

and inclusive for all. We also strive to ensure the highest safety and efficiency standards while providing the utmost transparency through traceable sourcing, certifications, and verifiable claims.

Our four brands share this framework, although each has its unique take on portfolio development. Natura, for example, creates natural formulations sourcing traditional knowledge from the Amazon rainforest in a way that promotes biodiversity. The Body Shop focuses on ethical beauty with a call for action. Aesop elevates sophisticated, highly sensorial experiences, while Avon addresses consumer needs with high-performance products

accessible to all. As the world recovers from the pandemic, we are also taking a deep dive into the future direction of the beauty industry.

In 2021, the iNEx, our internal Network of Excellence focused on innovation, concluded the R&D strategy for the group, mapping out synergies and identifying the areas where each brand will work autonomously and the ones which we can benefit from creating platforms for the group. The goal is for Natura &Co to have an open, agile ecosystem, which is extensively connected to external trends and expertise and brings in innovative external solutions to deliver them to the brands.

We have set up hubs of expertise in areas critical to our future growth and the delivery of our *Commitment to Life* Sustainability goals. We identified seven expertise areas from where working across the group can help either to enhance our innovation pipeline on key categories and regional priorities or to explore new innovation spaces. Two R&D Hubs have already been put in place in early 2022 which will be big enablers to our innovation and *Commitment to Life* program: Circular & Regenerative Packaging Technologies, and Regulatory Intelligence & Analysis. The hubs will create platforms, partnerships, and provide intelligence to enable all four of our brands while ensur-

1.3%
of net sales
invested

276
partners
in open innovation*

1,212
products
launched

470
publications**

686
scientists

61 start-ups
became
partners

1,948
patents
(since 1992)

181 start-ups
with products tested by us

* Natura, Avon and Aesop
** Number of publications of articles in external journals / conferences that the R&D has done since 1983

ing there is the right governance in place to protect consumer-relevant brand differentiation. For the other expertise areas, we are intensifying our collaboration efforts, setting up Virtual Communities to work on important topics like Regenerative Ingredients and Asian skincare.

Fable Investments

In 2021, Natura &Co launched Fable Investments, our corporate investment subsidiary, to support innovative, emerging businesses that have deep connections with their customers in the beauty and wellness spaces through minority investments. The goal is to offer those businesses operational, brand, financial, and investment expertise, leveraging Natura &Co's knowledge and proven track record in successfully scaling up premium, niche, purpose-driven brands while honoring their autonomy and unique identity. Fable Investments is managed independently by an experienced team in the beauty and retail industries to ensure total commitment to the investment portfolio and deliver agility, autonomy, and reactivity.

By the end of 2021, four companies were part of Fable's investment portfolio:

→ **Perfumer H:** an artisan fragrance brand founded by British perfumer Lyn Harris, the only classically trained female nose in the UK. Lyn founded Perfumer H in 2015 with the desire

to pioneer naturals and bring craftsmanship back to perfumery, creating unconventional fragrances that resonate with life and are integral to her style. Perfumer H currently has two stores in London and is opening its first overseas store in Paris in 2022.

→ **maude:** a modern intimacy company launched in 2018 to disrupt the male-focused legacy sexual wellness industry. Founded by Eva Goicochea, maude offers a unique and inclusive assortment of sex essentials and personal care products that are body-safe and easy to use. In 2021, Eva was selected as one of Forbes Next 1000. In February 2022, maude successfully made its debut at Sephora US online as the first sexual wellness brand.

→ **LOLI:** as a beauty industry veteran, founder Tina Hedges created the world's first zero-waste, organic, and MADE SAFE certified skincare brand. LOLI's products are upcycled from organic food supply, waterless, vegan, non-GMO, and cruelty-free. The packages are plastic negative and are made of freshly grown mushrooms.

→ **Stratia:** born from a blog under Founder & CEO Alli Reed's pseudonym "The Acid Queen" in 2016, Stratia is a company obsessed with research and science-backed ingredients to



create skincare that works. Her commitment to science means clear labeling, transparent ingredient declarations, and a commitment to efficacy for a wide variety of skin types. Vertically integrated, all products are formulated and manufactured in house.



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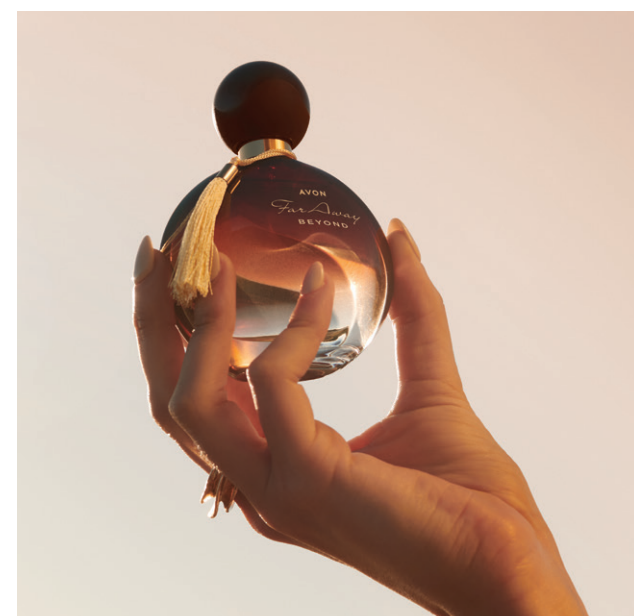
Our
major launches



Avon

Artistique Monet Collection

Inspired by Claude Monet's gardens, the new collection in the Artistique family is available in two scents that bring the majesty of the iconic flowers in Giverny to life: Artistique Water Lily, which combines lotus flower, a pure peony accord, and the delicate touch of blonde woods, and Artistique Wisteria, which blends the blossoming beauty of wisteria with the fresh garden feel of capucine and a soft musk finish.



Far Away Beyond

The expert perfumers from Avon have created an extract using 100% upcycled vanilla beans, sustainably and ethically sourced from Madagascar, which would otherwise be discarded. The innovative double distillation process reveals new vanilla notes – sensual, smoky, and woody with an addictive salty-sweetness. The fragrance is enriched with sandalwood, juicy pear, and jasmine.

Ultra Lipsticks

Avon reinvented its number one lipstick for richer color and creamier comfort across the 60 best-selling shades. The lipstick now comes in a modern and sophisticated shape, making it easier to achieve the precision of velvety matte or creamy finishes. The upgraded formula boasts an exclusive blend of nourishing oils, including avocado oil, and reveals a new fragrance, mocha crème, for a comforting scent.



ANEW Power Serum and ANEW Hydra Pro Vita-D

Avon added two new products to its revolutionary, accessible ANEW skincare range. The ANEW Power Serum, which uses Avon's award-winning patented Protinol™ technology, strengthens the skin's foundation with a unique dual collagen boost; it also contains niacinamide, which helps renew skin at the surface. ANEW Hydra Pro Vita-D Cream is brimming with exclusive Pro Vita-D technology to help activate the skin's daily dose of vitamin D. This lightweight, oil-free formula melts into the skin to lock in 72-hour hydration and that healthy-looking glow.

Natura



Biôme

Natura launched its first-ever body and hair shampoo bars, totally based on regenerative solutions. The palm oil used in its formulation is cultivated in a pioneering sustainable agroforestry system in Brazil. The packaging uses recyclable paper and no plastics, and consumers can also purchase a reusable dish to hold the bars, made from pioneering technology that captures methane gas and turns it into bioresin. The high-performance, ultra sensorial formulas are 100% of natural origin and vegan, with a unique fragrance that combines wood notes, vetiver grass and copaiba, an essential oil from the Brazilian biodiversity.

Ekos

Natura enhanced its entire vegan Ekos range with new formulas, now three times more potent, and introduced a new bio-active from the Amazon forest: tukumã. The Ekos Tukumã line comprises a series of bath and body care products with a powerful dual anti-aging action. While the crude tukumã oil combats the loss of hyaluronic acid in the skin, the tukumã butter increases its natural production by up to 77%. The tukumã palm regrows even after significant fires, regenerating the forest soil.



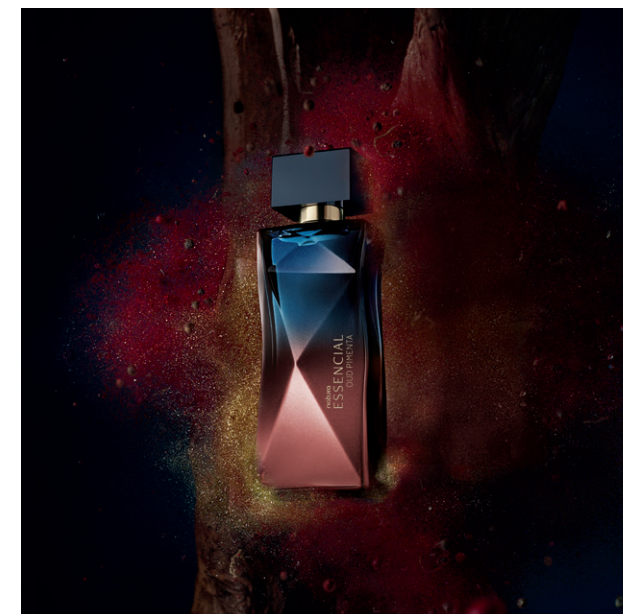
Chronos Super Serum Wrinkle Reducer

The new addition to the Chronos range brings together prebiotics extracted from jatobá and casearia – ingredients from Brazilian biodiversity – with a potent probiotic to create a triple-action care to combat all types of wrinkles, from deep to fine lines. Natura Chronos, which celebrated 35 years in 2021, pioneered the idea that women can have a healthier complexion by giving their skin precisely what it needs at each stage of life.



Essencial Oud Vanilla

This boasts the rare and sophisticated oud, which is extracted from the resinous heartwood of the agar tree found in the dense forests of Southeast Asia. The essential oil is combined with the *Vanilla bahiana*, from the Brazilian Atlantic Forest, now used for the first time in perfumery. The result is a warm, woody scent with a floral bouquet that combines rose, lily-of-the-valley, and jasmine, ideal for special occasions.



The Body Shop

Body Butters

In 1992, Dame Anita Roddick, founder of The Body Shop, created the first Body Butter in her own home kitchen. The rich formula she made transformed body moisturizer forever. Now, this iconic range is even better, providing a 96-hour nourishing effect. The new and improved Body Butters are registered with The Vegan Society and are made with at least 95% natural origin ingredients, including shea butter handcrafted in Ghana, with fully recyclable packaging sourced through The Body Shop's Community Fair Trade program.



White Musk

The legendary White Musk collection celebrated 40 years with the addition of three eau de parfum scents to be used in conjunction with the more subtle original formula. It was the first fragrance in the world to amplify the use of synthetic, cruelty-free musk as part of The Body Shop's long-lasting commitment to animal welfare. Now registered as vegan, the scent comes in a 100% recyclable bottle made from 42% recycled glass – and no unnecessary secondary packaging.

Hair care routines

Designed to improve the appearance of damaged hair, this new range contains Vegan Silk Protein, a 100% plant-based protein that replicates the chemical structure of the silk produced by the common European spider. The formulas are registered with The Vegan Society and contain at least 90% ingredients of natural origin, including tea tree and moringa, both used for the first time in hair care. The bottles and tubs are made with 100% recycled plastics and pay homage to the original "Boston round" packaging introduced by Anita Roddick in the 1980s.



Refill, reuse, repeat

The Body Shop is calling for a revolution to clean up the planet by making refills easy, convenient, and accessible to everyone. Already in 410 stores, it has an ambitious rollout plan to have refill stations in 800 stores by the end of 2022, inviting customers to pop in, pick up an aluminum bottle, and refill, reuse, repeat. The product line-up includes hair care, shower gels, and hand washes from the best-loved ranges. The move revives the visionary service introduced in 1976 at the company's first store in Brighton, England.



Aesop

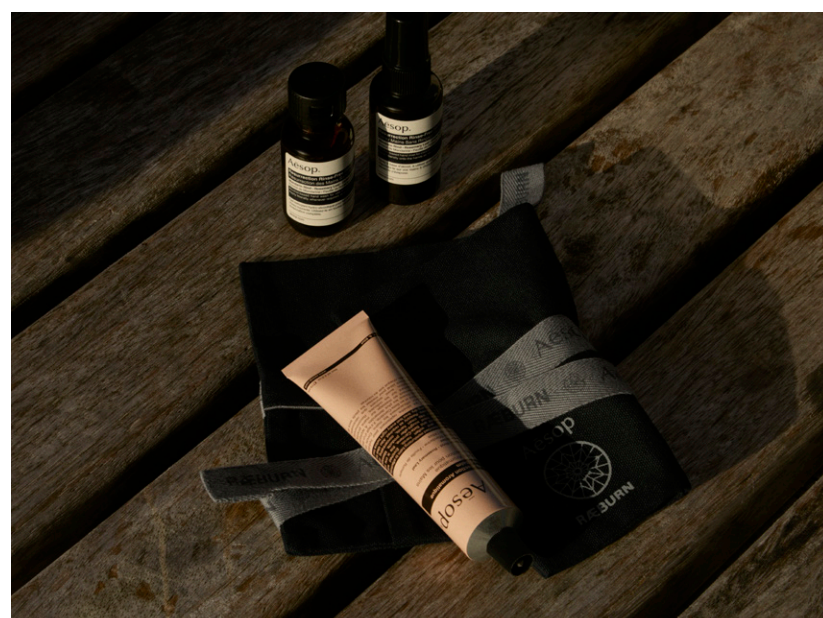
Othertopias

Crafted for those seeking complex and unique aromas, Aesop launched a trio of fragrances inspired by the juxtapositions found in certain spaces - environments that blur the boundaries of past and present, real and unreal, here and there. Each one of the fragrances, Miraceti (resinous, woody, spicy), Karst (fresh, herbaceous, marine) and Erémia (green, floral, citrus), respectively embody the worlds of the boat, the shore, and the wasteland, to challenge perceptions, invite a conversation with nature, and unlock reverie.



Parsley Seed Anti-Oxidant Intense Serum

Lightweight and rapidly absorbed, the serum is formulated to hydrate and fortify the skin with a pleasing matte finish. Suited to normal, combination, and sensitive skin, it is ideal for those living in urban environments and warm or humid climates. The product forms a breathable film on the skin, thanks to red algae and tara gum extracts. This invisible yet effective barrier helps to minimize the deposition of airborne pollution particulates.



The Adventurer Roll-Up

The joint endeavor between Aesop and RÆBURN, the London-based responsible fashion upcycling pioneer, is a portable pouch for on-the-go hand care. Hand-crafted from pre-consumer recycled cotton, the sack features three purpose-fit pockets to house a trio of Aesop products: Resurrection Rinse-Free Hand Wash, Resurrection Aromatique Hand Balm, and the new Resurrection Rinse-Free Hand Mist. A co-branded cotton tape enables the pouch to be rolled up securely for neat portability inside any bag.



Sensorium

Within the granite-covered walls of Aesop Sydney, The Sensorium, invites visitors to engage with the alchemic art of perfumery. The cocoon-like structure whose curvature makes reference to the waves of scent diffusing through the air, instills a sense of calm, attracting curious minds and inquisitive noses to the Fragrance Armoire - a cabinet which opens onto an inner world where customers can navigate Aesop's growing range of fragrances. While there, their coat or scarf is imbued with their chosen scent in an infusion chamber.

Awards *and recognitions*

- + Certified B Corporation by B Lab, making Natura &Co the world's largest B Corp™
- + Direct Selling News Global 100 – ranked #2 of 100 of the world's top direct companies in the world
- + Corporate Knights Global 100 plus ranked #42 in a list of 8,000 companies
- + Globescan Top Sustainability Leaders - ranked #3
- + Dow Jones Sustainability Index Top 100 S&P - listed for the eighth consecutive year in the Emerging Markets portfolio, aimed at recognizing

companies that create long-term value for shareholders, through the adoption of sustainable business practices. Of the 108 listed companies in its portfolio, Natura &Co is one in ten Brazilian companies and the only representative of the beauty sector.

- + The RepTrak Company Top 100 Reputable Companies – ranked #42
- + Albert Certification received for *Tree of Plenty* documentary with WaterBear Network
- + Ranked in top 10 of WWD Beauty Inc's Top 100, for 2020

Our
**Commitment
to Life**



→ Moving towards a common goal

Our Commitment to Life



2021 was a landmark year for Natura &Co; our four brands came together as a collective of businesses with a single purpose: **creating the best global beauty group FOR the world.** Our *Commitment to Life: One Year On* online event and our participation in COP26 were key sustainability milestones for us.

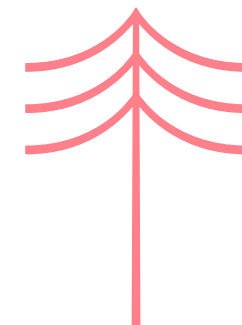
In June 2020, Natura &Co launched *Commitment to Life*, our Sustainability Vision, to address some of the world's most urgent and pressing challenges. Remaining true to our belief that business can and should be a force for good, we have established bold targets for the next decade, and, during the past one and a half years, we have been building the foundations to ensure we will meet them.

Reaching our goals will require innovation and collaboration across the entire end-to-end supply chain, including downstream and upstream emissions. Therefore, besides working internally with our teams, we have connected with business leaders, governments, and civil society to explore how we can work towards creating the best global beauty group FOR the world and a more sustainable world for everyone.

In 2021, we celebrated *Commitment to Life's* first year anniversary with an online event with expert panelists

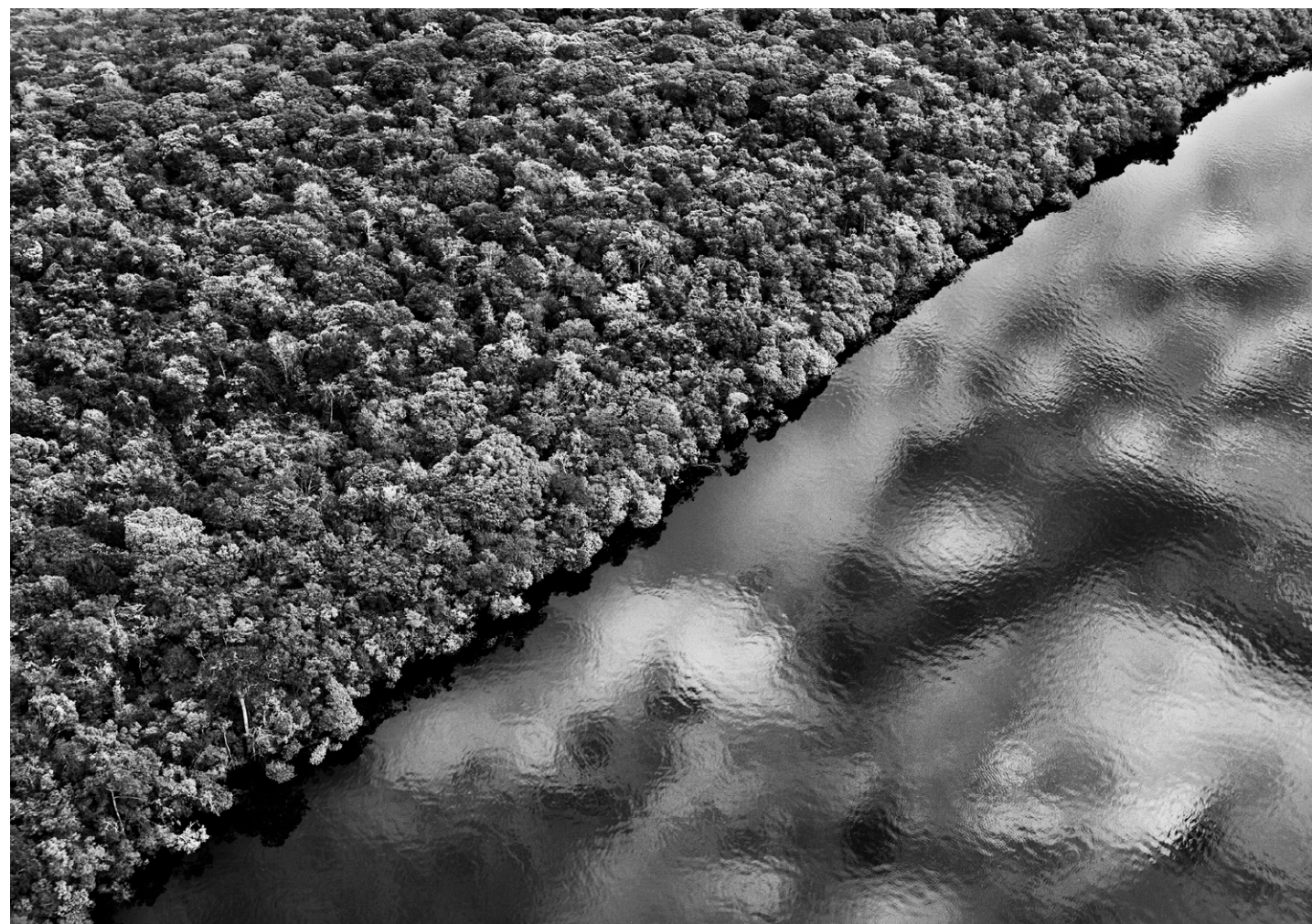
from all over the world, broadcast live on LinkedIn, Facebook, and YouTube with almost 20,000 viewers.

During the event, we shared our view of what a roadmap to protect biodiversity could look like. Alongside other leading organizations, Natura &Co has been working to develop an Agreement on Nature by placing value on biodiversity, incentivizing nature-based solutions, and providing resources to traditional communities. The panelists discussed the current focus of encouraging the adoption of transformative, post 2020 global biodiversity framework at Convention on Biological Diversity COP15.



To Address the Climate Crisis and Protect the Amazon

↓Photo: Sebastião Salgado,
State of Amazonas, Brasil, 2009



Until this year, data on the health of the Amazon was disparate and hard to use. That's why we decided to support the development and launch of [PlenaMata](#) through a partnership between Natura, MapBiomas, a platform that brings together scientists from different NGOs, tech start-ups and universities, and InfoAmazônia, a website dedicated to providing information about the Amazon. Tracking deforestation in the Amazon in real time, PlenaMata overcomes these problems by creating a centralized database to inform initiatives for the conservation and regeneration of the Amazon biome. Its purpose is to provide visibility to what is happening and engage governments, the private sector, civil society, and local communities to fight against deforestation and foster successful conservation and environmental regeneration initiatives.

When it comes to the Amazon region, we have developed a unique

The Amazon is the largest rainforest in the world and home to 10% of the planet's biodiversity. However, in the last few years, we have seen the Amazon gradually become a net emitter due to drought and deforestation caused mostly by illegal mining, illegal logging, and the conversion of forest into pasture and farming.

business model over the last 20 years which we continue to expand, because we believe our future reflects the destiny of the rainforest. Since 2010, Natura has invested more than R\$ 2.55 billion in the region and established relationships with 40 communities and over 8,155 families, already exceeding our 2030 target. Innovation is the key driver of our presence in the region, either by helping turn biodiversity ingredients into products or by developing new regenerative agricultural solutions, such as the agroforestry system Natura has invested in to sustainably produce palm oil.

The group also aims to step up its actions to protect the Amazon by building on Natura's more than 20 years' experience in the region. In one year, we have expanded Natura's preservation area from 1.8 to 2 million hectares of land, an area equivalent to half of the Netherlands, however this is still very far from being enough to revert its tipping

point. We have vowed to contribute to the preservation of three million hectares by 2030 and will work to foster collective efforts necessary to achieve zero deforestation of the Amazon by 2025.

Natura &Co is supporting *Concertação pela Amazônia* (Amazon Concertation), a network of over 400 leaders from the public and private sectors, civil society organizations and academia, engaged in finding solutions for the sustainable development of the region. The network promoted debates engaged in the themes of youth, territorial organization and land title regularization, narratives, culture, bioeconomy, political intelligence and engagement of the business sector. *Concertação* functions as a democratic space for the dozens of initiatives in defense of the Amazon; a place to meet, enter into dialogue, boost the impact of their actions and generate proposals and projects for the forest and the population living in the region.



With over 40 years of campaigning for social and environmental justice, it was important for The Body Shop's voice to be heard at COP26. We partnered with B Lab and young activists to learn how young people's voices can influence better decisions; we joined other businesses to share learning on accelerating action to tackle the climate emergency and we listened and learned from youth activists at the fringe events in Glasgow and joined the Climate Justice March. Our key message at COP26 continues to advocate for a just transition, for all people, as the world moves towards a new green economy."

— David Boynton, CEO, The Body Shop

A collective voice for the business sector

As a parallel event to COP26, we proudly sponsored Sebastião Salgado's exhibition, *Amazônia*, at the Science Museum in London. One of the most respected photographers in the world, Salgado has materialized the concept of sustainability and fascinated audiences with his testimonial and beautifully powerful images from the Amazon.

The exhibition had over 21,000 visitors between the launch on October 14th until the end of 2021. Salgado has spent years visiting the Amazon and documenting the forest, its people, and the devastating changes the region is undergoing. As part

of a movement to raise awareness of these changes in our planet's most significant biome, and to create new development pathways for the regeneration of the Amazon and its precious biodiversity, the exhibition is on an international tour that began at the Philharmonie in Paris and includes the MAXXI in Rome, SESC in Sao Paulo and the Museu do Amanhã in Rio de Janeiro.

Going back to its roots as a pioneering company that has thought and acted differently throughout its history and has long had a voice in the debate, The Body Shop was also present at COP26. The brand's CEO, David Boynton, speaking on behalf of Natura &Co, showcased two inspiring themes: examples of

a circular economy (rapid adoption of its refill station concept) and open and inclusive hiring (removing barriers to finding a job in the beauty industry). The Body Shop also piloted a 2030 model Boardroom, created by the B Lab team, which imagined how a boardroom would work in the new decade, led by younger and more diverse members. The goal was to understand how we can listen to the voices of the people who will be affected in 2030 and beyond at this moment in time.

As part of our participation in COP26, the 26th UN Convention on Climate Change in Glasgow, we invited Sebastião Salgado to speak on our behalf and to illustrate the impact deforestation has had on the region during the private sector dinner promoted by the World Business Council for Sustainable Development.

Across the 12 days of COP26, nine Natura &Co senior executives represented their perspective on the climate crisis and were present at 47 events, including 29 speaking engagements. Natura &Co hosted four live panels focused on the importance of protecting the Amazon in the battle against the climate crisis and took a deep dive into how women and girls are disproportionately impacted by climate change.

To build awareness and engagement with our internal and external



This is a time when we need all businesses to openly address and listen to the voice of young people and I would say that if a business is not able to do that, is not able to face the really quite clear and direct challenges from young people, I don't think that that business is going to survive for that much longer."

— Charmian Love, B Lab UK



The question is not how to separate human beings from the forest. We need to find ways to get closer to it so that we then feel more connected to it. We need to embrace the problem to help solve it."

– Tasso Azevedo, Coordinator MapBiomias & SEEG initiatives, former Chief MapBiomias, Brazilian Forest Service [Click for video](#)

audiences and demystify some of the complex issues addressed during the conference, we developed multiple content streams including the Natura &Co Newsreel, a daily audio report summarizing the COP26 news, produced in three languages for 12 days. We developed eight factsheets downloadable by a QR code that was available across all UK The Body Shop stores, connecting customers directly with Natura &Co's [COP26 resource hub](#) on its website. The [PlenaMata](#) portal was screened live across nine The Body Shop stores in Glasgow and Edinburgh and one large screen at Aesop's Edinburgh location to engage consumers on the critical real time deforestation numbers in the Amazon.

Panel highlights at COP26

In "Amazônia is the way to our future: Why the world's largest rainforest is essential to us all", hosted by

Andrea Alvares, Chief Brand, Innovation, International and Sustainability Officer at Natura, panelists Izabella Teixeira, Former Environment Minister, Brazil 2010-2016, Tasso Azevedo, Founder and general coordinator, MapBiomias and Beto Verissimo, Co-founder Imazon, explored the connection between climate change and nature loss and how the two issues must be addressed together.

Natura &Co, in partnership with [Global Landscape Forum](#), explored the challenges and opportunities for the Amazon through the lens of business in "Amazônia Is the Way to Our Future: Business as a Force for Good". Expert panelists Roberto Waack, President Uma Concerção pela Amazônia, Coalizão Brasil Clima, Florestas e Agricultura, Karen Oliveira, The Nature Conservancy Brazil, Lucy Coast, Business for Nature, Tasso Azevedo, Coordinator MapBiomias, Marina Grossi, CEBDS

and Samela Awiã, Indigenous Environmental Activist, discussed the value of keeping our forest standing and how this value can be shared widely with others. Moderated by Andrea Alvares, Chief Brand, Innovation, International and Sustainability Officer at Natura.

Hosted LIVE by Natura &Co at The Body Shop store in Edinburgh, "[The Climate Crisis is not Gender Neutral](#)" panel explored how we can eradicate the inequality women and girls face in the fight against climate change. Moderated by Christopher Davis, International Director of Corporate Social Responsibility and Campaigns at The Body Shop, panelists included Ellen Windemuth, WaterBear Network Founder and CEO, Jessica Omukuti, research fellow at Oxford Net Zero, and Shifrah Jacobs, Chief Impact Officer at Plastics for Change.



We also heard that large countries have committed to investing in the preservation of the Amazon, but this will be useless if it is not built with us."

– Samela Awiã, Indigenous Environmental Activist

We have been working on the Agreement on Nature, the "post-2020 global framework on biodiversity," which will be discussed in China. Our goal is to leave the event aligned around a significant number the world can track to stem biodiversity loss, as was the case with the Paris Agreement, a legally binding international treaty on climate change to keep global warming well below 1.5°C, compared to pre-industrial levels. In 2021, we spoke to several regulators to stress the importance of this agreement being ambitious.

In the coming years, we will continue to build on an already strong track record of adhering to the UN Convention on Biological Diversity and to expand this practice by enforcing the Nagoya Protocol and payments of ABS (access and benefit sharing) to prevent biodiversity loss. The group has partnered with the Science-Based Alliance to establish a new framework for the protection of nature.

Our path to Net Zero

We have a bold commitment to become Net Zero across our entire value chain. To achieve this goal, we have pledged to set science-based targets across scopes 1, 2, and 3 by 2022. During 2021 it was essential for us to understand the baseline from which we were working.

→ Photo: Josefina Bietti & João Ávila



We need to work with women, girls, the elderly, and the disabled to ensure they have the right skillsets and capacity to anticipate and respond to the future climate change risks such as floods and droughts that will come with the warming of the planet to 1.5°C."

– Jessica Omukuti, research fellow
at Oxford Net Zero

COP15

This year, COP15 – the 15th Convention on Biological Diversity – was divided into two parts due to COVID-19 restrictions. Natura &Co was honored to be invited as the only voice from the business sector to speak at the opening ceremony, courtesy of our Executive Chairman and Group CEO Roberto Marques. Marques introduced our four

brands and our perspective on biodiversity loss, the greatest threat for both climate change and the global economy. The technical part of the conference will be held in China later in the year, and travel allowing, we will be there. Beforehand, we will attend the preparation meetings to be held in Geneva in March 2022.

Starting point:

Our four brands were at different stages of greenhouse gas (GHG) measurement: Natura, Avon, and Aesop have calculated scope 1 & 2 emissions and The Body Shop started the creation of their baseline. For Scope 3 footprints each brand has calculated their levels to varying degrees.

What we have done:

We hired an external consultant, Carbon Trust, to consolidate the organizational footprints for scope 1 & 2, to calculate and consolidate the footprint for scope 3 and to calculate the science-based targets for 1.5°C pathway, in line with the SBTi requirements

Across 2021 we created a task force gathering people from the group and all brands to calculate the GHG Inventory for Natura &Co at group-level. Over the 11 months, after many meetings with several departments across all Business Units and six workshops, we managed to conclude our GHG Inventory baseline for Natura &Co, as the first step to address our ambition to become Net Zero.

Outcomes:

Our total GHG emissions for 2020 are calculated in 2.402 M TCO₂eq without including the use phase and 5.756 M tCO₂eq including the use phase. Excluding the use phase, Natura &Co Latin America accounts for 54% and Avon International 34%, followed by The Body Shop with around 11% and Aesop at 1%. If

we take in consideration the brand level, Avon accounts for most of the emissions with 70% and Natura with almost 18%.

In May 2021, we concluded an international fundraising of US\$1 billion in bonds linked to sustainability goals, the largest of this kind issued to date in Latin America. The transaction commits Natura Cosmetics to meet two environmental performance indicators by year-end 2026: reducing scopes 1, 2, and 3 of relative greenhouse gas ("GHG") emissions intensity by another 13% and reaching 25% of post-consumer recycled ("PCR") plastic in plastic product packaging.

Partnerships to create a stronger voice.

As a co-founder of Transform to Net Zero, together with 10 other global companies, including Microsoft, Nike, Danone, and Mercedes-Benz, our goal is to accelerate the transition to a Net Zero global economy and lead by example to enable all businesses to decarbonize their supply chains. Transform to Net Zero's 2025 goal is for the world's largest 1,000 companies to have targets backed up by transformation plans to achieve Net Zero by no later than 2050.

In 2020, our Executive Chairman and Group CEO Roberto Marques became a board member of the United Nations Global Compact. We are also now patrons of the UN Global Compact Climate Ambition Accelerator, which aims to foster collective

efforts around a common global goal on climate change.

In 2021, we also partnered with the World Economic Forum through Champions for Nature, an alliance of leaders from the private sector, government, and civil society, using their experience and ambitions to pave the way to a Net Zero, nature-positive global economy. Last year, Roberto Marques, Zac Goldsmith, UK Minister for the Pacific and the Environment, and Inger Andersen, United Nations Under-Secretary-General and Executive Director of the United Nations Environment Program, became the organization's Co-Chairs.

We were honored to become part of a group of 14 influential global companies and brands that came together to support and scale up the innovative and ground-breaking solutions developed by the finalists of the Earthshot Prize. Founded by Prince William and The Royal Foundation in 2020, the award aims to discover and scale up the best solutions to help repair our planet over the next 10 years, with a focus on projects that protect and restore nature, clean our air, revive our oceans, build a waste-free world, and fix our climate.

Our efforts to battle climate change were recognized with the receipt of the Terra Carta Seal, which acknowledges global companies that are driving innovation and demonstrating their commitment to the



creation of genuinely sustainable markets.

The Terra Carta Seal was created with the knowledge that different industries face unique challenges in their transition to a sustainable future and that all are at different stages on their journey. An accelerated pace is required if we are to achieve the 1.5°C target, restore biodiversity and benefit the lives and livelihoods of current and future generations. The Seal is awarded to companies whose ambitions are aligned with those of the Terra Carta, a recovery plan for Nature, People, and Planet, launched in January 2021.

We are proud to have become a founding partner of WaterBear, a streaming platform dedicated to showcasing award-winning documentaries as well as original content inspired by the United Nations Sustainable Development Goals (SDGs). Through storytelling, advocacy, distribution across the platform, events, and cross-marketing, WaterBear engages its audiences with compelling content, raising awareness of our vision in key markets around the world. *Tree of Plenty*, our first short film created together, tells the story of the extraction of ucuuba seeds by the Movimento de Mulheres Ilhas de Belém (a women's movement from the Islands of

Belém), and illustrates the importance of stopping deforestation in the Amazon region, and the potential of creating a powerful forest bioeconomy there. By bringing this story through WaterBear, we hope to engage its Gen Z and millennial audiences to learn more and to take action to protect the world's largest source of biodiversity.

↑ Photo: DesertifikAtion
– Antonio Aragon Renuncio

To Defend Human Rights *and be Human Kind*



A truly inclusive workforce focuses on culture, and not only on the balance between men and women. By 2023, our aim was to go beyond the UN SDG goal of 30% women in leadership positions by increasing our goal to 50%.

Women in leadership

In 2021 we met our goal of 50% early by achieving 50.4% female leaders at management levels. Whilst we have achieved our target, we will continue to remain vigilant, always checking on recruitment and turnover and ensuring we maintain this balance. Across our total workforce (35,563), we currently have 67.8% women, 30.1% men, 0.1% not declared and 1.9% unavailable data.

To honor International Women's Day 2021, our group hosted a special panel discussion and online forum to address gender inequality in the workplace in support of the United Nations Development Goal 5 – to achieve gender equality and empower all women and girls – and how we can make greater progress on achieving this objective. The panel discussion was led by Alys Key from inews.co.uk with special guests Sanda Ojiambo, Executive Director of UN Global Compact, Charmian

Love, Co-founder of B Lab UK, Angela Cretu, CEO of Avon and Alessandra Orofino, Activist and Co-Founder and Executive Director of Nossas. The panelists shared insights on how to accelerate progress on gender inequality and how women can be better supported in the workplace.

Equitable pay

One of the first steps on our journey to achieve equitable pay by 2023 was to undertake an in-depth analysis of our position on equitable pay and gender balance, conducted with the global HR consultancy Mercer. The goal was to understand what we have achieved so far, and to deconstruct the challenges and roadblocks to closing the equitable pay gap.

In 2021, our overall raw pay gap improved from –15.30% to –10.21% (+5.09pp) indicating improvements in female representation across Natura &Co and average pay. Our unexplained pay gap increased in 2021 from –0.9% to –1.19% (–0.29pp) which

takes into consideration significant changes to the businesses including relatively high turnover, harmonization of grading structures across the businesses and the introduction of new hires. It remains our priority to completely close the unexplained pay gap by 2023 and to do so we are focusing on policies and procedures impacting rewards as well as more consistent and monitored pay equity adjustments.

Living wage

In 2020, we committed to delivering a living wage for our people in more than 100 countries by 2023. By this, we mean a salary which enables a worker to afford a basic but decent or even higher standard of living through employment. We have set a clear baseline, which has allowed us to understand where we currently stand. For every associate, our current percentage is 96%, 4% behind where we want to be. Even so, we are confident that we will reach our goal ahead of the target date.

Beauty in diversity

A key goal of *Commitment to Life* is our ambition to work towards 30% inclusion of underrepresented groups across all our management levels. We are considering six factors: ethnicity, socioeconomically disadvantaged, sexual diversity, gender identity, and physical or mental disability. We believe that for Natura &Co to be the best beauty group for the world, we must be the most inclusive as well. We strive to raise the baseline for inclusion, diversity, and belonging, not only within our industry, but across the world.

We recently founded a new diversity, inclusion, and belonging strategy for the four brands. This involves inclusion initiatives based on activism and social impact. We have been working on training so that our people understand the meaning of inclusion and setting goals and objectives to make sure we are unbiased in re-

cruitment. We launched our gender pronoun guide across the group, as we believe that striving to adopt inclusive language is an important step towards building employee awareness and engagement on diversity and inclusion developments.

Our plan is to create a workforce that reflects the societies in which we operate. Therefore, our first step is to understand the demographic composition of these regions. Our work to capture sensitive personal data in line with data protection laws and anonymity requirements has come up against significant global, technical, and legal challenges. As a result, we are reviewing what alternative methods are open to us to collect the required data, navigating the current restrictions, whilst also ensuring that we uphold the highest levels of compliance. This baseline should be concluded in the beginning of 2022.

When considering our work in en-

suring the representation of those with disabilities, we are also looking at learnings from Natura and Avon in Brazil where they are making great strides; 7.2% and 5% of their employees respectively identify themselves as having either physical or mental disabilities. Our work in collecting data from across the group continues, so that we can understand precisely what work needs to be done to put the necessary plans in place to effect change.

Leading with diversity

Aiming to have a workforce as diverse as the country in which it operates, Avon Brazil launched Project DIVA (Diversity + Avon), which encompasses initiatives focused on ethnic-racial equity, attracting new talents and investing in the development of our staff. DIVA will promote awareness of the theme amongst leaders, employees, sales force, partners, and consumers. One of the first activities was to create a virtual event on Avon's YouTube channel

called "DIVA's in leadership" that promoted activities, roundtables, and pocket classes focused on ethnic-racial and gender equity and included themes such as ancestry, personal power, limiting beliefs, emotional intelligence, people management, and personal branding.

The DIVA project will help Avon Brazil achieve the goal of 30% of black women in management positions by 2030.

Creating value for our Consultants and Representatives

We intend to understand how we create value, wellbeing, and development for our network of Consultants and Representatives in our markets, encompassing more than 7.7 million people. In 2020, we determined how we would track information related to the earnings, education, health, and digital capabilities of our network. We are currently building the methodology and data, setting the baseline while



The Natura Institute continued to expand its efforts to ensure that all children and youth can attend high-quality schools in Brazil and in other countries in Latin America.

respecting privacy legislations in our main markets. This study will give us a complete view of the measure of income among our Consultants in ten key geographies. This will be benchmarked against a living wage and should be concluded in 2022.

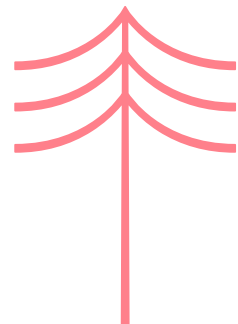
We are also working hard to ensure that our supply chains are fully sustainable. Therefore, another point of attention has been the development, detection, and correction of plans to remedy any human rights infringements that we identify. Over the past year, we have charted our current policies and practices regarding human rights and mapped these against the best practice captured by the UN Guiding Principles. The group aims to enforce full traceability and/or certification by 2025 and alongside these targets, we will implement specific programs for supply chains of critical ingredients in the coming years, specifically for palm oil, mica, alcohol, cotton, paper and soy. In

December 2021, our Board of Directors approved our Group Human Rights policy in line with the UN Guiding Principles, one year ahead of schedule, and plan on rolling out the policy across the Group and our four brands in 2022.

Investing in our communities and key causes

Our communities

In 2021, Natura &Co invested US\$59 million into causes whose main objectives were to help our wider network. These are investments aimed at addressing issues related to climate crisis including the protection of the Amazon, education, supporting women, Human Kind actions, diversity and inclusion initiatives, animal welfare, circularity and regeneration, culture and local development.



Avon

One in five women is consistently subjected to verbal abuse by an intimate partner. To raise awareness of this as an insidious and highly prevalent form of abuse, Avon launched the Speak Out No More Verbal Abuse campaign in partnership with the No More Foundation. Avon representatives, associates and customers promoted a call to action against verbal abuse with the use of engaging content that was shared with all its communities, reaching over 10 million people. The campaign also carried out research to understand the impact of verbal abuse that will provide powerful insights for the brand on how to better support women and help rebuild their lives.

Most women (68%) find strength in hearing relatable stories from other women and 72% find comfort in being able to share their experiences. That was one of the findings of research promoted by Avon earlier

in 2021. Commissioned as part of the My Story Matters campaign, the new research surveyed 8,000 women globally from countries which included the UK, Poland, Italy, South Africa and the Philippines. The research highlighted that 41% of women have lost confidence because of lockdown restrictions.

To celebrate the achievements of women around the world, Avon partnered with model Ellie Goldstein and professional dancer Oti Mabuse to launch a global gallery for women to share their different stories and to connect with other women around the world. The My Story Matters Gallery was launched ahead of International Women's Day, and celebrated stories of strength, grit, and determination, from extraordinary triumphs to everyday wins.

In October 2021, during Breast Awareness Month, Avon launched its Boob Portal, which includes a collection of real-life stories, essen-

tial guidance on breast health, the importance of getting checkups and education on how to take action. Avon also developed a training module for our Representatives aiming to equip them with knowledge of the signs of breast cancer and help raise awareness.

Natura

Despite the continuing challenges of the pandemic, including prolonged school closures, the Natura Institute continued to expand its efforts to ensure that all children and youth can attend high-quality schools in Brazil and in other countries in Latin America. Throughout the year, the institute focused on supporting the reopening of public schools and advancing initiatives to contribute to a relevant improvement to student learning.

The institute amplified its presence in Brazil to 11 states, increasing the number of students benefiting from 1.3 million to 2.3 million.

→ Photo: Josefina Bietti & João Ávila



It strengthened its activities in Argentina, Chile, and Mexico and initiated the groundwork for the launch of programs in Colombia and Peru. Financed with funds from the sales of Natura Crer Para Ver (Believe to See) product lines, one of the institute's commitments is to augment the number of full-time public high schools, which in 2021 increased by more than 2,500.

In partnership with Natura Crer para Ver products, in 2021 the Institute launched "Aprender Hoje" (Learn Today), a national mobilization campaign that supports and offers educational opportunities for more than one million Consultants, aimed at helping them to achieve their dreams for the future.

In Argentina, the institute, already present in three provinces, formed a strategic alliance with the CIPPEC Foundation (Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento) to support the government's efforts to transform public high schools. The focus in Mexico was on improving literacy education in the states of Veracruz and Yucatán and in Chile, the goal is to reduce inequalities in learning at some of the most vulnerable schools.

The Natura Institute also supports Natura Beauty Consultants in their development and education, for themselves but also for their families, communities and countries. In 2021, Natura reached more than 200,000 Consultants with learning

offers such as university scholarships, financial education courses and language proficiency courses, and more than 250,000 Consultants participated in the brand's mobilization campaigns for education.



The Body Shop has its roots in activism, tirelessly pursuing social and environmental justice.

The Body Shop

The Body Shop has its roots in activism, tirelessly pursuing social and environmental justice. In the UK, it was involved in the Kill the Bill campaign working to protect the right to peaceful protests that are at risk of being banned through new legislation. With the conviction that this is an important part of the expression of democracy, The Body Shop petitioned the House of Lords, the High Chamber of the British parliament, and successfully participated in their rejecting the proposal, sending it back to the House of Commons for amendment. This is a continuing campaign.

The Body Shop also continues to lead the way in campaigning in the European Union against a possible return to animal testing due to concerns regarding chemical safety. It joined forces with other companies

in Europe, with an aim to collect one million signatures for a European Citizens' Initiative to push back and challenge the European Parliament to uphold the ban on animal testing.

In Australia, The Body Shop supported people fleeing Afghanistan to enter the country which involved calling on the government to increase the number of humanitarian visas for Afghan refugees.

On International Women's Day, The Body Shop launched a movement called the "Self-Love Uprising", supported by British activist and actress Jameela Jamil and Millennial Therapist Sara Kuburic. The campaign accompanied the publication of a report which identified a self-love crisis amongst women, with 60% wishing they had more respect for themselves and one out of two women feeling more self-doubt than self-love. The study, designed by The Body Shop with market research firm Ipsos, ran between November and December 2020 and interviewed over 22,000 people in 21 different countries. The Self-Love Index comprised several academic measures of self-worth, wellbeing, and happiness, and revealed how age, gender, country, and living standards impact how people feel about themselves.

Support of the Community Fair Trade program continues to be at the heart of The Body Shop. In a turbulent year, through hard work and dedication, the value of trade remained stable, a consider-

able achievement considering the significant store closures across the world.

Aesop

As a continuation of its global commitment to uplifting communities through literature, Aesop supported two major projects. During the month of June, it celebrated Pride month by presenting an ephemeral queer library in three of its stores: Aesop Bleeker Street (New York City), Aesop West 3rd Street (Los Angeles) and Aesop Queen Street West (Toronto). To give the featured authors the prominence they deserve, all shelves were cleared of Aesop products and stocked entirely with books elevating the voices and stories of LGBTQIA+ individuals from around the world. Everyone who went into the store on that day got to take a complimentary book home.

Aesop also supported Saint Heron's Inaugural library of rare and collectors' edition books, spotlighting the history of black identity. A multidisciplinary platform, studio, and creative agency, Saint Heron has the mission of building spaces that provoke radical conversation around thoughtful, original works that amplify vital voices and conceptual imagining.

Entitled 'Anatomy of Generosity', Aesop's 2021 collection of Gift Kits was designed to honor and encourage everyday acts of kindness. Each kit has been tied to one of five registered charity groups. As a concrete gesture of support, the Aesop Foundation — the brand's now global



charitable platform — donated AUD \$100,000 to each of these organizations, independent of sales.

Created in 2017, the Aesop Foundation began its activities supporting initiatives that promote literacy throughout Australia, partnering with third-party charities to offer

funding, as well as time, expertise, and products. Aesop has now amplified its reach, giving to causes that have a much more global outlook and reach, such as Black Lives Matter and the Stop Asian Hate campaign. It has also been supporting Médecins sans Frontières and their life saving work in Afghanistan.

Embrace Circularity and Regeneration

↓ Photo: Aerial view of Natura's palm
SAF study units, Amazon region, Brazil



Product packaging currently accounts for more than one third of our carbon emissions, which makes it our biggest challenge on the path towards becoming Net Zero. To achieve full product circularity and meet Net Zero ambitions, we will need to seek new, innovative solutions, hence our push into fully embracing circularity and regeneration across the group by 2030.

Today, 81.2% of our packaging material is already reusable, recyclable, and compostable. Our goal is to reach 100% by the end of the decade and generally reduce the overall amount of packaging material that we use.

One of the tasks as we moved forward with our targets was to create our Packaging Hub, which will provide more breakthrough innovative ideas on making packaging more circular. This collaboration mechanism incorporates people from across all four brands and helps us to address urgent problems in a more efficient way. Making pumps and flexible refill pouches recyclable are some of the questions we are working on finding answers to collaboratively. At the hub, we align priorities, accelerate achievements, and think of new ways of doing things. From simple incremental ideas to rethinking how we take care of ourselves; we incorporate eco-design into our products as much as possible, working with suppliers throughout the chain.

In early 2022, we signed the Global Commitment on the New Plastics Economy, led by the Ellen MacArthur Foundation. This initiative unites over 1,000 organizations, including businesses and governments, and engages in making sure that 100% of plastic packaging can be reused, recycled, or composted by 2025. Together with UNEP, UN Environment Programme, the foundation brought together key stakeholders to rethink and redesign the future of plastics, starting with packaging.

Furthermore, with the aim of ultimately providing consumers with clear, transparent, and comparable environmental impact information based on a common science-based methodology, we joined other companies in the industry to collaborate on the development of an environmental impact assessment and scoring system. The EcoBeautyScore Consortium launched by leading cosmetics companies including Natura &Co, L'Oréal, Unilever,

Henkel, and LVMH is designed to meet growing consumer demand for greater transparency regarding the environmental impact of cosmetics products (formula, packaging, and usage), thus helping them to make more informed and sustainable choices. To achieve this objective, the consortium will be open to all cosmetics companies wishing to join and contribute to designing a system that will allow consumers to compare the environmental impact of cosmetics within the same category.

As for the ingredients used in our products, our path to reaching our targets is clear. Regarding formula biodegradability we are at 94.4% and on track to achieving 95% or more by 2030. To ensure success in these product-related goals, we have increased resources dedicated to innovation, leveraging not only the talent across the group, but also developing different ways of working with more cross-industry collaboration. For instance, internally through a mechanism that

we call the Innovation Network of Excellence, InEx, members of our research and development teams representing a wealth of talent across Avon, Natura, The Body Shop, and Aesop, have already come together to collaborate on important projects and to share best practices.

Ekos Tukumã Line

Natura's experience in working with traditional communities in a regenerative way has been an inspiration within the group and beyond. In the past few years, it has been studying the Tukumã plant, which is able to resist forest fires and even flourish in burnt areas. The new Ekos Tukumã line contains a high percentage of Tukumã butter and oil and is of 98% natural origin. It comes in silicon free, vegan packaging made from 100% post-consumer recycled PET. The Tukumã plant provides powerful

compounds that replenish the skin while driving economic benefits for the local community.

Biôme

After six years of research and technology development, Natura launched Biôme, a line of solid bar beauty and care products with zero plastic in its packaging. For its development, it used palm oil from agroforestry systems (AFS), in which the palms grow together with native species, such as andiroba and açai, a method that is more productive and sustainable in comparison to monoculture. Moreover, it is a better way to capture carbon and helps diversify the farmers' income. Research on this technique started in 2008 with three farmers and 18 hectares of land in Tomé-Açu, in Pará, in the North of Brazil. The area currently under cultivation is 60

hectares and will continue to grow as Natura works to make its palm oil even more sustainable.

An accompanying bar dish contains a bio resin made from the capture of methane gas. The packaging for Biôme uses recycled and post-consumer recyclable paper obtained from renewable and compostable sources.

Body Butters

Considered The Body Shop's most iconic products, the brand's body butters have undergone a full rejuvenation process over the last two years. The first body butters were launched in 1992 and, today, one of these well-loved products is sold every three seconds worldwide. The new and improved body butters are certified by the Vegan Society and are made of at least 95% natural ingredients, including handcrafted community fair trade shea butter from Ghana. The addition of this ingredient to its formula helps to provide a fair income for more than 700 women from 11 different villages.

The Body Shop is also taking action on packaging and collection-related problems. The new body butter is packaged in 100% recycled plastic with a fully recyclable aluminum cap. This includes community fair trade recycled plastic collected from the streets of India through our partnership with Plastics for Change. This collaboration helps tackle the existing plastic problem while supporting around 2,500 waste pickers, providing them with



access to more sanitary working conditions and a fair price for the plastic waste they collect. In 2021, we bought 782 tonnes of Community Fair Trade recycled plastic, retrieved from the streets of Bengaluru, a significant increase from 2020.

Aesop launched an in-store refill pilot in Melbourne, Australia. The system offers reusable glass bottles available to purchase and fill with select formulations (Resurrection Aromatique Hand Wash, Geranium Leaf Body Cleanser and Parsley Seed Facial Cleanser) from our custom-made dispensary machine. Once depleted, they can be returned to store for replenishment. Customer response has been powerful and we look forward to continuing to develop and innovate in this space to expand our offer.



Sustainability **data**



About this document

This document supplements Natura &Co 2021 Annual Report. It provides additional data, transparency, and accountability on our environmental and social performance across our four Business Units (Natura &Co LatAm, Aesop, The Body Shop, and Avon International) from 1 January 2021 to 31 December 2021, in line with global reporting frameworks. Unless otherwise stated, the data relates to our global performance.

To Address the Climate Crisis and Protect the Amazon

2021 results

Net Zero GHG emissions

Our partners include Transform to Net Zero, a cross-sector initiative to accelerate the transition to a Net Zero global economy by 2050 and UN Global Compact Climate Ambition Accelerator.

We hired an external consultant, Carbon Trust, to consolidate and calculate the organizational footprints for scopes 1, 2, and 3.

During 2021, we concluded our 2020 GHG inventory baseline for Natura &Co, as the first step to address our ambition to become Net Zero.

Become **Net Zero**, delivering 1.5°C 20 years ahead of the UN Commitment

2.40^m tCO₂eq
(Excluding use phase)



2020

Science Based Targets Initiative (SBTi) **for all companies** scopes 1, 2, and 3

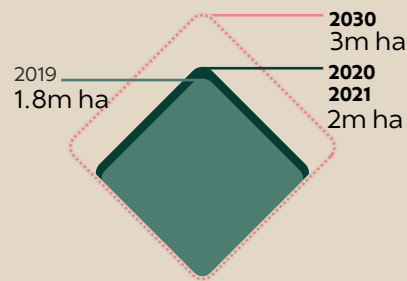
We will submit our science-based targets to SBTi by April 2022 and we expect to receive their approval in the coming months.

Goals are presented in **pink**

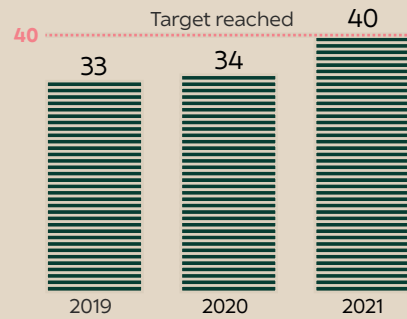
Protect the Amazon

In 2021, Natura &Co and Natura joined forces with MapBiomas, InfoAmazonia and Hacklab to launch the PlenaMata portal, a unique platform that monitors deforestation in the Amazon in real time.

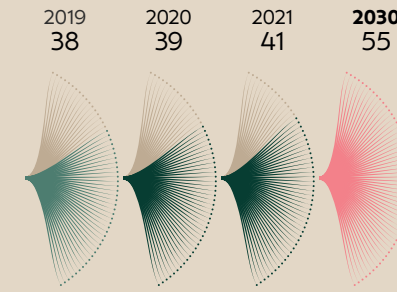
Amazon preservation from 1.8m to **3m ha**



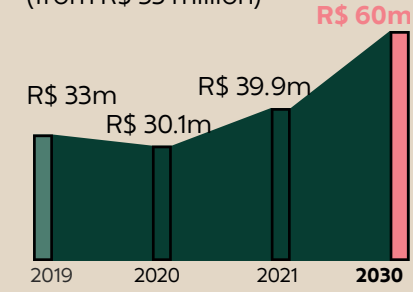
33 to **40** communities



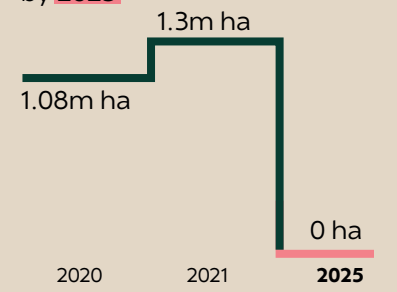
Increase revenue streams with **55** bio-ingredients (from 38)



Share at least **R\$ 60 million** in value with communities (from R\$ 33 million)



Foster collective efforts towards **zero deforestation** by **2025**



PlenaMata data shows 2021 had the highest deforestation rates in the Amazon since 2006

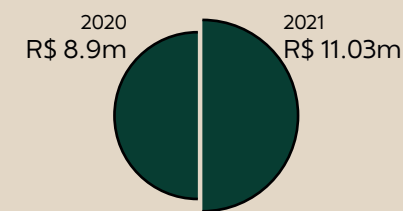
Biodiversity

To halt and reverse biodiversity loss, we are partnered with Science Based Targets Network (SBTN), Business for Nature, and are co-chairs of WEF's Champions for Nature.

Help **create targets** with a network of partnerships (UEBT, SBTN, BfN, WEF)

We are part of the corporate engagement for Science Based Target Network (SBTN). To help the construction of the SBTN methodology, we are piloting the methodology specifically with our Natura Ekos line and fulfilled Step 1 of 5.

Expand from Natura's 16 year payment of ABS (access and benefit sharing) to the Group by **2025**



2021 results

Goals	Target number	31 metrics & targets	Target timeline	Natura &Co Group	Natura &Co LatAm	Aesop	The Body Shop	Avon International
Net Zero GHG emissions	1	Become Net Zero, delivering 1.5°C 20 years ahead of UN Commitment	2030	2,402,399 tons CO₂ eq¹	1,304,877 tons CO ₂ eq ¹	26,220 tons CO ₂ eq ¹	260,677 tons CO ₂ eq ¹	810,625 tons CO ₂ eq ¹
	2	Science Based Targets Initiative (SBTi) for all companies, scopes 1, 2 and 3	2022	We are in the process of submitting our science-based targets to SBTi and we expect to receive their approval in the coming months.				
Protect the Amazon	3	Expand influence on forest preservation from 1.8m to 3m ha	2030	-	2m ha ²	-	-	-
	4	Expand influence on forest preservation from 33 to 40 communities	2030	-	40 ²	-	-	-
	5	Increase revenue streams with 55 bio-ingredients (from 38)	2030	-	41 ²	-	-	-
	6	Share at least R\$ 60 million in value with communities (from R\$ 33 million)	2030	-	R\$ 39.9m ²	-	-	-
	7	Foster collective efforts towards zero deforestation by 2025	2025	-	1.3 m ha ² 477 million trees	-	-	-
Biodiversity	8	Help create targets with a network of partnerships (UEBT, SBTN, BfN, WEF)	2025	We are part of the corporate engagement for Science Based Target Network (SBTN). To help the construction of the SBTN methodology, we are piloting the methodology with our Natura Ekos line and fulfilled Step 1 of 5.				
	9	Expand from Natura's 16 year payment of ABS (access and benefit sharing) to the Group by 2025 – as per UN Convention on Biological Diversity (CBD) / Nagoya Protocol	2025	R\$ 11,034,125	R\$ 10,762,838	-	R\$ 271,287	-

Footnotes

- 1 2020 GHG inventory results excluding the use phase
- 2 Natura Cosméticos only

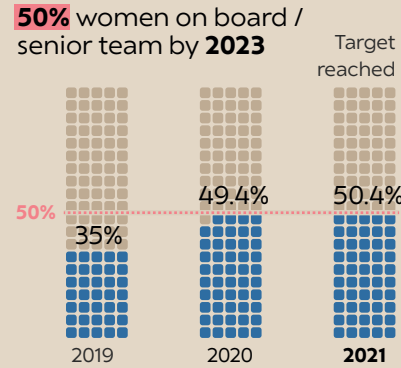
To Defend Human Rights *and be Human Kind*

2021 results

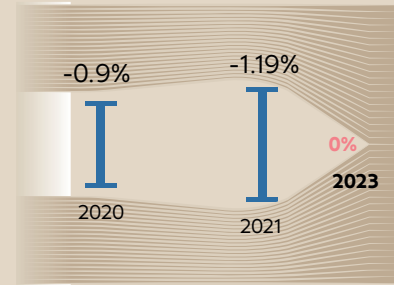
Goals are presented in **pink**

Our people

We sit on the Board of UN Global Compact and are patrons of Target Gender Equality, its accelerator program for companies to set and reach ambitious targets for women's representation.



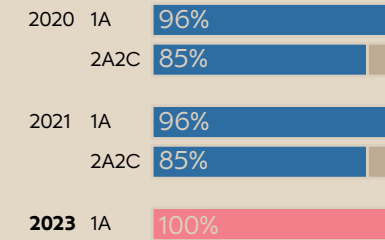
Equitable pay, closing the gender gap by **2023**



Work towards **30%** inclusion, in management, of under-represented groups

Throughout 2021 we reviewed various solutions to assess D&I data as we faced data privacy and legislative issues in many of the markets in which Natura &Co operates. With the support of an external consultancy, an online survey tool will be used to anonymously gather data from our employees to support the establishment of our baseline.

Living wage (or above) **for all** by **2023**



← Our costs have increased slightly since 2020 by approximately 23%, however this is mainly due to the increase in the Living Wage Rates.

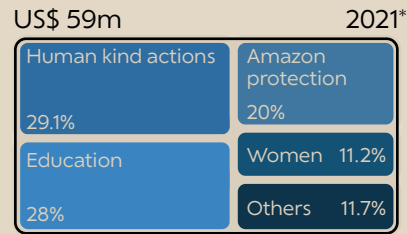
Our wider network

Our network reflects the omnichannel nature of our business. We work with the World Federation of Direct Selling (WFDSA) and Seldia (The European Direct Selling Association).

Measurable gains for Consultants/Representatives and sourcing communities

In 2021 we completed an initial pilot project to measure the socio-economic impact that our Natura &Co direct selling companies have on the lives of Consultants / Representatives in our network.

Increase investments in key causes by 20% to **US\$ 600 million**



*Data only reflects 2021 result. 2020 figure to be reviewed with new methodology.

Promote our trusted and reliable model for the future of direct sales, health and digital inclusion

As the Chair of the WFDSA Ethics Committee, Natura is leading activities to promote ethics beyond compliance, continuously raising WFDSA and DSAs' self-regulatory standards ("The Code") above local legislation/regulation.

Human Rights & Supply Chain

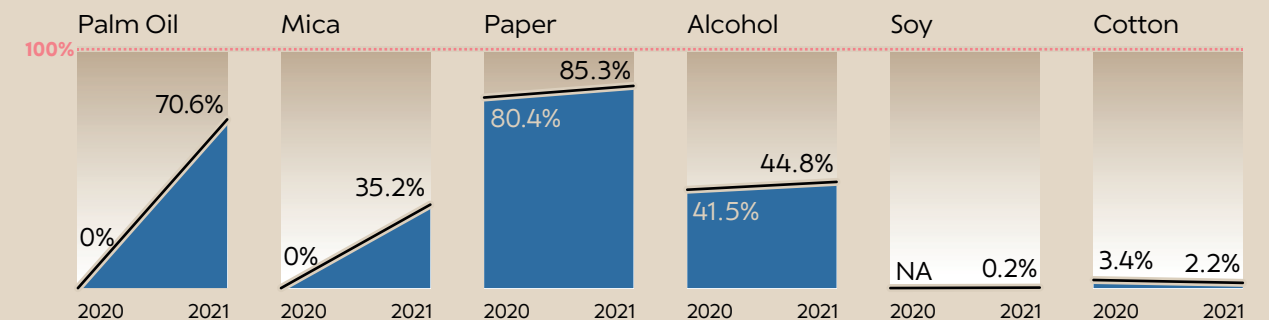
We support the UN Working Group developing the UN Guiding Principles on Business and Human Rights in their work to undertake a decade of action on business and human rights.

Adopt robust Human Rights policy in line with UN Guiding Principles by **2023**

Natura &Co's new Human Rights statement was unanimously approved by its Board of Directors in 2021.

→ Our 2020 figures were re-calculated based on new and more robust certification criteria. Palm Oil, Paper, Alcohol, Soy and Cotton values reflect certification %. Mica value reflects traceability % as there is no global certification standard available for Mica.

Full **(100%)** traceability and/or certification for critical supply chains by **2025**



2021 results

Goals	Target number	31 metrics & targets	Target timeline	Natura &Co Group	Natura &Co LatAm	Aesop	The Body Shop	Avon International	
Our People	10	Gender balance: 50% women onboard/senior team by 2023	2023	50.4% ⁴	50%	40%	64%	52%	
	11	Equitable pay, closing the gender gap by 2023	2023	-1.19%	-1.3%	-1.0%	-0.8%	-1.3%	
	12	Work towards 30% inclusion, in management, of under-represented groups	2030	Throughout 2021 we reviewed various solutions to assess D&I data as we faced data privacy and legislative issues in many of the markets in which Natura &Co operates. With the support of an external consultancy, an online survey tool will be used to anonymously gather data from our employees to support the establishment of our baseline.					
	13	Living wage (or above) for all by 2023	2023	1A	96%	93%	98%	100%	100%
Our Wider Network	14	Measurable gains for consultants/ representatives and sourcing communities' earnings, education, health, and digital inclusion	2030	In 2021 we completed an initial pilot project to measure the socio-economic impact that our Natura &Co direct selling companies have on the lives of Consultants / Representatives in our network.					
	15	Increase investments in key causes by 20% to U\$ 600 million	2030	USD\$ 59.0 ⁵	USD\$ 33.4 ²	USD\$ 3.9	USD\$ 13.0	USD\$ 6.8	
	16	Promote our trusted and reliable model for the future of direct sales	2030	As the Chair of the WFDSA Ethics Committee, Natura is leading activities to promote ethics beyond compliance, continuously raising WFDSA and DSAs' self-regulatory standards ("The Code") above local legislation/regulation.					
Human Rights	17	Full certification by 2025 – Palm Oil	2025	70.6%	80.0%	39.0%	19.1%	49.0%	
	18	Full traceability by 2025 – Mica ⁶	2025	35.2%	26.8%	N/A	95.2%	38.4%	
	19	Full certification by 2025 – Paper	2025	85.3%	87.0%	71.0%	67.8%	81.6%	
	20	Full certification by 2025 – Alcohol	2025	44.8%	69.0%	0.0%	2.8%	0.0%	
	21	Full certification by 2025 – Soy	2025	0.2%	0.0%	15.6%	0.0%	0.0%	
	22	Full certification by 2025 – Cotton	2025	2.2%	0.0%	1.0%	59.9%	0.2%	
	23	Adopt robust Human Rights policy in line with UN Guiding Principles by 2023	2023	Natura &Co's new Human Rights statement was unanimously approved by its Board of Directors in 2021.					

Footnotes

² Natura Cosméticos only

⁴ N&Co Group employees are 44% female for this metric; Board 31% are female

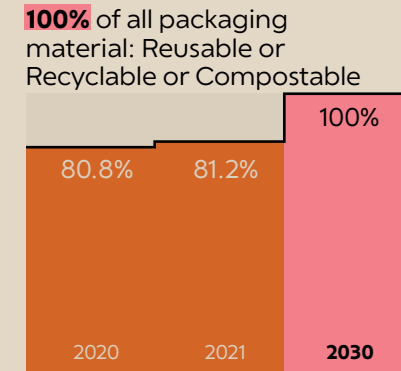
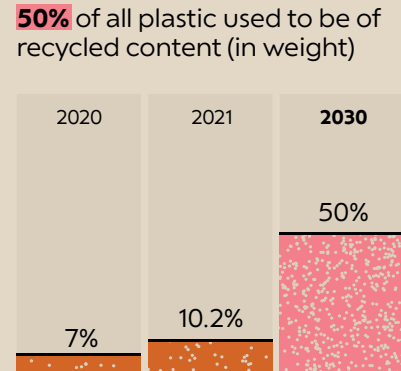
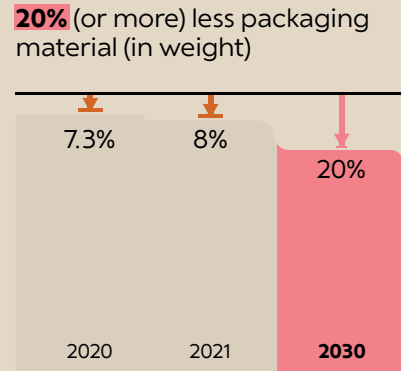
⁵ Only reflects 2021 result, the 2020 figure needs to be reviewed in line with new methodology

⁶ There is no global certification standard available for Mica

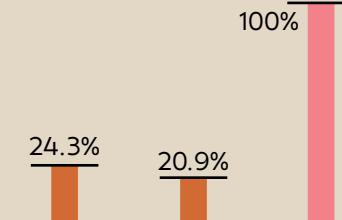
Embrace Circularity and Regeneration

Packaging Circularity

We are a signatory to The Ellen MacArthur Foundation's New Plastics Economy Global Commitment, united with 1,000 organizations across the plastic packaging value chain, progressing towards a circular economy.



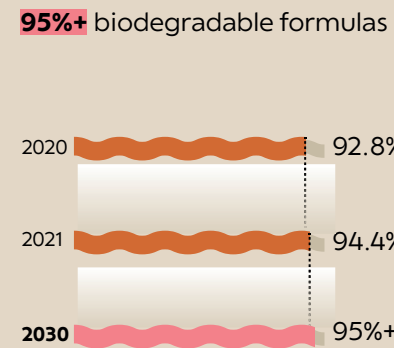
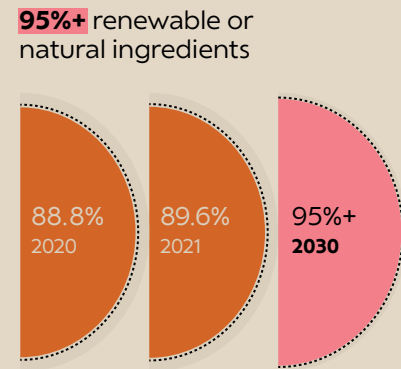
Offset through "collection and reuse" programs to reach **100%** responsible disposal where recycling infrastructure not available



← Reduction in numbers reported by Natura &Co LatAm, especially Natura Cosméticos (from 56.1% to 47.4% in weight).

Formula Circularity

Alongside Henkel, L'Oreal, LVMH, P&G, and Unilever, Natura &Co is a founding member of the EcoBeautyScore Consortium, created to meet consumer demand for greater transparency about the environmental impact of cosmetic products.

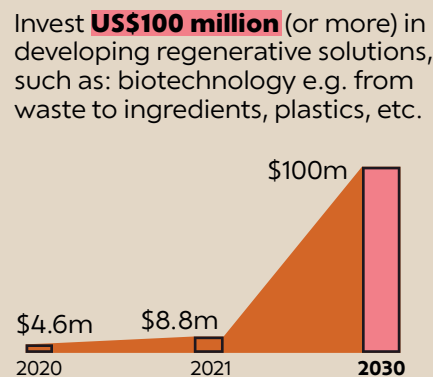


100% of new formulas will have lower environmental footprint, measured by life cycle analysis (LCA) by **2025**

In 2021, a team with components from all the companies of the Group was defined, a consulting firm was hired (Quantis), and the scope of the tool construction was defined in line with the EcoBeautyScore Consortium.

Regeneration

Natura is a founding member of the Union for Ethical BioTrade (UEBT), and together we work with others to engage companies on the journey to regenerate nature and protect people through the ethical sourcing of biodiversity ingredients.



2021 results

Goals	Target number	31 metrics & targets	Target timeline	Natura &Co Group	Natura &Co LatAm	Aesop	The Body Shop	Avon International
Packaging Circularity	24	20% (or more) less packaging material (in weight)	2030	8.0%	7.9%	Not reported	Not reported	9.0%
	25	50% of all plastic used to be of recycled content (in weight)	2030	10.2%	8.5%	50.8%	47.3%	0.04%
	26	100% of all packaging material: Reusable or Recyclable or Compostable	2030	81.2%	81.1%	82.7%	90.3%	78.6%
	27	Offset through "collection and reuse" programs to reach 100% responsible disposal where recycling infrastructure not available	2030	20.9%	30.7%	0.6%	Not reported	0.0%
Formula Circularity	28	95%+ renewable or natural ingredients	2030	89.6%	93.5% ²	89.7%	89.9%	86.5% ³
	29	95%+ biodegradable formulas	2030	94.4%	95.8% ²	89.3%	90.0%	89.9% ³
	30	100% of new formulas will have lower environmental footprint, measured by life cycle analysis (LCA)	2030	In 2021, a team with components from all the companies of the Group was defined, a consulting firm was hired (Quantis), and the scope of the tool construction was defined in line with the EcoBeautyScore Consortium.				
Regeneration	31	Invest U\$ 100 million (or more) in developing regenerative solutions, such as: Biotechnology e.g. from waste to ingredients, plastics, etc.	2030	USD \$8.8m ⁷	USD \$8,754,929 ²	-	USD \$31,065	USD \$15,000 ³

Footnotes

² Natura Cosméticos only

³ Avon Global only

⁷ Accumulative result reflecting 2020 and 2021 performance

Environmental *Impact*

Packaging Materials – The following tables summarize the content and weight of our Business Units non-plastic packaging.

Glass packaging

Percentage of glass packaging that is from recycled and/or certified material (% of total weight of all glass packaging)

	2021 total weight of glass fiber packaging (tons)	2021 % of glass packaging that is from recycled and/or certified material
Natura &Co LatAm ²	16,097	14.8
Avon International	13,854	7.3
The Body Shop	2,214	21.5 ¹
Aesop	760	13.7 ³
Total	32,925	12.1%

Footnotes

- 1 Data for FY2021 not yet available for The Body Shop. The performance disclosed (21.5%) considers FY2020 performance.
- 2 The metric considers Natura Cosméticos only
- 3 Recycled content data has been collated throughout Q3 and Q4 of 2021.

Metal packaging

Total weight of metal fiber packaging (tons)

	2021
Natura &Co LatAm ¹	1,226
Avon International	247
The Body Shop	3892
Aesop	87
Total	1,949

Footnotes

- 1 The metric considers Natura Cosméticos only
- 2 20% of total weight is from recycled and/or certified material

Wood/Paper fiber packaging

Percentage of paper packaging that is from recycled and/or certified material (% of total weight of all paper packaging)

	2021 total weight of wood paper fiber packaging (tons)	2021 % of wood/paper fiber that is from recycled and/or certified material
Natura &Co LatAm ²	11,828	6.8
Avon International	2,720	36.2
The Body Shop	1,441	100
Aesop	43	6.7
Total	16,032	20.1%

Footnotes

- 1 Data for FY2021 not yet available for The Body Shop. The performance disclosed (21.5%) considers FY2020 performance.
- 2 The metric considers Natura Cosméticos only
- 3 Recycled content data has been collated throughout Q3 and Q4 of 2021.

Plastic packaging

In 2021, no brands adopted any compostable plastic packaging. The following tables show our progress as Natura &Co towards reducing our plastic packaging, and increasing the percentage of our plastic packaging that is recyclable and/or recycled plastic. This is shown in the following table.

	2021		
	Total weight of all plastic packaging (tons)	Percentage of recyclable plastic packaging (% of the total weight of all plastic packaging)	Percentage of recycled content within plastic packaging (as a % of the total weight of all plastic packaging)
Natura &Co LatAm	25,287	66.8	8.5
Avon International	10,909	54.4	0.04
The Body Shop	3,620	77.5	47
Aesop	468	61.6	50.8
Total	40,284	64.3%	10.2%

Energy consumption – non-renewable & renewable fuels

The table below summarizes the energy consumption of Natura &Co. The total cost of energy consumption in 2021 for Avon International was US\$ 3,747,832.35. The other brands will have the feasibility to track energy consumption costs in the future.

	2021 ^{1,2}				
	Energy consumed from non-renewable fuels (MWh)	Energy consumed from non-renewable electricity purchased (MWh)	Total non-renewable energy consumption (electricity and heating & cooling) MWh	Total renewable energy (wind, solar, biomass, hydroelectric, geothermal, etc.) purchased or generated (MWh)	Percentage of renewable energy (as % of total energy consumed)
Natura &Co LatAm	32,268	36,294	68,562	157,465	69.7%
Avon International	38,220	32,728	70,948	0	0%
The Body Shop	-	2852 ²	2852 ²	7,589	72.7%
Total	70,488	71,874	142,362	165,054	53.7%

Footnotes

- 1 Data for FY 2021 not available for Aesop until the date of this publication. FY 2020 data for Aesop are: 2020 Energy consumption from non-renewable fuels was 34,281 MWh; Energy consumed from non-renewable electricity purchased was 2,304 MWh; Total non-renewable energy consumption was 23,38.508MWh; and Total non-renewable energy consumption was 3,769 MW.
- 2 The Body Shop coverage reflects where data was made available.
- 3 The total disclosure represents over 90% of our net revenues

Freshwater consumption

Total net freshwater consumption¹(m³)

	2021
Natura &Co LatAm	315,622
Avon International	110,282
Total²	425,904

Footnotes

1 Extraction minus discharges to source of extraction at similar or higher quality

2 Total disclosure represents over 75% of our net revenues

Waste Disposal 2021²

	Total waste generated (metric tons) ¹	Total waste used, recycled or sold (metric tons) ³	Total waste disposed (metric tons) ⁴
The Body Shop	6,467	6,405	39,831
Avon International	12,568	12,247	321
Total⁵	19,035	18,652	40,152

Footnotes

1 This metric considers the total hazardous and non-hazardous waste generated from owned and leased facilities, including landfill, waste rock, tailings, ash and materials sent for incineration. Total Waste also includes recycled, repurposed materials, and compost.

2 Data for FY 2021 not available for TBS and Aesop until the date of this publication. In 2020 for Aesop total waste generated was 462.98 tons; total waste used, recycled or sold was 262.27 tons; total waste disposed was 199.80 tons

3 Total waste recycled, broadly defined to include reuse, recycling, compositing, anaerobic digestion, but excluding incineration. Applies to owned and leased premises (all premises)

4 Not recycled, reused or incinerated waste for energy recovery

5 Total disclosure represents over 75% of our net revenues

2020 Natura &Co Total Emissions¹

Total Emissions per category (Tons CO₂e)¹

	2020
Scope 1	29,548
Scope 2 - location based	61,439
Scope 2 - market based	21,579
Scope 3 categories	
1a: Purchased goods and services (product and non-product)	1,456,576
2: Capital goods	21,342
3: Fuel and energy related activities	23,112
4: Upstream transportation and distribution	332,196
5: Waste generated in operations	2,112
6: Business travel	19,161
7: Employee commuting	24,302
8: Upstream leased assets	309
9: Downstream transportation and distribution	99,163
10: Processing of sold products	-
11a: Use of sold products (Direct)	39,447
11b: Use of sold products (Indirect)	3,354,173
12: End-of-life treatment of sold products	317,540
13: Downstream leased assets	-
14: Franchises	16,013
15. Investments	-
Total for Group (market based) without indirect use phase (category 11b)	2,442,259
Total for Group (location based) without indirect use phase (category 11b)	2,402,399
Total for Group (location based) with use phase (categories 11a +11b)	5,796,433
Total for Group (market based) with use phase (categories 11a + 11b)	5,756,573

Footnotes

1 2020 Natura &Co GHG baseline, in line with Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Greenhouse Gas Protocol - WRI / WBCSD

Social Impact

New hires

Total number of new employee hires ¹

	2021
Natura&Co Group	36
Natura&Co LatAm	1,796
Avon International	209
The Body Shop	1,675
Aesop	1,501
Total ²	5,217

Footnotes

- 1 This metric considers only permanent employees. It does not reflect the total from all the Business Units.
- 2 This metric is based on the employee's hire date and does not consider internal hires from other business units to the group

2021 – Total number of new employee hires - Gender

	Men	Women	Prefer not to say
Natura &Co Group	17	19	0
Natura &Co LatAm	726	1,069	1
Avon International	85	124	0
The Body Shop	176	1,499	0
Aesop	188	646	14
Total ¹	1,192	3,357	15

Footnotes

- 1 Total is not aligned with 5,217 total new hires due to some unavailable gender data¹

2021 – Total number of new employee hires - Management level

	Leadership / Top Management	Junior Management	Total
Natura &Co Group	11	9	20
Natura &Co LatAm	7	59	66
Avon International	2	27	29
The Body Shop	8	100	108
Aesop	8	81	89
Total	36	276	312

Voluntary Turnover rate

Voluntary employee turnover rate ¹

	2021
Natura&Co LatAm	5%
Avon International	13%
The Body Shop	39%
Aesop	27%
Total	14.7%

Footnotes

- 1 This refers to the proportion of employees who choose to leave an organization (such as resignation, retirement, early retirement etc.) over a set period (often a year), expressed as a percentage of the total employees. Natura &Co Group employee turnover will be reported in FY2022

2021 – Voluntary employee turnover rate - Gender ¹²

	Men	Women
Natura &Co LatAm	5%	5%
Avon International	14%	12%
The Body Shop	32%	40%
Aesop	25%	24%
Total	9.8%	16.7%

Footnotes

- 1 The breakdown by gender considers the self-declaration of each employee.
- 2 Natura &Co Group employee turnover will be reported in FY2022.

2021 – Voluntary employee turnover rate - Management level ¹

	Leadership / Top Management	Junior Management
Natura &Co LatAm	5%	6%
Avon International	10%	12%
The Body Shop	9%	10%
Aesop	15%	31%
Total	9%	10%

Footnotes

- 1 Natura &Co Group employee turnover will be reported in FY2022

Total employee turnover rate

Total employee turnover rate ^{1 2}

	2021
Natura&Co LatAm	14%
Avon International	24%
The Body Shop	56%
Aesop	29%
Total	25%

2021 – Total employee turnover rate - Gender ^{1 2}

	Men	Women
Natura &Co LatAm	13%	14%
Avon International	23%	24%
The Body Shop	42%	57%
Aesop	29%	26%
Total	18%	28%

Footnotes

- 1 This refers to the proportion of employees who leave an organization over a set period (often a year), expressed as a percentage of the total employees.
- 2 Natura &Co Group employee turnover will be reported in FY2022

Footnotes

- 1 Natura &Co Group employee turnover will be reported in FY2022

2021 – Total employee turnover rate - Management level ¹

	Leadership / Top Management	Junior Management
Natura &Co LatAm	6%	9%
Avon International	26%	22%
The Body Shop	11%	11%
Aesop	15%	31%
Total	15%	15%

Footnotes

- 1 Natura &Co Group employee turnover will be reported in FY2022

Share of women in total workforce

Share of women in total workforce ¹
(as % of total workforce)

	2021
Natura&Co Group	57%
Natura&Co LatAm	60%
Avon International	65%
The Body Shop	90%
Aesop	61%
Total	68%

Footnotes

- 1 Total number of employees considered (35,363)

Share of women in all management positions

Including junior, middle, and top management (as % of total management positions)¹

	2021
Natura&Co Group	53%
Natura&Co LatAm	57%
Avon International	61%
The Body Shop	70%
Aesop	54%
Total	60%

Footnotes

- 1 Total number of employees considered (3,275)

Share of women in junior management positions ¹

(as % of total junior management positions)

	2021
Natura&Co Group	65%
Natura&Co LatAm	58%
Avon International	62%
The Body Shop	71%
Aesop	57%
Total	62%

Footnotes

- 1 This metric refers to first-line managers, junior managers and the lowest level of management within a company's management hierarchy. These individuals are typically responsible for directing and executing the day-to-day operational objectives of organizations, conveying the directions of higher level officials and managers to subordinate personnel. Total number of employees considered (2,903)

Share of women in top management positions ¹

(as % of total top management positions)

	2021
Natura&Co Group	44%
Natura&Co LatAm	50%
Avon International	52%
The Body Shop	64%
Aesop	40%
Total ²	51%

Footnotes

- 1 This refers to management positions with a reporting line at most two levels away from the CEO. They include individuals who plan, direct, and formulate policies, set strategy, and provide the overall direction of enterprises/organizations for the development and delivery of products or services, within the parameters approved by boards of directors or other governing bodies. Total number of employees considered (372).
- 2 If we consider the Board of Directors, the total disclosure is 50.4%. Currently the Board of Directors is 31% women.

Institutional Relations

Global Organizations

A list of the external organizations that Natura &Co is a member of.

Organization	Representative	Role
B Lab	Denise Hills	Sistema B Brazil Board Member
	Thais Espildora	B Movement Builders Mentor
The B Team	Guilherme Leal	The B Team Leader
	Keyvan Macedo / Zoe Carton	Worker B
Business for Nature	Andrea Alvares (former) / Marcelo Behar (current)	Strategic Advisory Group Member
The Consumer Goods Forum (CGF)	Griscelda Ramos	Plastics Group Mexico Member
	Juan Camilo Padilla	Plastics Group Colombia Co-Chair
EcoBeautyScore Consortium	Louise Scott / Marcelo Behar	SteerCo, General Assembly, Corporate Committee Member
	Iguatemi Costa	Footprinting Working Group Core Team
	Ramez Labib	Scoring Working Group Core Team
	Eugenia Zalis	Scoring Working Group Member
	Ed Fowler	IT Solution Working Group Core Team
	Marcelo Behar	General Assembly Member
	Ginny Edwards	Coms, PA & Legal Working Group Member
	Emilia Lebron	Coms, PA & Legal Working Group Member
Ellen MacArthur Foundation (EMF)	Keyvan Macedo (former) / Steve Cholowsky (current)	New Plastics Economy Global Commitment Signatory
One Planet Business for Biodiversity (OP2B)	Marcelo Behar	OP2B Meetings Participant
Science Based Targets Network (SBTN)	Keyvan Macedo	SBTN Corporate Engagement Program Member
Taskforce on Nature-related Financial Disclosures (TNFD)	Marcelo Behar	Taskforce Member
	Keyvan Macedo	Taskforce Sherpa

Organization	Representative	Role
Transform to Net Zero (TONZ)	Marcelo Behar / Keyvan Macedo	TONZ Monthly Meetings Participant
The UN Global Compact (UNGC)	Roberto Marques	UNGC Board Member
	Guilherme Castellan	CFO Taskforce for the SDGs Member
	Denise Hills	The UN Global Compact Network Brazil Vice President
	Marcelo Behar	Liaison Delegate
	Noelia Souque Caldato (former) / Zoe Carton (current)	Target Gender Equality Patron
	Keyvan Macedo	Climate Ambition Accelerator Patron
The Union for Ethical BioTrade (UEBT)	Fernanda Facchini / João Teixeira	Climate Ambition Accelerator Brazilian Program
	Mark Davis	Board of Directors Member
UN Women	Mauro Costa	Standard and Assurance Committee Member
	Noelia Souque Caldato (former) / Zoe Carton (current)	Economic Justice and Rights Action Coalition Commitment Maker
World Business Council For Sustainable Development (WBCSD)	Andrea Alvares	Executive Committee Member
	Denise Hills (former) Keyvan Macedo (current)	Liaison Delegate
	Tyler Reddien	CFO Network Member
The World Economic Forum (WEF)	Roberto Marques	Champions for Nature Co-Chair
	Marcelo Behar	Champions for Nature Senior Advisor
	Itamar Gaino Filho	Future of Corporation - General Counsels Member
The World Federation of Direct Selling Associations (WFDSA)	João Paulo Ferreira	Ethics Committee Chairman
	João Paulo Ferreira	CEO Council Member
	JJoão Paulo Ferreira	Operating Group Member
	João Paulo Ferreira	Board of Delegates Member
	Juliana Darini Teixeira	Ethics Committee Member
	Carlos Pitchu	Advocacy Committee Member
Marcelo Behar	Global Regulatory Affairs Committee Member	

Regional Organizations

Organization	Representative	Role
CASIC	Christian Silveri	Board of Directors Company Member
	Sabina Zaffora	Sustainability Commission President
	Flavia Bartholomeu	Regulatory Affairs Commission Member
Cosmetics Europe	Amanda Long	SCT Regulatory Strategy (REG) Member
	Amanda Long	SCT Ingredients Defense Member
	Amanda Long	SCT International (INTER) Member
Seldia	Angela Cretu	CEO Council Member
	Anna Tolley	Government Affairs Committee Member

Governance *and Economic Impact*

Code of conduct breaches

Number of breaches to Codes of Conduct, specifically relating to serious and significant investigations carried out by Ethics and Compliance. ¹

	2020	2021
Natura &Co LatAm	2	11
Avon International	6	5
The Body Shop	1	2
Aesop	1	3
Total	10	21

Footnotes

¹ Were carried out 21 serious and significant investigations by Ethics & Compliance in 2021, of which nine were found to be substantial. The following outcomes were recorded for the nine substantial cases: four written warnings, two coaching, one training, one bonus retracted, one failure to meet Ethical & Compliance goal in performance review, one resigned, one settlement and one terminated. Each substantial case can have multiple motives and/or multiple outcomes.

Discrimination incidents disclosure

Natura &Co Ethics and Compliance team are responsible for tracking the details of all discrimination / harassment complaints receive into our Ethics Line, as well as allegations receive via other channels investigated by Ethics and Compliance.

Number of incidents of discrimination and harassment¹

	2020	2021
Natura &Co LatAm	1	2
Avon International	0	2
The Body Shop	1	1
Aesop	1	1
Total	3	6

Footnotes

¹ Incidents of harassment or discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the ILO, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period. Of the three discrimination cases reported in 2020, one was found to be substantiated.

Credits

Natura &Co

VP Sustainability & Group Affairs
Marcelo Behar

Head of External Communications
Emilia Lebron

Sustainability Coordinator
Alisa Smirnova

Communications Consultant
Shelley Simmons-Bloom

Sustainability
Keyvan Macedo, Alisha Syal,
Zoe Carton

Investor Relations
Viviane Behar, Luiz Palhares,
Ana Sartori Lopes

Corporate Governance
Moacir Saltzstein, Aline Klein

Branding
Teresa Boulting



Natura &Co Latin America
Michel Blanco, Fabio Peixoto,
Cassio Costa

Avon
Joanna Newark, Natalie Deacon

The Body Shop
Alexandra Fulton

Aesop
Anna Sacre



Contributors

Consulting, Copy and Translation
Report Sustentabilidade
Fernanda Mori, Livia Frossard,
Ana Souza, Estevam Pereira
and Juliane Duarte

Design Agency
Danki Amsterdam

Commitment to Life Infographics
Rodolfo Almeida



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Catherine O'Dea, Chris Davis,
Denise Hills, Christiana Souto,
Laura McGonigal, Louise Scott,
Mark Davis, Renata Vieira,
Renato Winnig

Avon, Natura &Co LatAm, The Body Shop and
Aesop, will release their own reports in 2022

