

NATURA &CO HOLDING S.A.
Publicly-Held Company
CNPJ/ME nº 32.785.497/0001-97
NIRE 35.300.531.582

MATERIAL FACT

Restatement of Operational Synergy Target

Natura &Co Holding S.A. (B3: NTCO3, NYSE: NTCO) (“Natura &Co” or “Company”), pursuant to the provisions set forth in paragraph 4, article 157 of the Federal Law 6,404/76 and CVM Instruction 358/02, and other applicable provisions, informs its shareholders and the market in general that it has reinstated the projected synergies arising from the business combination involving the Company and Avon Products, Inc. (“Avon”), discontinued on September 30, 2020, according to the Material Fact published on that date.

The Company expects to gradually capture, during the period from 2020 to 2024, operational synergies estimated in the range of US\$ 300 million to US\$ 400 million on an annual recurring basis (using a foreign exchange rate of US\$1 to R\$5). These estimates do not consider the one-time costs for the achievement of the initiatives related to such synergies, which are estimated by Natura &Co to be approximately US\$ 190 million over the same period of 2020 to 2024.

The expected synergies are based on the assumption that the Company will be able to successfully implement the following initiatives, among others:

- **Sourcing:** Optimization of purchases of raw materials, catalogs, freight services, storage, advertising, as well as administrative functions. These activities are expected to account for synergy gains between US\$ 85 million to US\$ 115 million;
- **Manufacturing and distribution:** Optimization of the distribution centers networks, reducing the complexity of our factory structure and consolidating transportation activities, improving service levels for Natura’s consultants and Avon representatives. These functions are expected to account for synergy gains between US\$ 50 million and US\$ 75 million;
- **Administrative expenses:** Integration of areas such as information technology, data center, administrative functions in general, among others. These activities are expected to account for synergy gains between US\$ 75 million and US\$ 90 million; and
- **Natura &Co Latam Revenues:** Revenue synergies related to Natura &Co in the range of US\$ 90 million to US\$ 120 million.

These projections will be included, as applicable, in section 11 of the Company’s Reference Form and will be available on CVM and in the Company website.

The Company clarifies that all the information regarding synergies are target estimates and should not be taken by the investors as a promise of performance and that all the information disclosed in this document involves market factors outside of Natura &Co’s control, and, therefore, may be subject to change.

São Paulo, November 12, 2020.

Viviane Behar de Castro
Investor Relations Officer