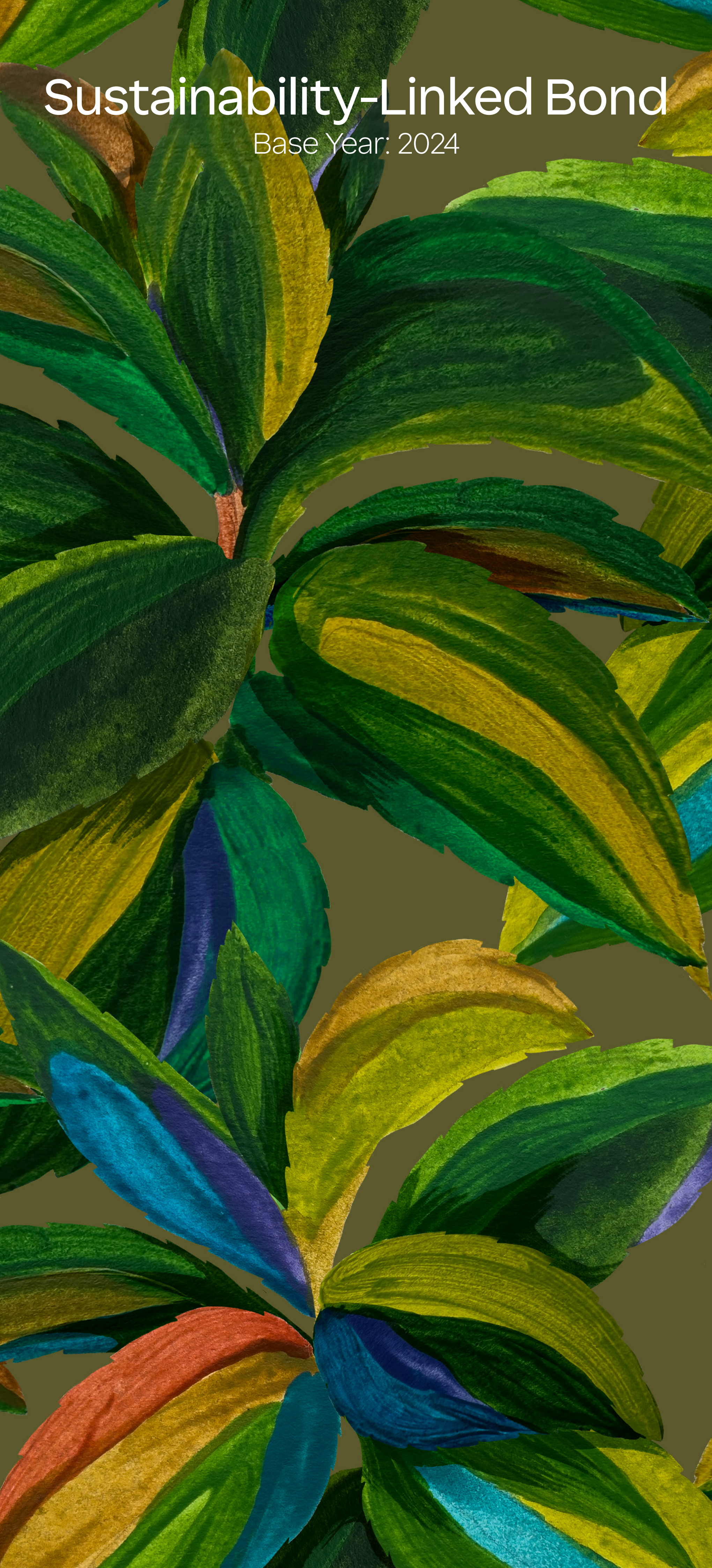
Sustainability-Linked Bond

Base Year: 2024



Executive Report

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1. Introduction

1.1 Background

Natura Cosméticos S.A. (“Natura Cosméticos” or the “Company”) was founded in Sao Paulo, Brazil in 1969 and in just over 50 years has grown into Brazil’s largest multinational player in the cosmetics sector. Natura Cosméticos is a wholly owned subsidiary of Natura &Co Holding (“Natura &Co”), the fourth-largest pure play beauty group in the world.

Natura& Co Holding includes two business units - Natura &Co Latin America and Avon International:

- Natura &Co Latin America, which includes the brands Natura and Avon in the region;
- Avon International, which includes all markets served by the brand globally except Latin America.
- Natura &Co had a consolidated net revenue of R$24.1 billion in 2024, employees over 19,000 people, and operates in 68 countries and 1.156 stores.

1.2 2021 Sustainability-Linked Bond Issued by Natura Cosméticos

In May 2021, Natura Cosméticos successfully issued a US$1 billion Sustainability-Linked Bond (SLB), which represented the largest of its kind to be issued in Latin America. It includes a target to reduce GHG intensity and a target to increase the use of PCR plastic in plastic product packaging. These targets align with Natura &Co’s Commitment to Life sustainability vision by supporting efforts to address the climate crisis and embrace circularity. The SLB marks Natura &Co’s consistency in connecting financial metrics with environmental targets.

1.3 Rationale for issuing Sustainability-Linked Bonds

In order to demonstrate a commitment to sustainability and concretely link our financing to core objectives of Natura &Co’s Commitment to Life sustainability vision, Natura Cosméticos developed a Sustainability-Linked

Bond ("SLB") Framework. It accords with the Sustainability-Linked Bond Principles ("SLBP") 2020, as administered by the International Capital Markets Association ("ICMA"). The following five components form the basis of the Framework:

Key Performance Indicators ("KPIs")

Sustainability Performance Targets ("SPTs")

Bond Characteristics

Reporting

External Verification

2. Natura Cosméticos Sustainability-Linked Bond Framework

Prior to issuance, Natura Cosméticos may use a selection of one or more of the following KPIs, which are core, relevant and material to the Company's business. There is no assurance that the proceeds of any SLB will be allocated toward green or social projects. The KPIs and SPTs set out in this Framework will remain applicable throughout the tenor of any security issued under the Framework, regardless of any changes to Natura Cosméticos's sustainability strategy of. Any new or updated Sustainability-Linked Bond Framework, related or not to future capital markets transactions, shall not have any effects on the SLBs issued under this Framework.

2.1 Key Performance Indicators (KPIs)

Boundary definition for KPI measurement: Natura &Co's Commitment to Life sustainability vision targets apply to all brands. The KPIs defined in section 2.1 will address the Natura Cosméticos business, excluding Avon and The Body Shop. The perimeter of the KPIs may change if there is a material change to the Natura Cosméticos business, such as through a material acquisition or divesture of assets.

KPI #1: Scopes 1, 2 & 3 GHG emissions intensity
(in tonnes of CO_2 per tonnes of product billed)

Definition and methodology for KPI measurement: Scope 1 GHG emissions represent direct emissions, Scope 2 GHG emissions represent indirect emissions from the acquisition of energy and Scope 3 GHG emissions represent other upstream (company activities and suppliers) and downstream (consumers, waste disposal, etc.) emissions. Natura Cosméticos complies with GHG Protocol standards and the principles of Brazil's ABNT NBR ISO 14064-1 standard, which establish rules for inventory's conception, development, management and elaboration.

KPI #2: Post-consumer recycled ("PCR") plastic used in plastic product packaging (in %)

Definition and methodology for KPI measurement: the proportion of absolute PCR plastic used in finished plastic product packaging in relation to the total absolute amount of plastic product packaging materials. This KPI is applicable to Natura Cosméticos' entire product portfolio.

3. Sustainability Performance Targets (SPTs)

Baseline for SPTs: Natura Cosméticos will use 2019 as a baseline for the SPTs. Business performance in 2020 is considered an outlier due to the effects of the COVID-19 pandemic, during which our business experienced a significant increase in demand for basic hygiene products (hair and body care, soaps and refills). Compared to luxury products, basic hygiene products have a lower carbon footprint as they generally use lighter packaging. Additionally, in recent years we have incorporated PCR and green plastic into the packaging materials for basic hygiene products, which has lowered carbon impact further. Also as a result of the COVID-19 pandemic, we reduced the number of printed catalogues and catalogues pages, and reduced energy consumption, global air travel, executive fleet and private transportation emissions.

3.1 SPT #1: Reduce Scopes 1, 2 & 3 GHG emissions intensity by 13% by 2026 (baseline year: 2019)

This is an interim target towards Natura &Co approved science-based target to reduce 42% of absolute emissions by 2030, aligned with limiting global temperature rise to 1.5 °C.

Historical Performance:

Year	2019 BASELINE	2020	2021	2022	2023	2024	2026 TARGET
Relative emissions (tonnes of CO2e/tonnes of product billed)[1 2 3]	3.18	2.85	2.80	2.83	2.81	2.81	2.76

1 Considers Scopes 1, 2 and 3 emissions, adopting a location-based approach for Scope 2.
2 Calculations cover CO2, CH4, N2O and HFCs.
3 The greenhouse gas emissions inventory takes into account emissions from all stages of our operations, including the extraction of raw materials, our processes, those in our production chains, and the final disposal of post-consumer packaging. We comply with GHG Protocol standards and the principles of Brazil's ABNT NBR ISO 14064-1 standard, which establish rules for inventory's conception and development. The inventory does not take into account our operations in the United States and Malaysia.

Natura Cosméticos emissions intensity remained stable at 2.81 tCO_2e per ton of billed product mass, the same level as in 2023. This indicates that emissions increased proportionally to the volume of billed products, maintaining our emissions efficiency year over year.

We continue to make progress in our strategy to reduce printed materials for our beauty representatives. Our magazine became more efficient through fewer pages, lower grammage, and smaller formats.

In logistics, although the process had a higher relative contribution due to increased local air freight in Brazil, important structural improvements were implemented and will result in a more expressive contribution in the coming year. These include the use of Rodotrem, a more efficient vehicle for heavy cargo, and the adoption of biomethane, a renewable fuel sourced from municipal solid waste near our operations in Brazil.

Even though the indicator is based on a location-based accounting approach, in 2024 we advanced our renewable energy strategy by ensuring full coverage of our Latin American operations through the use of International Renewable Energy Certificates (I-RECs).

Emission intensity by key processes is detailed below:

Process	2019	2020	2021	2022	2023	2024
Products	57.1%	59.2%	60.2%	58.3%	59.1%	61.0%
Distribution	11.9%	12.1%	11.5%	15.3%	12.0%	13.0%
Exports	4.7%	6.6%	6.7%	6.7%	7.3%	6.9%
Printed & Support Material	16.8%	15.1%	13.7%	11.9%	13.5%	12.1%
Others	9.6%	7.0%	7.8%	7.8%	8.2%	7.1%

Natura Cosméticos continued to advance its commitment to reducing both absolute and relative carbon emissions, guided by the key pillars of its climate transition plan:

Enhancing energy efficiency and accelerating the shift to renewable energy sources;

Expanding digital sales channels, moving toward a more efficient direct-selling model with lower GHG intensity;

Optimizing logistics operations through increased integration, enabling smarter route planning, more efficient distribution, and the use of renewable fuels.

3.2 SPT #2: Reach 25% of PCR plastic usage in plastic product packaging by 2026

Natura Cosméticos is a leader in packaging innovation and is committed to achieving full packaging circularity. This is an interim target towards achieving 50% of PCR plastic usage in plastic product packaging for all brands by 2030, as set out in Natura &Co's Commitment to Life sustainability vision. Additionally, this target is aligned with Natura Cosméticos' submission to the Ellen MacArthur Foundation's New Plastics Economy Global Commitment.

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Historical Performance:

Year	2019 BASELINE	2020	2021	2022	2023	2024	2026 TARGET
PCR plastic used in finished plastic product packaging (%)[1]	9%	15%	16%	20%	22%	27%	25%

1 Percentage of post-consumer recycled material (PCR) mass in relation to total mass of packaging materials, weighted by the quantity billed.

We are pleased to announce that, due to our ongoing efforts to integrate recycled plastics into our portfolio, we have successfully exceeded our 2026 target ahead of schedule. While there is a possibility that this result may fluctuate in the coming years, we remain confident that our continued commitment to innovation will ensure we stay on course.

Natura Cosméticos implemented the following measures to increase absolute post-consumer recycled plastic usage:

Expand the use of recycled PP in fragrances caps due to its high sales volume;

Further increase the percentage of recycled PET in products that already use this material in packaging;

Launch of a new line of Hair Care products with recycled PET bottle.

Building on our progress in integrating recycled PET into our product packaging, and in light of the technical limitations of polyethylene (PE), our current strategy focuses on further increasing the use of recycled packaging across our portfolio. Additionally, we are committed to developing and expanding refill sales as part of our efforts to reduce reliance on virgin plastic.

All reported information has undergone limited assurance processes for the Greenhouse Gas Inventory and the Annual Integrated Report for the respective reporting year.

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