

# A message from the CEO of Natura &Co Latin America

João Paulo Ferreira | CEO of Natura &Co Latin America



*"We have constructed goals for the current strategic cycle which can be expressed in two words: Regenerate and Prosper."*

**The Natura &Co global business restructuring agenda moved forward at the two business units over the course of the year. How did Latin America deliver results and contribute to the execution of this plan?**

Latin America is the starting point and the main source of Natura &Co's economic, social and environmental results. recent years, the company has experienced a journey of transformation and learning, centered on the simplification of its global structure and the recovery of its performance levels.

In 2024, as part of the Executive Committee's responsibilities, we looked closely at the role that Natura in Latin America plays as part of this new moment. We constructed goals for the current strategic cycle which can be expressed in two words: Regenerate and Prosper. This means making a move towards more regenerative models - the next level in sustainable development - and combining this move with the creation of value for our entire network of business and relations.

In addition to this there is also a project designed to recover our Reason for Being -Well-Being-Well - called 'We are Natura'. This is all about a return to our origins, a project to strengthen our identity focused on understanding how to focus on a dynamic and adaptable future without losing sight of the values that we have been building for decades at Natura Cosmetics, which celebrated its 55th anniversary and a decade as a B Corp in 2024. By means of We are Natura, we have given special meaning to this new stage in the Company's history in Latin America and reinforced the bases that support our ability to innovate and grow.

**So how does the business strategy involve sustainable development and keep it at the center of the decisions, even at a time when we face such challenges and changes?**

The incorporation of the concept of regeneration into the corporate strategy reaffirms our commitment to activities that generate positive social, environmental and economic impacts. We believe that the search for regenerative models says everything about how we have established a business that works for the future of humanity, with the use of the assets found in biodiversity at its heart and as a way of delivering beauty and wellbeing to the world.

For us, regeneration is a dynamic process aimed at restoring life to individuals, society, nature and the relations between each of them. This is directly related to the way in which we can access our supplier communities, research new bioactives and build partnerships, develop products, position our brands, and ensure ethical, transparent and long-lasting commercial relationships.

**The omnichannel journey is one of the paths for growth that has been announced for Latin America, combining Relationship Selling with other channels, with the aim of attracting a broader range of consumer profiles. What progress was made during the year, and how does it impact the Beauty Consultants?**

To expand Natura's origin-based vision, it is essential to be present in different purchase occasions and motivations, becoming part of customers' daily lives. This ambition goes beyond a simple commercial transaction; it requires deep cultural relevance across the various geographies in which we operate and a comprehensive business strategy, with a presence in multiple locations, categories, and brands.

We have been steadily advancing in our omnichannel journey, aiming to further digitalize Relationship Selling while also diversifying the offering to customers through multiple channels, moving toward the challenge of achieving full omnichannel integration.

In 2024, we opened our virtual store on the Mercado Livre platform in Brazil and Chile, revamped our own e-commerce platform, and continued with our retail expansion plan, opening more than 1,000 physical Natura stores (including our own and franchises), with some of these being opened for the first time in Colombia. At the same time, we have managed to move the Avon brand into the Brazilian specialist market, with partnerships that connect us to tens of thousands of new clients. People like people. Excellent service is built on intimacy – understood as trust, knowledge, and closeness. These pillars are essential for building long-lasting and healthy relationships, anywhere in the world and across all customer interaction channels.

*"Cross-cutting innovation, driven by the goal of generating positive impact and supported by the complementarity between Natura and Avon, enables us to* **maintain leadership in the cosmetics and personal care sector in Latin America.** *"*

Omnichannel strategy is, therefore, a path to broaden our vision and bring our products to a wider audience, while respecting consumers' diverse preferences and needs. It complements and strengthens Relationship Selling by creating more opportunities for our Beauty Consultants and offering customers convenient access to our products.

The growing adoption of digital tools by our Consultants is a clear sign of how technology is enhancing the reach and effectiveness of direct selling within an omnichannel landscape.

**The Wave 2 initiative for the integration of the Natura and Avon operations is one of the most important structural projects in Latin America. How was the project developed in 2024 and what are the next steps?**

In 2024, our main focus was on consolidating Wave 2 in combined countries. The logistics consolidation implemented in the third quarter of 2024 began generating efficiencies, we expect these positive impacts to intensify throughout 2025. These efficiencies even allowed us to increase investments in the region and accelerate Natura's market share gains in Brazil.

Peru, Colombia, and Chile — markets that also operate under a combined model — reported positive revenue growth. We also began the gradual and phased implementation of Wave 2 in Mexico and Argentina. Wave 2 is intrinsically connected to our omnichannel journey. The integration of operations allows us to offer a more seamless and integrated experience for our Consultants and customers across all touchpoints, combining the strength of Relationship Selling with the growing relevance in digital channels and retail.

**The investment in innovation also forms part of the efforts to gain a market share and improve the brands' results. What was the strategy adopted by Avon and Natura in 2024?**

Cross-cutting innovation, driven by the goal of generating positive impact and supported by the complementarity between Natura and Avon, enables us to maintain leadership in the cosmetics and personal care sector in Latin America.

In 2024, we reviewed our entire innovation governance and R&D structure, marked by the arrival of the Avon Global Innovation Center at our Cajamar (SP) complex. Our goal is to develop products with a local perspective that truly meet the needs of our customers.

At Natura, launches such as Ekos Brazil Nut Concentrate and Ekos Ryos exemplify how innovative technologies can be combined with a regenerative approach. The debut of Natura's High Perfumery line and the brand's entry into the home care segment with the Bothânica line reinforced Natura's positioning in the premium segment. The launch of Tododia Jambo Rosa and Flor de Caju was another important milestone, highlighting our commitment to diversity, equity, and inclusion. These products were tested on more than 120 skin tones to ensure optimal performance for Black and mixed-race skin.

For Avon, our 2024 innovation strategy focused on strengthening key categories such as makeup and skincare, both of which showed encouraging results. We also executed the strategic relaunch of iconic products like Far Away. For 2025, we have ambitious plans to accelerate Avon's innovation efforts, leveraging the brand's strong recognition and driving deeper consumer engagement through high-quality offerings at competitive prices.

For both brands, innovation investments were also linked to the omnichannel journey, with technology and systems designed to support this strategy. We believe that translating the direct selling experience — defined by personalized attention and service — across the entire organization embeds this valuable knowledge into all of our processes.

We dedicated a significant year of preparation to strengthening our brand and product innovation platforms, with the aim of laying the foundations for a powerful brand presence and fostering deeper cultural relevance. This movement began in Brazil and we are now structuring its expansion across Latin America.

**During the 29th United Nations Conference on Climate Change (COP29), in Azerbaijan, Natura reinforced the incorporation of the concept of regeneration (which had already been mentioned at COP28, in Dubai) and announced that it would form an integral part of the Company's new 2050 Vision. This vision, which has been under development for a decade, announced Natura's ambition to be a leading creator of positive, economic, social, environmental and cultural impact. Could you tell us a little more about the differences and details of the revised concept?**

The main difference lies in the depth and nature of the intended impact. Our 2050 Vision provides a long-term perspective in support of our business decisions and strategies, considering the company's legacy and potential impacts on the market, people and nature from the perspective of sustainability. We are currently reviewing this perspective, as part of our approach to regeneration.

With the 2050 Vision initiative, which we are currently updating, we will become a regenerative company: all of our operations will need to go beyond mitigating and offsetting negative impacts by actually generating a systemic positive impact for people (both individuals and collectively) and for nature.

IP&L (Integrated Profit and Loss) continues to be the metric used to monitor this target. Our business will be truly regenerative when the impact is positive in each of the capitals,

individually and simultaneously. Our business model provides the opportunities we need to achieve regenerative status. To move forward on this journey, we developed initiatives such as our Climate Transition Plan, in which we clearly define our business decarbonization strategies, grounded in the pursuit of resilience and climate justice.

The Latin America region has perhaps the widest range of biodiversity in the world, and the Amazon region plays a crucial role in ensuring the planet's climate balance. As such, we believe that we, along with other companies and governments, should be developing local communities to work with the sociobioeconomy, transferring technology and promoting regional development through access to innovation and technical and scientific cooperation.