Corporate risk **management**

We take an integrated approach to our corporate risks, focusing our efforts on minimizing the Company's exposure to economic-financial, operational, social, environmental, and human rights factors, as well as those resulting from climate change that are capable of shifting our perspective on value creation and performance regarding sustainability. Also in relation to this, we have begun to look at the risks and impacts as being connected to the business opportunities, in line with good market practices and a systemic vision of our operations, underpinned by our objectives, values and commitments.

We have adopted a risk management methodology that follows globally recognized guidelines - specifically those established by the COSO, the IBGC, and ISO Norm 31000.

The management of corporate risks is aligned with the multiple factors that could affect the business, considering its capillarity, global presence and product diversity, as well as the brands, services, relationships, and social and environmental impacts. This area is overseen at the operational executive level by the leaders of Internal Controls, Risk Management and Internal Audit senior management departments, who report directly to the Audit, Risk Management and Finance Committee.

The aim is to ensure that the analyses and decisions concerning risk are conducted correctly, that no factors go unnoticed in the business routines, and that the senior management is duly informed and provided with the proper foundations to be able to make decisions on the matter. Specifically, the Board of Directors, the body that is the direct guardian of the Company's values, objectives and management philosophy, is able to rely upon the Audit, Risk Management and Finance Committee in its decisions concerning risks and opportunities.

The management approach

We have adopted a methodology that follows globally recognized guidelines - specifically those established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Brazilian Institute of Corporate Governance (IBGC), and ISO Norm 31000. We also follow the Three Line Model provided by The Institute of Internal Auditors (IIA). The First Line of the Model establishes the Enterprise Risk Management (ERM) structure for operation of the business areas, including subsidiary and affiliate companies, that are involved in the risk decisions and the day-to-day management of the topic, including the implementation of business strategies. The Second Line (orientation) is composed of key-areas, such as Management of Risks and Internal Controls, Compliance, Regulatory Aspects and Information Security. The Third Line, meanwhile, involves the Internal Audit, independently verifying the organization's risk management, control, and governance model.

The Risk Management Policy, which was revised and approved by the Board of Directors in 2024, includes guidelines, remits, classification responsibilities and regulations, and analysis and mitigation of corporate risks, and is applied to all of the markets where we have operations and relations. Each business unit has a Risk Management Procedure and, since 2023, we have also had a global Causes of Risk manual.

To provide Natura &Co's stakeholders with a clear and objective understanding of the material risks, we have defined a scale of exposure which is adopted to provide internal reports to the different management levels:

Level of Exposure	Sharing and Monitoring Forum

to Risk	
4 - Severe	Board of Directors, senior management, and the Audit, Risk Management and Finance Committee
3 - High	Audit, Risk Management and Finance Committee, senior management, and the Vice-Presidencies responsible for the Business Units
2 - Moderate	Executive Boards of the business units
1 - Low	Business units' Executive Boards

Climate risk: approach, governance and metrics

GRI 3-3, 201-2

The perspective we have adopted in relation to risks and opportunities is aimed at evaluating how the Company should be adapting itself to the new realities imposed by climate change. This means understanding how the transition to a low-carbon economy, and the greater frequency of extreme events and climate changes, affects all aspects of the business, the chain of value and the stakeholders, especially our suppliers, agro-extractivist communities, and Beauty Consultants. We have consolidated the actions that are to be developed that will allow us to adapt and become more resilient in our operations, whilst creating protocols regarding disasters to be able to support our partner network.

The identification and evaluation of the risks and opportunities are performed in line with the recommendations set forth by the Task Force on Climate-related Financial Disclosures (TCFD). In 2024, we took great steps forward in the identification, evaluation and prioritization of 27 risks and opportunities that are of most relevance in terms of their potential financial and strategic impact. They were grouped into seven areas.

1. **Consumer behavior and preference:** the consumers' preference for more sustainable products with lower carbon emissions may often be limited by issues related to price, aesthetics and functionality. To engage them more broadly in decarbonization actions, we need to work on continually improving our brand, marketing, and Research and Development strategies, thereby allowing us to communicate clearly, highlighting the value of more sustainable attributes and habits.

2. **Regulations:** the regulations on climate issues, restrictions on the use of plastic, and reverse logistics in the countries and regions where we operate are constantly evolving. The evolutions related to the regulation and pricing of carbon can affect our production and distribution costs. At the same time, the evolution achieved, or planned, for our packaging could significantly reduce our exposure to such risks.

3. **Supply chain, inputs and biodiversity:** extreme climate events can have an effect on our chains. The transition to low carbon can also cause volatility in the supply of agriculture or biodiversity-based inputs.

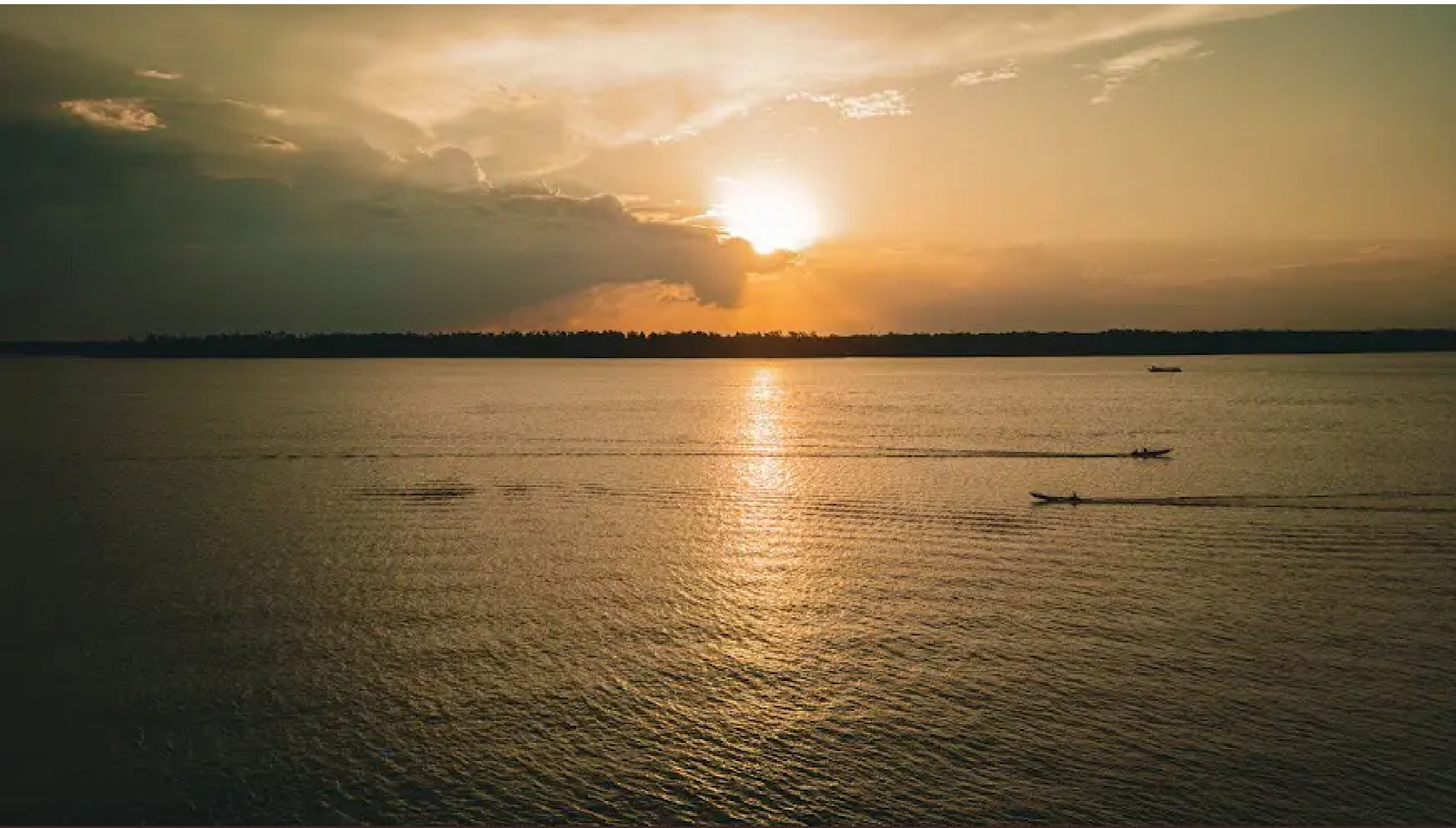
4. **Government and collaboration:** the climate transition also depends upon national and local governments to implement regulations and infrastructure, such as carbon pricing and restrictions on plastic materials, as well as create bases upon which the energy transition can be accelerated.

5. **Physical threats:** climate change is influencing the type, location, frequency and severity of extreme events. These events could damage our infrastructure and cause the operations to be halted, leading to the need for adaptation actions. They can also be damaging for the suppliers, partners, customers and the regional infrastructure.

6. **Operational processes:** decarbonizing the operations requires Capex investments, and also carries additional costs related to technology and renewable fuels, which are subject to increasingly greater competition. The physical impact of climate change also creates risks for the offices, factories and logistics centers. This requires investments that will allow us to adapt in order to ensure our operational continuity, and safe and comfortable working conditions for the employees.

7. **Reputation and stakeholders' expectations:** with climate change assuming an ever more central role in both the political agenda and public consciousness, we hope that companies will assume greater responsibility in their duty to society, requiring adaptation actions and the provision of strategies for the transition to low carbon.

READ ABOUT
this in more detail in the Risk Management Booklet and in the Reference Form.



SOME OF THE MOST PRESSING RISKS:

- Cyber threats
- Tax burdens
- Climate change (physical and transition risks)
- Geopolitical and macro-economic conditions
- Lawsuits

Guidelines for analysis of the climate scenario

GRI 3-3

In line with the recommendations of the TCFD, we consider different future climate scenarios when evaluating their potential impacts on our operations and, consequently, the related risks and opportunities. There exist three possibilities: ambitious, middling, and extreme heating.

As well as the intensity of the scenarios, we also consider three time frames:

- **Short-term:** from one to three years, aligned with the business planning cycles.
- **Medium-term:** four to ten years, in line with our Commitment to Life.
- **Long-term:** 11 to 30 years, in alignment with our commitment to decarbonize our businesses by 2050.

The qualitative analysis of the 27 risks and opportunities identified, which was performed in 2024 and has allowed us to group them into the seven categories, was performed using the three scenarios of intensity and the three different time frames. The data used are drawn from the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Network for Greening the Financial System (NGFS).

Over the course of 2024, based upon the advances made in relation to the TCFD (Task Force on Climate-related Financial Disclosures), we improved the calculation of the financial impacts of climate change on our business, identifying the most important risks and opportunities.

In 2024, we launched the Natura &Co Latin America Climate Transition Plan, bringing all our actions together into a single *platform embracing climate governance and resilience.*

The potential financial impact of the physical risks of climate change was analyzed from two angles: the impact on productivity (revenue) resulting from the interruption in operational continuity, and damages to the assets and stock due to extreme weather events.

In addition to these, three impacts arising from the transition to a low-carbon economy were evaluated: new regulations for plastic packaging; changes in the prices of critical materials; and carbon pricing and changes in the prices of energy.

In 2025, Natura continued to improve its understanding of the potential financial effects related to the climate and to assess the opportunities that exist to integrate these results and metrics into its financial planning, reports and risk management processes.

GRI 201-2

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about this in the Risk Management Booklet