



Ethical and responsible sourcing

GRI 2-24, 2-25, 203-1, 308-1, 308-2, 408-1, 409-1, 414-1, 414-2

We have a [Global Supplier Approval Policy](#), which, together with the other reference documents for our value chain, established Natura's responsible sourcing guidelines. We have criteria for performing audits on human rights, including matters such as diversity and inclusion, social responsibility and decent working conditions. Any cases of non-compliance, risk or fragility result in an adaptation plan being applied to the supplier, with the possibility of termination of the relationship; in such cases, we monitor the situation to ensure protection of the partner's workers.

In 2024, we performed 309 audits and 1,307 general suppliers were evaluated using social environmental criteria.

The selection of all new suppliers is based upon social criteria and environmental criteria. Our contracting procedure involves an evaluation of the suppliers, establishment of environmental criteria, requests for information, analysis of responses, audits, selection, continual monitoring, and ongoing improvement. Those partners classified as being high-risk are managed by the Sustainable Chains Department, and may be submitted to social environmental audits. A risk evaluation is also conducted once every two years.

Those suppliers considered to be strategic undergo an Environmental, Social and Governance (ESG) Evaluation, which covers the issues of biodiversity, carbon, diversity, traceability of the chain, and social environmental responsibility.

We aim to identify, prevent and mitigate risks to human rights throughout our supply chain, covering aspects such as child labor, forced labor or labor analogous to slavery, as well as exposure of the workers to hazardous working conditions. We recognize the existence of potential risks and work constantly to mitigate them, and we have mapped those suppliers from chains considered to be critical to our business - palm, soy, paper, ethanol, mica and cotton ([read all of our policies relating to this group here](#).)

GRI 408-1, 409-1

One of the targets of the Commitment to Life is to ensure that 100% of the critical chains are free from deforestation and conversion of native vegetation, with independent inspection ([read more in the Latin America Databook](#)).

In 2024, we performed 309 audits and 1,307 general suppliers were evaluated using social environmental criteria. Of these, 256 were identified as causers or possible causers of negative social impacts, and 112 as causers of negative environmental impacts. The social and environmental issues at risk of occurring have been fully mapped out.

To avoid the appearance of these impacts, we have implemented improvement agreements, encouraging the adoption of more responsible practices that are more aligned with our social environmental guidelines. In 2024, 248 suppliers agreed to implement improvements, meaning 96.88% of the total number of suppliers identified as having negative impacts. The action plans developed with them are monitored by means of internal audits and continuous monitoring processes, ensuring that the corrective measures are implemented.

Amongst the suppliers identified as causers of these environmental impacts, 104 (93% of the total) have since signed agreements to implement improvements.



As well as checking compliance with the social environmental requirements that we have established in our due diligence actions, we have also established other important initiatives together with the suppliers:

- **Due Diligence Target:** we have established policies and action plans to address risks associated with palm, mica, alcohol, soy, cotton, and paper. We work to ensure specific traceability and certification, with annual milestones.
- **Certifications:** in 2024, we achieved a 98.80% certification for paper, and 94.10% certification for palm oil.
- **Strategic opportunities:** we have identified strategic opportunities to support our certification efforts. We fund initiatives that promote environmental and human rights improvements in the producing regions.
- **Sector partnerships:** Natura &Co Latin America and Avon International are active members of specific sector organizations such as the Roundtable on Sustainable Palm Oil (RSPO) and the Responsible Carnaúba Initiative (IRC).
- **Gender-Based Violence Initiatives:** we monitor and encourage the discussions regarding gender violence in our supply chain. We provide education, training, and interventions to empower women and safeguard their rights and dignity.
- **Identification of new critical chains:** in 2024, in addition to the six current critical supply chains, seven new supply chains were identified as critical: carnaúba, candelilla, canola, corn, essential fragrances, green polyethylene and recycled materials.

Certified timber, paper fiber, paper and cardboard

In 2024, our Latin American operations used 65,827 tons of timber, paper fiber, paper and cardboard for the manufacture of finished products and in packaging materials. Of this total, 64,135 tons were sourced from materials certified by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), meaning 97.43% of the total volume used. This sum takes into consideration only PEFC and FSC certified materials, meaning it therefore differs from that reported in the Commitment to Life indicator. For the reporting, paper/timber products used for Home & Style, Cartridges, Corrugated Cardboard, Magazines and Printed Materials, and Bags were considered.

READ ABOUT

the innovation and sustainability actions undertaken with supplier communities in the Climate, Biodiversity and Nature chapter.