

Strategy

In 2024, Natura &Co recorded advances in its restructuring and simplification process, which began in mid-2022, and which continues to be an important driver for short-term value creation. Our priority in 2024 was to reinforce the Company's capital structure and invest in transformation projects at our business units.

By looking to the future, we are continuing to concentrate on our strategic priorities: the recovery of margins, the creation and conversion of cash, and greater autonomy of the business units. This approach has allowed us to increase investments to drive sustainable growth, with a solid and diversified omnichannel strategy, innovations focused on consumers, and strong brands that are recognized by everyone.

The Natura &Co Board of Directors is responsible for development of strategic planning, which is then deployed at the Natura &Co Latin America business unit and Avon International business unit.

In line with our purpose and ambition, the business plan is implemented together with Natura's Regeneration Strategy and the Commitment to Life, an important gauge of the public targets that are to be achieved by 2030, representing a definite move towards the establishment of a regenerative business.

As such, we ensure value creation for the shareholders and for everyone else with whom we have a relationship, anchored in key-indicators concerning impact and relations guided by respect for nature, ecosystems, people and human rights (*read more about the involvement of the management in ESG matters in the Corporate Governance chapter pg. 29*).

Strategic priorities

1. Greater operational and commercial autonomy for the business units

Our business units were focused on the expansion of the Ebitda margin and the recovery of cash generation, with plans centered on the challenges, necessary investments and projects for the transformation of each individual operation. The Holding Company took on the role of defining the business guidelines and objectives, which took the shape of proprietary planning developed by Natura &Co Latin America - which, in 2024, revisited its strategy and vision based upon the concept of Regeneration during 2024, and by Avon International which remains committed to the strategy of seeking greater profitability in the regions in which it operates.

2. Simplification of the Holding Company structure:

We have continued with the restructuring of the functions to further reduce the involvement of the Holding Company in the day-to-day operations of the business units. In 2024, with this in mind, we reduced corporate expenses by 25.6%. We also concluded the cancellation of the company's registration with the United States Securities and Exchange Commission (SEC), which the Board of Directors approved in 2024, whilst we continued to trade NTC03 shares on the Brazilian market.

3. Strengthening of the capital structure

The recovery of margins, the focus on cash generation, and the efforts made to strengthen our brands in terms of market share and performance remain priorities for the business units. The resumption of the growth journey in Latin America was



driven by the strong performance of the Natura brand in Brazil, with positive trends being noted in the Hispanic countries, as well. At Avon International, we continued to focus on the strategy of prioritizing strategic markets, modernization of the Relationship Selling model, the centrality of the consumers, an omnichannel vision, strengthening of the brand, and technological and operational transformation.

4. A focus on projects that create value

Innovation, digitization of the commercial relations, and actions focused on the omnichannel journey were amongst the Company's investment priorities, with the focus being on projects capable of unlocking value generation and enabling renewed growth. In Latin America, we experienced a record year in relation to the allocation of capital tied to the Wave Two initiative, moving forward with the combination of the Natura and Avon businesses in the region, allowing us to achieve the best results which were observed in Brazil, Chile, Peru and Colombia, with an impact on the quality of deliveries, the satisfaction of consumers and Beauty Consultants, and the efficiency of the product allocation processes. The process will be implemented in Mexico and Argentina in 2025. At Avon International, our revitalization plan has continued apace, with the teams dedicating themselves to investing in the regeneration of the brand in key markets, whilst focusing on the regions with greatest potential.

Avon Products Inc. - Chapter 11

In the United States (a market where we have not pursued commercial activities since 2016), the Chapter 11 process pursued by Avon Products Inc. ("API"), a non-operational holding company of the Avon Group, was approved in 2024, with the aim of restructuring the company's operations and its creditor relations. In December 2024, under the supervision and final approval of the United States' Justice Department, we announced a global transaction agreement with API's Unsecured Debtors Committee and the purchase of the brand's operations outside the United States, by means of a US\$ 125 million supply of credit. Under the terms of the agreement, we paid US\$ 34 million to the estate of the API debtors in cash, as well as the total sum of the loans in the 'DIP' (debtor-in-possession) category - US\$ 43 million. Natura has also agreed to waive all the secured and unsecured credits it had held against the API debtors, except for the US\$ 125 million used as consideration for our purchase of the ex-United States operations.

Strategic Directives in 2024

Natura &Co

- Greater operational and commercial autonomy for the business units
- Simplification of the Holding Company structure
- Strengthening of the capital structure
- A focus on projects that create value

Avon

International

- Continuity of the profitability strategy, thereby minimizing the outflow of cash in the short-term.
- Omnichannel acceleration, through prioritization of the strategic markets, with a focus on digitization, strategic presence in retail, and a focus on the consumer experience
- Brand Building
- Simplification, technological transformation and strengthening of our culture

Natura &Co

Latin America

- Regenerative business model strategy
- Consolidation of the Wave Two initiative in those markets that have already been integrated (Brazil, Chile, Colombia and Peru) and preparation for implementation of the project in Mexico and Argentina

- Launch of the Natura brand in Ecuador
- Evolution of the omnichannel strategy, through prioritization of the strategic markets, combining Sales through Relationships with the retail sector, marketplaces and digital channels
- Recovery of results with the renewal of the cycle of innovation

Financial *performance*

In 2024, Natura &Co recorded a total net revenue of BRL 24.1 billion, with Recurring Ebitda of R\$ 2.9 billion and a Recurring Ebitda margin of 12.2%. A significant portion of these results arose from the exceptional performance of the Natura brand in Latin America, associated with the benefits resulting from the integration of the operations under the Wave Two plan. In Brazil, for example Natura's revenue increased by 21.1%.

Over the course of the year, the efforts made to simplify the structure of the Holding Company led to a 25.6% reduction in corporate expenses, in line with the strategy set forth by our leaders. It should be mentioned that Avon International was not continuously included in the Natura &Co financial statements due to the Chapter 11 voluntary restructuring process of Avon Products Inc. (API) in the United States. The Avon International business unit was accounted as a Discontinued Operation between January 1 and August 12, 2024. Afterwards, once the restructuring had been completed, Avon International was reconsolidated as of December 4, 2024, and as a continued operation from December 4 to 31, 2024; between August and December, it was excluded from the Natura &Co results.

Under the impact of this process, along with other factors, the Group recorded a net loss of R\$ 8.9 billion in 2024. Excluding the non-cash and non-recurring effects totaling R\$ 7.0 billion from API's exclusion and other minor adjustments, the underlying net income was BRL 524 million, compared to the pro-forma (ex API and subsidiaries) BRL 1.135 billion in the same period during the previous year.

2025 Material Fact: new structure

On March 20, 2025, we announced that Natura &Co Holding S.A. would be incorporated by its wholly owned subsidiary, Natura Cosméticos S.A. The principal objective of this incorporation is to align the governance with the focus on the Latin American businesses, providing continuity to the simplification strategy that began in 2022.

We also announced alterations to the executive leadership and the Board of Directors: Fábio Barbosa, the current CEO of the Holding Company, is to leave his executive position and will be named Chairman of the Board of Directors of Natura Cosméticos S.A.. João Paulo Ferreira is to remain as CEO of Natura Cosméticos S.A. and will become a member of the Board of Directors. Sílvia Vilas Boas will remain as CFO of Natura Cosméticos S.A. but will also assume the role of Chief Investor Relations Officer as of April 25, 2025. Following the incorporation, the leadership of the Group will be concentrated in the Board of Directors of Natura Cosméticos S.A., which will include the founders (Luiz Seabra, Guilherme Leal e Pedro Passos), Fábio Barbosa, Bruno Rocha, Duda Kertesz, Gilberto Mifano, Alessandro Carlucci e João Paulo Ferreira. Carla Schmitzberger will leave the Board following the incorporation.

The Company is continuing to explore alternative strategies for Avon International, including a potential sale. Implementation of the Avon restructuring plan, led by its CEO Kristof Neiryneck, is continuing.

These changes are still to be approved by the shareholders and capital market regulatory authorities, and are not reflected in the governance or corporate structure data in this report, which contains the 2024 organizational scenario.

FOR MORE INFORMATION

please refer to the [Investor Relations website](#).