



natura

Climate Financial Materiality:
how to read Natura's 2025 IFRS report

Early Adoption and Independent Assurance

Ground rules

- We are on this evolving journey together. At the end of the presentation, **we will set aside 30 minutes for Q&A.**
- After the session, the material will be **available on the IR website.**
- Please keep your **microphone muted.**



agenda

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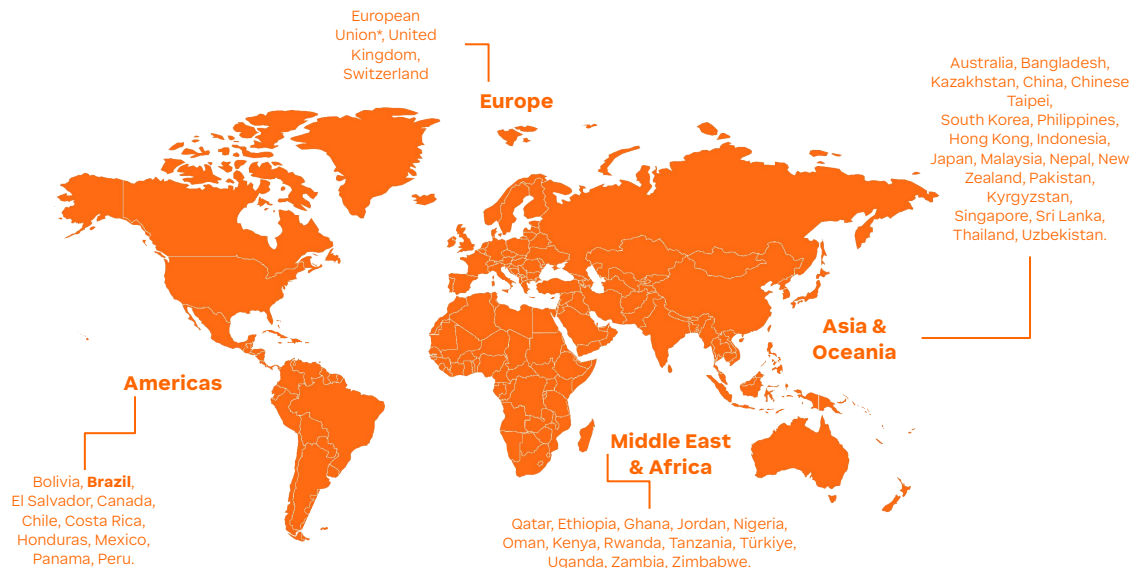
Next Steps

The transition to an integrated internal control environment

1 Context & Timeline

Why IFRS S1 and S2 matter for your capital

ISSB Standards are not a purely local regulation, but a global baseline endorsed by IOSCO, already being adopted by jurisdictions representing more than 50% of global GDP.



A definitive shift from “self-declared data” to traceable, auditable data, managed with the same internal-control rigor and ready to feed institutional valuation models.

*Using the ESRS-ISSB interoperability guidance
Climate Financial Materiality: how to read Natura's IFRS report

SEP | 26

2025

Natura's pioneering voluntary early adoption under CVM Resolutions 193/244
(transitional reliefs, focus on Climate and Limited Assurance)

MAY | 27

2026

Step up to Reasonable Assurance on Climate
(same level of accounting scrutiny applied to financial figures)

MAY | 28

2027

End of reliefs. Expansion to all material topics (disclosure alongside the annual FS, with retrospective comparative information)

Governance

- **Integrated oversight:** the Board of Directors is supported by joint, cross-functional work between the Audit, Risk Management, and Finance Committee and the Sustainability Committee for decision-making.
- **C-Level and Board competencies:** ongoing training of governance bodies to integrate the financial impact of climate change into fiduciary duty and capital allocation approvals.
- **Accountability and reporting flow:** direct reporting line from operational Risk Owners to Senior Management, ensuring rapid escalation of material risks.
- **Climate-linked executive compensation:** C-Level variable compensation (short- and long-term incentives) directly tied to achieving social and environmental targets and reducing GHG emissions.

Strategy

Stress testing under 3 climate scenarios integrated into the 3-year cycle, guiding risk appetite, mitigation strategies, and CAPEX/OPEX allocation.

Risk Management

Climate risks anchored in corporate ERM with designated Risk Owners, including quantification of potential financial effects (Value-at-Risk) and response plans.

Metrics

Physical and transition metrics aligned with SBTi and SASB, monitoring cash-flow impacts (e.g., energy efficiency, carbon pricing) in preparation for IFRS S1 and S2.

Climate management is embedded in our capital allocation. Risks are quantified within the ERM and results are reported with the same audit rigor as our Financial Statements



Connectivity with the FS

Financial integration: financial effects of the climate scenarios discounted to present value at a rate of 14.81% (aligned with the WACC used in the Financial Statements – FS).

Governance: the sustainability report follows the same approval, materiality, and audit procedures as the Financial Statements.

Transitional reliefs adopted by Natura: climate-only disclosure in year 1 (IFRS S2); exemption from disclosing prior-period comparative data; and publication separately from the annual FS (September vs. March).

Principles of the standard

Interoperability: the IFRS standard builds on Natura's track record and maturity in SASB and TCFD, translating it directly into financial language.

Proportionality: the framework recognizes technical challenges and allows the use of reasonable and reliable data and assumptions available "without undue cost or effort".

Protection of sensitive information: full transparency on risks, with a deliberate exemption from disclosing opportunities that could expose competitive advantages or portfolio innovations to competitors.

Climate Scenarios and Impact

Accelerated Net Zero +1.4°C to +1.8°C

Immediate climate policies, high electrification, and short-term inflationary pressure from asset innovation.

Disorderly Transition +1.6°C to +2.7°C

Belated regulatory response after 2030, causing a disorderly shock in input prices and a costlier transition.

Extreme Warming +2.6°C to +4.4°C

Regulatory inaction with severe physical damage, extreme droughts in the Amazon, and thermal stress at facilities.



SHORT-TERM
0 to 3 years (aligned with the budget planning cycle);



MEDIUM-TERM
from 3 to 10 years (aligned with the target cycle of the Commitments 2030);



LONG-TERM
More than 10 years, extending through 2050, in line with the 2025–2050 Vision timeframe, the Company's Climate Transition Action Plan, and its commitment to achieving net-zero emissions.



Transition Risk

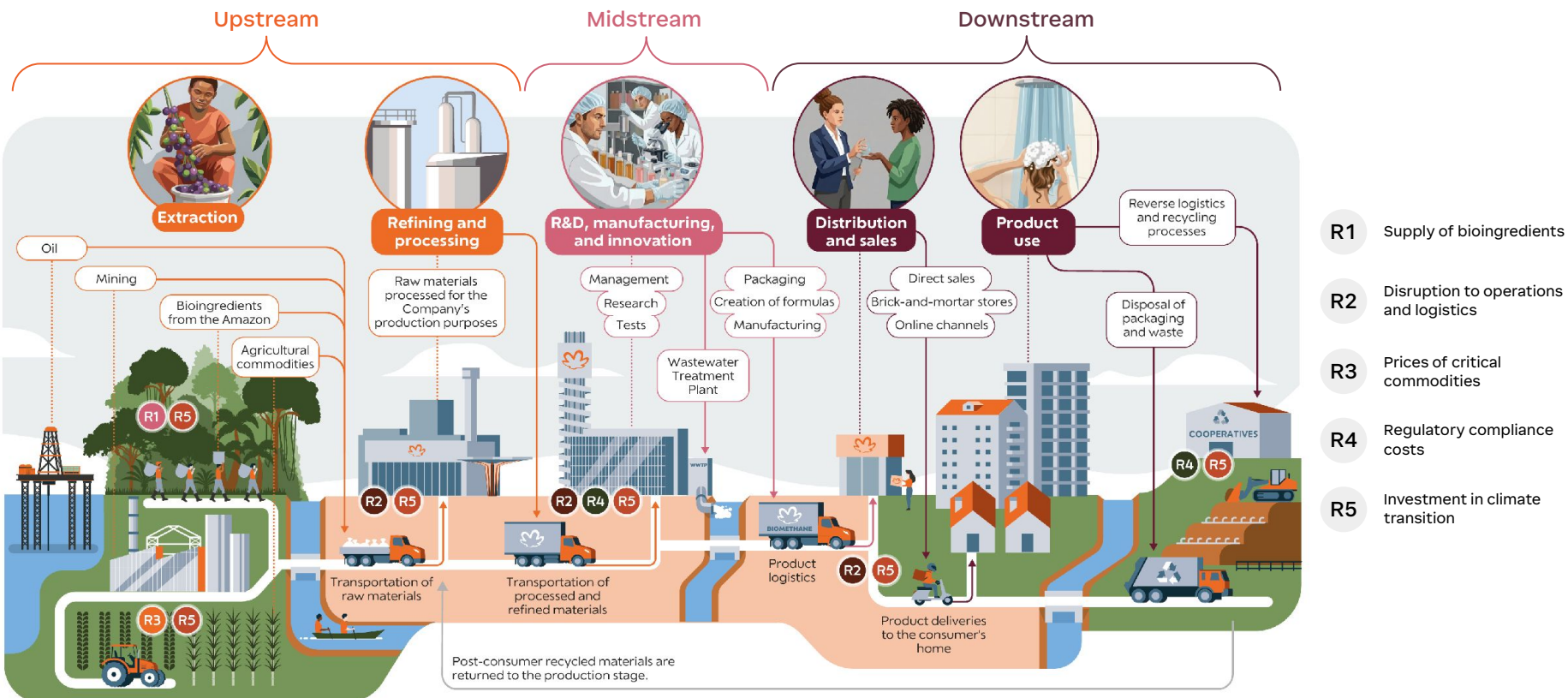


Physical Risk

3.1

Financial Risk Mapping

Our value chain



3.2 Financial Risk Mapping

Where climate affects our balance sheet and P&L

VALUE CHAIN	RISK	TYPE / TERM	OPERATIONAL AND FINANCIAL EXPOSURE	LINE ITEM AFFECTED (2025 FS)	MITIGATION / RESILIENCE
Upstream	R1. Supply of bioingredients	Physical - Medium	BRL 584.2M in associated revenue (2.6% of net revenue)	Notes 26 (Revenue) and 27 (COGS/R&D)	GRAS supply chain management, 18-month strategic reserves, and local agribusinesses
Up / Mid / Downstream	R2. Disruption to operations and logistics	Physical - Short	42% (5 of 14) of facilities with inherent exposure to heat stress	Notes 16 (Fixed Assets) and 34 (Insurance)	Property insurance with a BRL 6.08 bn maximum insured limit and efficient chillers
Upstream	R3. Prices of critical commodities	Physical / Transition - Medium	BRL 1.74 bn expenditures on palm oil, ethanol, and paper (24% of COGS)	Note 27 (COGS)	97% covered by the Critical Supply Chain Standard; SAF Dendê agroforestry systems
Mid / Downstream	R4. Regulatory compliance costs	Transition - Medium	Potential BRL 43.7M impact on gross margin (EPR and SBCE pass-through)	Notes 27 (COGS) and 22 (Provisions)	Ecodesign, Elos Program, refills and 21.8% post-consumer recycled (PCR) plastic
Up / Mid / Downstream	R5. Investment in climate transition	Transition - Long	BRL 40.5M spent in 2025 on Climate Transition Action Plan (Net Zero) levers	Notes 13 and 23 (Carbon Credits)	Internal shadow carbon price of USD 170/tCO ₂ e and biomethane transition in Cajamar



Accounting conclusion for the fiscal year: the tactical allocation of BRL 111 million to mitigation acted as a financial shield for the business, neutralizing the materialization of climate risks and safeguarding the integrity of our balance sheet, with no adjustments to the FS or asset impairment required.

3.3 Financial Risk Mapping

Financial materiality in practice (quantified risks)

R2 Disruption to operations and logistics



DESCRIPTION: Extreme weather events disrupt operational and logistics continuity and cause property damage.

METHODOLOGY: Pre-mitigation physical Value-at-Risk (VaR) modeling based on projections from global climate models (IPCC/CMIP6), linearly interpolated for 2030 and 2050. Productivity losses were estimated using the proportional gross margin per unit, while physical damage was calculated based on each asset's total insured value, applying historical damage functions and discounting to present value using a WACC of 14.81%. The long-term analysis is complemented by the Socio-Climatic Vulnerability Index (IVSC), which provides quarterly short-term predictive intelligence reports for operational assets and the network.

POTENTIAL FINANCIAL EFFECTS ON GROSS MARGIN, PROJECTED AND ADJUSTED TO PRESENT VALUE (in BRL millions)

Type of physical risk	Short term	Medium term	Long term
Events related to rising temperatures	42.5 - 49.3	228.9 - 412.0	505.7 - 1,485.5
Acute weather events	3.1 - 4.1	13.9 - 23.8	21.5 - 59.1
Total (before mitigation and insurance)	45.5 - 53.5	242.8 - 435.7	527.2 - 1,544.6

FS EFFECT: BRL 35.8M in prepaid insurance expenses (Note 13); chiller modernization and business continuity plans.

EXPOSURE: Assessment of 6 factories (owned and third-party in Brazil, Colombia, Mexico, and Argentina), the 4 largest distribution centers in Brazil, and 2 plants operated by strategic suppliers. 42% of the main facilities (5 of 14) have pre-mitigation exposure to thermal stress and acute weather events.

MITIGATION & PROPERTY COVERAGE: Policy with a BRL 6.08 billion maximum insured limit for facilities, inventory, and loss of profits (Note 34).

R4 Regulatory compliance costs



DESCRIPTION: Emerging environmental regulations (carbon market, inputs, packaging, traceability) increase compliance costs and operational complexity, with a focus on the plastic, paper/pulp, glass, and metal supply chains.

METHODOLOGY: Customized regulatory scenario analysis combining two fronts: (1) projection of EPR fees driven by geographic expansion and inflation; and (2) a pass-through model of SBCE carbon costs on Scope 3 industrial inputs (plastic, paper, glass, and metal), tested under voluntary (REDD+) versus regulated (EU ETS / IEA Net Zero) market price volatility.

POTENTIAL FINANCIAL EFFECTS ON GROSS MARGIN, PROJECTED AND ADJUSTED TO PRESENT VALUE (in BRL millions)

Risk	Regulatory landscape	Short term	Medium term
EPR rates	Low: EPR only in existing markets High: EPR extended to all markets, with rates rising above inflation	13.5 - 23.6	26.4 - 101.4
Allocation of CO2 costs	Low: voluntary market price scenario High: price forecast for EU ETS allowances	-	17.3 - 113.1
		-	7.3 - 46.7
Total (before mitigation)		13.5 - 23.6	43.7 - 214.6
Total (after mitigation)		13.5 - 23.6	33.7 - 148.1

FS EFFECT – COGS BRL 5.4M: BRL 2.6M in EPR fees; BRL 1.0M in the Elos Program; BRL 0.4M in packaging eco-design; and BRL 1.4M in Scope 3 decarbonization.

EXPOSURE: Extended Producer Responsibility (EPR) requirements for packaging in Latin America and indirect pass-through of SBCE carbon costs via carbon-intensive industrial suppliers.

RESILIENCE LEVERS: 21.8% PCR plastic in 2025 (50% target by 2030), 100% reusable, recyclable, or compostable packaging by 2030, and an internal shadow carbon price of USD 170/tCO₂e.

3.4 Financial Risk Mapping

Financial materiality in practice (*proportionality*)

R1 Supply of bioingredients



DESCRIPTION: damage to and shortages of bioingredients essential to the business and innovation, resulting from the impacts of climate change.

MAPPED EXPOSURE: BRL 584.2M in net revenue from lines using the 3 most climate-vulnerable bioingredients (Brazil nut, cupuaçu, and murumuru), representing 2.63% of consolidated net revenue.

2025 PERFORMANCE & INVESTMENTS: BRL 0 in lost sales due to shortages; BRL 21.3M spent under Note 27 (BRL 10.6M in GRAS supply chain management + BRL 10.7M in social and environmental resilience of supplier communities).

USE OF PROPORTIONALITY: high uncertainty in biological/climate modeling of Amazonian harvests given the variability of events such as El Niño. Mitigation anchored in 18-month strategic reserves, GIS-based traceability, the Amazônia Viva financing mechanism, and decentralized production (BESS in Marajó).

R3 Prices of critical commodities



DESCRIPTION: climate factors and the transition to a low-carbon economy create volatility in the supply and prices of critical commodities, driving up costs.

MAPPED EXPOSURE: BRL 1,741M in expenditures on palm oil, sugarcane ethanol, and paper, representing 24% of Cost of Goods Sold (COGS).

2025 PERFORMANCE & INVESTMENTS: no direct climate effect can be isolated from macroeconomic and geopolitical fluctuations; BRL 8.6M invested under Note 27 (BRL 6.0M in the SAF Dendê and SAF Macaúba projects + BRL 2.6M in innovation/product reformulation).

USE OF PROPORTIONALITY: methodological impossibility of isolating a strictly climate-driven causal link in global price formation. Mitigation anchored in the Critical Supply Chain Standard (97% coverage) and the expansion of agroforestry systems.

R5 Investment in climate transition



DESCRIPTION: challenges in implementing the decarbonization strategy increase the complexity and costs of achieving net-zero emissions.

MAPPED EXPOSURE: Scope 3 accounts for >99% of the total GHG inventory (>63% in the upstream chain/hard-to-abate sectors). Long-term financial exposure cannot be measured with a reasonable degree of reliability.

2025 PERFORMANCE & INVESTMENTS: BRL 40.0M in operating expenses under the Climate Transition Action Plan (Note 27) — BRL 26.3M in purchases of high-integrity carbon credits; BRL 1.8M in energy transition/Cajamar biomethane; BRL 8.8M in Scope 3 packaging/formula projects; BRL 2.0M in other enabling investments; and BRL 1.1M in the Rendar Project (*insetting*).

USE OF PROPORTIONALITY: uncertainty about the pace of the global technological transition and the maturity of hard-to-abate sectors through 2050. Mitigation structured through the Regenerative Alliance (119 suppliers), Squad-based governance, and a shadow carbon price of USD 170/tCO₂e.

Sustainability-Linked Liability Management (SLBs)

- **SLB 2021 (USD 1 bn):** 13% reduction in GHG emissions intensity and a 25% PCR plastic target by 2026.
- **SLB 2024 (BRL 1.3 bn):** Latin America's first biodiversity-focused SLB: 49-bioingredient target exceeded (52 in 2025). Winner of the 2025 Corporate Sustainability Bond award.

Progress on Climate Targets (Base Year 2020)

- Scopes 1 and 2: **-49%** in absolute emissions in 2025 (achieving the 2030 SBTi target ahead of schedule).
- Scope 3: **-40%** reduction in priority categories (mitigating value chain risks).
- Inventory assured by an independent auditor in accordance with ISO 14064-1 and the GHG Protocol.

Portfolio Transition

- **84% of revenue classified as Green Revenue** (products with sustainability features, per SASB) **and 70% as Low-Carbon Revenue** (revenue from low-carbon products).

The transition to an integrated internal control environment

01

Traceability and an “ESG SOX” environment

Implementation of rigorous internal controls, ensuring the same reliability and traceability required in traditional financial audits

Scope 3 data maturity and reliance on secondary data and estimates.

02

Expansion of financial quantification

Progressive advances in the financial quantification of climate-related risks and opportunities.

Forward-looking financial impact mapping faces uncertainties inherent in long-term physical climate models (IPCC).

03

Automation and value capture

Systemic integration of non-financial (ESG) and financial (Capex/Opex) data to automate collection and ensure end-to-end traceability.



natura
Q&A

