

# 2024 ESG Report

GrupoBoticário 

# Accessibility

To deliver a better user experience and ensure greater inclusion across different audiences, we have introduced several new accessibility features in our 2024 ESG Report.



## READING ORDER

Files were programmed and structured to ensure that screen readers and other assistive technologies can follow a logical reading order.



## MINIMUM CONTRAST

A color palette was defined to meet minimum contrast requirements for people with visual impairments.



## FONTS

Font sizes and spacing follow established minimum standards for readability.



## BOOKMARKS

Bookmarks were added to improve document navigation.



## LANGUAGE SETTINGS

The document's programming includes proper language tagging.

# Contents

## 04 Messages

---

## 09 About the Report

- 10 Basis of Reporting
  - 11 Double Materiality
- 

## 15 About Us

- 16 About Boticário Group
- 22 Business Model
- 23 Strategy
- 31 Culture
- 33 Stakeholder Engagement
- 37 Awards and Recognition

## 40 How We Create Value

---

### 41 Governance

- 42 Corporate Governance
  - 44 Business Management
  - 45 Ethics, Integrity and Compliance
  - 47 Sustainable Finance
  - 49 Cybersecurity, Privacy and Data Security
  - 51 Risk Management
  - 54 Outlook
  - 54 Uncertainties
- 

### 55 Environmental

- 56 Climate Change
- 65 Waste Management
- 75 Water and Effluent Management
- 80 Biodiversity and Ecosystems
- 85 Sustainability-Oriented Innovation and Technology
- 93 Product Quality and Safety

### 97 Social

- 98 Social Development
  - 103 Boticário Group Institute
  - 108 Diversity and Inclusion
  - 117 Human Capital Development
  - 127 Safety, Health and Well-Being
- 

## 135 Sustainable Sourcing

## 142 Appendix 1

---

## 148 Frameworks

- 149 TCFD
  - 165 TNFD
- 

## 171 Indexes

- 172 GRI
- 181 SASB
- 182 TCFD
- 183 TNFD
- 185 Assurance Letter
- 187 Credits



---

# Messages

---

# ESG as a Business Strategy GRI 2-22

We concluded 2024 with significant progress to report toward our long-term goals. Guided by our purpose—to create opportunities for beauty to change lives and thus the world around us—we further strengthened our ecosystem and expanded our positive impact. We announced more than R\$ 4 billion in investments in Group expansion, including a new manufacturing facility in Minas Gerais, which will drive job creation in the years to come. We also sustained growth above 2023 levels and outpaced the market. In doing so, we demonstrated that balancing a robust ESG (Environmental, Social, and Governance) agenda with equally robust financial performance is possible—delivering sustainable value to our stakeholders.

This balance is only possible because we place respect for people and the environment at the center of our business decisions, underpinned by best-practice governance. We see ESG and financial sustainability as interdependent: financial strength enables long-term investment in

sustainability, and ESG performance, in turn, builds trust and yields long-term returns.

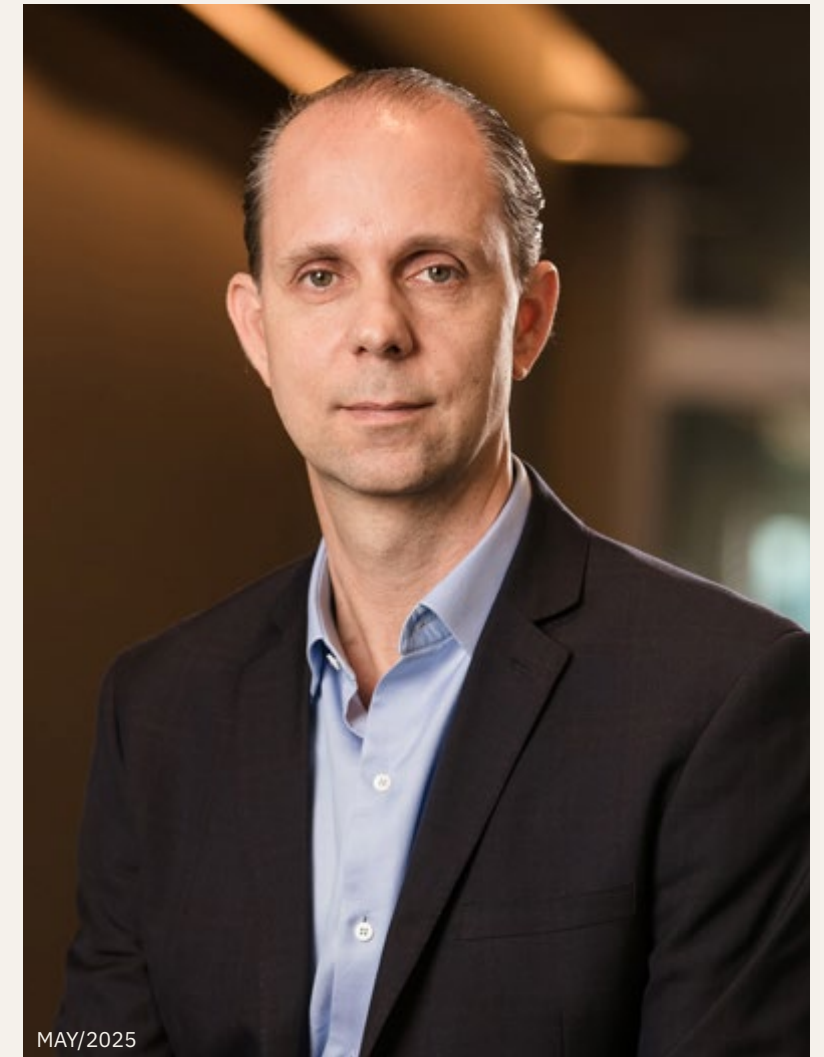
To embed ESG in an organization of our scale and complexity, we have developed robust corporate governance, well-defined processes, well-equipped teams, and effective communication. This enables us not only to respond swiftly to market demands, but also to anticipate them—driving sustainable growth and strategic alignment.

Accountability remains a centerpiece of this journey. In 2024, we took another important step with our first presentation to external stakeholders on our ESG progress, at a first-of-its-kind event. We shared key achievements, challenges, and progress on our Commitments for the Future—originally launched in 2021 and updated in 2023—and reaffirmed our commitment to accountability and continuous improvement. The Boticário Group Foundation, which turns 35 in 2025, and the Boticário Group Institute remain

key pillars of our responsible and sustainable social practices.

A further highlight of the year was being named ESG Company of the Year by Brazilian business magazine *Exame*. While recognition is not our ultimate goal, this accolade reflects the strength of our ESG commitment and governance practices—which enable us to embed this agenda into our business consistently and seamlessly.

Our ESG progress is the result of a collective effort and dedication from everyone across the Boticário Group. Going forward, we will continue to innovate, evolve and inspire while balancing our growth ambitions with a deep sense of responsibility to care for both people and the planet.



**FERNANDO MODÉ**  
CEO, Boticário Group

# A year of **achievements** and strength

Looking back at 2024, it was a year of consolidation in Boticário Group’s long-standing ESG journey—a period in which we made consistent progress, turning commitments into measurable outcomes and further embedding them in the business. Since 2021, when we set our ESG targets, we have advanced through key stages: in 2022, we structured the governance needed to achieve them; in 2023, we updated them as planned and communicated them internally; and in 2024, we further evolved our processes to enhance our management of these commitments.

This allowed us to translate intentions into measurable actions and enabled course corrections as needed—whether by accelerating or by implementing targeted adjustments—to make our initiatives increasingly relevant and effective over time.

This journey reflects one of Boticário Group’s differentiators: our ESG agenda is not just part of our strategy, but a central and permanent component of our business

model. This is supported by a governance structure that ensures all business verticals operate responsibly, integrating ESG aspects into processes and decision-making. As a result, we have achieved consistent progress and impact, delivering on our commitment to sustainability not only within the Group, but also across our suppliers, consumers, employees, and other business partners.

In the environmental dimension, we made continued progress in the year on issues such as climate change, waste management, biodiversity, and water savings. We perfected our approach to tracking Scope 3 emissions and strengthened our circular economy and biodiversity conservation programs, with a particular focus on the responsible use of natural resources—especially water—as a strategic priority.

In the social dimension, our initiatives are structured into two main fronts: initiatives led by the Boticário Group Institute

and efforts to develop surrounding communities. In 2024, as it marked its 20<sup>th</sup> anniversary, the Boticário Group Institute underwent a reorganization to strengthen its strategic role and expand its impact—primarily by fostering entrepreneurship and income generation within the beauty ecosystem. In our engagement with the communities surrounding our locations, we actively seek to create opportunities and promote local development.

Boticário’s commitment to social impact also extends to our initiatives in diversity and inclusion—an imperative in building a more innovative, equitable, and inclusive ecosystem. In 2024, we amplified our efforts throughout the value chain, translating this commitment into an evolving pipeline and ongoing capacity building for our teams, business partners, and consumers—through initiatives such as *Pacto Prateado*, a component of our anti-ageism strategy for the year.

---

**We remain  
committed to  
responsible and  
sustainable growth,  
driven by objective  
and measurable  
targets.**

---

We recognize that ESG is a collective issue that depends on engagement from society as a whole to bring about needed change. As such, we must continually move beyond technical jargon and make our initiatives and achievements relateable and understandable to everyone. While we strive to maintain high standards of excellence, we are equally committed to transparency and simplicity to bring more people into the sustainability conversation.

This report plays a key role in that communication, describing our journey

and sharing our progress, achievements, and challenges. Our focus remains on advancing toward our goals. Being named for the second consecutive year among Brazil’s top reports by Reporting Matters, a CEBDS initiative, encourages us to keep progressing in our pursuit of transparency and continuous improvement.

We remain committed to responsible, integrated growth, staying true to our Group’s purpose and our commitment to the stakeholders who are alongside us in building a more sustainable future.

Consistency—grounded in science and in clear, measurable, and realistic targets—is what will enable us to tackle challenges, seize new opportunities, and strengthen our role as a national leader in social and environmental impact.

With a sense of accountability and commitment, we are strengthening our position as a leader for social and environmental impact in Brazil



**FABIANA DE FREITAS**  
VP, Corporate Affairs

# ESG: Challenges and Progress



In 2024, the ESG landscape brought significant challenges amid a globally polarized environment and intense debate. On one side, companies and investors were pressed to deliver greater transparency and more rigorous metrics to demonstrate the real-world impact of their initiatives, especially in response to growing scrutiny around greenwashing. On the other, political and business voices raised concerns about how

ESG practices might affect competitiveness and profitability—leading to pushback against certain environmental and social policies.

We recognize that every decision carries trade-offs, and it's essential to price those choices and understand the dilemmas at hand—assessing benefits across short-, medium-, and long-term horizons. Our ESG agenda incorporates robust governance guided by strategic financial insights and our commitment to the future—it involves making challenging yet necessary decisions to drive positive impact and sustainability.

At Boticário Group, ESG is embedded in the business and fully aligned with the long-term vision of our founder and shareholders. Our approach to sustainability is rooted in a genuine sense of corporate responsibility—a willingness to make difficult choices today to safeguard the company's legacy and longevity.

ESG is a cross-cutting agenda that impacts every part of the Group—from

product development to supply chain management, talent acquisition and retention, diversity and inclusion, and operational expansion. The integration of environmental and social considerations into governance, financial, and operational aspects of the business is visible in initiatives like our recent issuance of Sustainability-Linked Bonds (SLBs), tied to ESG targets that underscore our serious commitment to people and the planet.

Beyond compliance, what truly sets Boticário Group apart is our shared prosperity approach, which lies at the heart of our sustainability philosophy. In 2024, we made significant progress on our commitments—including those seeking ambitious targets that required profound process changes or the measurement of complex, far-reaching impacts. To sustain momentum, we plan to regularly review and update completed targets—either expanding their scope or extending their ambition—so we continue challenging ourselves to evolve further.

In 2024, the ESG Committee continued to play a key role in embedding ESG across the organization and at every level of decision-making, identifying risks and opportunities, and providing critical ESG input and insights to the Board.

Our dual commitment to accountability and sustainability has positioned Boticário Group as a leader in ESG—turning challenges into opportunities while staying true to our purpose of shared prosperity.

**CAROLINA DA COSTA**  
Chair, ESG Committee – Boticário Group

---

# About the Report

---

→ Basis of Reporting  
→ Double Materiality



# Basis of Reporting

GRI 2-1, GRI 2-2 and GRI 2-3



This ESG Report outlines our strategy, initiatives, challenges, and key developments across the environmental, social, and governance (ESG) dimensions, covering all entities within the Boticário Group (Boticário Produtos de Beleza Ltda.) for the period from January 1 to December 31, 2024. The scope and timing of this report are aligned with the Group’s financial statements, which are independently audited and prepared in accordance with the highest corporate governance standards and internationally recognized financial reporting principles. As a privately held company, Boticário Group maintained its decision in 2024 not to publicly disclose its financial statements.

This annual publication has been prepared in accordance with internationally recognized frameworks, including the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB) Standards, and recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD). The inclusion of TNFD disclosures is a new feature of this year's edition, outlining the Group’s approach to managing natural capital-related risks.

The material topics covered in this report were defined through a rigorous double materiality assessment (see [page 11](#)), approved by senior

leadership through the ESG Committee, which includes the CEO and members of the Advisory Board. Content was compiled through executive interviews, reviews of supporting materials, disclosure compilation, online consultations, and internal working sessions. All disclosures underwent internal validation and were independently audited to ensure transparent and accurate reporting.

To enhance navigation, the report includes visual icons and symbols that signpost:

Our 9 material topics



Relevant GRI and SASB disclosures

Example:  
GRI 2-1, 2-2, 2-3  
or CG-HP-140a.1

The related UN Sustainable Development Goals (SDGs) prioritized by Boticário Group



For feedback or inquiries about this report, please contact: [esg@grupoboticario.com.br](mailto:esg@grupoboticario.com.br)

# Double Materiality

GRI 2-14, GRI 2-29, GRI 3-1 and GRI 3-2

---

This report covers a set of material topics that are addressed in our ESG efforts. These topics are identified in annual, third-party-assured materiality assessment,. The assessment used to build this year’s materiality matrix—conducted between September and October 2024—covered all of our brands and business units.

The double materiality approach was used to capture both financial risks and opportunities, as well as social and environmental impacts and relevance to stakeholders.

The first step consisted of compiling a list of key environmental, social, and governance topics, drawn from the Group’s corporate risk matrix, a taxonomy provided by external consultants, internal documents such as our ESG strategy, 2030 Commitments, Code of Conduct, and corporate policies—along with benchmarking against peers and leading global frameworks.

Based on this analysis, a shortlist of high-level topics was defined using the double materiality framework. Each topic was then detailed with descriptions of potential financial, social and environmental impact and relevance to Group stakeholders. The high-level topics included in the assessment were:

- **Environmental:** Biodiversity and ecosystems; climate change; air quality; water and wastewater management; and waste management.
- **Social:** Diversity and inclusion; health, safety, and well-being; attracting, developing, and retaining talent; transparency and stakeholder engagement; engagement with resellers and local communities; and human and labor rights.
- **Governance:** Ethics, integrity, and compliance; supply chain management; innovation and technology; cybersecurity, privacy, and data protection; product quality, safety, and transparency; and government relations and advocacy.



MAY/2025

In the next step, these high-level topics were prioritized based on impact (as determined in interviews with internal experts and consultants), financial materiality (assessed through discussions with analysts, executives, and financial institutions), and stakeholder relevance (assessed through perception-based feedback from a broad range of stakeholder groups).

Stakeholders were prioritized based on their level of dependence on, influence over, and engagement with the business. Prioritized stakeholders included Boticário Group executives, market analysts, internal and external experts, consumers, employees, resellers, franchisees, suppliers and contractors, surrounding communities, NGOs, the media, and innovation partners. The consultation methods used for each assessment and stakeholder group are detailed in the table below.

---

In our materiality assessment, internal and external stakeholders provided their perspectives on a set of high-level environmental, social and governance topics

---

# Consultations to Assess Social and Environmental Impact, Financial Impact, and Stakeholder Relevance

Assessment	Stakeholders involved	Consultation method
Social and environmental materiality (Y-axis)	<ul style="list-style-type: none"><li>• Internal experts</li><li>• External experts</li></ul>	<p>Working sessions + interviews</p> <p>Interviews</p>
Perceived relevance (Z-axis)	<ul style="list-style-type: none"><li>• Consumers</li><li>• Employees</li><li>• Resellers</li><li>• Franchisees</li><li>• Suppliers or contractors</li><li>• Surrounding community/NGOs</li><li>• Press</li><li>• Innovation partners</li></ul>	Online consultation
Financial materiality (x-axis)	<ul style="list-style-type: none"><li>• Senior leadership</li><li>• Market analysts</li></ul>	Online consultation + interviews

In total, we conducted:



14 interviews with internal and external experts, senior leadership, and a market analyst



3 working sessions with 19 internal experts

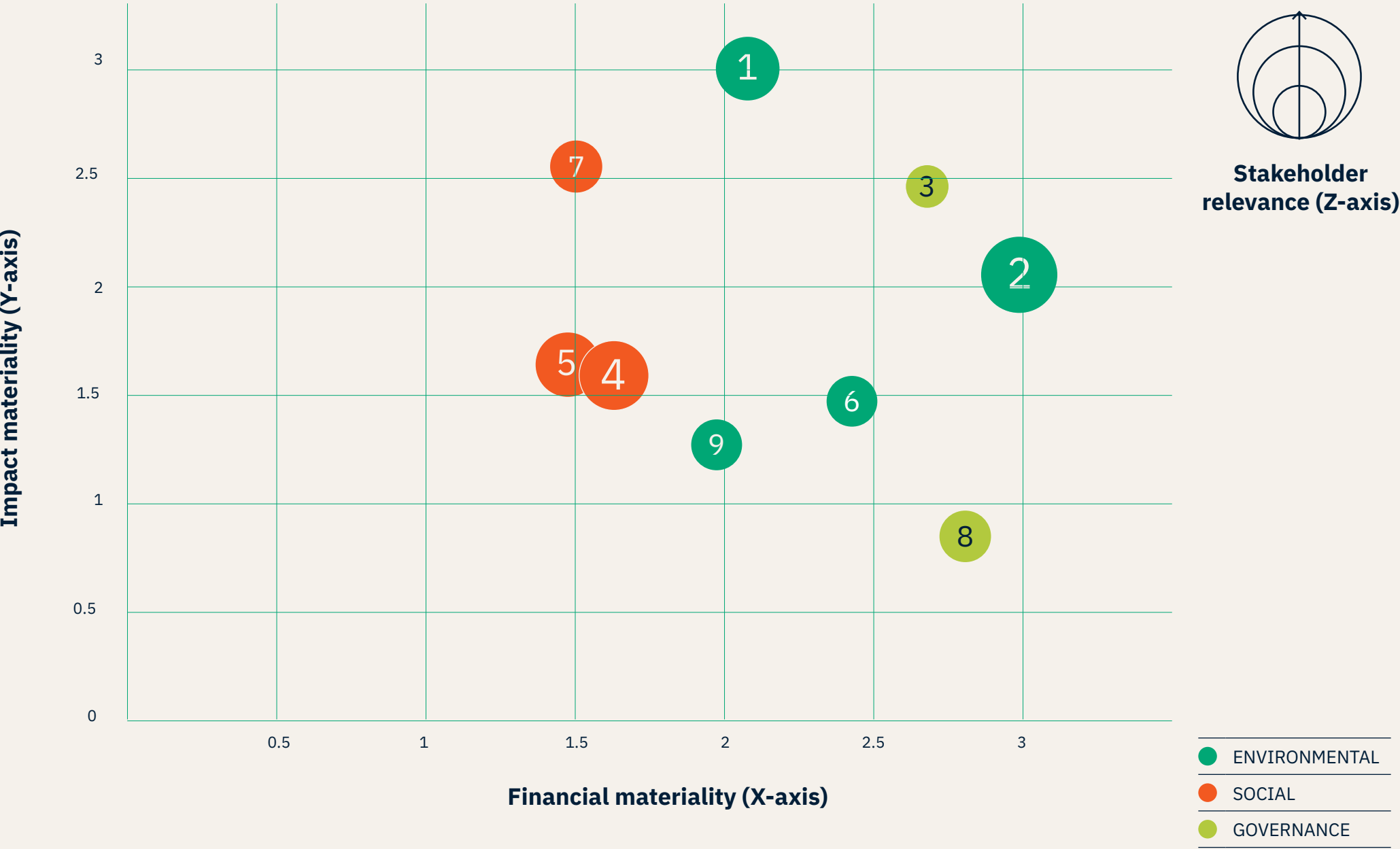


53 individual online financial materiality consultations (senior leadership and market analysts)



Over 4,000 stakeholder responses to the online perceived relevance consultation

# Boticário Group 2024 Materiality Assessment



Based on the data collected during the consultation phase, the following nine material topics were selected for 2024:

- 1 Waste management
- 2 Climate change
- 3 Supply chain management
- 4 Safety, health, and well-being
- 5 Diversity and inclusion
- 6 Water and effluent management
- 7 Development of and engagement with resellers and local communities
- 8 Cybersecurity, privacy, and data security
- 9 Biodiversity and ecosystems

Full descriptions of the material topics, their social and environmental impacts, risks and financial impacts, as well as the opportunities and disclosures associated with each, can be found in the table in [Appendix 1](#).

Note: The 2024 material topics were adjusted compared to 2023, reflecting a reassessment of strategic priorities. “Circular Economy and Waste Management” was simplified to “Waste Management.” “Data Privacy and Security” was expanded to “Cybersecurity, Privacy, and Data Security.” “Sustainable Supply Chain Management” became “Supply Chain Management.” “Development of Resellers and Communities” was redefined as “Development and Engagement with Resellers and Local Communities.” In addition, the topics “Sustainability-Oriented Innovation and Technology” and “Product Quality, Safety, and Transparency,” which were included in the 2023 report, are not present in the list of material topics for the 2024 report.



# About Us

- About Boticário Group
- Business Model
- Strategy
- Culture
- Stakeholder Engagement
- Awards and Recognition



# About Boticário Group

Originally founded in 1977 as a compounding pharmacy, Boticário Group has grown into one of the world’s largest beauty product ecosystems—connecting manufacturing with retail through multiple channels including franchises, corporate stores, resellers, e-commerce, and marketplaces. We embed ESG (Environmental, Social, and Governance) practices across our operations with a goal of delivering value to stakeholders and driving societal transformation through beauty.



SÃO JOSÉ DOS PINHAIS PLANT

Photo credit: Boticário Group archives



**3** manufacturing facilities:  
São José dos Pinhais (PR),  
São José do Rio Preto (SP)  
and Camaçari (BA).



**8** distribution centers across  
five Brazilian states and  
Portugal.



**two** head offices—  
in Curitiba (PR), where we  
are headquartered, and in  
São Paulo (SP)—as well as  
international offices in the  
United States, Hong Kong,  
Colombia, and Portugal. GRI 2-1



More than **4,000** stores  
and **100,000** points-of-sale.



A presence in over **5,000** cities across all Brazilian  
states and in more than **40** countries worldwide.<sup>1</sup>

1. Learn more in: [“From Brazil to the World”](#).

---

## Boticário Group strives to leave a lasting legacy of sustainable development by operating responsibly and extending our sustainability practices throughout the value chain

---



MAY/2025

Boticário Group also plays an active role in advancing environmental and social causes through the Boticário Group Foundation for the Protection of Nature—which has supported biodiversity conservation for over 30 years—and the Boticário Group Institute, which celebrated its 20<sup>th</sup> anniversary in 2024, with its mission to drive entrepreneurship in the beauty sector through capacity building and business acceleration—building a legacy of social development and positive social impact.

Boticário Group's growth and resilience are directly linked to our consumer-first mindset—supporting consumers at each stage and moment in life, from self-care to preventive wellness. By actively participating in our customers' journeys and engaging our employees and partners around our purpose, Boticário Group continues to build leadership in the market.

## New Manufacturing Facility

In 2024, Boticário Group announced a major investment to expand our production capacity through the construction of a new plant in Pouso Alegre (MG), slated to start operation in 2028.

The new site will significantly boost production and further bolster our multichannel strategy and beauty ecosystem. The R\$ 1.8 billion investment will also benefit the local economy—supporting around 800 direct jobs, providing professional training and promoting entrepreneurship in surrounding communities.

Concurrently, Boticário Group will invest R\$ 700 million in expanding our national logistics network and R\$ 840 million in upgrading our São José dos Pinhais (PR) plant. While the bulk of the investment is focused on the domestic market, we are also expanding internationally—fueled in part by the acquisition of haircare brand Truss.

# Our Purpose

Create opportunities for beauty to change lives and thus the world around us

---

# Our Core Values

- We bring a sparkle to our customers' eyes
  - We are restless
  - We nurture our relationships
  - We deliver with passion
  - We pursue responsible success
- 

Learn more about our purpose and core values [here](#).

# Timeline

Our story begins in 1977, when founder Miguel Krigsner opens a small compounding pharmacy in Curitiba, Brazil.

1970s

The launch of the first O Boticário store in Portugal marks the beginning of our international expansion.

1980s

1990s

Fundação  
GrupoBoticário



MAY/2025

- The founding of the Boticário Group Foundation in 1990 illustrates our long-standing and visionary commitment to nature and biodiversity.
- Its impact on scientific research and environmental protection quickly gained recognition, earning accolades such as the Eco Award in 1996 and the Super Top Nacional award in 1997.

Instituto  
GrupoBoticário

In 2004, the Boticário Group Institute is established, initially focusing on supporting cultural projects.

2000s



MAY/2025

In 2006, Boticário Group launched its own reverse logistics program, which would go on to become the largest in Brazil.

2010s

- We publish our first sustainability report focused on environmental and social impacts.
- We open our second manufacturing facility in Camaçari, Bahia—Brazil’s first cosmetics factory to earn LEED certification.
- We launch a new line of sustainable retail stores.
- Boticário Group becomes the first company in Brazil to develop and use 3D skin technology to replace animal testing—and earns the *Guia Exame* de Sustentabilidade award.

Our portfolio grows with the addition of new brands like Eudora, Vult, and Quem disse, Berenice?, along with Beleza na Web—Latin America’s largest digital beauty platform—and the multibrand store Tô.que.Tô.

2020s

- In 2020, we introduce *Empreendedoras da Beleza*—a skills training initiative for women.
- Our Commitments for the Future, which define the Group’s ESG goals through 2030, are announced in 2021 and most recently updated in 2023.
- Our brand portfolio expands to include Truss and Au.migos, while our ESG leadership earns global recognition—with Boticário Group ranking among the world’s most sustainable beauty companies in the 2025 S&P Global CSA<sup>1</sup> assessment.



MAY/2025



MAY/2025

1. CSA: Corporate Sustainability Assessment.  
2. Based on results as of December 2024

# Market Overview

Boticário Group operates in the cosmetics, fragrance, and personal care industry—a fast-moving sector with strong domestic players and growing competition from leading global brands. Using a multichannel strategy, we combine channels such as brick-and-mortar stores, direct sales, dedicated e-commerce platforms, marketplaces, and a B2B channel that includes pharmacies, supermarkets, multibrand retailers, and cosmetics stores.

In recent years, the beauty market has seen steady growth, fueled by both economic and social shifts. The rise of self-care, the growing influence of younger generations, and an aging population are reshaping consumer behaviors and driving demand. At the same time, the competitive landscape is tightening. Digitally native brands and major retail platforms are investing heavily in beauty products—pushing companies to innovate constantly and enhance the customer experience.

Against this backdrop, environmental and social issues have become increasingly central. Consumers and stakeholders are more attentive to product quality, natural resource use, waste disposal, and biodiversity impact across the value chain. While the industry has made headway in developing biodegradable, recyclable, and reusable materials, packaging continues to present a significant challenge. There is also mounting pressure for action on climate change, responsible water and energy use, and raw material traceability.

On the social side, issues like diversity and inclusion, community engagement, local economic development, entrepreneurship, and employee health and safety are increasingly high on consumers’ and investors’ agenda. These expectations are expanding companies’ roles and responsibilities—requiring transparent, ethical, and inclusive business practices.

We recognize our role as an agent of change within this landscape. With a nationwide footprint and long-term commitments to sustainability, we have led important advances in the industry—helping raise the bar for responsible practices across the beauty value chain. We constantly reaffirm our identity as a proudly Brazilian company—diverse, inclusive, and committed to building a more sustainable future.

Environmental, social, and governance performance is central to long-term business resilience and growth

# Boticário Group Brands

## CONSUMER BRANDS

OBOTICÁRIO

EUDORA

Quem Disse,  
Berenice?

vult 

O.U.i  
ORIGINAL UNIQUE INDIVIDUEL

Dr. JONES 

TRUSS  
PROFESSIONAL

beleza  
NA WEB

AV.migos  
pets

## LICENSED CONSUMER BRANDS

  
Bio-Oil®

  
NUXE  
PARIS

  
Australian  
Gold.

Nova  
Linha de  
cuidados 

## BUSINESS BRANDS

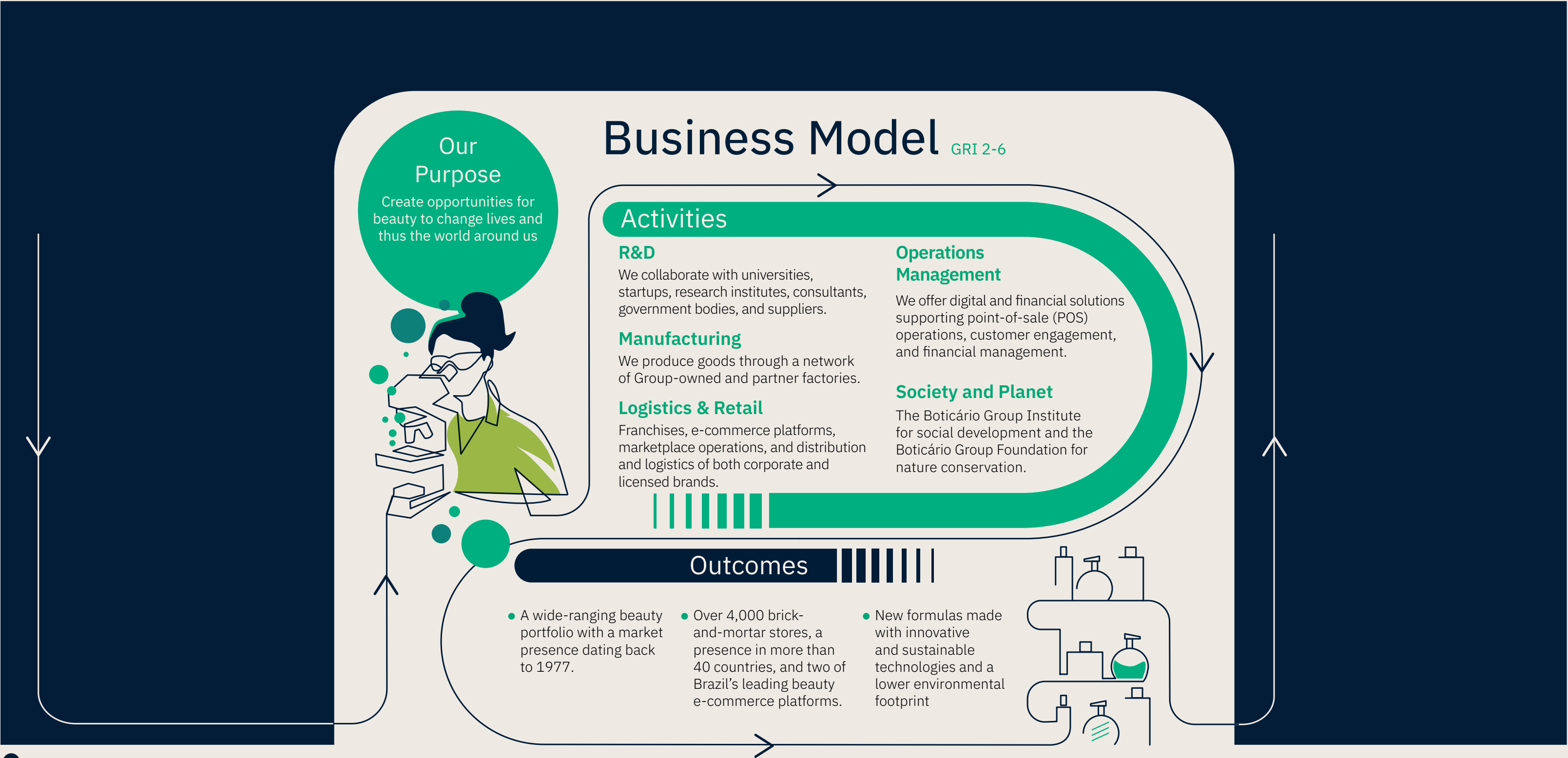
MOOZ

 GAVB

## CORPORATE BRANDS

Fundação  
GrupoBoticário 

Instituto  
GrupoBoticário 



Click on the icons to learn about the impact of each capital. This business model is best viewed using Adobe Acrobat Reader and is compatible with Google Chrome and Microsoft Edge.

# Strategy

---

## Business Strategy

Boticário Group's strategic plan is structured across short-, medium-, and long-term horizons, with the consumer placed at the center of decision-making. It is informed by macroeconomic research and competitive intelligence. Our three-year business plan identifies opportunities and outlines initiatives to strengthen and expand operations. It is reviewed annually and translated into a performance management framework with targets and KPIs spanning all departments. The five- to seven-year plan projects long-term scenarios based on guidance from the Advisory Board, helping Boticário anticipate risks and emerging opportunities.

ESG principles are embedded in our strategic

planning and influence key processes such as product development, budgeting, workforce planning, capital investment, and industrial expansion. This approach ensures ESG is treated not as a standalone topic but as a core part of our strategic objectives. Corporate governance plays a key role in this approach by increasing transparency through effectively managed committees—enhancing visibility around company performance and aligning initiatives with long-term goals.



MAY/2025

# ESG Strategy

Boticário Group’s ESG team is responsible for aligning environmental, social, and governance priorities with broader business strategy. This includes meeting public commitments and delivering initiatives to mitigate risks while creating value for the company and stakeholders.

Working closely with other departments, the ESG team sets guidelines for the Group and wider value chain. It provides technical and strategic support, ensuring ESG levers are integrated into business planning processes. The team also tracks performance indicators, measures progress, ensures efficient resource allocation, and promotes transparency around ESG progress and challenges.

In 2024, the Group made significant advances in ESG governance and integration, leading to changes in internal processes and perfected performance metrics to assess goal attainment.

There is now greater clarity on how ESG links to each business vertical, which forums oversee the agenda, and who the key stakeholders are. This alignment has improved the quality of discussions,

reduced redundancies, and elevated ESG to the highest levels of governance—especially through the ESG Committee, which advises the Advisory Board.

Looking ahead, the ESG team’s priorities include deeper ESG integration in our operations, scaling strategic partnerships with startups and innovation ecosystems, and accelerating the rollout of sustainable solutions. The team also aims to expand the ESG agenda into the B2B (business-to-business) and B2P (business-to-professionals) segments to drive broader stakeholder engagement beyond proprietary platforms.



## A Beauty of the Future

In 2024, we shared our progress, challenges, and strategic ESG decisions with stakeholders, providing greater transparency around Group progress toward our 2030 targets. A key highlight from the year was a landmark event held on May 16 in São Paulo, in which we reaffirmed our commitment to continually evolving our sustainability practices. During the event, we unveiled the first scheduled update to our Commitments for the Future, alongside the release of our 2023 ESG Report.

The event brought together journalists, experts, and business leaders to explore the ESG agenda. Senior leadership—including shareholders, the Advisory Board, the CEO, vice presidents, and executives—spoke about our sustainability journey and Boticário’s level of commitment and maturity in ESG.

The event also showcased Boticário Group’s industry leadership and strengthened engagement between top management and a wide range of actors engaged in promoting social transformation.



MAY/2025

Our Commitments for the Future shape the Boticário Group's ESG strategy, comprising eight key commitments and 30 targets to be achieved by 2030

## Our Commitments

Our journey to fulfill our Commitments for the Future is supported by an iterative cycle of planning, execution, and performance improvement across the organization. Boticário Group's Management Model integrates our 2030 targets into short- and medium-term business plans, with clearly defined goals and expected outcomes that are regularly adjusted to reflect shifting business priorities. Our Commitments for the Future align with the UN 2030 Agenda—including its timing—and support the Sustainable Development Goals (SDGs). Since 2020, Boticário Group has conducted cyclical reviews of our Commitments every three years.

In 2024, related targets were translated into actionable guidelines, more consistently embedded into operational processes and integrated with corporate planning. This enabled broader adoption across the company, with clear key performance indicators and cross-functional engagement.

Also in the year, we improved the quality and consistency of our ESG metrics. Refinements in data collection and calculation methodologies have helped to improve stakeholder confidence in reported results. As part of a knowledge management initiative, we have developed an internal tool that provides detailed information on scope, calculation rationale, historical data, and projections—enabling teams to better understand their role in achieving ESG objectives.

Despite the positive momentum, we were faced with several challenges in 2024, especially with regard to targets affected by the integration of new business units or those requiring high capital investment and emerging technologies, such as climate change mitigation and Scope 3 emissions tracking. Details on our targets and 2024 progress are presented on the following pages.



COMMITMENT

Climate Change

Help limit the rise of average global temperatures, in line with the Paris Agreement.



RELATED TARGETS

Scopes 1 and 2

42% reduction in greenhouse gas emissions by 2030 from a 2022 baseline, through initiatives in our direct operations and the use of renewable energy in our factories, distribution centers and corporate retail outlets<sup>1</sup>.

2024 PERFORMANCE



PROGRESS OVERVIEW

In 2024, Scope 1 emissions remained consistent with previous years. All Scope 2 emissions from purchased electricity were offset by renewable energy contracts backed by I-REC certificates, leading to a reduction relative to the baseline.

Scope 3

17% reduction in greenhouse gas emissions by 2030 from a 2022 baseline, through initiatives in collaboration with our partners.



Emission reductions in the goods and services category contributed to positive progress from the baseline. Ongoing improvements include enhanced value chain assessments via Life Cycle Analysis and deeper supplier engagement.

Waste intensity reduction

15% reduction in the volume of waste generated per unit sold (sell-in) by 2030 from a 2022 baseline<sup>2</sup>.



Strong performance in 2024 was driven by lighter packaging, a higher share of lightweight product formats, and shifts in the product mix. Since this metric is mix-sensitive, performance will be closely monitored in future years to sustain progress toward our 2030 target.



Waste

Minimize the environmental impact from waste generated in our direct operations by reducing waste volumes, supporting recycling initiatives, and implementing circular packaging systems.



Recycling

Collect and recycle at least the equivalent of 45% of packaging waste generated in the year by 2030.



Through initiatives such as internal reverse logistics programs, our Factory Price Station campaign, participation in the *Mãos pro Futuro* industry agreement, and upcycling waste from decommissioned retail points, we recycled 40% of equivalent packaging.

Recycle at least 95% of logistics and industrial waste by 2030.



This target counts all waste generated and recycled in our industrial operations and distribution centers. Our 2024 figures show that our recycling initiatives have been effective.

Packaging Circularity

Incorporate 30% recycled content into packaging by 2030.






Our 2024 figures reflect challenges associated with business growth, the time it naturally takes to increase post-consumer recycled (PCR)<sup>3</sup> content, and supply chain constraints. Boticário Group remains committed to achieving these targets as we advance in developing sustainable packaging and building partnerships with suppliers.

90% of new products developed with reusable, recyclable or biodegradable packaging by 2030.



We began tracking this target in 2024, focusing initially on refillable products. Internal teams are refining the methodology with support from research institutions to create associated metrics. The metric currently includes only refills; other levers will be included in the future.

1. Progress on this commitment is measured based on Scope 2 emissions (market-based approach).  
2. Calculated as the total volume of waste generated by Boticário Group divided by the number of sell-in units.  
3. PCR: Post-consumer recycled

COMMITMENT		RELATED TARGETS	2024 PERFORMANCE	PROGRESS OVERVIEW
<div><h3>Water</h3><p>Increase the business's water efficiency and positively impact watersheds that are strategic to us and wider society.</p><div><div><p>6 CLEAN WATER AND SANITATION</p></div><div><p>15 LIFE ON LAND</p></div></div></div>	Product (within rinse-off products)	Make at least 90% of rinse-off products biodegradable by 2030.	49% <div><div></div></div> 90%	Progress in 2024 was supported by the development of new formula platforms for rinse-off products and the replacement of higher-impact raw materials.
		100% of rinse-off products with a lower water footprintt (vs. 2020) as measured by the I.A.R.A® methodology.	85% <div><div></div></div> 100%	Reported figures were driven by targeted efforts to replace high-impact ingredients and develop innovative formula platforms to minimize water footprint.
		Develop consumer-facing technologies that help reduce water usage during rinsing.	Technologies implemented: 19%	The Boticário Group has developed 16 water-saving technologies, three of which are already in use across product ranges—covering 19% of applicable products. Our ambition is to scale adoption in the coming years.
	Efficiency	Reduce water consumption intensity (m³ per metric ton of finished product) by at least 25% from a 2022 baseline by 2030.	-2% <div><div></div></div> 25%	Water intensity increased due to changes in the operating regime, in production output, and in the manufacturing sites used. Despite this, performance improved compared to 2023 thanks to initiatives like our <i>Gota</i> program. For more information, see the Water and Effluents Management section, starting on <a href="#">page 75</a> .
		Achieve 90% reuse of treated water in manufacturing operations by 2030.	24% <div><div></div></div> 90%	Following a period of system upgrades to improve treated water quality, the Reclaimed Water Treatment Plant at the São José dos Pinhais facility began delivering more consistent results, unlocking greater water recycling potential.
	Conservation (advancing nature-based solutions to mitigate water risk)	Six high-priority watersheds in Brazil or near operational sites.	33% <div><div></div></div> 6	Local governance structures were established for two priority watersheds (goal is six by 2030): the Miringuava River Basin (PR) and the Guanabara Bay Watershed (RJ). In both locations, the <i>Viva Água</i> initiative—led by the Boticário Group Foundation in partnership with local stakeholders—supports ecosystem conservation and sustainable entrepreneurship, benefiting around 3.6 million people in Miringuava and 11.5 million in Guanabara. <sup>1</sup>
		Approximately 25 million people benefited.	61% <div><div></div></div> 25MM	

1. The total of 15,146,247 people benefited is the sum of figures for Guanabara and Miringuava. This is equivalent to 61% of the 25 million target.



Biodiversity

Enhance the conservation of biodiversity and animal welfare.



COMMITMENT	RELATED TARGETS	2024 PERFORMANCE	PROGRESS OVERVIEW
	<b>Conservation</b> Support biodiversity conservation in 2 million hectares of protected terrestrial and marine ecosystems by 2030 <sup>1</sup> .	15% <div><div></div></div> 2MM	In the first cycle of this commitment (2020–2023), we exceeded our target at 3.6 million hectares conserved through direct and indirect initiatives. Following an update to our 2030 commitments, starting in 2024 we shifted our focus to preserving protected areas backed by environmental offsets funds and other initiatives supported by the Boticário Group Foundation. The new scope of this disclosure reports on conservation efforts supported by more lasting conservation mechanisms.
	Ensure that 100% of our products are vegan by 2026.	97.6% <div><div></div></div> 100%	Initiatives to replace non-vegan raw materials helped drive the results reported in 2024.
	<b>Animal Welfare</b> Increase by 40% the portfolio of alternative methods available for assessing the safety of raw materials and products <sup>2</sup> .	10% <div><div></div></div> 40%	The Boticário Group has not conducted animal testing since 2000. All products undergo rigorous safety evaluations, in line with our commitment to expand the use of alternative testing methods. In 2024, we had 55 approved alternative methods, up from the 2023 baseline of 50—a 10% increase. Our target is to reach 70 methods by 2030. In 2023, being the baseline year, the baseline value was reported as the result. From 2024 onward, we will report the percentage increase in relation to the baseline.
	<b>Positive impact</b> Achieve net positive impact on biodiversity <sup>3</sup> .	25% <div><div></div></div> 8	One of our ongoing initiatives supporting biodiversity conservation is LIFE certification, awarded to businesses committed to preserving biodiversity. Currently, our São José dos Pinhais (PR) and Camaçari (BA) plants hold LIFE certification, and we plan to expand this to eight sites by 2030.






Diversity and Inclusion

Promote the representation and inclusion of diverse individuals across Boticário Group’s workforce and leadership, mirroring the Brazilian population.



<b>Overall workforce</b> Promote the representation of diverse individuals in the overall workforce.	<b>Black employees: 46%</b> <b>Women: 62%</b>	In 2024, we revised the methodology used to calculate representation of diverse individuals both in the general workforce and in leadership positions, aiming to provide a more integrated view of progress. The new methodology is still being refined, but current results indicate over 80% of the general workforce identify as belonging to at least one diverse group, and over 70% in leadership positions.
<b>Leadership</b> Promote the representation of diverse individuals in leadership roles.	<b>Black employees: 26%</b> <b>Women: 57%</b>	

1. In 2024, 299,910 hectares across 13 Brazilian states became better protected through the creation and implementation of new protected areas and the use of environmental offsets funds.  
2. There are currently 55 validated alternative testing methods, with a goal to reach 70 by 2030.  
3. Two operational sites are currently certified, with a target of eight by 2030.

COMMITMENT		RELATED TARGETS	2024 PERFORMANCE	PROGRESS OVERVIEW
<div><h3>Diversity and Inclusion</h3><p>Advance diversity and inclusion throughout our business ecosystem—through what we buy, sell, and communicate to society.</p><div><div><div>5</div><div>GENDER EQUALITY</div></div><div><div>10</div><div>REDUCED INEQUALITIES</div></div></div></div>	<h3>Communication</h3> <p>Deliver accessible communication that is representative of the Brazilian population and free of stereotypes, helping mainstream diversity.</p>	<p><b>Black individuals: 35%</b></p> <p><b>LGBTQIA+: 16%</b></p> <p><b>45+: 13%</b></p> <p><b>Body diversity: 35%</b></p> <p><b>People with disabilities 8%</b></p>	<p>This target measures the extent to which diverse individuals are featured in Boticário Group’s and its consumer brands’ campaigns and external communications. In 2024, these representation rates were achieved through campaign casting that included people reflecting Brazil’s diverse population.</p>	
		<p><b>Accessibility: 61%</b></p>	<p>In 2024, accessibility began to be measured as a performance indicator. Diversity focal points were designated within each brand to support the implementation of best practices and improve accessibility in campaigns. The minimum accessibility standard includes the following elements: image descriptions with the hashtag #PraGeralVer, captions in videos, Brazilian Sign Language (Libras) interpreters, and audio description.</p>	
		<h3>Value Chain</h3> <p>Advance the company’s diversity and inclusion strategy across stakeholder groups, while fostering entrepreneurship among underrepresented communities by integrating them into our supply chain.</p>	<p><b>Total spend on diverse-owned businesses (strategic supplier pool1): 11%</b></p>	<p>This outcome reflects the Affirmative Procurement efforts as part of our Responsible Sourcing Program, which encourages doing business with minority-owned suppliers. We also provide Diversity and Inclusion training to suppliers and track their D&amp;I performance through our supplier evaluation and performance program. In 2024, the methodology used for this metric was revised, so only this indicator was reported for the year.</p>
		<h3>Product</h3> <p>Offer a product portfolio—both new and existing products—that is inclusive and reflects the diverse needs of the Brazilian population.</p>	<p>Boticário Group remains committed to advancing diversity and inclusion across our product ranges. Measurement methodologies for this disclosure are being reviewed and refined, so results will be shared once the process is complete.</p>	

1. Calculated as spend on diverse-owned suppliers divided by total spend on Boticário Group’s strategic supplier base.



COMMITMENT

RELATED TARGETS

2024 PERFORMANCE

PROGRESS OVERVIEW

Social Development

Actively work to reduce social inequality and improve quality of life for stakeholders in the beauty ecosystem.



General Population

By 2030, create 1 million life-changing opportunities by 2030 through social development programs focused on entrepreneurship and/or capacity building<sup>1</sup>.

43%  1MM

In 2024 alone, over 204,000 opportunities were created. Reported results were largely driven by our *Empreendedoras da Beleza* program, which provides professional training for women in the beauty industry. To date, 428,935 opportunities have been generated—43% of the overall target.

Business Partners

Improve quality of life for business partners, so that their income grows as a result.

This indicator is currently under evaluation as historical and transactional data are consolidated.

Raw Material Sourcing

Procure at least 95% of raw materials from renewable or sustainable sources by 2030.

26%  95%

This includes raw materials that are 100% plant-based, biotechnological, or a combination of both. In 2024, the use of previously stocked materials limited additional procurement, affecting this metric.



Sustainable Sourcing

Promote responsible sourcing practices to combat illegal deforestation, protect biodiversity, and ensure decent working conditions throughout our value chains.



Responsible Sourcing

Guaranteed certification of high-risk raw materials:

100% of sourced palm by 2030

97%  100%

Progress was affected by delays in repacking product lines that use palm oil, limiting further advancement.

90% of wood-based materials certified by 2030.

 98%

This target aims to achieve over 90% responsibly sourced wood and wood-based materials each year. In 2024, we exceeded the target at 98%.

100% of sugarcane-based alcohol by 2030.

100%  100%

In 2024, we completed the certification and transition process to achieve 100% certification of sourced sugarcane-based alcohol.

Supplier assessment

Ensure tier 1 suppliers accounting for at least 75% of total procurement spend undergo performance assessments by 2030<sup>3</sup>.

59%  75%

This indicator measures the portion of tier 1 supplier spend on suppliers assessed on sustainability performance on at least an annual basis. Reported results were supported by our *Beauty Chain* program, which expanded ESG monitoring and supplier engagement efforts.

1. As of 2023, 224,384 opportunities had been created, and in 2024, an additional 204,551 were created. The total number of opportunities created is the sum of these two figures, 428,935. This represents 43% of the 1 million target.  
2. First tier of the supply chain.  
3. This figure is obtained by dividing spend on evaluated strategic suppliers by the Group’s total spend.

# Culture



Boticário Group’s culture is a strategic pillar, shaping employee conduct, reinforcing organizational identity, and linking purpose, core values (see [page 18](#)), and expected behaviors. To strengthen our culture, we foster rituals, symbols, and shared experiences that ensure cultural alignment is present in everyday work life.

We have identified 18 key behaviors that guide employee actions. In 2024, significant strides were made in embedding these behaviors into core people management processes—including our performance management cycle, physical workspaces, onboarding, and digital tools. The onboarding experience was redesigned—with a dedicated version for leadership roles—and training programs emphasized how these behaviors sustain the organizational culture.

MAY/2025

## Cultural Symbols

At the Boticário Group, Cultural Symbols are vital in shaping corporate identity, translating values into practice, supporting change initiatives, and fostering employee engagement. They serve several key roles:

-  **They encapsulate our Culture**, by embodying our core beliefs, values, and principles.
-  **They create a sense of Identity**, by serving as a means for employees to share information and experiences, and to connect with the culture and behaviors valued by the company.
-  **They can act as an Enabler**—when modified, they do not necessarily change the company’s culture, but their evolution can help drive cultural transformation, providing tangible resources that reinforce and bring the organization’s identity to life.

ENGAGEMENT AND DIALOGUE

Internal forums and events led by the Culture team play a central role in engaging Boticário Group’s more than 20,000 employees. Flagship initiatives like our Management Forum and *Lidera* help align strategic direction, reinforce cultural values, and celebrate accomplishments—creating stronger bonds between leadership and teams. *Fala que Transforma*, a recurring discussion hosted by the CEO, encourages open conversation across all levels of the organization, strengthening cohesion around clearly defined goals.

TOOLS TO CAPTURE INSIGHTS AND DRIVE CULTURAL CHANGE

Employee perceptions and cultural evolution are tracked through two mutually complementary tools:

- **Evolution Survey:** conducted annually, this survey measures alignment with company strategy, identifies gaps, and informs organizational priorities.
- **Climate and Engagement Survey:** a weekly pulse survey offering real-time feedback to leaders, enabling quick and targeted responses to issues without requiring broad structural change.

Together, these tools ensure that culture evolves not only from top-down directives but also from bottom-up insights, creating an adaptive and purpose-driven employee experience.

This approach positions culture as a strategic driver of cohesion, high performance, and a strong organizational identity—helping solidify the Boticário Group’s reputation as an industry leader in cultural alignment and employee engagement.

## Essências Portal

Launched in March 2024, the Essências Portal is a centralized platform for internal content on behaviors and competencies. It is designed to democratize access to cultural and strategic information across the Boticário ecosystem. The portal provides easy access to information and connects employees to Boticário Group’s purpose, empowering them to apply key behaviors and professional skills.



# Stakeholder Engagement

At Boticário Group, we recognize that our success is deeply connected to the contributions of our partners. We actively engage each stakeholder group, with an emphasis on transparency, collaboration, and valuing stakeholders' strategic roles. Stakeholder engagement is seen as strategic—fostering shared responsibility, enabling coordinated action, and positioning the Group as an agent of transformation and collective impact.



MAY/2025

Based on the materiality assessment conducted to inform this report, the Boticário Group's key stakeholder groups include:

- Consumers
- Employees
- Resellers
- Franchisees
- Suppliers and contractors
- Innovation partners
- Institutes and NGOs
- Local communities
- Cooperatives
- Media and opinion leaders
- Financial institutions and trade associations

Effectively communicating ESG strategy and initiatives is essential to stakeholder engagement—by demonstrating how these initiatives support the Group’s goals and generate positive impact for society, while contributing to a more sustainable future. This communication is achieved through our annual ESG Report, events such as *Uma Beleza de Futuro* (held in May 2024 — see page 24) and targeted campaigns for both internal and external stakeholders.

The Boticário Group Foundation, the Boticário Group Institute, and our social impact team maintain ongoing engagement with the general public—through outreach and communication initiatives—and with local stakeholders in the regions where their initiatives are implemented, in order to gain an understanding of local dynamics and unlock new partnership opportunities. Key stakeholders include local communities, NGOs, research institutes, municipal governments, and— in many cases—other companies already active in the same regions.

Our relationship with franchisees goes beyond commercial transactions. It includes all interactions involved in franchise management, performance tracking, and joint sustainability initiatives. This collaboration promotes shared responsibility across the value chain and strengthens supplier engagement (see Sustainable Sourcing, [page 135](#)).

Beyond awareness campaigns, we closely support our partners through structured programs such as our Partner Assessment and Development Program (PADP), CDP Supply Chain, our Future Acceleration Tool (FAT)<sup>1</sup>, and the Pandora Project (see [page 141](#)), supporting them in achieving compliance with social and environmental standards aligned with Boticário Group’s strategic goals.

For employees, our engagement efforts go beyond technical training to include ongoing awareness-building and participation in initiatives such as internal waste-reduction contests and corporate volunteering programs. These efforts support the development of a sustainability-centered organizational culture.

Recognizing resellers as strategic partners, we take an integrated approach that values their contributions to achieving organizational objectives. Through training, transparent communication and ongoing support, we foster a collaborative environment that strengthens their connection with our purpose.

Distributors and beauty salons are also considered key stakeholders, helping extend our market reach and drive our omnichannel strategy. The acquisition of Truss Professional has further expanded Boticário Group’s presence in the professional beauty segment. Distributors play a critical role in

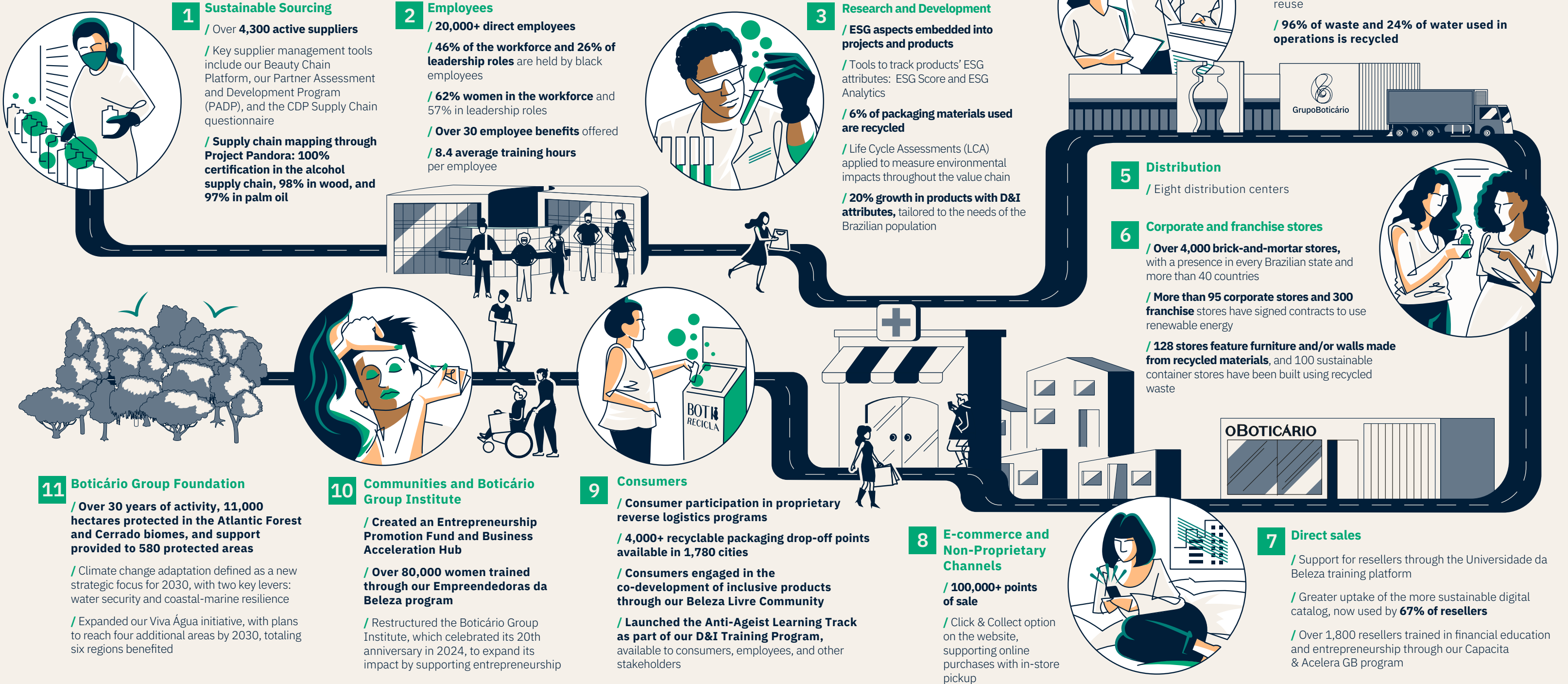


expanding brand access across diverse consumer segments. Integrating brick-and-mortar and digital channels continues to enhance the consumer experience, such as through the expansion of Click & Collect locations and dedicated Reseller Spaces. These initiatives underscore our commitment to accessibility, convenience, and supporting our business partners—creating a more connected and efficient beauty ecosystem.

1. The Future Acceleration Tool (FAT) is a Boticário Group program that recognizes top-performing franchisees based on performance, standards, and processes—with ESG criteria weighted highly in the evaluation.

# Beauty Ecosystem GRI 3-3

At Boticário Group, we share our values and goals with partners who help drive the success of our business



# Associations and Partnerships GRI 2-28

The Boticário Group actively engages with trade associations and institutional stakeholders in our industry, and supports their collective initiatives to develop the sector. Key affiliations include:

- Brazilian Advertisers Association (ABA)
- Brazilian Association for Business Communications (ABERJE)
- Brazilian Packaging Association (ABRE)
- Brazilian Franchising Association (ABF)
- Brazilian Personal Hygiene, Fragrance and Cosmetics Industry Association (ABIHPEC)
- Brazilian Association for Research & Development at Innovative Companies (ANPEI)
- Brazilian Business Council for Sustainable Development (CEBDS)
- UN Women
- UN Global Compact
- Ethos Institute
- Brazilian Institute of Corporate Governance (IBGC)
- Institute for Retail Development (IDV)
- Endeavor Brazil
- LIFE Coalition for Business and Biodiversity

Learn more in: [Associations, Institutional Partners, and Certifications](#)



MAY/2025

**AUSTRALIAN GOLD (REEF SAFE)**

Photo credit: Alessandra Fernandes

# Awards and Recognition



## Best in ESG 2024

The Boticário Group was named **Company of the Year** in business magazine *Exame*'s ESG Awards and also led in the Pharmaceuticals and Beauty category.

The award recognizes top ESG performers and builds on the traditional *Exame* Sustainability Guide, first launched in 2000 and revamped in 2020.



## S&P Global Sustainability Yearbook

Boticário Group ranks among the top **10 most sustainable beauty companies globally**<sup>1</sup> and leads the industry across the Americas, according to S&P Global's Corporate Sustainability Assessment (CSA)—the benchmark for the Dow Jones Sustainability Index (DJSI).

1. Based on results as of December 2024



## Carbon Disclosure Project

In 2024, we responded to the CDP (Carbon Disclosure Project) questionnaires on Climate Change, Water Security, and, for the first time, Forests. In 2024, we received an **A– rating for our water security questionnaire** for the third consecutive year—a Leadership-level rating reserved for companies currently implementing best practices. For our Climate Change questionnaire, we received a B rating in recognition of our efforts and industry leadership.



## GHG Protocol Program Brazil Gold Badge

The Boticário Group was awarded the Gold Badge in the 2024 cycle of the Brazilian GHG Protocol Program. The **Gold Badge** represents the **highest level of recognition for corporate greenhouse gas inventories demonstrating high levels of transparency and data quality**, verified by an independent third party. For more information, see the [Public Emissions Registry](#).



**Reporting Matters**  
Boticário Group’s 2023 ESG Report was recognized as one of Brazil’s top 15 ESG disclosures in Reporting Matters Brazil, a study conducted by CEBDS using the World Business Council for Sustainable Development (WBCSD) global reporting framework.



**Great Place to Work – National Ranking**  
Ranked the 6th best workplace in Brazil, recognized for our organizational culture, inclusive environment, and management practices that support employee well-being and development.



**Great Place to Work (GPTW) – Diversity Edition**  
11<sup>th</sup> place in Brazil’s racial equity ranking, which highlights companies with outstanding practices in promoting diversity and inclusion in the workplace.



**Ecovadis Gold Badge**  
In 2024, Boticário Group earned the Ecovadis Gold Badge, placing us among the top 5% ESG performers in the global industry.



**Merco ESG and Corporate Reputation Rankings – Brazil**  
2<sup>nd</sup> most responsible ESG company in Brazil and 4<sup>th</sup> most reputable company overall



**State of Data Brazil**  
Named Latin America’s most admired data company in a 2024 industry survey conducted by Data Hackers and Bain & Company.



**Valor Inovação Brasil Award**  
Named the most innovative company in the Cosmetics, Hygiene, and Cleaning category by Valor Econômico and Strategy& (PwC). Evaluation criteria included strategy, execution, results, recognition, ESG performance, and technology.



**SESI Safety, Health, and Well-Being Practices Award**

**First place among large industrial companies in Paraná**, in an award program organized in partnership with Great Place to Work (GPTW).



**Age Friendly**

**Certified as an Age Friendly company by the Age Friendly Institute**, which assesses corporate efforts to create age-inclusive workplaces. This recognition reflects the Group’s 2024 GB Anti-Ageist Year and related initiatives across brands.



**Vittude Awards**

For the second year in a row, Boticário Group was honored as a Leader in Mental Health in Brazil by the Vittude Awards, hosted by one of the country’s leading mental health platforms. We also received an honorable mention for our employee and family support initiative following the devastating floods in Rio Grande do Sul, and received an award for Best Corporate Health Management.



**Grandes Cases de Embalagem**

Our Arbo Puro, Florata Blue, and Cuide-se Bem Bob Esponja (see [page 96](#)) products were recognized in the *Grandes Cases de Embalagem* awards for **innovative packaging solutions**.

**Design for a Better World**



Organized by Centro Brasil de Design, this award recognizes groundbreaking initiatives that combine technology, design, and sustainability. The Boticário Group **received three Curupira statuettes—the trophy given to winners**—for the following projects: accessible Make B brushes (see [page 88](#)), inclusive accessories developed in partnership with Mercur (see [page 88](#)), and in the Packaging category, the Cuide-se Bem Bob Esponja liquid soap, which introduced the first bottle made with post-consumer recycled plastic (see [page 96](#)).

**ABERJE Awards**



Boticário Group was named **Company of the Year** in the Aberje Awards. In addition, several projects were recognized at the regional level, including **Inclusive Accessories**, which won in the **Diversity and Inclusion** category.

# How We Create Value

- Governance
- Environmental
- Social
- Sustainable Sourcing



# Governance



Photo credit: Alessandra Fernandes

# Corporate Governance

## Governance Structure GRI 2-9, GRI 2-10, GRI 2-11

We continuously refine our governance practices to ensure alignment with business strategy and that the matters on senior leadership’s agenda are those most relevant to the future of the business.

Our primary governance body is the Advisory Board, composed in 2024 of 11 members (including four women)<sup>1</sup> appointed by the shareholders of Boticário Produtos de Beleza Ltda. Board members do not hold executive roles, have no fixed term, and undergo annual performance assessments. Seven members are classified as independent<sup>1</sup>. Nominations are made in accordance with the Board’s charter, with nomination criteria including diversity of background and perspective to enrich discussions. In 2024, Board members conducted a formal self-assessment as part of our annual

governance review. The Chair and Vice-Chair of the Board are shareholders who, like other members, hold no executive responsibilities.

Alongside the Advisory Board, our governance structure includes four active committees. Following a comprehensive review in 2024, the Consumer, Channels & Retail, Technology, and Operations Committees were phased out, and their responsibilities were integrated into executive leadership processes and Board agendas. Our current active committees are as follows:

The Board of Directors is supported by the following advisory committees:



**PEOPLE COMMITTEE:** develops talent management strategies, sets policies for compensation and incentives, evaluates senior leadership performance, and strengthens Group culture.



**STRATEGY COMMITTEE:** discusses future scenarios for Boticário Group, offering market insights—particularly in the beauty industry—to inform strategic discussions and Board decisions.



**RISK AND AUDIT:** oversees governance, compliance, risk management, internal controls, business continuity, internal and external audits, fraud prevention, and business conduct. This committee also addresses ethics matters and ensures alignment with the Group’s [Code of Conduct](#).



**ESG:** develops and proposes ESG strategy, advises on business decisions, monitors progress on the Commitments for the Future, and embeds ESG principles across operations and in the value chain.

For more information, see [Our Leadership](#).

1. Changes to the structure of the Advisory Board made in 2025 will be detailed in the next report.



MAY/2025

## Corporate Governance

Corporate governance is a set of rules, practices, and processes used to direct and control an organization, involving shareholders, advisory boards or boards of directors, executive teams, internal and external audits, and stakeholders. Effective governance promotes transparency, ethical conduct, and accountability while integrating environmental and social considerations into business strategy—ensuring regulatory compliance, robust risk management, and strong stakeholder engagement.

### ESG COMMITTEE [GRI 2-12](#), [GRI 2-13](#), [GRI 2-17](#)

Boticário Group’s ESG Committee plays a central role in embedding environmental, social, and governance priorities into company strategy. Chaired by an independent member, the committee includes the CEO, the Chair and Vice-Chair of the Advisory Board, an external ESG expert, and senior executives from relevant departments. Until 2024, meetings were held every two months. As of 2025, the committee meets quarterly, with *ad hoc* sessions as needed — ensuring ESG considerations are consistently integrated alongside financial priorities in Group decision-making processes.

Closely aligned with the Group’s other advisory committees, the ESG Committee monitors how ESG is embedded across the business, identifies emerging trends, good practices, risks, and opportunities, and helps steer action plans and

improvements in line with our long-term vision. In 2024, the ESG Committee was formally established as one of the four core committees directly advising the Advisory Board, further supporting the Group’s commitment to sustainability.

Supplementing this committee is the ESG Chapter—a cross-functional governance body that accelerates the implementation of ESG practices across the organization. Composed of employees, managers, and team leaders from across the organization, the ESG Chapter meets monthly to track key targets, review data, identify challenges, and propose solutions—driving continuous progress on ESG commitments.

# Business Management

Boticário Group’s CEO is supported by ten executive vice presidents in jointly managing operations while preserving the legal autonomy of each brand.



# Ethics, Integrity, and Compliance GRI 2-6, 2-15, GRI 2-16, GRI 2-25, GRI 2-26

Boticário Group’s governance processes uphold ethical conduct, ensure regulatory compliance, manage internal controls and stakeholder relations, and oversee risk management. These systems are supported by readily accessible communication channels, clearly defined roles, and well-structured information flows to the right organizational levels to support sound decision-making.

Our Code of Conduct and Advisory Board Charter include specific safeguards to prevent conflicts of interest across all levels of the organization. Board members may not engage in business dealings or compete with Boticário Group or our subsidiaries. They must disclose any actual or potential conflicts of interest in advance and recuse themselves from related discussions and decisions.

Employees are similarly guided by the Code of Conduct on corporate policies, business continuity planning, standards of conduct, and best practices. They are prohibited from engaging in outside activities that could compromise business integrity or involve confidential company information. Employees also have access to a Conduct Channel to report misconduct or conflicts of interest.

The Conduct Channel receives internal and external reports of potential violations of our Code of Conduct or unethical behavior. It is available 24/7, online or by telephone. The Conduct Channel is managed by an external consulting firm that receives and processes reports impartially and confidentially, with support from the Group’s executive leadership and in accordance with the established governance structure.

As we expand our operations, engaging suppliers, distributors, franchisees, and other strategic partners in governance and ethics conversations becomes essential to strengthening a values-based ecosystem aligned with Group's principles—ensuring that all involved share the same ethical and sustainability commitments.

Partner selection is guided by strict criteria to ensure the best value for money for the Group, our customers and consumers, with negotiations conducted transparently and based on trust.

Our Code of Conduct applies to all team members—from executives to employees—providing guidance on how we interact with business partners and stakeholders

## LEGAL AND REGULATORY COMPLIANCE GRI 2-27

In 2024, there were no significant instances of noncompliance with laws and regulations. Boticário Group conducts periodic reviews, supported by internal and external experts, to interpret and ensure full compliance with applicable legislation and technical interpretations. Regular internal and external audits evaluate and inform improvements to our control and compliance systems, which are reviewed by both senior leadership and the Advisory Board. Boticário Group has not received fines or sanctions for environmental non-compliance in the past four years.



MAY/2025

Photo credit: Marcelo Soares

## Human Rights GRI 2-23 e GRI 2-24

Respect for human rights is a core value at the Boticário Group, guiding our relationships with internal and external stakeholders, our operations, and our partnerships. This is evidenced in our compliance with the Universal Declaration of Human Rights and participation in UN initiatives such as the Global Compact, Women's Empowerment Principles (WEPs), the Unstereotype Alliance, UN Women, and the Business Pact for Integrity and Against Corruption led by Instituto Ethos.

Boticário Group's corporate governance framework includes robust human rights policies and commitments that are defined internally and validated by senior leadership—including our [Code of Conduct](#), [Human Rights and Diversity Commitment Charter](#), and policies on anti-corruption, compliance, risk management, audit, procurement, and human development. These policies incorporate the precautionary principle and due diligence to prevent human rights violations.

Boticário Group continuously monitors human rights risks throughout our value chain, including in procurement. All suppliers must formally

acknowledge and abide by our Code of Conduct, which explicitly prohibits forced and child labor. All employees and contractors receive mandatory and periodic human rights training.

As part of our human rights practices, Boticário Group operates an Integrated Management System (SGI) covering our end-to-end operations. Four sites are certified to ISO 45001 (see [page 130](#)). All direct employees are covered by collective agreements, and our [Code of Conduct](#) guarantees freedom of association. We also operate a Conduct Channel for reporting violations of our [Code of Conduct](#), unethical behavior, or human rights violations (see [page 45](#)). Additional initiatives include *Sentinela*, a mental health program (see [page 128](#)), our Diversity Training Program (see [page 112](#)) and the Pandora Project (see [page 141](#)).

# Sustainable Finance

ESG considerations are embedded into Boticário Group's management practices and are among the lenses through which strategic decisions are evaluated—helping to prioritize initiatives that deliver environmental and social benefits or mitigate negative impacts. In 2020, we became one of the first Brazilian companies to issue a Sustainability-Linked Bond (SLB) tied to waste recycling and renewable energy targets.

In 2023, we issued a second SLB, incorporating a new metric tied to expanding our portfolio of vegan products. Then in 2024, we further strengthened our leadership by becoming the first beauty company in Brazil to link an SLB to a social impact target. Altogether, Boticário Group has issued three SLBs, each linked to two ESG key performance indicators (KPIs), totaling six ESG-linked commitments, as shown in the chart on the following page.

Through these instruments, we have funded operational growth while delivering on our ESG commitments and advancing our long-term strategy.



MAY/2025

# Understanding Sustainability-Linked Bonds

A bond is a local debt security issued by a company to raise funds from investors. It is considered ESG-linked if it is tied to environmental, social, or governance-related targets. Unlike bonds that finance specific projects—such as green or social bonds—Sustainability-Linked Bonds (SLBs) are tied to the issuer’s overall sustainability performance. They follow regulatory procedures set by the Brazilian Securities and Exchange Commission (CVM) and the Brazilian Financial and Capital Markets Association (ANBIMA). Their terms, such as interest rates and potential penalties, are linked to the achievement of pre-defined ESG targets, which are validated by independent reviewers, ensuring transparency and accountability.



MAY/2025

The amounts raised, targets, and timelines of Boticário Group’s Sustainability-Linked Bonds are detailed below:

2020	2023	2024
FUNDS RAISED: R\$ 1.00 bn	FUNDS RAISED: R\$ 2.00 bn	FUNDS RAISED: R\$ 1.15 bn
TARGET 1: Recycle 100% of waste generated at our São José dos Pinhais and Camaçari plants, and at the Registro and São Gonçalo dos Campos distribution centers.	TARGET 1: Ensure that all products in the Group’s portfolio are 100% vegan	TARGET 1: Create 1 million opportunities to transform people’s lives through our <i>Empreendedoras da Beleza</i> program.
STATUS (AS OF 2024): 97.78%	TARGET VERIFICATION YEARS: 2026 and 2029	TARGET VERIFICATION YEARS: 2027 and 2030
TARGET 2: Use 100% renewable energy at our São José dos Pinhais and Camaçari plants, and at the Registro and São Gonçalo dos Campos distribution centers.	TARGET 2: Ensure that at least 80% of reclaimed water from the São José dos Pinhais plant is reused.	TARGET 2: Ensure that 75% of the Group’s corporate retail locations use energy from renewable sources
STATUS (AS OF 2024): 100%	TARGET VERIFICATION YEARS: 2026 and 2029	TARGET VERIFICATION YEARS: 2027 and 2030
DEADLINE: 2025	DEADLINE: 2030	DEADLINE: 2031

# Cybersecurity, Data Privacy, and **Information Security**



## PRIVACY CULTURE

Boticário Group’s privacy culture reflects our commitment to transparency, robust governance, and security. These values are embedded throughout the organization and fully aligned with Brazil’s General Data Protection Regulation (Law No. 13.709/2018). We have a dedicated data privacy team with its own governance practices, such as a privacy committee and risk assessment tools. We take a preventive approach that combines employee awareness with technical safeguards to reduce risks related to data use.

This comprehensive strategy goes beyond regulatory compliance to reflect a genuine ethical commitment to the responsible use of personal data across all operations. Privacy is a strategic pillar at Boticário Group, supporting Customer Value Management (CVM) and ensuring that consumer data is managed in an integrated and functional manner.

In 2024, the Privacy and Data Ethics team underwent restructuring to transition to a more strategic and systematic approach, including process consolidation and the implementation of weekly and monthly KPI reporting.

By aligning privacy initiatives with overall corporate objectives, Boticário Group has enhanced decision-making, process efficiency, and organizational clarity. The Privacy and Data Ethics team also provides business support across the value chain, including in franchisee and third-party data handling.

No customer privacy complaints were recorded in 2024. This reflects our commitment to continuous improvement in our data policies and creating a secure environment for employees, customers, partners, and suppliers. [GRI 418-1](#)

## Privacy and Data Security

Privacy and data security refers to a set of practices, policies, technologies, and processes to protect the personal information collected, stored, and processed by an organization, ensuring respect for individuals' rights and compliance with regulations.

INFORMATION SECURITY

Boticário Group’s Information Security team has governance and management mechanisms in place to ensure its practices align with Group business strategy and operational needs. The Chief Information Security Officer (CISO) reports directly to the Chief Information Officer (CIO). We also have an Information Security Committee (CSI) of senior leaders from the Technology, Legal, Compliance, and Human Resources departments. This committee is responsible for:

- **Setting and reviewing Information Security policies and guidelines**
- **Addressing strategic, tactical, and operational security risks**
- **Coordinating the response to major security incidents**

The CSI meets at least three times a year to review Information Security guidelines and strategies, and holds *ad hoc* meetings when needed to address incidents or critical threats.

ARTIFICIAL INTELLIGENCE (AI) GOVERNANCE

Boticário Group’s AI strategy takes an integrated approach that combines data security with ESG principles. The framework includes assessing AI initiatives, vetting suppliers that use AI, and mapping internal roles and responsibilities to ensure transparent, effective oversight of AI use within the organization.

It also establishes contractual requirements for responsible AI use and training requirements to ensure team awareness, strengthen governance and promote ongoing strategic development. In 2024, we created two supporting governance committees: a weekly tactical committee for cross-functional coordination and a bimonthly strategic committee focused on implementing responsible AI governance policies.

DATA GOVERNANCE FOR FRANCHISEES GRI 3-3

To strengthen data protection, Boticário Group has invested significantly in training its franchisees, developing clear policies and best practice guidelines for the handling of personal data in compliance with applicable laws.

In 2024, we introduced a dedicated policy outlining franchisees’ responsibility for employee data, while data from end customers and resellers continues to be managed by Boticário Group.

IMPLEMENTING DATA LOSS PREVENTION (DLP)

In 2024, we expanded the use of our DLP (Data Loss Prevention) tool—first implemented in 2021—to new scenarios, supporting a more proactive and targeted approach to personal data protection. The system monitors outbound emails to detect and block potential breaches of internal policy and prevent the unauthorized sharing of confidential information.

Each flagged case goes through a two-step review: automated screening for potential violations, followed by a thorough manual review to ensure accurate resolution of both false positives and valid incidents. This mix of smart technology and human oversight helps to bolster information security while building trust.

Strategic investments in employee training and communication have helped raise awareness of the consequences of violations and promote best practices. In 2024, Boticário Group held 49 training sessions on privacy, delivered through a combination of online and in-person formats.

# Risk Management

Boticário Group applies a structured five-step approach to risk management: internal assessment, market analysis, executive discussions, validation with vice presidents, and ongoing monitoring. Monitoring results are submitted to the Risk and Audit Committee, which supports the Advisory Board. The methodology—created over ten years ago and since refined—draws on well-established frameworks such as ISO 31000 and COSO ERM, and is reviewed annually with support from external consultants. Adjustments are made as needed to reflect the Group’s specific operational context.

The Governance, Risk, and Compliance team leads internal audits and controls, supports business functions in developing action plans, and prioritizes risk mitigation measures based on annually reviewed tolerance and appetite levels, monitored via key performance indicators. We also provide employee training on business continuity risks. Boticário Group’s risk management system, internal controls, and compliance practices are independently audited at least every two years.

A key feature of our risk framework is the use of Key Risk Indicators (KRIs), defined by business leaders to track critical risk factors and trigger alerts when thresholds are exceeded. This ensures that risks are consistently identified, evaluated, and monitored.

Risks are grouped into three categories: strategic, operational, and emerging. Our efforts are primarily focused on strategic and operational risks, while emerging risks are treated as essential inputs in strategic planning, as they represent potential market threats with long-term implications.

- **Operational risks** are monitored continuously by dedicated teams and include issues such as product quality, supply chain disruptions, and production stoppages. Boticário Group maintains an extensive database of nearly one thousand mapped operational risks.

- **Strategic risks** are directly linked to our corporate objectives and include challenges like multichannel execution, channel profitability, portfolio innovation, and production stoppages. A total of 44 strategic risks were identified in 2024. They are continuously reassessed and addressed within each strategic cycle.
- **Emerging risks** are flagged for their growing importance and potential to significantly impact the industry over time.

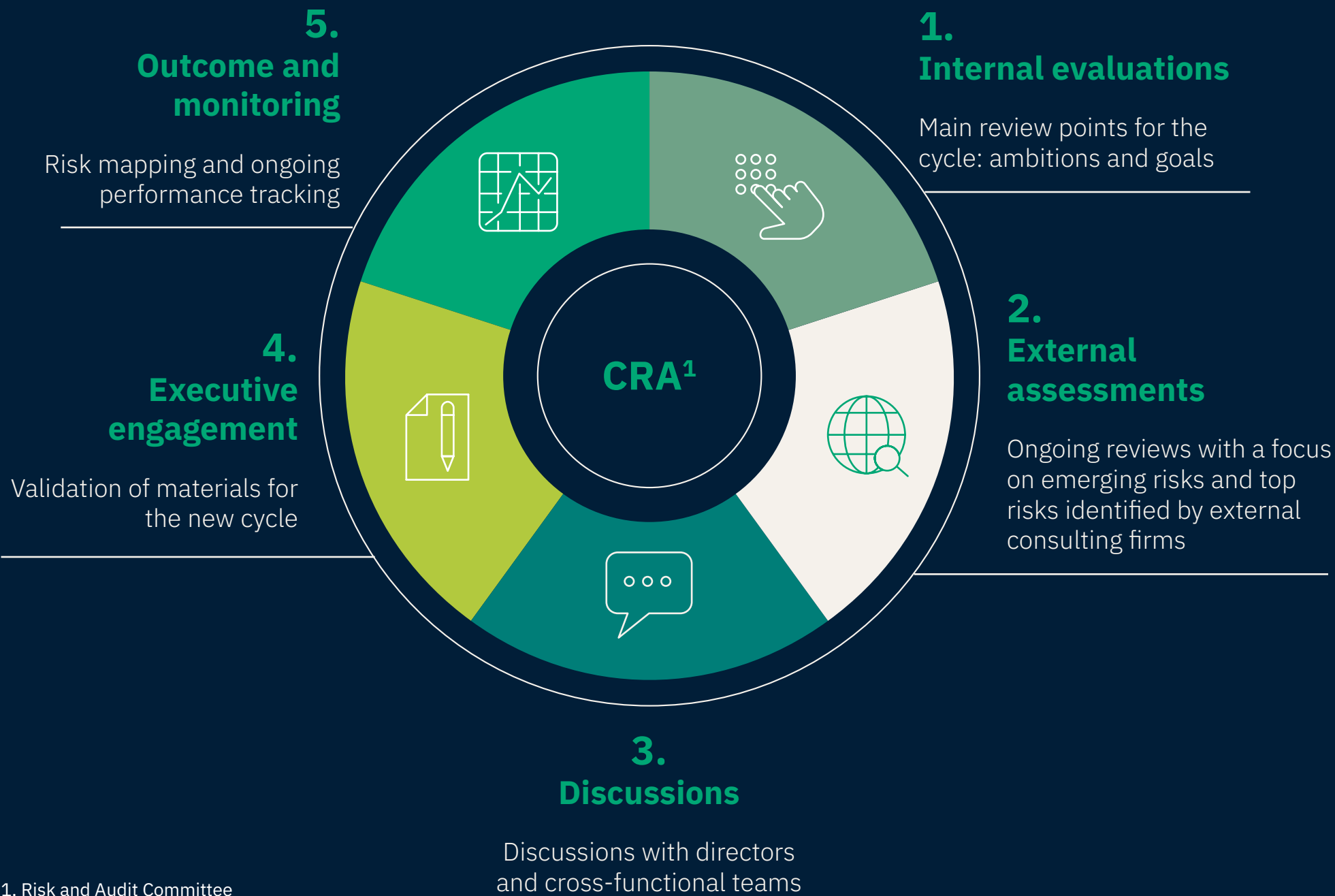
Risks are reviewed monthly, with real-time updates made in response to internal or external shifts

# Risk Management

Risk management is a structured approach to identifying, evaluating, and mitigating uncertainties that could affect an organization’s ability to meet its objectives. By actively managing risks, we not only reduce potential adverse impacts but also create opportunities to innovate, strengthen our reputation, and improve investor confidence.

Boticário Group’s strategic risk map includes critical ESG-related topics such as climate change, along with reputational risks tied to our public commitments. These topics are discussed within the Risk and Audit Committee (CRA). Including ESG in our risk map supports our integrated approach to risk governance, linking sustainability to long-term business continuity and reputation.

## Steps



# Emerging risks

## RISK 1: Crises in natural resource supply and sustainable sourcing

**Description:**

Failure to ensure the sustainable and cost-effective supply of key raw materials has been identified as an emerging risk, as highlighted in the [World Economic Forum’s 2024 Global Risks Report](#). This risk is compounded by factors like climate change, biodiversity loss, future pandemics, geopolitical tensions, and increasing demand for traceable raw materials. To address this risk, Boticário Group proactively seeks to improve supply chain flexibility and ways to minimize impacts on operations.

**Impact:**

Supply chain disruptions may cause stock shortages, drive up production and product costs, and hinder our ability to meet customer demand.

**Mitigation:**

Boticário Group mitigates this risk through a multisourcing strategy, expanding our base of critical suppliers to avoid dependency on any single vendor. We also oversee vendor performance through our Supplier Assessment and Development Program (PADP) (see [page 140](#)) and monitor costs and availability using a risk matrix and annually updated strategic sourcing plans. This risk is also embedded in our broader climate risk strategy and tracked through a Key Risk Indicator (KRI), enabling a fast and effective response to potential disruptions.

## RISK 2: Rapid AI growth without regulatory safeguards

**Description:**

The accelerated development of Artificial Intelligence (AI) solutions has been identified as an emerging risk, according to the [World Economic Forum’s 2024 Global Risks Report](#). The lack of proper regulatory frameworks makes malicious uses of AI increasingly likely. For Boticário Group, the most pressing threats include data breaches and fraud enabled by AI tools, along with the use of deepfakes to con employees or breach internal systems. These risks could result in financial losses, exposure of sensitive data, reputational harm, and even legal consequences under privacy laws such as Brazil’s and the European Union’s GDPR. There is also concern over algorithmic bias and potential copyright violations, both of which could have legal and financial implications.

**Impact:**

Unregulated adoption of AI technologies can result in financial loss, data breaches, reputational damage, and legal consequences stemming from violations of data privacy and protection laws.

**Mitigation:**

To address these risks, Boticário Group has established cross-functional committees responsible for evaluating AI-related initiatives and identifying potential risks within its ecosystem. We also assess suppliers, review their data security standards, and conduct algorithm impact assessments to evaluate AI-related risk exposure. Concerns around data privacy and cybersecurity (see [page 49](#)) further reinforce our commitment to strong information protection and technology governance.

## Outlook

Sustainability in the cosmetics industry brings both challenges and opportunities, and demands collaboration across governments, corporations, and civil society. Rising consumer demand for sustainable products represents a major market opportunity.

However, issues like deforestation, Brazil's underdeveloped recycling infrastructure, and broader global concerns—such as the carbon market and climate change—are putting growing pressure on companies to respond. Progress in these areas depends on internal initiatives, strategic partnerships, advocacy in public policy forums, and engagement with trade associations and regulators.

Boticário Group has advanced in implementing environmental initiatives, but still faces external challenges such as limited water and energy supplies and growing scrutiny around plastic waste—factors that may increase pressure on the sector. Collaboration with the supply chain is essential to overcoming these barriers.

The cosmetics sector also plays a key social role, which Boticário Group can expand on. Our integrated value chain ts benefit sharing with suppliers and local communities. Programs such as *Boti Recicla* (see [page 70](#)) and *Empreendedoras da Beleza* (see [page 103](#)) reflect our efforts to align sustainability and social impact with our corporate strategy.

## Uncertainties

Monitoring emerging uncertainties and conducting scenario analyses improve our understanding of vulnerabilities while also opening paths to new opportunities. Key uncertainties monitored by Boticário Group—each with potential sector-wide implications—include regulatory changes, particularly in ESG, Brazil's tax reform, geopolitical instability affecting supply chains and sourcing, social pressure, and extreme weather events. The evolving connection between ESG issues and financial outcomes remains an area of attention, and increasingly influences our strategic decisions.

Amid these challenges, our ESG ambitions for the coming years remain grounded in our 2030 commitments (see [pages 25 to 30](#)) alongside specific targets set by individual business units.

Business continuity is another core focus, especially in connection with major initiatives like the construction of our new manufacturing facility and distribution centers. Risk management is embedded starting at the design phase of these projects, ensuring they are built to reflect best-in-class standards for resilience, crisis preparedness, and operational continuity.

# Environmental

# Climate Change



A major milestone in Boticário Group’s climate action efforts in 2024 was the creation of our Climate Transition and Adaptation Plan, developed in Collaboration with an external consultancy. This plan outlines strategies for both mitigation and adaptation that are already shaping decisions around expansion, innovation, and operations—ensuring that decarbonization requirements are embedded in all new projects and initiatives.

Our climate strategy is based on internationally recognized tools and methodologies, from emissions assessments and accountability to the science-based target-setting, ensuring alignment with global best practices. Our Climate Transition and Adaptation Plan includes the following components:

**ASSESSMENT:** measuring and managing greenhouse gas emissions across the full value chain (Scopes 1, 2, and 3). This includes identifying major emission sources, absolute volumes, and emission intensity.

**STRATEGY:** assessing current and potential impacts of climate-related risks and opportunities on the business and financial planning. Measuring, on an ongoing basis, the marginal abatement cost of emissions and selecting priority projects.

**TARGETS AND COMMITMENTS:** establishing clear and realistic short-term (5–10 year) science-based targets (SBTi<sup>1</sup>) and net-zero goals for both direct and indirect emissions.

<sup>1</sup> Science Based Targets initiative, a global initiative that validates corporate climate targets based on science to combat climate change.



## Our Commitment

Help limit the rise in the planet's average temperature, in line with the Paris Agreement.

In 2024, Boticário Group received a B rating in our CDP Climate Change questionnaire, denoting our consistent industry leadership in this area. Participation by our suppliers in responding to CDP’s Supply Chain Program questionnaires was recognized as a good practice, highlighted in the initiative’s annual report (see [page 140](#)).

SBTi validation of our science-based climate targets was initially scheduled for 2024 and has been rescheduled for 2025 to ensure consistency and the integration of short- and long-term commitments. This strategic alignment has enabled greater accuracy in calculating greenhouse gas emissions, taking into account Boticário Group’s recent acquisitions and growth.

Boticário Group is a recognized industry leader for climate transparency in Brazil—we are one of the founders of the Brazilian GHG Protocol Program and have voluntarily published greenhouse gas emissions inventories (GHG) since 2008.

# Climate Change Risk Assessment

Between 2020 and 2023, climate change risk was classified as moderate for Boticário Group. In 2024, this classification was escalated to significant, reflecting the growing relevance and complexity of climate risks. This new classification requires more detailed action plans and closer monitoring by executives and Board members.



## Climate Change

Climate change refers to long-term shifts in Earth’s climate, which can occur naturally. However, scientific evidence overwhelmingly shows that greenhouse gas (GHG) emissions from human activities are driving rapid and unprecedented climate change. Consequences include rising global temperatures, melting ice caps, sea level rise, and more frequent extreme weather events, such as prolonged droughts and heavy rainfall in certain regions.

### SCOPES 1, 2, AND 3

In climate accounting, Scopes 1, 2, and 3 refer to different categories of tracked GHG emissions. Scope 1 includes direct emissions from the organization’s operations. Scope 2 covers indirect emissions from purchased electricity. Scope 3 captures all other indirect emissions across the value chain, including supplier activities, product use and disposal by consumers, and transportation and distribution.

# Paris Agreement

The Paris Agreement is an international climate treaty adopted by 195 countries and the European Union during COP 21 in Paris, which entered into force on November 4, 2016. Its primary goal is to limit global warming to well below 2°C—ideally to 1.5°C—compared to pre-industrial levels, in order to mitigate the impacts of climate change.



MAY/2025

## EMISSIONS INVENTORY

Boticário Group’s Scope 3 emissions inventory includes all categories considered relevant to our operations (see [page 163](#)). Enhancements in inventory processes and integration with Life Cycle Assessment (LCA) tools (see [page 92](#)) have allowed for more accurate mapping and measurement of emissions, particularly in the consumer goods category.

## SUSTAINABLE TRANSPORTATION

Transportation decarbonization is one of the most complex challenges facing Boticário Group. To tackle this challenge, we are working closely with our logistics partners to develop innovative solutions, with a focus on environmental transparency and deploying lower-impact transport options such as electric and biofuel-powered vehicles, while also working to improve overall logistics efficiency.

\*\*Greenhouse gas emissions (in metric tons of tCO<sub>2</sub> equivalent)<sup>1, 2, 3</sup> GRI 305-1, GRI 305-2, GRI 305-3 e GRI 305-5

	2022	2023	Change 2023/2022	2024	Change 2024/2023
<b>Direct emissions (Scope 1)</b>	<b>4,028.10</b>	<b>4,001.86</b>	<b>-0.65%</b>	<b>4,455.36</b>	<b>11.33%</b>
Stationary combustion	2,359.49	2,529.21	7.19%	2,945.16	16.45%
Mobile combustion	1,129.64	1,194.44	5.74%	976.84	-18.22%
Fugitive emissions	538.97	278.21	-48.38%	533.36	91.71%
<b>Indirect greenhouse gas emissions from purchased electricity (Scope 2)</b>					
Electricity consumption (location-based)	2,008.71	3,031.65	50.93%	3,532.72	16.53%
Electricity consumption (market-based)	486.80	898.25	84.52%	0.00	-100.00%
<b>Other indirect (Scope 3) emissions</b>	<b>374,297.50</b>	<b>483,146.45</b>	<b>29.08%</b>	<b>353,038.00</b>	<b>-26.93%</b>
<b>UPSTREAM</b>					
Goods and services purchased	235,411.00	273,784.26	16.30%	169,914.29	-37.94%
Capital goods	9,891.20	18,889.70	90.97%	11,344.84	-39.94%
Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	13,521.00	12,552.23	-7.16%	1,227.24	-90.17%
Upstream transportation and distribution	27,465.70	77,332.42	181.56%	45,029.01	-41.77%
Waste generated in operations	2,554.80	5,579.48	118.39%	8,402.13	50.59%
Business travel	344.8	11,815.23	3,326.69%	18,421.21	55.91%
Employee travel	7,024.60	2,923.79	-58.38%	2,090.40	-28.50%
<b>UPSTREAM SUBTOTAL</b>	<b>296,213.10</b>	<b>402,877.11</b>	<b>36.01%</b>	<b>256,429.04</b>	<b>-36.35%</b>

	2022	2023	Change 2023/2022	2024	Change 2024/2023
<b>DOWNSTREAM</b>					
Use of sold products	71,409.30	64,678.60	-9.43%	81,988.13	26.76%
End-of-life treatment of sold products	5,581.40	11,496.04	105.97%	8,923.67	-22.38%
Downstream transportation and distribution	N/A <sup>4</sup>	2,520.15	-	3,409.03	35.27%
Franchises	1,093.60	1,574.55	43.98%	2,288.13	45.32%
<b>DOWNSTREAM SUBTOTAL</b>	<b>78,084.30</b>	<b>80,269.34</b>	<b>2.80%</b>	<b>96,608.96</b>	<b>20.36%</b>
<b>Biogenic CO<sub>2</sub> EMISSIONS</b>	<b>3,977.50</b>	<b>10,344.43</b>	<b>160.07%</b>	<b>9,200.48</b>	<b>-11.06%</b>
Scope 1	586.10	672.39	14.72%	564.98	-15.97%
Scope 2	0.00	N/A	0.00	N/A	0.00
Scope 3	3,391.40	9,672.04	185.19%	8,635.50	-10.72%

Notes:

1. Emission factors are sourced based on guidance from the GHG Protocol Brazil and include Ecoinvent 3.8, DEFRA UK, USEPA, WIOD (Quantis), and the IEA. Global Warming Potential (GWP) values are based on the IPCC Fifth Assessment Report (AR5).

2. Emissions data are consolidated in accordance with ISO 14064-1 and the GHG Protocol Program. All calculations are performed using SINAI Technologies software, which is TÜV Rheinland certified. The operational control approach is applied across all Boticário Group companies within the defined organizational boundary, covering the relevant emissions of the entire organization.

3. The significant changes between 2022 and 2023 are due to the inclusion of new business units within Boticário Group’s organizational scope and the addition of Scope 3 Category 9 emissions. The need for recalculation will be reviewed in relation to the Group’s targets and commitments.

4. Not evaluated in 2022.



## Greenhouse gas (GHG) emissions intensity<sup>1, 2, 3</sup>

GRI 305-4

	2021		2022		2023		2024	
	Result	Target <sup>4</sup>	Result	Target <sup>4</sup>	Result	Target <sup>4</sup>	Result	Target <sup>4</sup>
Greenhouse gas (GHG) emissions intensity <sup>3</sup>	7.80	11.30	6.80	7.60	6.09	5.80	6.76	5.80

- Notes:
- 1. Energy intensity is calculated as the ratio of total GHG emissions (tCO<sub>2</sub> equivalent) to the number of units produced (in millions).
  - 2. Scope: stationary combustion at manufacturing facilities. The gases included in the calculation are: CO<sub>2</sub>, CH<sub>4</sub> e N<sub>2</sub>O. Method used: calculation based on published emission factors.
  - 3. Sources of emissions factors are based on guidance from the GHG Protocol Brazil and include Ecoinvent 3.8, DEFRA UK, USEPA, WIOD (Quantis), and the IEA. Global Warming Potential (GWP) values are based on the IPCC AR5.
  - 4. Operational targets.

## Nitrogen oxide (NOX), sulfur oxide (SOX), and other significant air emissions (t)<sup>1, 2</sup>

GRI 305-7

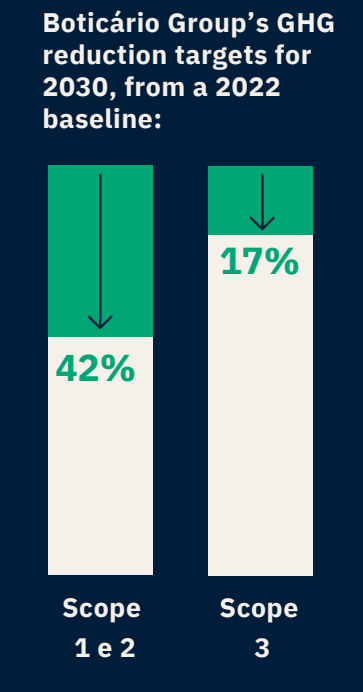
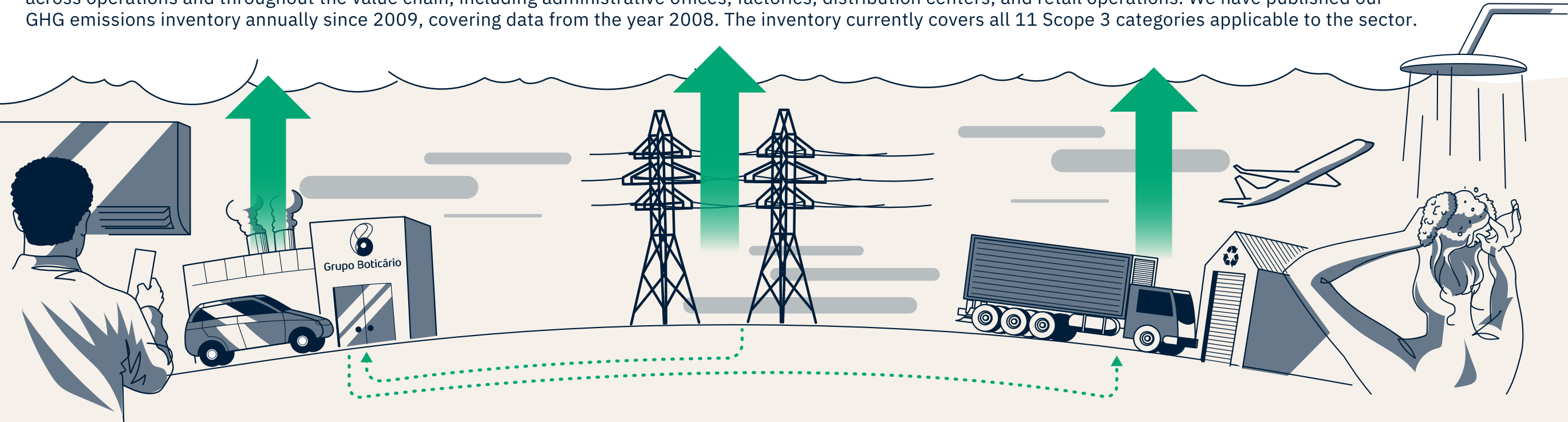
Categories	2022	2023	2024
NOx	0.35	1.83	1.52
SOx	0.08	0.08	0.07
Particulate matter (PM)	0.01	0.01	0.07

1. We do not measure Persistent Organic Pollutants (POPs), Volatile Organic Compounds (VOCs), or Hazardous Air Pollutants (HAPs), as they are not applicable.
2. Sources of emissions factors are based on guidance from the GHG Protocol Brazil and include Ecoinvent 3.8, DEFRA UK, USEPA, WIOD (Quantis), and the IEA. Global Warming Potential (GWP) values are based on the IPCC Fifth Assessment Report (AR5).

# Greenhouse Gas Emissions Inventory 2024

GRI 3-3

Boticário Group identifies emission sources through an assessment of operational boundaries, which classifies the most relevant greenhouse gas (GHG) emissions across operations and throughout the value chain, including administrative offices, factories, distribution centers, and retail operations. We have published our GHG emissions inventory annually since 2009, covering data from the year 2008. The inventory currently covers all 11 Scope 3 categories applicable to the sector.



**Scope 1 DIRECT EMISSIONS**

- / **Stationary combustion:** emissions from boilers and diesel generators
- / **Mobile combustion:** emissions from fuel used in corporate and leased vehicles
- / **Fugitive emissions:** emissions from refrigerant gases used in air conditioning systems and CO<sub>2</sub> from fire extinguishers

**Scope 2 INDIRECT EMISSIONS**

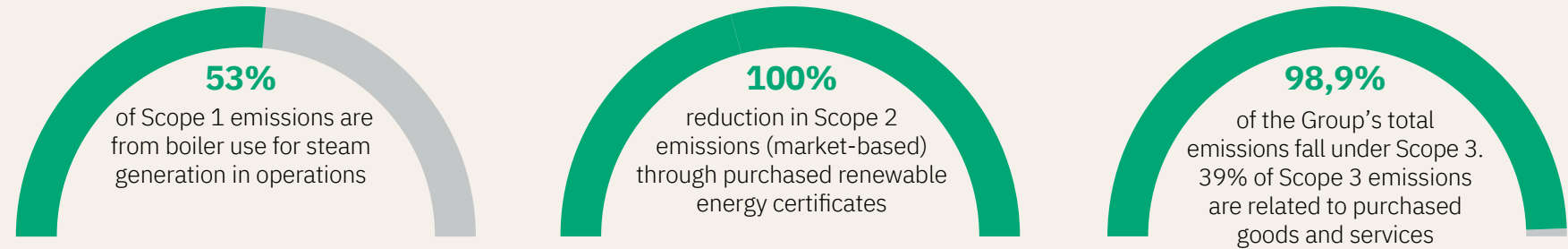
- / **Purchased electricity (location-based):** this approach uses the national emission factor provided by the Brazilian Ministry of Science, Technology, and Innovation
- / **Purchased electricity (market-based):** this approach uses the emission factors of certified energy sources, such as for electricity sourced via Brazil's free energy market

**Scope 3 UPSTREAM: INDIRECT EMISSIONS**

- / **Purchased goods and services:** includes packaging materials, raw materials, and miscellaneous services
- / **Capital goods:** all fixed assets
- / **Energy-related activities:** indirect emissions not included in Scope 2
- / **Upstream transportation and distribution:** freight paid by the organization
- / **Waste generated in operations:** waste treatment processes such as recycling, incineration, and landfilling
- / **Business travel:** employee air and overland transportation for corporate travel
- / **Employee commuting:** includes company shuttles, public transportation subsidies, and private vehicles

**DOWNSTREAM: INDIRECT EMISSIONS**

- / **Product use:** emissions from electricity consumption during the use of bath products
- / **End-of-life treatment of products:** disposal methods for post-consumer products (recycling, landfilling, etc.)
- / **Franchises:** electricity consumption at points of sale
- / **Downstream transportation and distribution:** freight not paid by the organization for product distribution



Boticário Group's GHG emissions inventory follows the methodology developed by the Brazilian GHG Protocol Program and is published annually in the Public Emissions Registry, ensuring transparency. As a founding member of the program in 2008, Boticário Group has calculated and published emissions data—verified by an accredited third party—for over 15 years. In 2023, we were recognized by the GHG Protocol for our pioneering role and contribution to the development of a corporate GHG inventory culture in Brazil.

ENERGY FOR TOMORROW GRI 302-5

Our “Energy for Tomorrow” program began in 2023 with a pilot project to purchase renewable electricity for coporate stores in the state of Minas Gerais, and was expanded in 2024. Boticário Group has already signed contracts covering more than 125 stores and we have extended the initiative to our franchise network, with renewable electricity now sourced in over 300 franchised points of sale. In addition to environmental benefits, the use of renewable energy has led to electricity cost savings in the retail segment, showing that the transition to renewable sources is both feasible and beneficial within Boticário Group’s beauty ecosystem. Our Energy for Tomorrow Program allocates a percentage of each electricity bill paid by franchisees to *Movimento Viva Água* (see [page 78](#)), a project led by the Boticário Group Foundation, creating a virtuous cycle of value creation and positive environmental impact.

In the coming years, we plan to expand the program to more corporate-owned stores, targeting 75% of retail locations powered by renewable electricity by 2030. Our strategy includes accelerating franchise expansion and developing partnerships with suppliers to ensure renewable energy availability in an increasing number of states.

Beyond our Energy for Tomorrow program, Boticário Group has implemented several other initiatives to increase energy efficiency and the use of renewables across our operations. As part of these initiatives, we migrated our Varginha (MG) distribution center to Brazil’s free energy market at the end of 2023, enabling electricity supply— including renewables—to be sourced directly from generators.

We have continued to invest in energy efficiency initiatives, such as gradually replacing lamps with LED technology and refurbishing solar panels. These initiatives have already shown positive results in terms of savings and performance in a pilot project in Camaçari (BA). As a result of these efforts, in 2024, renewable electricity consumption at Boticário Group’s manufacturing facilities reached 35,360 MWh, a 5.7% increase compared to 2023.

Our facilities in Camaçari (BA), São José dos Pinhais (PR), Registro (SP), São Gonçalo dos Campos (BA), and Varginha (MG) already use 100% renewable electricity via Brazil’s free energy market

Energy consumption within the Group<sup>1, 2</sup> GRI 302-1

Fuel consumption (GJ)	2022	2023	2024
Nonrenewable sources	60,874.40	67,580.65	64,590.25
Diesel	1,566.70	1,809.06	1,847.73
Natural gas	40,493.80	40,620.54	47,390.53
LPG	771.90	2,513.61	2,020.39
Gasoline (pure)	18,042.00	22,637.44	13,331.61
Renewable sources	8,536.80	6,837.66	8,200.96
Anhydrous ethanol	3,745.00	0.00	3,428.98
Ethanol	4,629.40	6,837.66	4,479.48
Biodiesel (B100)	162.50	0.00	292.50
TOTAL FUEL CONSUMPTION	69,411.20	74,418.31	72,791.21
Energy consumed (GJ)	2022	2023	2024 <sup>3</sup>
Electricity	165,859.90	249,686.46	171,795.60
Heating	-	-	-
Cooling	-	-	-
Steam	-	-	-
TOTAL ENERGY CONSUMED	165,859.90	249,686.46 <sup>4</sup>	171,795.60

Notes:

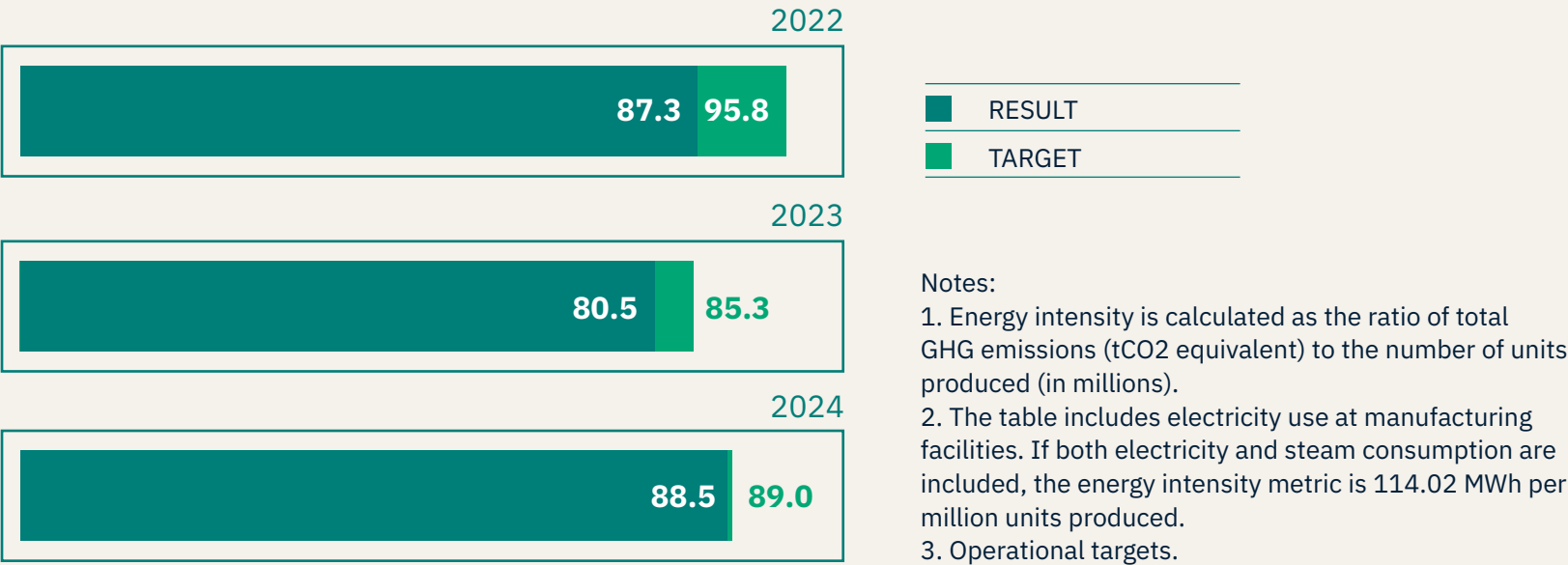
1. Energy consumed in Boticário Group’s operations is measured using energy meters that track consumption via the Orange energy management platform.

2. Conversion factor from MWh to GJ: 3.6.

3. In 2024, international stores were not included in the inventory, and no surplus electricity was sold.

4. 100% of total purchased electricity came from wind sources, and this was verified via corresponding renewable energy certificates (I-RECs).

## Energy Intensity<sup>1, 2, 3</sup> GRI 302-3



## Reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives (GJ)<sup>1</sup> GRI 302-4

Types of energy sources reduced	2023	2024
Nonrenewable fuels	1,655,915	0
Renewable fuels	0	0
Electricity	76	0
Heating	0	0
Cooling	0	0
Steam	0	0
TOTAL	1,655,991	0

Note:  
1. Energy consumed in Boticário Group’s operations is measured using energy meters that track consumption via the Orange energy management platform.

## ADAPTATION

Boticário Group’s climate adaptation strategy combines traditional engineering with nature-based solutions (NbS) that harness ecosystem services to address urgent challenges like water scarcity and the increasing severity of climate events such as floods.

Our 2024 Climate Transition and Adaptation Plan is focused on identifying, prioritizing, and monitoring physical climate risks—such as heatwaves, flooding, storms, and drought—that affect both our operations and nearby communities. Our strategy takes a multidisciplinary approach comprising interventions over short-, medium-, and long-term horizons, in collaboration with the Boticário Group Foundation.



# Boticário Group Foundation

GRI 304-3

Fundação  
GrupoBoticário



In 2024, the Boticário Group Foundation refined its strategy with the launch of its 2030 roadmap, with a sharper focus on climate adaptation. The new strategy is built around two main pillars: water security—with special emphasis on public water sources—and coastal and marine resilience.

Throughout the year, the Foundation translated this focus into practical initiatives. One example was an open call for proposals within its “Solutions Web,” targeting projects in the Paraná portion of the Great Atlantic Forest Reserve. Conducted in partnership with institutions such as the Southern Regional Development Bank (BRDE) and Fundação Araucária, the initiative sought innovative and practical solutions to promote ecotourism, climate resilience, and the strengthening of traditional communities in the region.

*Movimento Viva Água* continued to implement conservation and sustainable entrepreneurship projects in the Miringuava River Basin (Paraná) and the Guanabara Bay watershed (Rio de Janeiro). In 2024, the Foundation also announced the initiative’s expansion starting in 2025, with two new locations: Greater São Paulo and Salvador.

A landmark study on the economic potential of blue carbon in Brazil’s mangroves—conducted in

partnership with the Cazul project—highlighted the critical role of these ecosystems in coastal resilience, climate adaptation, and atmospheric carbon removal. At COP16 on Biodiversity (Colombia), the latest volume of the *Oceano sem Mistérios* (Ocean Without Mysteries) series was released. It revealed that Brazil’s mangroves store 1.9 billion metric tons of CO<sub>2</sub> with a potential to generate R\$ 48 billion in carbon credits. Another highlight of the year was the conclusion of the Nature-Based Solutions (NbS) Accelerator for Cities program, in collaboration with WRI Brasil. The program mentored and funded ten sustainable urban development projects, connecting them to major investors. Together, these projects have the potential to benefit over 3 million people and avoid losses totaling approximately R\$ 1.65 billion. Four projects have already secured around R\$ 55 million in funding.

The Boticário Group Foundation works for the well-being of the planet and Brazilian society. Its initiatives align with and strengthen our ESG strategy through our Commitments for the Future (see [page 25](#)), amplifying our positive impact on biodiversity, water resources, and climate action.

BOTICÁRIO GROUP FOUNDATION BY THE NUMBERS:

34 years of activity	1,800 conservation solutions supported
178 new species of fauna and flora identified	15 million people benefited from watersheds protected by <i>Viva Água</i>
580 conservation sites benefited	299,000 hectares more effectively protected across 13 Brazilian states
11,000 hectares under direct protection in the Salto Morato (PR) and Serra do Tombador (GO) nature reserves	

Learn more about the Boticário Group Foundation’s initiatives [here](#).

# Waste Management GRI 306-1

Boticário Group is committed to minimizing the environmental impact caused by waste from our direct operations. To meet this commitment, we have developed strategies and initiatives to promote more responsible consumption practices, such as reducing waste intensity per unit sold and advancing packaging recycling and circularity. To support these efforts, Boticário Group’s waste management approach combines clear, specific, and detailed targets with plane-language communication and collective engagement.

In 2024, we expanded and deepened our circular economy efforts, embedding them further into our business strategy. A key development in 2024 was the inclusion of waste-related performance metrics

in our company-wide Profit-Sharing Program (PPR), extending what was previously a leadership-only KPI (since 2021) to all employees. This helped drive greater organization-wide engagement and ownership of waste reduction.

We also work to influence our supply chain and broader ecosystem to adopt more sustainable practices. Key initiatives geared to suppliers include training and engagement through our Partner Assessment and Development Program (PADP) (see [page 140](#)).



## Our Commitment

Minimize the environmental impact from waste generated in our direct operations by reducing waste volumes, supporting recycling initiatives, and implementing circular packaging systems.

**OPERATIONAL WASTE** GRI 306-2

We implement projects at our facilities to prevent waste generation by optimizing material use in manufacturing and logistics and pursuing reuse opportunities whenever possible. Where waste generation is unavoidable, we use low-impact disposal methods such as recycling and energy recovery whenever possible. Other options, like landfilling or incineration, are used only when material recovery is not technically feasible. In 2024, 96% of the waste generated at our manufacturing sites and distribution centers was recycled.

Waste produced in our operations is collected by specialized contractors, ensuring efficient handling from scheduling to final disposal in compliance with contractual and legal requirements. Daily tracking is supported by weighing systems, which provide visibility into material flows and support continuous improvement.

In 2024, Boticário Group adopted NBR 17100—a Brazilian standard issued in 2023—for waste generation control. This standard establishes common terminology and has affected the figures reported in this publication.

Aligned with market best practices and our updated Commitments for the Future, we also

increased the level of ambition of our related key performance indicator (KPI) in 2024, leading to a change in calculation methodology. Under the new definition, “recycled waste” includes materials sent for recycling, reuse, or energy recovery, as defined by NBR 17100. Incineration is no longer counted as recycling.

# Waste Management

Boticário Group’s waste management strategy aims to reduce environmental impact and contribute to public health. This includes initiatives to reduce waste generation and mainstream compliant waste segregation and disposal through awareness raising and packaging reverse logistics and circularity programs.



MAY/2025

## Waste management, in metric tons (t)<sup>1, 2, 3, 4</sup>

GRI 306-3, GRI 306-4 and GRI 306-5

	2022	2023	2024
HAZARDOUS WASTE <sup>5</sup>			
Preparation for reuse	0.2	244.4	0
Recycling	568.3	342.3	757.6
Co-processing	714.6	238.4	1,384.4
Incineration (without energy recovery)	125.8	243.1	267.8
TOTAL	1,408.9	1,068.3	2,409.76
NONHAZARDOUS WASTE			
Preparation for reuse	126.8	3,338.1	123.0
Recycling	4,377.8	5,334.6	7,002.4
Co-processing and/or composting	2,329.5	1,050.1	3,790.9
Incineration (without energy recovery)	8.9	20.6	7.0
Landfilling	193.4	311.8	276.4
TOTAL	7,036.4	10,055.1	11,199.5
GRAND TOTAL	8,445.3	11,123.5	13,609.3

Notes:

- 1. Waste composition and management data (in metric tons) were consolidated based on 2024 waste monitoring and control records. Materials were classified into Class I and Class II and categorized by disposal method, in accordance with NBR 17100.
- 2. All waste disposal is conducted off-site.
- 3. Data covers operations in: São José dos Pinhais, Camaçari, Registro, São Gonçalo dos Campos, Serra, Varginha, Campina Grande do Sul (distribution center), and São José do Rio Preto (plant and distribution center).
- 4. A total of 3,393.90 metric tons of waste was avoided in 2024 through project initiatives.
- 5. No hazardous waste was directed to disposal.

## Waste management

	2022		2023		2024	
	Actual	Target	Actual	Target	Actual	Target
Recyclability (Total recycled at manufacturing facilities and distribution centers/ total generated) <sup>1</sup>	97.7%	95.0%	97.0%	96.0%	96.0%	90.1%
Waste intensity at manufacturing sites (metric tons per million units produced)	25.1	24.4	26.8	21.8	28.0	20.8

Note:

1. Restatement of information: In the description of this information in our 2023 ESG Report, the recyclability rate calculation was presented with the ratio inverted (total generated / total recycled in manufacturing facilities and distribution centers). The reported figures were calculated correctly and have not changed. [GRI 2-4]



# Waste Circularity GRI 3-3

The Boticário Group promotes circular economy practices across the value chain, helping to reduce waste generation by recycling or repurposing packaging.

## Procurement, Product Development (R&D) and Category Marketing

/ Investment in R&D and technologies to incorporate sustainability attributes in products, with governance supported by decision-making tools (ESG Score) and assessment methodologies (Life Cycle Assessment [LCA] and Sustainability Index).

/ Reduction of waste volumes and incorporation of post-consumer recycled material (PCR):

- Our SpongeBob product range uses bottles made of highly biodegradable post-consumer recycled polyethylene (PE PCR)
- Our Arbo product range features caps made from recycled cooking oil
- Refill formats for fragrances reduce packaging use by 89% compared to the original packaging, saving 90 metric tons of waste annually

/ Created the **Elo ESG task force**, to engage and train buyers in promoting sustainable practices among our partners

/ Expanded our **Factory Price Station** program supporting the recycling chain, with a 74% year-on-year increase in collected recyclable materials

## Cooperatives and Recyclers

/ In partnership with Yattó, Boticário Group works with 14 cooperatives, providing oversight through annual visits and assessments against strict criteria to drive sustainable partnerships aligned with our goals

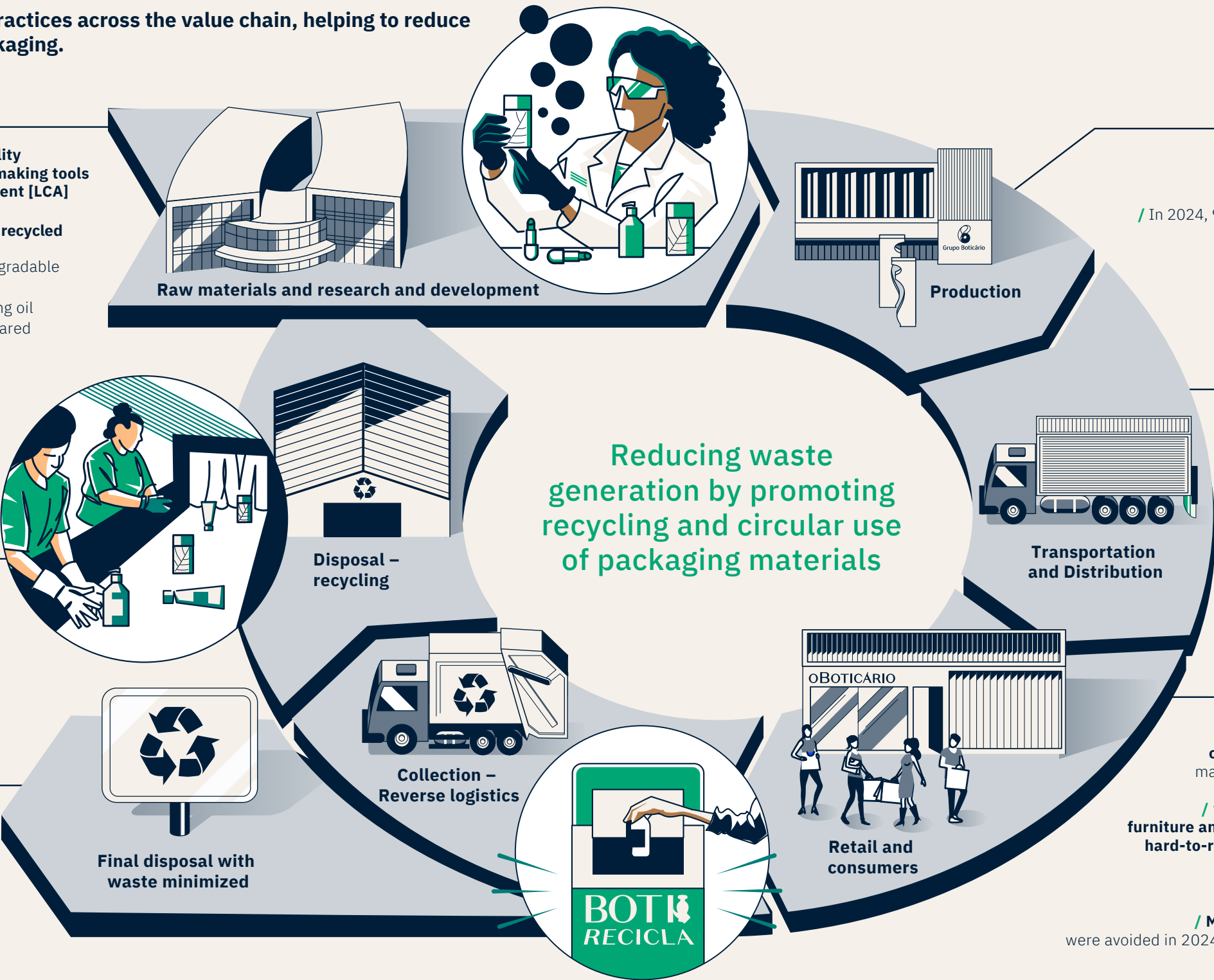
/ In 2024, improvements were implemented in data and cooperative management, enhancing integration between cooperatives and the Group and optimizing operational support

## Reverse logistics programs

/ Proprietary reverse logistics programs implemented across consumer brands and direct sales channels, supporting the collection, recycling, and proper disposal of post-consumer packaging

/ 4,500+ *Boti Recicla* drop-off points

/ Boticário now accepts packaging from all brands of fragrances, cosmetics, and personal care products on the market



## Operations – factories and distribution centers

/ Eco-efficient operations guided by the 3Rs: reduce, reuse, and recycle

/ In 2024, 96% of all waste generated at our factories and distribution centers was recycled

/ The Registro distribution center has maintained Zero Landfill status since 2022

## Logistics, Transportation, and Distribution

/ In 2024, Boticário Group's project to reuse boxes and lids for transporting products between factories, distribution centers, and retail locations saved 2,450 metric tons of waste.

/ Expanded our supplier-oriented reuse program (industrial symbiosis): the Wheaton Project enables us to return cardboard boxes used for glass packaging delivered to Boticário Group to the supplier for reuse in its distribution process.

## Retail and consumers

/ We have opened around 40 sustainable container-format stores made from recycled materials, with the 100th unit launched in 2024

/ 128 Boticário Group stores already feature furniture and/or walls made from recycled plastic and hard-to-recycle waste such as fabric and Styrofoam

/ 72,000+ metric tons of plastic were avoided through the use of paper bags

/ More than 1,300 metric tons of paper waste were avoided in 2024 thanks to efforts to digitize communications with our reseller network

TRAINING AND ENGAGEMENT GRI 3-3

Boticário Group has made continuous progress in training and internal initiatives to promote circular economy practices throughout our ecosystem.

This training drive was launched in 2022 with educational livestreams for corporate audiences<sup>1</sup>. In 2023, outreach was expanded to include operations (manufacturing sites and distribution centers) and retail employees. In the past year, in addition to maintaining ongoing training programs, we launched a gamified campaign to encourage consumers to return of post-consumer packaging at drop-off points.

To expand awareness and engage franchisees, Boticário Group launched a 12-video series on applying sustainability practices in franchise networks.

In addition, in 2024, the topic of recycling was featured in our “IAF Cast” podcast, created to promote knowledge-sharing among franchisees and strengthen network-wide engagement in reverse logistics programs.

Note:  
1. Boticário Group administrative employees.

LANDFILL-FREE COMMITMENT

Our Landfill-Free initiative is now embedded into Boticário Group’s waste management process—waste is sent to landfills only when material recovery is technically unfeasible.

CIRCULAR ECONOMY IN MANUFACTURING OPERATIONS

Boticário Group applies circular economy principles across the entire value chain—from product design to post-consumer reverse logistics—supporting eco-efficient production and continuous improvement. In our operations, we prioritize waste prevention, recycling (96% of total generated waste<sup>1</sup> was recycled) and, lastly, compliant disposal.

BOOMERANG PROJECT

This is an umbrella initiative aimed at reducing waste at the source. One example is a partnership with suppliers to implement circular practices that eliminate packaging waste in the production chain—such as by using reusable shipping boxes, containers, and plastic trays—extending the life cycle of these materials.

GO.SUPER PROGRAM

This operational management system, based on the World Class Manufacturing (WCM) methodology, drives excellence by engaging employees in minimizing losses, including waste. In 2024, the program’s sustainability focus was on enhancing the accuracy of waste data.

CARDBOARD SHREDDING AT DISTRIBUTION CENTERS

Boxes and lids that cannot be reused are shredded and repurposed to cushion products during transport from distribution centers to stores, reducing the need for kraft paper. In 2024, around 270 metric tons of cardboard were reused through this initiative.

In 2024, over 3,000 metric tons of waste materials were avoided thanks to Boticário Group’s circular economy initiatives



MAY/2025

## BOTICÁRIO GROUP REVERSE LOGISTICS PROGRAMS

Launched in 2006 in O Boticário stores, *Boti Recicla* has become the largest reverse logistics program in the Brazilian cosmetics sector in terms of number of drop-off points. The volume of packaging collected and sent to recycling cooperatives has seen constant growth, with an 85% increase in 2024 compared to 2023. In 2024, the program had more than 4,500 drop-off points that receive packaging from any cosmetics brand, benefiting over 500 recyclable material collectors across the country.

In addition to *Boti Recicla*, Boticário Group is a member of the *Mãos pro Futuro* Program (ABIHPEC), and operates the *Recicla Quem Disse, Berenice?* program and a program for resellers, which also collect empty post-consumer packaging and retail materials. These are sent to 15 recipients, mostly certified cooperatives, which are responsible for sorting and properly disposing of the waste.

These programs require a shared commitment from each stakeholder—consumers, retailers, transporters, and cooperatives—each of which plays a key role in advancing advance post-consumer reverse logistics. To strengthen this effort, several engagement and training initiatives were implemented in 2024 for the stakeholders involved.

Boti Recicla increased its visibility and consumer engagement, enhancing awareness of its initiatives. A partnership with Google boosted search volume for the program and reinforced the brand's position as an agent of positive impact.

Communication efforts—such as a campaign that altered the opening of the TV series *Renascença* for one day, and media coverage of sustainability initiatives—further increased public engagement with Boticário Group's programs. As a result, a survey by Instituto Locomotiva indicated a 4 percentage point increase in program awareness and a 7 percentage point rise in consumer engagement. Another consumer awareness initiative related to reverse logistics was the launch of the *Extinto* movement (see [page 87](#)).

*"Boti Recicla provides a huge upside for sales. It not only helps the environment, but also reinforces our values and brings us closer to our customers and resellers."*

A Boticário Group franchisee

CIRCULAR ECONOMY IN STORE CONSTRUCTION

Some of the collected materials we repurpose in store construction include metal profiles and sheet used for walls and furniture, recycled plastic, and difficult-to-recycle waste materials such as fabrics and Styrofoam. **These materials are now part of the interior design of 128 O Boticário stores.**

Since 2020, we have also been rolling out sustainable store formats built using repurposed shipping containers. Each unit incorporates, on average, one metric ton of post-consumer plastic waste—some of it sourced from our own programs.

These container stores are engineered to be 50% lighter and 40% more thermally efficient than conventional stores, helping to reduce energy consumption.

A key challenge in our waste strategy is ensuring active consumer and reseller participation in returning used packaging to drop-off points. The current model depends on continued innovation and engagement to remain scalable and effective.

At yearend 2024, we opened our 100<sup>th</sup> sustainable store, with over 100 metric tons of recycled plastic now incorporated into our retail structures

RELATIONSHIPS WITH RECYCLING COOPERATIVES

Boticário Group manages relationships with recycling cooperatives in partnership with Yattó, a specialist in circular economy and reverse logistics. Yattó oversees the approval of new cooperatives and conducts annual site visits to review compliance and performance criteria. This monitoring informs decisions about whether to maintain partnerships and helps identify opportunities for support and development, ensuring alignment with Boticário Group’s sustainability goals.

Cooperatives are assessed based on technical and legal performance indicators, documentation



reviews, and technical aspects such as site infrastructure. These strict due diligence and compliance protocols help establish reliable and sustainable partnerships.

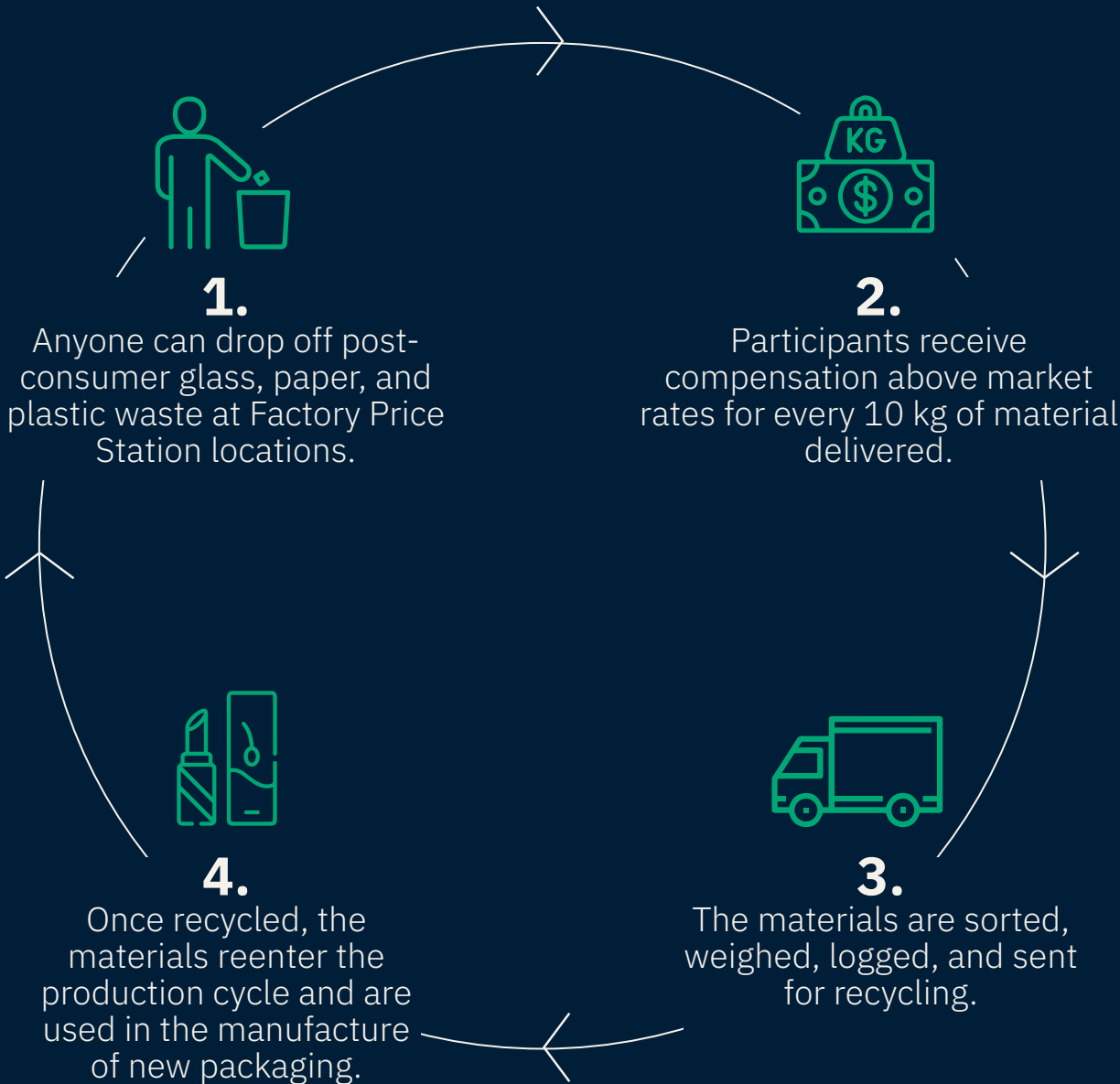
In 2024, improvements in data management supported a more efficient and structured tracking system. Dashboards now allow monthly monitoring of material volumes received from each cooperative, along with breakdowns by material type.



# Factory Price Station

This initiative, led by Boticário Group in partnership with circular economy startup GreenMining, is designed to strengthen Brazil’s recycling ecosystem and advance the circular economy. The program installs drop-off stations for recyclable materials—glass, plastic, and paper—and ensures that all collected items are properly routed for recycling. To expand glass recycling, Boticário Group has developed partnerships with glass packaging manufacturers to create a closed-loop system by recycling the collected material into new packaging. In addition to advancing the circular economy, the project generates positive social impact by purchasing materials from and providing new revenue streams to local communities, while strengthening the recycling value chain in Brazil. In 2024, the program expanded to include a sixth unit in Juiz de Fora (Minas Gerais), joining existing locations in the states of Bahia and São Paulo. As a result, the volume of waste collected in 2024 increased by 74% compared to the previous year.

## HOW DROP-OFF STATIONS WORK





MAY/2025

## GIFT PACKAGING [CG-HP-410A.2](#)

Since 2021, the gift packaging used by Boticário Group brands—including boxes and shopping bags—has included post-consumer recycled (PCR) materials. In partnership with packaging supplier Antilhas Embalagens, we have continued to invest in research to increase the recycled content in paper-based packaging. In 2024, these efforts supported the use of 30% PCR content in gift packaging paper—a 10 percentage point increase over the previous year—demonstrating our growing commitment to the use of sustainable materials.

Approximately 1,500 metric tons of recycled materials were used in the production of new gift packaging in 2024, reducing the need for virgin materials and helping to drive the circular economy.

## PROMOTING DIGITALIZATION AND REDUCING PRINTED CATALOGS

To drive sustainability and innovation, we encourage our resellers to adopt digital tools such as *Minha Loja Digital* (My Digital Store) and our digital catalog, a low-impact way of presenting products to consumers. In 2024, digital catalog uptake increased significantly, with 67% of resellers opting for the more sustainable alternative. This shift has contributed to a continued decline in printed catalog use.

---

Using recycled packaging materials alongside digital tools furthers our commitment to reducing waste generation and advancing the circular economy

---

\*\*Materials used and recycled in the production and packaging of main products and services (t)\*\*<sup>1</sup>

GRI 301-1, 301-2 and CG-HP-410a.1

	2022						2023						2024					
	Non-renewable materials		Renewable materials		Recycled materials		Non-renewable materials		Renewable materials		Recycled materials		Non-renewable materials		Renewable materials		Recycled materials	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Product formulation <sup>2</sup>	17,212	70%	7,391	30%	-	0	61,449	63%	22,736	37%	-	0%	71,189	74%	25,098	26%	-	0%
Packaging	6,103	13%	42,598	87%	1,416	3%	49,674	84%	9,295	16%	2,616	4%	37,838	85%	6,945	16%	2,563	6%

- Notes:
- 1. In product formulations, raw materials of plant-based or biotechnological origin were classified as renewable. Synthetic, mixed-origin, or animal-based ingredients were classified as non-renewable.
  - 2. No recycled raw materials are currently used in product formulations.

\*\*Percentage of packaging, by weight, that is recyclable, reusable, and/or compostable (t)<sup>1</sup>

GRI 301-1 301-2 CG-HP-410a.1

	2023				2024			
	Primary packaging		Secondary packaging		Primary packaging		Secondary packaging	
	Total	%	Total	%	Total	%	Total	%
Total weight of packaging purchased and/or produced	50,660	86%	8,308	14%	37,065	83%	7,717	17%
Reusable packaging	10,165	100%	-	0%	1,809	4%	121	0%
Recyclable packaging	55,916	95%	3,052	5%	36,805	85%	7.685	17%
Biodegradable packaging	-	-	-	-	-	-	-	-

- Note:
- 1. Boticário Group does not currently use biodegradable packaging due to traceability challenges and the risk of contamination. This is being addressed through our I.A.R.A® 2.0 project, which is assessing the biodegradability of packaging materials.



# Water and Effluent Management

Boticário Group’s water stewardship initiatives span the entire value chain—from the design of more sustainable, biodegradable product formulations (see Product Quality and Safety, [page 93](#)) to day-to-day operations at production sites. Each step is designed to contribute to our broader sustainability strategy. Our target to reuse at least 90% of the water generated in manufacturing operations by 2030 is highly ambitious, but we are well-positioned to achieve it.

One key practice has been internal benchmarking between the São José dos Pinhais (PR) and Camaçari (BA) manufacturing facilities. While each site is operationally and administratively unique—with this including differences in product mix—we are continuously refining our metrics and assumptions to ensure comparability and alignment in our water reuse strategy across sites.

## Water Stewardship

Water stewardship entails the efficient and responsible use of water resources, balancing industry needs with environmental conservation and social responsibility. This includes practices such as consumption control, water treatment and reuse, watershed conservation, and the deployment of technologies to reduce waste and improve water efficiency.



## Our Commitment

To improve water efficiency across operations and generate a positive impact in priority watersheds that are critical both to our business and to society.

WATER USE AND DISCHARGE

GRI 303-1, 303-2, CG-HP-140A.2

Across Boticário Group, water sourcing varies by site and includes both utility systems and on-site wells. Water is used in production processes, facility maintenance, and employee activities. We also invest in water treatment and reuse systems.

Water-related considerations are factored starting from product formulation, using the I.A.R.A® (Environmental Risk Assessment Index) tool (see page 77). Our risk mitigation strategies include monitoring consumption in manufacturing processes and assessing water availability, with consideration given to potential climate change impacts. To predict water scarcity risks, Boticário Group partners with specialized consultancies that use satellite data to analyze vulnerable areas, helping to map both risks and opportunities for water resilience.

Our effluent monitoring and management practices follow strict environmental regulations. At our São José dos Pinhais site, effluent discharges comply with the local utility’s published standards for the sewer system and with those published by Instituto Água e Terra (IAT) for surface water discharge. At our Camaçari (BA) plant, effluent parameters are outlined in the current operating license. Both sites follow Conama Resolution 430 and other applicable state and municipal regulations. Boticário Group has also implemented detailed internal procedures to ensure compliance—outlining quality standards, monitoring frequencies, and corrective actions in case of non-compliance.

Water reuse, monitoring, and responsible effluent management help ensure efficient use of water resources

Water withdrawal, consumption, and discharge<sup>1, 2, 3</sup>

GRI 303-3, GRI 303-4 and GRI 303-5, CG-HP-140a.1

Water withdrawals, by source (ML)	2021	2022	2023	2024
Water utility	104.30	109.30	107.86	87.93
Wells	104.90	171.00	233.11	260.75
Harvested rainwater or recycled water	55.90	65.90	43.38	62.98
Total water withdrawal	265.20	346.20	384.35	411.65
Water discharge, by destination (ML)	2021	2022	2023	2024
Water bodies	-	40.3	49.04	46.12
Sanitation utilities	-	77.2	101.49	148.91
Total water discharge	-	117.4	150.52	195.02
Water consumption, by source (ML)	2021	2022	2023	2024
Recycled water	55.90	65.90	43.38	62.98
Other sources	209.20	280.30	340.97	348.68
Total water consumption	265.10	346.20	384.35	411.65

Notes:  
1. All reported volumes refer to freshwater. There are no water withdrawals or discharge in high water-stress zones. Tool used: Aqueduct – Water Risk Atlas.  
2. The data were collected via water meters at manufacturing facilities and manual readings at distribution centers, then compiled into control spreadsheets.  
3. Figures from previous years were adjusted to align with the 2024 reporting methodology.



MAY/2025

**SÃO JOSÉ DOS PINHAIS PLANT**  
Photo credit: Boticário Group archives

## WATER REUSE

In addition to using reclaimed water for toilet flushing, floor, sidewalk, and façade washing, and grounds irrigation, in 2024 Boticário Group began using reclaimed water for processes such as boiler systems, following successful upgrades to the Reclaimed Water Treatment Plant at the São José dos Pinhais (PR) facility in 2023. This has helped us to meet the targets under our SLB (Sustainability-Linked Bond, see [page 48](#)) issued in 2023.

Another milestone in 2024 was the approval and start of construction of two new equalization tanks for the effluent station, which will support continued internal water reuse in operations. A key challenge in 2024 was accommodating increased production, which significantly raised the volume of effluent generated. This placed added pressure on the wastewater treatment plant, requiring stricter control to ensure treated effluent continued to meet all quality standards before being sent to the reuse station.

## ENVIRONMENTAL RISK ASSESSMENT INDEX (I.A.R.A.®)

Water remains a top priority among the sustainability attributes of our product portfolio. We use I.A.R.A.® (Environmental Risk Assessment Index; see [page 92](#)), a tool developed by scientists and experts, to support these efforts. The tool is continuously evolving, and with the integration of data science, environmental impact and biodegradability calculations are now automated. Starting in 2025, I.A.R.A.® will undergo third-party external assurance.

Fundação  
GrupoBoticário

# viva água

Created by the Boticário Group Foundation, *Viva Água* is now a national multi-stakeholder platform to promote water security and climate change adaptation in strategically important water sources across Brazil. The initiative has been implemented in the Miringuava River Basin (Paraná) and the Guanabara Bay watershed (Rio de Janeiro), supporting conservation and sustainable entrepreneurship.

In 2024, as the program advanced toward national expansion, the teams working in Miringuava and Guanabara were integrated—fostering a rich exchange of know-how and experiences. Also in 2024, the initiative announced it would expand into two additional territories in 2025: Greater São Paulo (SP) and Salvador (BA). By 2030, *Viva Água* will comprise six local initiatives coordinated under a national governance model.

Since its launch in 2019, the program has engaged over 50 organizations across all sectors of society. It has benefited approximately 15 million people through the protection of water sources spanning more than 180,000 hectares and has raised around R\$ 27 million through philanthropic funds and complementary fundraising efforts.

## WATER DYNAMICS STUDY – CAMAÇARI

In 2024, we conducted a study on the water dynamics of the Camaçari industrial hub (Bahia), home to one of Boticário Group’s operational sites. The study provided a better understanding of how water is used and shared within the region, serving as a decision-support tool for both our own operations and other water users in the area.

## Water

Water Management	2022	2023	2024
% reuse / total consumed	19%	12%	18%
(Relative) water volume in direct operations - manufacturing facilities (m³/metric ton produced) <sup>2</sup>	5.00	5.51	5.22

Notes:  
1. Target 2024: 15%. Target 2025: 34%  
2. Target 2024: 5.3 m³/metric ton produced. Target 2025: 4.95 m³/metric ton produced



MAY/2025

## GOTA PROGRAM

Launched in 2023, the *Gota* program is designed to centralize and integrate all water efficiency initiatives across Boticário Group's operations. The program has delivered significant savings at zero cost by optimizing water balance—that is, the relationship between withdrawal, consumption, reuse, and discharge.

Key outcomes include reduced setup times at the purified water station in Camaçari, automation of cleaning processes in São José dos Pinhais, and the use of reclaimed water in boilers. Altogether, these initiatives generated water savings of over 3%. This progress was supported by a newly established Industrial Water Committee, which monitors key water consumption metrics in real time. In São José dos Pinhais, 48 water meters support rapid detection of unusual consumption patterns, enabling technical teams to respond immediately to investigate and resolve issues.

## CHALLENGES AND OPPORTUNITIES

Although we have made strong progress in cross-functional collaboration and internal communication, one ongoing challenge is engaging all levels of our operations so that every team understands the importance of their role and how it contributes to broader goals.

On the other hand, there are major opportunities to accelerate progress toward targets. The rise of digitalization and data-driven decision-making is transforming operational efficiency. Stronger integration with suppliers and contractors also offers the potential to extend sustainable practices beyond our fence line.

---

Water efficiency and sustainability are  
the core goals of our *Gota* program

---



MAY/2025

# Biodiversity and Ecosystems

GRI 304-2

Boticário Group is keenly aware of the accelerating loss of biodiversity in Brazil and the urgent need for action. We are committed to reducing negative impacts, adopting regenerative economic practices, sourcing raw materials that do not harm biodiversity, and addressing long-term sustainability considerations. Key strategies include supporting the creation of protected areas, restoring degraded habitats, promoting sustainable agricultural practices, and implementing offset mechanisms such as ecological restoration projects and payment for ecosystem services (PES) programs.

To measure significant impacts from our activities, products, and services on biodiversity, Boticário Group uses the Life BSE Matrix for ecosystem services impacts and dependencies—based on the Life Methodology—and the Natural Capital Protocol. This approach supports the collection of site-specific qualitative and quantitative data, including area, water, energy, emissions, and waste.

Using the Life BSE Matrix, we identify opportunities to conserve Critical Natural Capital, assesses biodiversity impacts across our value chain, and engage suppliers around sustainable practices.

In 2024, we made further progress toward our goal of achieving a net positive impact, reaching 25% of the target. We successfully maintained Life Certification for our São José dos Pinhais site and secured certification for the Camaçari site. Reinforcing our commitment to transparency, we are also presenting—for the first time in this report—our Taskforce on Nature-related Financial Disclosures (TNFD) report, available on [page 165](#). We plan to expand this process to other sites, leveraging existing projects led by Boticário Group and our Foundation in each location.



## Our Commitment

Enhance the conservation of biodiversity and respect for wildlife.

As a pioneer in applying the Life methodology in Brazil, Boticário Group is also one of the first companies in the country to adopt the TNFD recommendations on disclosing nature-related environmental impacts, dependencies, risks, and opportunities.

These disclosures supplement our CDP disclosures on water, climate change, and forests—and now include biodiversity and plastics, an area in which Boticário Group is a recognized thought leader.

Boticário Group does not introduce invasive species, pests, or pathogens and we have found no evidence of species decline caused directly or indirectly by our activities. Our raw material sourcing practices

follow strict criteria based on international lists and monitoring sources for human toxicity, endangered species, and substances of concern, which are removed from the supply chain when necessary.



# Biodiversity

Biodiversity refers to the variety of life forms on Earth, including animals, plants, and microorganisms. Biodiversity decline—driven by habitat destruction, pollution, and climate change—threatens vital ecosystem services such as pollination and climate regulation, which in turn impact human well-being and environmental sustainability.



MAY/2025

**PUMA**  
Photo credit: Haroldo Palo Jr.

STRATEGY

Biodiversity is incorporated among Boticário Group’s 2030 commitments, which include specific targets to drive continuous progress toward environmental goals. Our efforts largely focus on expanding and enhancing protected areas and conservation sites, and are led by the Boticário Group Foundation.

In 2024, through participation in technical workshops and advocacy efforts to define priority federal conservation sites, the Foundation influenced the creation and implementation of 299,910 hectares—roughly 15% of our 2030 target—of conservation sites across Brazil. This included the creation of four new sites in Pará, Amazonas, and Bahia, and a state-level conservation site in Paraná, as a result of the Foundation’s efforts to implement outcomes from supported projects. In addition, 12 conservation sites in 11 Brazilian states (PB, SC, TO, MA, GO, MG, RS, RJ, PE, PR and BA) received environmental offset funding for land titling—supported by the Foundation’s formal membership the ICMBio Technical Advisory Group, representing civil society. One conservation site in Bahia also received funding to implement its management plan, backed by a technical cooperation agreement between Boticário Group and the state’s environmental agency.

Using the Life BSE Matrix, Boticário Group identified the most critical components of natural capital for our operations (see box). This assessment helps guide the Group’s environmental commitments and informs decisions and initiatives focused on conservation and responsible use of natural resources.

Building on biodiversity and ecosystem efforts already advanced by the Boticário Group Foundation, we conducted a comprehensive mapping exercise in 2024, reviewing existing projects and identifying those that could support our targets.

The insights provided by this exercise informed our activities and helped to identify opportunities and internal impacts.

# Water as Critical Natural Capital

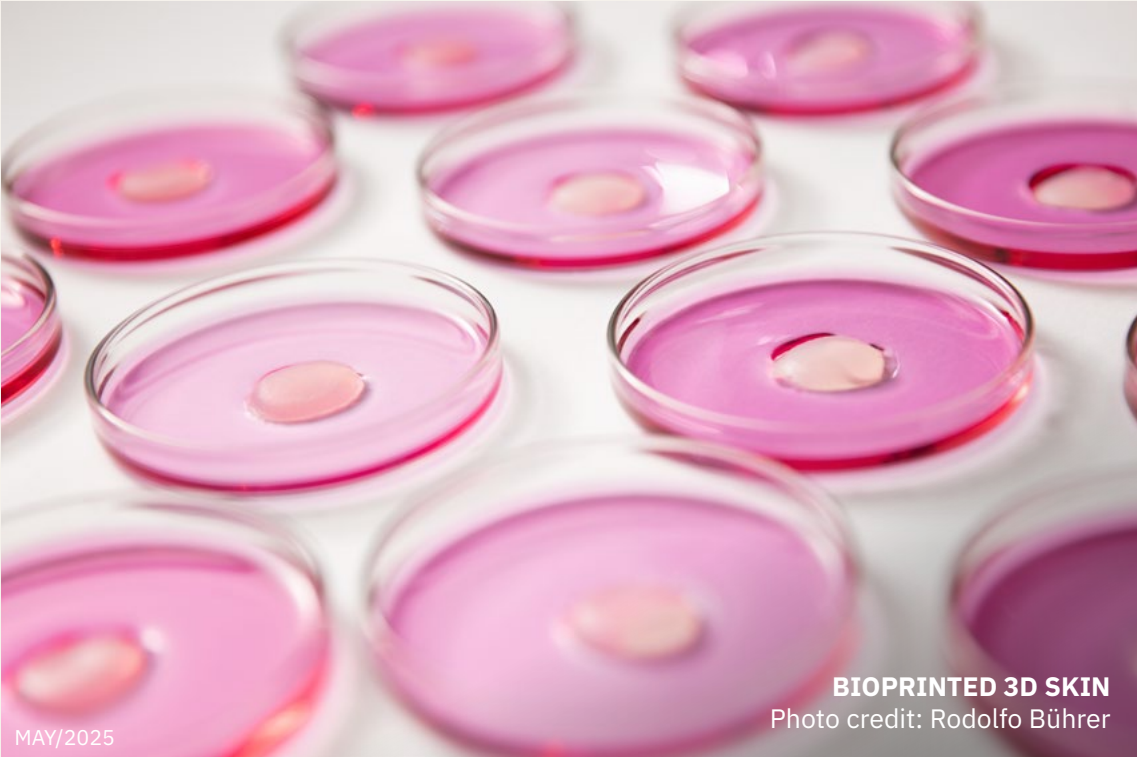
The Life BSE Matrix identified water as a form of Critical Natural Capital for Boticário Group. To mitigate impacts, we maintain strict controls over water quality and consumption in our production processes. In addition, we use the I.A.R.A.® tool to evaluate the impact of rinse-off cosmetics on aquatic ecosystems. As part of this effort, in 2024 we launched our first rinse-off products certified with the “Water-Friendly Formula” label and expanded our coral-safe sunscreen portfolio.

Learn more on pages [92](#) and [96](#).

---

Boticário Group is the world’s first cosmetics company to secure Life Certification

---



VEGAN PRODUCTS AND ALTERNATIVE METHODS

Boticário Group has pioneered the development of alternative methods and technologies for testing and product development. We were the first company in Brazil to create 3D Skin—an *in vitro* model that mimics human skin. Since 2000, we have not conducted animal testing and we continue to invest in research to improve our technologies, reduce resource consumption, and adopt more sustainable practices.

One of our standout innovations is the use of bioinformatics in product development, especially for screening and evaluating proprietary raw materials. Bioinformatics helps to predict a molecule’s potential,

significantly saving time and resources while enabling more targeted experimental validation.

Boticário Group has also made advances in developing and implementing new *in vitro* methods, such as the Sens-Ocular model for predicting eye discomfort and the BotiBabySkin model that simulates the sensitivity of infant skin. This latter model allows for more realistic and accurate testing of products intended for children. In addition, 3D bioprinting is being used to produce these models, supporting the inclusion of advanced features such as hair follicles—ultimately resulting in more complete and functional skin modeling.



Through innovation, Boticário Group has continued to make significant progress toward our goal of ensuring that 100% of our products are vegan by 2026

# Benefit Sharing

In compliance with our legal obligation to share benefits from the use of Brazilian biodiversity in our products, Boticário Group supports four projects that span most of the country’s biomes:

Name	Location	Description
Castanheiros do Unini	Barcelos (AM)	Strengthening the production chain; economic development and environmental conservation.
Projeto Pique	Barcelos (AM)	
Buriti dos Sertões de Minas	Montes Claros (MG)	
Buritizando	São Desidério (GO)	Strengthening the production chain through training and sustainable management focused on economic development and environmental conservation.

## COP16

At COP16, held in October 2024 in Cali, Colombia, biodiversity emerged as a growing priority on the global agenda—underscoring the urgent need for companies to develop clear, actionable strategies to address related challenges.

Boticário Group joined the business delegation of the Brazilian Business Council for Sustainable Development (CEBDS) and the Life Institute at COP16, which featured one of the largest business representations at the event. CEBDS, in which Boticário Group plays an active role, has been instrumental in bringing biodiversity to the forefront of corporate sustainability discussions.

During the previous conference, COP15 (2022), the Post-2020 Global Biodiversity Framework targets were established to guide global conservation efforts through 2030. Boticário Group’s initiatives contribute to several of these targets—particularly Target 14, through our involvement in initiatives and coalitions such as the Life Coalition, CEBDS, and the UN Global Compact; and Target 15, through our TNFD reporting, as encouraged in the framework.

## GLOBAL PRESENCE

In 2024, Boticário Group reached a new level of international visibility as a master sponsor of the 33<sup>rd</sup> Congress of the International Federation of Societies of Cosmetic Chemists (IFSCC)—a global organization that brings together professionals, companies, and researchers to drive scientific and technological progress in the cosmetics industry.

Boticário Group was represented by a team of scientists who presented 56 original research case studies and delivered four main-stage presentations. We also led the pre-congress biotechnology workshop, emphasizing how biotechnology, innovation, and consumer trends intersect to promote diversity and sustainability.



# Innovation and Technology for Sustainability



We continue to integrate ESG principles as a core component of our values and the guiding principles driving our projects and product portfolio.

## OPEN INNOVATION

Strategic integration of research, open innovation, and sustainability goals is essential in anticipating long-term challenges and achieving Boticário Group's 2030 commitments. The result of this integration is a beauty ecosystem that not only meets the expectations of an ever-evolving market but also drives positive change across the industry and in consumer behavior.

Boticário Group's Open Innovation team plays a key role in advancing our research efforts, fostering innovation through the provision of funding and strategic partnerships. This approach enables us to leverage external knowledge and expertise, working collaboratively with universities, science and technology institutes, suppliers, startups, and other stakeholders.

We see collaboration as a crucial driver for accelerating solution development. As part of this vision, we also invest in research grants by which we gain access to cutting-edge knowledge and projects aligned with market needs and our corporate strategy.

Notable collaborations include those with Braskem and leading universities, focused on developing new materials from renewable sources and advancing educational initiatives on circularity. An example of this approach is *Desafios de Inovação* (Innovation Challenges), an initiative in partnership with Sebrae-PR through its Link program, which held its first edition dedicated to Curitiba and the surrounding metro area. During the event, companies and startups connected through a reverse pitch format, where companies presented their internal challenges to find innovative solutions from the innovation ecosystem.

# Open Innovation

Open innovation is a collaborative process involving external partners—companies, startups, research institutions, government agencies, and academia—working together to co-develop innovative solutions for products, services, or processes. This approach harnesses external ideas and technologies to accelerate results, reduce costs, and foster creativity, cultivating a vibrant, collaborative ecosystem.



## DESIGNTHON

A key example of a strategic innovation collaboration was Designthon in 2024, a hackathon co-organized with the Federal University of Technology – Paraná (UTFPR). The event brought together university students and recent graduates in engineering and design to create inclusive and sustainable packaging for makeup products.

The challenge drew seven project submissions, with three finalists selected and one winning concept chosen. Boticário Group is currently evaluating the feasibility of implementing the winning idea internally. Some standout proposals included:

- **Hydrating foundation stick:** designed for users with motor or visual impairments, the packaging featured an enlarged grip area for better handling, along with reuse and refill features.
- **Mascara:** developed with accessibility in mind, the mascara featured an angled grip for ease of use by people with limited dexterity—moving away from the traditional smooth, cylindrical design. The reusable case also allowed for easy replacement of the refill component.

# 2024 Highlights

## Movimento Extinto

Pollution and improper waste disposal have been degrading landscapes around the world—not only altering how places look, but also how they smell. With this in mind, O Boticário launched *Movimento Extinto*, a bold awareness campaign featuring exclusive fragrances that are not for sale, but rather created as a wake-up call to society. Inspired by the scent of places before they were polluted, the initiative raises awareness about the urgent need to protect the environment—so that the ecosystems humanity depends on do not vanish.

The project began in Brazil, with a recreation of the original scent of Guanabara Bay in Rio de Janeiro before pollution took over. Using headspace technology, which captures aromatic molecules without harming the environment, scent experts reproduced the aquatic notes of the Bay, blended with floral hints of violet and jasmine, and woody elements from the surrounding forest. To engage the public, a giant bottle of *Extinto Brasil* was displayed at the Museum of Tomorrow in Rio de Janeiro.



MAY/2025

## Inclusive Accessories

In 2024, Boticário Group partnered with Mercur—a company known for developing mobility and rehabilitation products, such as orthotics and assistive accessories—to co-create a line of inclusive beauty tools. The goal was to meet the needs of individuals with physical disabilities, limited mobility, or reduced upper-body strength. Researchers, healthcare professionals, social workers, and people with disabilities were actively involved in every stage of the development process. This collaborative effort led to the creation of two innovative accessories:

- **Grip base:** when placed under a product, this non-slip base increases friction to make opening easier. It can also be used to help grip and open items such as perfumes, body creams, and hair products.
- **Grip Thickener:** a multifunctional attachment designed to thicken and lengthen product handles, making them easier to grasp. It supports pinching, gripping, and squeezing motions for application, and can be used with mascara, lipsticks, pencils, brushes, and more.

The accessories were distributed through a pre-registration process on Boticário Group’s website and made available for free at five designated O Boticário and Quem disse, Berenice? stores across Brazil. Additionally, donations were made to charities and organizations dedicated to supporting people with disabilities, amplifying the social impact of the initiative.



## Make B. – Articulated Accessible Makeup Brushes

In a groundbreaking initiative for the beauty industry, Make B.—the makeup brand by O Boticário—launched Brazil’s first line of accessible articulated brushes. Key features include:

- **An adjustable mechanism that allows users to extend, tilt, and rotate the brush 360°**, making application easier from various facial angles.
- **Tactile markings designed for individuals with visual impairments**, helping them identify brush types and their specific uses.
- **Ergonomic square-shaped handles in different sizes** that enhance grip stability and prevent brushes from rolling on surfaces.

## Smart Lipstick

Another highlight in 2024 was the continued progress on our Smart Lipstick project, a collaboration between our R&D and Diversity & Inclusion teams, with additional input from the *Beleza Livre* (Free Beauty) Community. Each stage of development incorporated insights from people with visual impairments and/or upper limb disabilities. Last year, the product was showcased at Boticário Group’s flagship store in the Pinheiros district of São Paulo, where it was tested over 15 days by focus groups that included blind influencers and consumers. Participants emphasized how the lipstick supports their autonomy and enhances their relationship with beauty. This real-world experimentation not only demonstrated Boticário Group’s commitment to inclusion but also provided valuable feedback for improving the product.



Though not intended for commercial sale, the Smart Lipstick product has benefited from over seven years of research and investment, generating intangible value by advancing conversations around accessibility and innovation in the beauty industry—positioning Boticário Group as a leader in this field. The project has also been featured at events such as the Gramado Summit, ANPEI Conference, and IFSCC. In 2025, it appeared at CES and SXSW—two of the world’s leading technology and innovation forums. Boticário Group received international recognition by winning the People’s Choice Award at the 2025 SXSW Innovation Awards—the only Latin American winner among 54 global finalists.



## Floratta Blue Refill Pilot

Between late 2023 and May 2024, Boticário Group ran a pilot program for refillable fragrance sales at its store in Barra Shopping, Rio de Janeiro, featuring Floratta Blue. Based on circular economy principles, the initiative allowed customers to return their used bottles and receive new, pre-filled bottles with 50 or 75 ml of fragrance. Due to Brazilian regulations prohibiting the direct reuse of packaging, the “Refill Sales” pilot was conducted in compliance with ANVISA's RDC 108/2005. The pilot used a swap system: customers handed in their old bottles and received brand-new ones. All collected bottles were sent to the Boti Recicla reverse logistics program, where the glass is repurposed into furniture and decorative items for stores.

## Sustainable Packaging

Boticário Group continues to affirm its sustainability commitment through innovative packaging solutions. In October 2024, we launched a SpongeBob product line featuring liquid soap bottles made from recycled polyethylene—a technically challenging feat. This was our first use of post-consumer recycled plastic (PCR PE) in one of our packaging solutions, saving over 6 metric tons of virgin material.

For our Arbo Puro deodorant cologne, the cap was made with second-generation polypropylene (PP), sourced from International Sustainability & Carbon Certification (ISCC)-certified renewable feedstock. This renewable PP is derived from used cooking oil and fats collected from the food industry and restaurants, replacing fossil-based virgin oil. The switch saved 11.68 metric tons of virgin raw materials, without disrupting Brazil’s well-established polypropylene recycling chain, and preserved full recyclability.

The initiative also reduced greenhouse gas emissions based on the mass balance approach. The new cap emits 51% less carbon dioxide (CO<sub>2</sub>) equivalent compared to other caps in the Arbo deodorant cologne portfolio.

## Lily Gardênia Launch

Boticário Group’s biotechnology projects reflect our ongoing commitment to minimizing environmental impact. By replicating molecules or cells, biotechnology makes it possible to access high-quality raw materials without extracting them directly from nature—helping ease pressures on natural resources.

In 2024, we launched Lily Gardênia, a fragrance developed using a proprietary technology called inflower heart. This method extracts essential oils from lily and gardenia flowers using processes that reduce environmental impact while enhancing ingredient quality.



PRODUCT STRATEGY AND INTELLIGENCE

Boticário Group’s Product Strategy and Intelligence team conducts ongoing quantitative and qualitative research with consumers to evaluate their perceptions of both our own products and those of our competitors—including views on ESG-related attributes. The primary goal is to understand how consumers perceive sustainability, diversity, and inclusion, and whether our initiatives and product attributes are being recognized as intended. This ongoing effort spans all product categories and reaches approximately 10,000 consumers per category.

LABORATORY OF THE FUTURE

Established in 2022 as Boticário Group’s Research and Innovation Center, the Laboratory of the Future (renamed in 2024) continues to lead R&D projects focused on biodiversity through two core initiatives: *Quintana Herbal*: research on over 50 plant species to develop new ingredients; and *Quintana Lab*: a laboratory equipped with cutting-edge technology to develop plant-based raw materials.



ÂNFORA STORES AND SUSTAINABILITY

The sustainable innovation initiatives introduced in Boticário Group’s Ânfora store format in 2024 exemplify how we are integrating innovative practices into retail, including the use of eco-friendly materials, reverse logistics, and eco-efficient design elements. Sustainable features implemented in 2024 included:

- 3D printing with recycled plastic: used to create store signs and lighting fixtures—bringing innovation while upcycling materials.
- Eco Board: developed in collaboration with Mão Colorida, this material is made from recycled packaging and is upcycled into store furniture.
- Sustainable decommissioning: all furniture renovation and disposal processes follow recycling guidelines, delivering on our commitment to circular economy principles.

ESG ATTRIBUTE TRACKING

Boticário Group invests in R&D to create highly sustainable and innovative products and packaging. To measure and demonstrate the impact of these initiatives—particularly in environmental and social dimensions—we use robust tools and methodologies, featuring clear and quantitative metrics. Examples include: ESG Score, ESG Analytics, Life Cycle Assessments (LCA), I.A.R.A Tech®, and the Product Sustainability Index.

ESG SCORE

An internally developed tool that we apply starting at the product concept stage to guide development in line with our “Commitments for the Future” (see [page 25](#)). The tool performs project analyses and evaluations based on environmental, social, economic, and diversity and inclusion attributes, providing quantitative and qualitative insights to support better-informed decision-making aligned with the Group’s strategic objectives.

In 2024, ESG scoring became a mandatory step in the product development process. Improvements to the tool in the year included training for development teams and active monitoring to track adherence and results, highlighting progress in sustainability and inclusion.

ESG ANALYTICS

An internal tool that tracks the ESG attributes of our product portfolio in real time, intersecting data on formulation, packaging, sales, and strategic targets. Launched in 2023, the project began by building a common, standardized database, progressing in 2024 to metric design and data organization. Focused on automation, the tool tracks metrics such as packaging mass reduction, recycled (PCR) content, and diversity and inclusion attributes—streamlining ESG commitment management and replacing time-consuming manual processes like annual waste reports.

LIFE CYCLE ASSESSMENT (LCA)

A methodology that assesses the environmental impacts of products across all stages, from production to disposal. In 2024, Boticário Group began conducting Life Cycle Assessments (LCA) for 100% of our product portfolio.

LCA assessments were implemented following guidelines in ISO 14040, which recommends that the LCA be reviewed by a panel of experts. This improves credibility, and, above all, transparency around the sustainability gains quantified through LCAs. LCAs cover the packaging and formulations of each SKU (stock-keeping unit).

To achieve comprehensive progress on our ESG agenda, including on topics such as diversity and inclusion, Boticário Group is developing a proprietary LCA methodology, which is currently in the approval phase. This methodology will be applied to formulations, packaging, and, in the future, to related social analyses.

I.A.R.A.® TECH

A tool supporting automated calculation of aquatic environmental impact and biodegradability for all Boticário Group formulations. It includes calculators to evaluate formulas during the development stage and dashboards to track aquatic impact and biodegradability across the raw material and product portfolio over time.

In addition to the tools described above, Boticário Group is collaborating with the SENAI Institute of Innovation to develop a Product Sustainability Index to measure recyclability and sustainability across our portfolio.

# Product Quality and Safety

GRI 416-1 and GRI 416-2

Boticário Group is deeply committed to ensuring the quality, safety, and sustainability of our products. We apply a range of robust policies and practices aimed at minimizing risks and reducing impacts on both consumers and the environment. This includes continuous material composition analysis to ensure that every component used in our formulations and packaging is traceable and well understood.

For over a decade, we have applied a rigorous review process to screen materials of concern—ranging from raw ingredients and packaging components to fragrances. As a result of these efforts, more than 40 substances have been replaced, including preservatives like parabens and triclosan, as well as PVC, leading to the reformulation of over 2,000 items in recent years.

We closely monitor regulatory changes and market developments and trends in Brazil and around the world to ensure both the safe use and ethical sourcing of ingredients.

Product safety is further ensured through clinical trials that follow internationally recognized, best-practice protocols. In the preclinical phase, scientists assess toxicological data and the chemical structure of ingredients using databases and computational modeling tools (*in silico*) to predict potential health risks. Toxicological dossiers are then compiled for all raw materials and finished products. When needed, *in vitro* testing—an alternative to animal testing—is performed to confirm safety or define safe concentration levels for different product types and consumer profiles.



MAY/2025

These studies are carried out in partnership with leading clinical research institutes and are supervised by medical experts such as dermatologists, pediatricians, and ophthalmologists. All proprietary brand products undergo this rigorous testing process, ensuring maximum safety and consumer trust.

Boticário Group uses the Green Beauty Maps (GB Maps) framework to assess packaging materials. This matrix evaluates ingredients and components on sustainability, environmental impact, origin (natural, synthetic, or recycled), and consumer safety. It helps identify substitution opportunities and more sustainable options aligned with Boticário Group’s environmental goals.

Once products reach the market, Boticário Group applies a post-sale monitoring system known as cosmetovigilance. This system establishes acceptable thresholds for complaints—related to safety, efficacy, and packaging—and tracks performance accordingly. This post-market information provides vital feedback into the product development process, and supports an assessment of whether the volume (number of complaints) and nature (type and severity) of consumer complaints align with expectations for each item. We use this data to refine existing products and enhance the quality of future launches.

**COMPLIANCE** GRI 416-2, GRI 417-2 AND GRI 417-3

The cosmetovigilance team at Boticário Group is responsible for monitoring and responding to product-related complaints. In 2024, no cases resulted in serious outcomes or indicated non-compliance with product standards. During the year, no incidents of noncompliance were identified that posed a risk to consumer health or safety. As in previous years, there were no active product recalls in 2024.

All Boticário Group proprietary branded products are evaluated for labeling compliance to ensure they contain accurate information about ingredients, safe usage, and post-consumer disposal instructions in Brazil. Only one labeling-related incident of non-compliance was recorded in 2024, which resulted in a fine. However, there were no violations involving marketing communication, voluntary codes, or laws that led to any penalties or warnings.



In 2024, we enhanced our R&D capabilities by advancing the use of 3D bioprinting in product testing.

This cutting-edge technology enables the creation of three-dimensional tissue structures that mimic the complexity of human skin, including features like hair follicles—allowing for even more realistic and functional modeling. This innovation supports our long-standing commitment to cruelty-free practices.

Animal testing has been completely phased out since 2000, and 3D bioprinting is now used to ensure product quality and safety without animal experimentation.



MAY/2025

No formulations produced by Boticário Group contain hazardous substances<sup>1</sup>.

Note:  
1. As per Annex XXVII of the international REACH regulation.

SAFE PRODUCTS

CG-HP-250A.1 AND CG-HP-250A.3

Boticário Group is committed to phasing out D5 and D6 silicones, which are classified as Substances of Very High Concern (SVHC) by the European Chemicals Agency (ECHA). The first step was the removal of these compounds from all rinse-off products in 2020. We are currently working to eliminate them from leave-on products, with full removal expected by 2025.

This transition is being overseen by Brazil’s Controversos and Radar Regulatório organizations, ensuring control over materials and substances with known environmental and health impacts. Our *Beleza Transparente* website provides information about ingredients, formulations, and sustainable practices adopted at Boticário Group, while our Beauty Influencers help inform consumers with technical and scientific data.

Currently, only 1.59% of the portfolio (71 SKUs) still contains D5 and D6 silicones. Of these, 65 products have already been reformulated and can no longer be manufactured, leaving only 6 SKUs that share the same formulation and will be adjusted by the end of 2025. The initial deadline for total elimination was 2024, but was extended due to the complexity of reformulation. Nevertheless, there has been a significant reduction in the number of products containing these substances, demonstrating Boticário Group's commitment to safety and sustainability. Adjustments for newly acquired brands Truss and Dr. Jones will follow a separate timeline, which is yet to be defined.

Customer Satisfaction – O Boticário

Net Promoter Score (NPS)	2022	2023	2024	
	Result	Result	Target	Result
	87.1	86.7	86.8	87.9

ENVIRONMENTAL SAFETY

Boticário Group places a particular emphasis on protecting aquatic ecosystems. Our product development process uses the I.A.R.A.® (Environmental Risk Assessment Index) tool (see page 92) to evaluate the environmental impact of rinse-off cosmetics on aquatic environments.

This index considers three key factors for each ingredient: biodegradability (how readily the substance breaks down in nature); bioaccumulation potential (how much of the substance accumulates in animal tissue); and aquatic toxicity (how harmful the substance is to aquatic organisms).

These metrics allow our Product Safety team to assess the

environmental footprint of product formulas. Based on the analysis, the formulation team can suggest improvements during the development of new rinse-off products to make them more sustainable.

In 2024, Boticário Group launched its first rinse-off products featuring the I.A.R.A.® “Water-Friendly Formula” label (see box). Our “Reef Safe” certified sunscreen line also continued to expand in 2024, as part of our commitment to protecting aquatic ecosystems.



Water-Friendly Formula Label

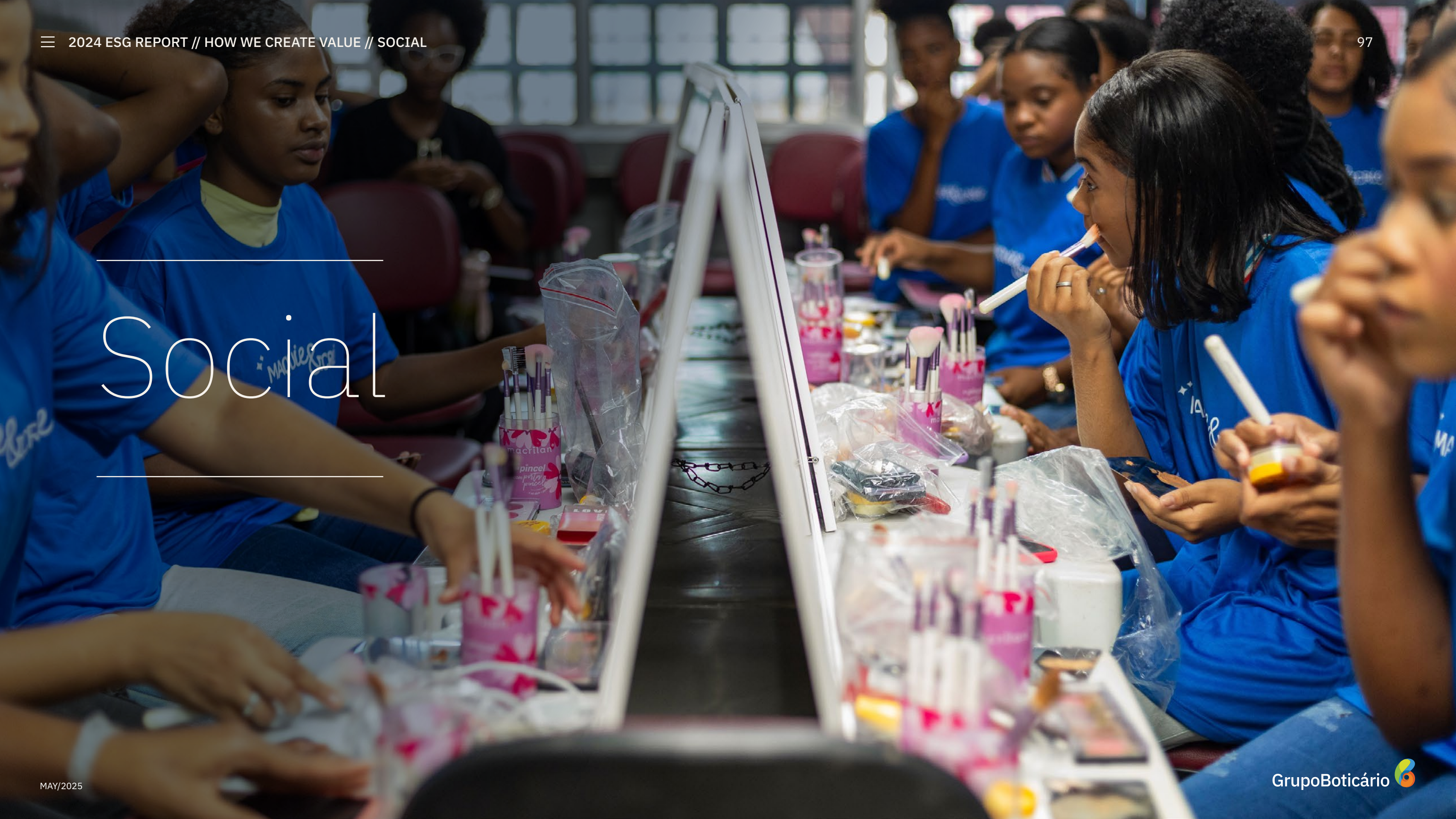
The first products to feature the “Water-Friendly Formula” label were launched through our Cuide-se Bem x SpongeBob® collaboration. This label certifies that rinse-off products—such as shampoos, conditioners, body washes, and sunscreens—have a reduced impact on aquatic ecosystems compared to others in their category. Developed by the Product Safety and R&D teams, the label reflects Boticário Group’s commitment to sustainability-driven innovation, offering solutions that benefit both the environment and society.



Reef Safe Label

Our Boti Sun body sunscreens were designed to minimize environmental harm to marine ecosystems. Using a pioneering methodology, these products were tested and approved to ensure coral reef safety, qualifying them for the “Reef Safe” label. Boticário Group was the first company in Brazil to implement an initiative of this kind, launching the first reef-safe products in 2020.

# Social



# Social Development

## Social Outreach GRI 413-1

Boticário Group's social development initiatives aim to create shared value and foster mutually beneficial relationships by addressing community needs while driving business growth. To maximize our initiatives' effectiveness and social impact, we develop structured social programs and continuously track their outcomes in the regions where we operate.

The Boticário Group Institute's Social Impact team works in close collaboration to deliver on our commitment to reducing social inequalities and improving the lives of our partners. This mission is mainly achieved through professional training and business support.

Boticário Group's social strategy is built on three pillars:

**Capacita GB:** focused on creating social mobility opportunities through job training and employability, especially for people in vulnerable situations, with an emphasis on the beauty ecosystem.

**Acelera GB:** aimed at boosting income through business acceleration, process improvement, and entrepreneurial support.

**Articula GB:** centered on local development and strengthening engagement with surrounding communities.

## Our Commitment

Actively contribute to reducing social inequality in the broader population and improve the quality of life of business partners within the beauty ecosystem.

Since 2022, over  
420,000 opportunities  
have been created  
through training and  
entrepreneurship  
initiatives, with 204,551  
in 2024 alone

# Boticário Group’s Social Platform

## Social Impact

**FOCUS:**

Local development and community engagement.

**PROGRAMS:**

- Volunteering  
*(Gente que Faz o Bem)*
- Tax-deductible project sponsorship
- Beleza de Doar*
- Beleza de Viver*
- Beleza de Educar*

## Boticário Group Institute

**FOCUS:**

Entrepreneurship within the beauty eco-system

**PROGRAMS:**

- Beauty Entrepreneurs
- Desenvolve*
- Business Acceleration Hub
- Capacita & Acelera GB*
- Entrepreneurship Development Fund

## Social Outreach

An organization’s social outreach includes the initiatives, policies, and practices it implements to drive positive impacts on people and the communities in which it operates.



MAY/2025

# Social Impact

GRI 203-1



Within Boticário Group’s Social Impact team, efforts are focused on territorial and local development, especially in nearby communities. These include donations, tax-deductible sponsorships, volunteer programs, and professional training projects aligned with business strategy.



MAY/2025

## Gente que Faz o Bem (People Doing Good)

*Gente que Faz o Bem* is Boticário Group’s corporate volunteering program, designed to engage employees in initiatives that create a positive impact on surrounding communities. The program encourages socially responsible volunteering aligned with the Group’s broader social strategy.

With more than R\$1 million invested in 2024, the program reached eight municipalities: Camaçari (BA), São Gonçalo dos Campos (BA), São Paulo (SP), Registro (SP), Cajamar (SP), Curitiba (PR), São José do Rio Preto (SP), and Serra (ES). The initiative delivered impressive results in the year: 2,934 children benefited, 1,890 employees volunteered, and a total of 15,120 hours were dedicated to community volunteering.

The initiative supports vulnerable children and their families and is run in partnership with Hamburgada do Bem, a global nonprofit that hosts memorable community events for children and volunteers alike.

Items for the program were produced by Movimento Eu Visto o Bem, a socio-

environmental impact business that employs women in and exiting the prison system—including those on parole—offering pathways to reintegration, vocational training, and income opportunities.

In 2024, *Gente que Faz o Bem* launched an innovative socio-environmental project that upcycled discarded O Boticário store uniforms into backpacks and pencil cases for children in socially vulnerable communities.

Donated uniforms were collected from franchise stores, all branding was removed, and the fabric was sewn into backpacks and pencil cases that were then distributed to 1,230 children. The project also generated significant social and economic impact, with 20 women directly involved and 42 families supported. Each woman earned approximately R\$1,500 over 22 days of work within the project.

This initiative reflects Boticário Group’s commitment to sustainability and social inclusion, by both advancing the circular economy (see [page 65](#)) and expanding opportunities for vulnerable women.

Since 2022, *Gente que Faz o Bem* has positively impacted over 7,500 children in local communities and recorded more than 40,000 employee volunteer hours.

### PROGRAM GROWTH – GENTE QUE FAZ O BEM

	2022	2023	2024
Volunteers	1,500	1,678	1,890
Volunteering hours	11,000	13,424	15,120
Children benefited	2,500	2,143	2,934
Locations benefited	3	5	8

# Tax-Deductible Project Sponsorship

Boticário Group leverages federal tax incentive programs such as the Rouanet Law, the Sports Incentive Law, the Childhood and Adolescence Fund (FIA), the Elderly Fund (FI), the National Cancer Care Program (PRONON), and the National Health Care Program for People with Disabilities (Pronas/PCD) to support projects aligned with our social impact goals. These funds are channeled into initiatives that strengthen the beauty ecosystem and contribute to the development of surrounding communities. In 2024, we invested over R\$ 5 million in culture, education, health, sports, and social inclusion initiatives. Boticário Group allocated 100% of eligible federal incentive funds as part of our commitment to social development and creating opportunities to improve self-esteem, comfort, and well-being—especially for socially vulnerable people.



## GROWTH IN TAX-DEDUCTIBLE PROJECT SPONSORSHIPS

	2021	2022	2023	2024
People supported	2,719	5,871	4,635	3,615
People trained	1,314	2,496	1,717	2,565
Locations benefited	16	10	8	13
Investment (in R\$)	5 million	3.5 million	3.5 million	5.3 million

Beleza de Doar

Our *Beleza de Doar* program donates Boticário Group products to help enhance the self-esteem, comfort, and well-being of individuals, especially the socially vulnerable. In 2024, the program was enhanced through process improvements and the launch of an automated Donations Portal. As a result, over 600,000 surplus products were donated.

Since 2021, *Beleza de Doar* has reached more than 425,000 people—over 300,000 in 2024 alone.

BELEZA DE DOAR DONATION GROWTH

	2021	2022	2023	2024
Products	46,000+	75,000+	260,000+	600,000+
People benefited	23,000+	37,000+	65,000+	300,000+

Beleza de Viver

*Beleza de Viver* was created to help restore self-esteem and promote self-care for patients, caregivers, and healthcare professionals through self-makeup courses. With an investment of more than R\$ 200,000, the annual program directly impacted the cities of Curitiba and Salvador in 2024, delivering 1,955 individual sessions. Since its launch in 2023, it has reached over 3,400 people.

Beleza de Educar

Boticário’s *Beleza de Educar* program aims to foster community development around Boticário Group’s operations through professional training in partnership with Brazil’s National Industrial Training Service (SENAI). The initiative prepares trade school students to fill vacancies within the Group’s industrial and distribution operations, improving employability while building stronger connections with local communities.

In 2024, the program was rolled out in Cajamar, offering 23 training slots. Ten participants were hired by Boticário Group, generating a direct social

and economic impact in the region. The openings were strategically designated to promote gender equity in logistics operations.

Boticário Group also organizes the SENAI Innovation Grand Prix in Camaçari and São José dos Pinhais—an open innovation challenge where teams develop and prototype creative solutions to real industrial problems. As part of our commitment to education, we awarded ten scholarships to the top-performing teams, helping them develop new skills and providing opportunities for hiring in operations roles.

# Boticário Group Institute

GRI 203-1

The Boticário Group Institute is committed to using beauty as a tool for empowerment, development, and sustainability. It promotes entrepreneurship in the beauty sector through strategic programs such as *Empreendedoras da Beleza*, *Desenvolve*, *Capacita & Acelera GB*, and the recently launched Business Acceleration Hub and Entrepreneurship Development Fund (see [page 104](#)).

In 2024, the Institute celebrated its 20<sup>th</sup> anniversary and underwent a restructuring that included process reviews, governance improvements, and the adoption of a theory of change to assess impact and guide its initiatives. The Institute believes that fostering entrepreneurship is the key to turning dreams into reality, enabling financial independence and empowering individuals to take charge of their own paths. This commitment was further expanded on November 19—World Women’s Entrepreneurship Day—with the official launch of our Business Acceleration Hub and Entrepreneurship Development Fund.

Instituto  
GrupoBoticário



## EMPREENDEADORAS DA BELEZA (BEAUTY ENTREPRENEURS)

*Empreendedoras da Beleza* is a free vocational training program offered both online and in person. Launched in 2021, the initiative aims to support women seeking to enter the beauty market professionally or start their own businesses. The program offers free content tracks on topics such as makeup, advanced makeup, hairstyling, nails, nail extensions, sales, social media content creation, entrepreneurship, and personal development.

In 2024, *Empreendedoras da Beleza* expanded its in-person reach, strengthening engagement with communities and integrating with strategic partnerships, including the Paraná Competitivo program.

The initiative was also connected to other programs like *Gente que Faz o Bem*, extending its impact. At group-organized events (see [page 100](#)), mothers of participating children attended intensive makeup training sessions.

## Our Ambition

To become the largest and most impactful vocational beauty program in Brazil and globally, transforming the lives of socially vulnerable women.





MAY/2025

The in-person edition of *Empreendedoras da Beleza* received more than R\$1 million in investment in 2024 and was implemented over the course of the year with 81 courses delivered across 39 cities. In total, 2,062 training opportunities were offered, and 1,775 women graduated from the program.

To amplify the program’s impact, Boticário Group launched a Business Acceleration Hub targeting women from underserved communities in the states of São Paulo, Paraná, Bahia, Minas Gerais, and Espírito Santo—strategic regions for the company. The project selects women entrepreneurs with prior business experience and strong resilience, and empowers them to lead creative, high-impact initiatives. Launched in December 2024, the hub officially began activities in January 2025. It will operate nationwide in a fully digital format to maximize reach.

*Empreendedoras da Beleza* supports the ESG goals of a sustainability-linked bond issued by Boticário Group, which includes a target of 1 million enrollments by 2030. See more in Sustainable Finance (page 47).

*Empreendedoras da Beleza* online format

CUMULATIVE IMPACT (2021 TO DECEMBER 2024):

Over 400,000 women enrolled | Over 80,000 graduates

In 2024:

225,787 women enrolled in the online program

180,343 opportunities created through the online program

37,057 graduates from the online program

2,062 opportunities created in the in-person program

1,775 women graduated in the in-person program

58% of enrollees are black or mixed-race women

57% report increased income<sup>1</sup>

Average graduation rate above 19% compared to a 10% market average<sup>2</sup>

Note:  
1. Source: An internal survey by the UX (user experience) team.  
2. Source: Escola Conquer Courses - ref. 2024.

DESENVOLVE

Our *Desenvolve* program aims to reduce gender and racial gaps in the tech industry by offering free digital training to vulnerable individuals, equipping them for careers in a fast-growing field with high demand for trained professionals.

In 2024, with an investment of R\$ 730,000, the program drew over 38,000 applications for 1,064 available spots—demonstrating strong public interest. Of those enrolled, 527 completed the course, and 24 participants were hired by Boticário Group. In addition to the core offering, the program provided supplemental courses, attracting 11,857 more applicants and expanding access to professional training.

Desenvolve Program Growth

	2021	2022	2023	2024
Enrolled	8,316	21,332	27,754	39,065
Enrollments	134	1,000	1,000	1,064
Graduates	84	339	604	527

CAPACITA & ACELERA GB

*Capacita & Acelera* GB provides free, layperson-friendly financial education for individuals seeking to grow their businesses. The goal is to empower people with life-changing skills that drive personal development. The program includes learning modules and mentoring sessions designed to promote financial independence among sales

representatives by encouraging entrepreneurship—helping to create a more equitable future. In 2024, 4,380 individuals participated. Among them, 1,699 completed the financial education journey, 779 received credit approval, and 401 drew on their credit to improve their revenue-earning capacity.



# Our **Commitment** and Social **Impact**



In 2024, we reaffirmed our commitment to supporting communities in times of crisis by significantly expanding our disaster relief efforts. An example of this was our response to the devastating floods Rio Grande do Sul, in which we swiftly mobilized resources using an approach that catered to local needs. Working in partnership with Movimento União BR and local community leaders, we donated hygiene products, clothing, and water, helping thousands of people. A coordinated logistics strategy—supported by partner carriers and volunteer freight services—enabled us to maintain a continuous and well-organized stream of supplies to affected communities.

Our support also extended to local resellers, combining commercial initiatives, such as deferred invoice payments, with social actions like financial aid for medical appointments, medications, mobile communication assistance, and groceries.

Boticário Group’s extensive network of resellers, franchisees, and stores played a key role in identifying needs and delivering aid to areas beyond our usual reach. The response was led by a crisis committee that integrated efforts from across the company to maximize impact.

In 2024, the Boticário Group Institute also scaled up its capacity to drive positive social change through a newly created Entrepreneurship Development Fund—an initiative that channels funds to support small businesses and promote social inclusion through strategic programs. During the year, the fund allocated R\$ 300,000 to support 100 beauty businesses impacted by the floods in Rio Grande do Sul, in partnership with the Brazilian small business support program, SEBRAE.

## Supporting New Beginnings – More Than Just Lipstick.

In 2024, through our brand Vult, we partnered with NGOs Turma do Bem and Instituto Maria da Penha to launch More Than Just Lipstick, a powerful campaign focused on restoring the self-esteem of women who have experienced domestic violence.

All proceeds from the sale of a selected lipstick product were donated to the *Apolônias do Bem* project, which offers free dental treatment to women whose teeth were damaged as a result of abuse. More than a cosmetic solution, this initiative helps restore dignity, confidence, and the chance for a fresh start.

The campaign screened at least 145 women and provided dental treatment for 30 of them in 2024.

Vult also sponsored a Women’s Empowerment course offered through our *Empreendedoras da Beleza* program by the Boticário Group Institute, which includes a module on domestic violence prevention, developed in partnership with Instituto Maria da Penha to raise awareness and help prevent future abuse.

# Resellers

Direct sellers are at the heart of Boticário Group’s business strategy, driving business growth while creating small business opportunities that empower and drive inclusion—particularly for women. We offer a variety of incentive programs each year, ranging from product kits to travel rewards, along with educational initiatives like Universidade da Beleza (Beauty University), a skills building program.

To enhance the seller experience, we have continued our efforts to simplify and personalize the buying and selling journey, with improvements in the app, faster delivery times, and tailored product suggestions.

Sustainability is also being embedded into the business model. Digital platforms like our seller app and portal are helping shift toward digital catalogs—currently used by 67% of tresellers—reducing the need for printed materials. About 5.6% of all resellers have now opted to operate fully paper-free, using only digital tools.

One of our standout initiatives is *Reciclou, Ganhou* (Recycle and Win), which rewards sellers for returning used packaging and opting out of printed catalogs. Sellers who meet their points goals throughout all campaign cycles (about six months) receive a sustainable prize.



## QUALITY OF LIFE AND INCOME FOR DIRECT SELLERS

In 2024, Boticário Group improved its method of tracking the quality of life of direct sellers. Previously, this was done annually through a self-reported survey. The updated methodology now focuses on the direct profitability of each seller with the company, which is tracked monthly. This provides more frequent, data-driven insights and allows for better alignment with our goals of improving seller wellbeing and sustainable business growth.

## CREDIT AS A TOOL FOR SOCIAL INCLUSION

Boticário Group’s credit program for direct sellers also serves as a vehicle for social inclusion, as well as boosting small business income through Direct Sales. By extending credit to individuals without access to conventional financial services, we create income opportunities for financially underprivileged individuals.

In 2024 alone, around 22% of all underwritten loans—over R\$276 million—went to approximately 439,000 people with past credit restrictions. This reflects our commitment to economic inclusion and empowerment by opening doors for financially vulnerable people to build their own business opportunities.

# Diversity and Inclusion



## Diversity and Inclusion

Today's increasingly conscious and diverse consumers expect brands to embrace and reflect the plurality of identities and experiences in society. Boticário Group recognizes this expectation and integrates diversity and inclusion into its business strategy, not as an initiative, but as an essential part of its identity.



## D&I Strategy

Our Diversity & Inclusion (D&I) strategy is embedded across all business areas and organized around five strategic pillars—People, Value Chain, Communication, Products, and Social Impact—and five diversity dimensions: **women, people of color, people with disabilities, generational inclusion (45+), and the LGBTQIA+ community**. This approach supports coordinated, strategic and targeted actions and commitments tailored to each diversity pillar.

## Our Commitments

Promote the representation and inclusion of diverse individuals across Boticário Group's workforce and leadership, mirroring the Brazilian population.

Promote diversity and inclusion across our business ecosystem, including what we purchase, sell, and communicate to society.

# People

The employee journey has been the focus of diversity and inclusion efforts at Boticário Group. This commitment spans from talent acquisition through affirmative-action job openings and adapted onboarding to ongoing follow-up through mentoring programs and performance evaluations. In 2024, we built further on our strategic initiatives aimed at retention and career development, such as:

- **Supported Employment Program for people with disabilities:** individual multidisciplinary support focused on empowering new employees during their first six months.
- **Mentoring Program for diverse individuals:** connects mentees with trained mentors, focusing on the development of technical and behavioral competencies for employees with over one year in the company who have participated in performance evaluations.
- **Diversity Agents:** representatives from each department have begun working directly within front-line business functions, supporting leaders and understanding their specific contexts to design diversity initiatives adapted to each function.

Demonstrating our commitment to inclusion, Boticário Group boasts extensive and significant representation of employees from diverse groups. Recognizing the potential for growth and the opportunity to strengthen and expand the presence of diverse individuals in specific segments, we continue to strive for a greater balance among diversity groups.



MAY/2025

Photo credit: Eduardo Moody

Workforce by employee category and gender<sup>1</sup> GRI 405-1

	2022		2023		2024	
Employee category	Men	Women	Men	Women	Men	Women
Board of Directors	70%	30%	70%	30%	64%	36%
CEO and Vice Presidents	67%	33%	67%	33%	70%	30%
Executive Board	60%	40%	59%	41%	54%	46%
Sr. Management	49%	51%	49%	51%	49%	51%
Mid. Management	50%	50%	48%	52%	44%	56%
Supervisors	28%	72%	30%	70%	27%	73%
Coordinators	52%	48%	45%	55%	45%	55%
Administrative	20%	80%	19%	81%	17%	83%
Specialist Technicians	45%	55%	45%	55%	44%	56%
Technicians	65%	35%	64%	36%	64%	36%
Operational	56%	44%	52%	48%	50%	50%
Interns	34%	66%	29%	71%	28%	72%
Young Apprentices	42%	58%	34%	66%	26%	74%
TOTAL	40%	60%	40%	60%	38%	62%

Note:  
1. Includes 100% of employees

Workforce by employee category and age group<sup>1</sup> GRI 405-1

	2022			2023			2024		
Employee category	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50
Board of Directors	0%	56%	44%	0%	0%	100%	0%	18%	82%
CEO and Vice Presidents	0%	56%	44%	0%	56%	44%	0%	50%	50%
Executive Board	0%	96%	4%	0%	97%	3%	0%	94%	6%
Sr. Management	1%	94%	5%	2%	95%	3%	0%	94%	6%
Mid. Management	4%	94%	2%	5%	93%	2%	4%	92%	3%
Supervisors	7%	89%	4%	13%	84%	3%	11%	83%	6%
Coordinators	6%	92%	2%	9%	89%	2%	8%	89%	3%
Administrative	37%	60%	3%	41%	55%	4%	39%	56%	5%
Specialist Technicians	29%	69%	2%	34%	65%	1%	30%	68%	2%
Technicians	22%	73%	5%	24%	72%	4%	23%	72%	5%
Operational	33%	62%	5%	36%	59%	5%	36%	57%	7%
Interns	96%	4%	0%	98%	2%	0%	96%	4%	0%
Young Apprentices	100%	0%	0%	100%	0%	0%	100%	0%	0%
TOTAL	30%	67%	3%	30%	67%	3%	32%	64%	4%

Note:  
1. Includes 100% of employees

# Diversity at Boticário Group<sup>1</sup> (%)

GRI 405-1

	2022						2023						2024					
Employee category	Black	Mixed-race	White	Asian	Indigenous	Not reported	Black	Mixed-race	White	Asian	Indigenous	Not reported	Black	Mixed-race	White	Asian	Indigenous	Not reported
Board of Directors	0%	0%	100%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%	0%	0%	0%
CEO and Vice Presidents	0%	0%	100%	0%	0%	0%	0%	11%	89%	0%	0%	0%	0%	10%	90%	0%	0%	0%
Executive Board	0%	7%	88%	3%	0%	2%	0%	9%	85%	5%	0%	1%	1%	7%	88%	4%	0%	1%
Sr. Management	2%	10%	81%	4%	0%	3%	2%	12%	80%	6%	0%	0%	1%	12%	80%	6%	0%	0%
Mid. Management	4%	12%	81%	3%	0%	0%	4%	13%	79%	4%	0%	0%	4%	13%	80%	3%	0%	0%
Supervisors	5%	40%	51%	2%	0%	2%	9%	40%	48%	3%	0%	0%	12%	38%	47%	3%	0%	0%
Coordinators	6%	22%	68%	3%	0%	1%	7%	22%	67%	4%	0%	0%	7%	25%	65%	3%	0%	0%
Administrative	12%	50%	35%	2%	0%	1%	14%	45%	37%	3%	1%	0%	15%	45%	37%	3%	1%	0%
Specialist Technicians	9%	21%	66%	2%	0%	2%	10%	25%	62%	3%	0%	0%	10%	24%	63%	3%	0%	0%
Technicians	12%	37%	47%	2%	0%	2%	12%	39%	47%	2%	0%	0%	15%	37%	45%	2%	1%	0%
Operational	16%	44%	35%	1%	0%	4%	15%	47%	35%	2%	0%	1%	17%	46%	35%	2%	0%	0%
Interns	28%	30%	39%	2%	0%	1%	15%	42%	41%	2%	0%	0%	22%	30%	46%	2%	0%	0%
Young Apprentices	14%	41%	44%	0%	1%	0%	14%	39%	45%	1%	0%	1%	16%	35%	48%	1%	0%	0%
TOTAL	11%	34%	51%	2%	0%	2%	11%	34%	51%	3%	0%	1%	12%	34%	51%	3%	0%	0%

Note:  
1. Includes 100% of employees



MAY/2025

# Ecosystem

## VALUE CHAIN GRI 2-6

We promote diversity and inclusion throughout stakeholder relationships and actively support entrepreneurship among underrepresented groups by incorporating them into our value chain. Through partnerships with integration platforms and our Inclusive Procurement Portal—linked to our Responsible Procurement Program—we promote the participation of businesses owned by women, people of color, LGBTQIA+ people, and people with disabilities. In 2024, 11% of total strategic supplier spend was on partners representing at least one of these priority diversity groups.

Beyond encouraging inclusion, Boticário Group invests in training and awareness across our supply chain, expanding knowledge and creating increasingly inclusive environments. Our Diversity Training Program includes mandatory learning tracks for the sales force, covering anti-LGBTQphobia, anti-racism, anti-ableism, and anti-ageism.

In 2024, 96.7% of our franchise network participated in the training sessions, where applicable and eligible

In 2024, our *Beleza Livre* (Free Beauty) community celebrated two years of success, having co-developed over 55 projects through a network of more than 2,000 diverse individuals

PRODUCTS

As part of our goal of offering a product portfolio—both new and existing products—that is inclusive and reflects the diverse needs of the Brazilian population, Boticário Group created the *Beleza Livre* community—a collaborative initiative that connects diverse individuals to co-develop the company’s consumer brands. Since its launch at year-end 2022, over 55 projects have been co-developed within the community, including:



MAY/2025

**Match Science of Curls Range:** after consulting more than 1,000 Brazilian consumers and researching the DNA of wavy, curly, and coily hair, O Boticário’s Match brand launched a new Science of Curls line. The range is the result of four years of research and includes 12 products with advanced formulations designed to care for and nourish hair from types 2A to 4C.



MAY/2025

**Accessible Brushes by Quem Disse, Berenice?:** co-developed with people with visual impairments, these makeup brushes were designed with raised tactile markings on the base, indicating each brush’s function. The tactile indicators were created to give blind users greater autonomy in handling and using the brushes. The accessories also feature stable square-shaped handles to prevent rolling on flat surfaces without affecting grip, combined with a cylindrical design near the bristles. All of this is delivered in an innovative design, with ultra-soft, high-performance bristles in vibrant colors—also aiding identification for people with low vision.



MAY/2025

**Make B. – articulated accessible makeup brushes:** this Innovative line—a first in the Brazilian beauty market—features five brushes for different uses: foundation, powder, blush, contour, and multi-purpose. They were co-developed over four years with the active participation of people with disabilities. Each brush includes an innovative mechanism allowing users to extend, tilt, and rotate the bristles into their desired position—supporting those with limited mobility, muscle weakness, or physical disabilities in the upper limbs by offering enhanced control and angling during use. The brushes also include tactile markings at the base to support sensory identification for blind or visually impaired users (see more on [page 88](#)).

INCLUSIVE COMMUNICATION

At Boticário Group, we are committed to evolving our communications to be more accessible, representative of Brazil’s diverse population, and free from stereotypes. To turn this goal into action, we have set clear representation targets across five diversity dimensions in our brand and corporate communications: people of color, the LGBTQIA+ community, people aged 45+, people with disabilities, and diverse body types. In 2024, we achieved 100% of these targets.

Our ESG Diversity & Inclusion team also delivered over 500 strategic consultations to key departments—double the previous year’s figure—further delivering on our commitment to mainstreaming diversity, consistently and continuously.

Progress in accessibility was also notable: 61% of our 2030 accessibility target has been reached. This includes static media descriptions (#PraGeralVer) and video subtitles across social channels. YouTube campaigns now also include captions, Brazilian Sign Language (Libras), and a separate version with audio description.

SOCIAL IMPACT THROUGH DIVERSITY & INCLUSION

Boticário Group develops and implements D&I initiatives aimed at meaningful social inclusion by addressing the specific needs of underrepresented groups. In 2024, we distributed over 8,000 inclusive self-care accessories across all five regions of Brazil. These were developed in partnership with Mercur (see page 88) and with input from people with disabilities who are part of our *Beleza Livre* community. The accessories are designed to support individuals with physical disabilities, muscle weakness, or limited mobility in their upper limbs.

We also partnered with the KondZilla production company and institute to launch CRIA GB, a training track focused on digital entrepreneurship through social media content creation. Targeted primarily at women, the program—integrated into our *Empreendedoras da Beleza* initiative—offered training on product marketing via social platforms, personal branding, and identity development to help participants tap into the creative economy.

It also covered business management and mental health, underlining the importance of well-being on the journey to becoming a successful content creator.

By focusing on the digital world, CRIA GB embraces the rising influence of social media in amplifying the cultural expression emerging from Brazil’s inner cities—positioning the project as an opportunity for leverage the power and unique identities of Brazil’s diverse communities.



The Anti-Ageist Year

Since 2020, Boticário Group has selected yearly diversity themes to address in company-wide campaigns to promote respect, representation, and the mainstreaming of diversity across all stakeholder groups. Each year has focused on a specific form of discrimination: 2020 addressed sexism, followed by anti-racism (2021), anti-LGBTQ+ bias (2022), and ableism (2023).

In 2024, age inclusion took center stage. We designated the year as “Anti-Ageist Year,” launching internal and external initiatives to promote an age-inclusive society and empower individuals aged 45 and older to continue thriving in their personal and professional lives. One of the flagship initiatives was an Anti-Ageist Learning Track as part of Boticário Group’s Diversity Education Program. Mandatory for corporate staff, store teams, and franchise partners, the track was also made available to the public.

The anti-ageist track aims to raise awareness of the impacts of ageism, explain how it is perpetuated, and how it interacts with other forms of prejudice. It also presents tools and strategies to combat ageism in everyday life.

Anti-Ageist Learning Track launched for  
**more than 50,000** people

---

**1,700** people aged 45+ trained  
through events like Maturi Day and Maturi Fest

---

**1,600** employees engaged in  
“Straight Talk” live sessions on age diversity

Boticário Group recognizes that aging is a unique and diverse experience influenced by different life stories and intersectionalities. As one of the world’s largest beauty groups, we launched an initiative, called the Silver Pact, at the end of the themed year to reaffirm our commitment to continuing to help build an anti-ageist society.

Having addressed the five diversity dimensions of our strategy—women, people of color, people with disabilities, generations (45+), and the LGBTQIA+ community—in themed years since 2020, Boticário Group has announced that 2025 will be the Year of Inclusion, encompassing all these dimensions.



MAY/2025

# Diversity and Inclusion in our ecosystem GRI 3-3

Boticário Group’s diversity and inclusion strategy addresses five dimensions of diversity—women, black and brown people, people with disabilities, individuals aged 45 and older, and the LGBTQIA+ community—across five pillars:

## 1 People 5th

anniversary of our Affinity Groups celebrated in 2024

/ Asynchronous training, such as our Anti-Ageist Learning Track (83% participation in the first 100 days), and synchronous training (over 25% of employees participated in 2024)

/ Over 1,800 applications from mentors and mentees in the first edition of our Mentoring Program

/ A 2.14% increase in diverse hiring across all dimensions in 2024



## 2 Products

/ 55+ co-developed projects within our Beleza Livre Community, which includes more than 2,000 diverse members

/ Wide recognition for our inclusive products: QDB’s accessible makeup brushes and our Match Curly Hair Science range

/ Other standout products include accessible articulated brushes from Make B. at O Boticário, featuring a swiveling mechanism for different angles, ergonomic handles for precision and grip, and tactile markings;



## 3 Social impact

8,000+ inclusive accessories distributed across multiple cities, positively impacting the lives of more than 4,000 people

/ CRIA GB, a component of the Empreendedoras da Beleza program: more than 19,000 registrations in 2024, with around 37% of participants completing the learning track. Participants learned how to leverage the creative economy through content creation for social media



## 4 Value chain

25% increase in spending on diverse suppliers in 2024

/ 1,380+ diverse-owned businesses connected to Boticário Group buyers through our Affirmative Procurement Portal

/ 34% growth in registrations on the Affirmative Purchasing Portal

/ 2,800+ people trained in D&I, with a satisfaction rate of 98%

/ Suppliers and franchisees monitored for performance in diversity and inclusion.



## 5 Communication

360-degree campaigns targeting stakeholders promote respect, appreciation, and mainstreaming of diversity. In 2024, the focus was on Anti-ageism.

/ Launched an Anti-Ageist Learning Track for over 50,000 people, with more than 90% of the sales force participating

/ Launched the Silver Pact: anti-ageism initiatives designed to celebrate life journeys, break stereotypes, and foster inclusion 45+ people.

/ Earned recognition as an Age-Friendly Employer, along with other D&I accolades: Cannes Lions, 3rd Brazil-Germany Diversity Forum, 2024 Ethos/Época Inclusion Survey, Diversity in Practice Awards, and GPTW Ethnic-Racial Ranking.



# Human Capital Development

---

## Attracting and Retaining Talent

At Boticário Group, we align our recruitment and retention strategies with the core values and competencies that define our organizational culture (see [page 31](#)), ensuring coherence from hiring through to ongoing employee development. We use a recruiting model that identifies key competencies and the specific needs of each role and department, and offers opportunities to both internal and external candidates.

This encourages mobility within the organization, allowing employees to explore new areas and develop a range of skills—energizing teams and creating a welcoming, inclusive workplace. Our commitment to social inclusion is also

evident in our affirmative job postings, which target underrepresented groups across various departments.

To retain talent, Boticário Group combines financial incentives with structured non-monetary strategies. Our annual compensation cycle rewards high performance with merit increases and promotions, while complementary programs offer recognition through mentoring, training, and participation in key strategic events. This holistic approach balances individual recognition with professional development opportunities, improving employee engagement and long-term retention.

Our cultural principle, “We Nurture Our Relationships,” captures our people-centered ethos—supporting employee empowerment and interpersonal connections—and reaffirms our commitment to care, respect, and human development as fundamental values that guide our internal and external practices.

At the close of 2024, Boticário Group had 20,187 permanent employees and 688 temporary workers, a year-over-year increase of 12.4% and 37.9%, respectively.

Boticário Group – our team<sup>1, 2, 3, 4</sup> GRI 2-7 e GRI 2-8

	Permanent			Temporary			Total		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
BY GENDER									
Men	5,908	7,142	7,642	143	165	178	6,051	7,307	7,820
Women	8,672	10,811	12,084	232	334	497	8,904	11,145	12,581
BY REGION									
Midwest	303	335	332	7	7	12	310	342	344
Northeast	3,249	3,648	4,008	112	128	158	3,361	3,776	4,166
North	333	333	329	4	9	16	337	342	345
Southeast	5,384	6,932	7,540	91	151	216	5,475	7,083	7,756
South	5,311	6,705	7,517	161	204	273	5,472	6,909	7,790
TOTAL	14,580	17,953	19,726	375	499	675	14,955	18,452	20,401

Notes:  
1. Reported figures refer to active employees as of December 31, 2024, excluding members of governance bodies.  
2. All Boticário Group employees are hired on a full-time basis; there are no part-time contracts.  
3. We have no non-guaranteed hours employees.  
4. The total figure includes 578 workers who are not employees: 92 interns and 486 apprentices, all of whom are part of Boticário Group’s workforce.

In 2024, 34% of job openings were filled through internal recruitment

New hires GRI 401-1

TOTAL NUMBER OF EMPLOYEES			
	2022	2023	2024
	14,955	18,452	20,875
NUMBER OF NEW HIRES			
TOTAL	6,468	7,188	7,164
BY GENDER			
Men	2,515	2,604	2,322
Women	3,953	4,584	4,842
BY AGE GROUP			
Under 30	3,395	3,588	3,582
30 to 50	2,983	3,457	3,409
Over 50	90	143	173
BY GEOGRAPHY			
Midwest	206	194	147
Northeast	1,283	1,180	1,295
North	256	266	151
Southeast	2,806	3,132	2,905
South	1,917	2,416	2,334
International	0	0	332

PERFORMANCE REVIEW

In 2024, we undertook a major overhaul of our performance review process, as part of our commitment to the continuous and inclusive development of our workforce. The review methodology was redesigned with more objective criteria, tailored to each hierarchical level. This ensured greater alignment with the Group’s universal competencies and core values—such as care, respect, diversity, and sustainability. One of the behaviors evaluated is linked to our sustainability value: *We are responsible and efficient in how we use economic and environmental resources, avoiding waste.*

Additionally, the review process and preparation materials were redesigned to be more inclusive and accessible, with resources such as Brazilian Sign Language (Libras) interpretation, subtitles, and translations into the languages of the various regions where we operate.

Another milestone, in 2021, was the introduction of 360-degree feedback, giving

employees the opportunity to provide feedback to their leaders and, in specific cases, to receive peer evaluations. While the final rating remains the leader’s responsibility, this broader perspective enriches the process. Calibration committees remain a crucial step, ensuring consistency in evaluations and alignment on the development messages employees will receive. The evaluation cycle concludes with the creation of Individual Development Plans (IDPs), which are tracked throughout the year to guide both technical and behavioral growth. These initiatives leverage the strategic role of performance reviews in talent management, while also fostering a more inclusive and collaborative workplace culture.

Employees receiving regular performance and career development reviews <sup>1</sup> GRI 404-3

Notes:  
1. Total trained/total eligible employees in each segment.  
2. Employees hired by December 31 of the previous year are eligible for annual performance reviews. Apprentices are not eligible for performance reviews.  
3. Performance reviews for vice presidents and the CEO use a different format, with 100% participation in the year.  
4. At the beginning of the period under review, Boticário Group had 16,806 employees eligible for review (hired no later than 12/31/2023).  
5. Reviews for the international team (333 cases) were excluded.

		2023			2024		
Employee category <sup>2</sup>		Total	No. reviewed	(%)	Total	No. reviewed	(%)
CEO and vice presidents <sup>3</sup>	Women	3	3	100%	3	3	100%
	Men	6	6	100%	6	6	100%
	Total	9	9	100%	9	9	100%
Executive Board	Women	39	39	100%	49	49	100%
	Men	63	63	100%	71	71	100%
	Total	102	102	100%	120	120	100%
Sr. management	Women	89	88	98.9%	129	127	98.4%
	Men	86	85	98.8%	126	119	94.4%
	Total	175	173	98.9%	255	246	96.5%
Mid. Manage-ment	Women	261	261	100%	332	329	99.1%
	Men	246	242	98.4%	297	290	97.6%
	Total	506	503	99.4%	629	619	98.4%
Supervisors	Women	269	261	97.0%	301	294	97.7%
	Men	104	104	100%	129	128	99.2%
	Total	373	365	97.9%	430	422	98.1%
Coordinators	Women	151	151	100%	291	291	100%
	Men	167	165	98.8%	239	237	99.2%
	Total	317	316	99.7%	530	528	99.6%
Administrative	Women	2,717	2615	96.2%	3,460	3236	93.5%
	Men	676	653	96.6%	796	749	94.1%
	Total	3,393	3,268	96.3%	4,256	3985	93.6%
Specialist Tech-nicians	Women	2,630	2,623	99.7%	3,872	3785	97.8%
	Men	2,180	2,171	99.6%	3,117	3089	99.1%
	Total	4,810	4,794	99.7%	6,989	6874	98.4%
Technicians	Women	185	185	100%	239	232	97.1%
	Men	346	346	100%	426	423	99.3%
	Total	531	531	100%	665	655	98.5%
Operational	Women	958	958	100%	1,423	1316	92.5%
	Men	1,255	1,210	96.4%	1,500	1377	91.8%
	Total	2,210	2,168	98.1%	2,923	2693	92.1%
TOTAL <sup>4, 5</sup>	Women	7,302	7,184	98.4%	10,099	9662	95.7%
	Men	5,129	5,045	98.4%	6,707	6489	96.7%
	Total	12,426	12,229	98.4%	16,806	16151	96.1%

REMUNERATION POLICY

GRI 2-19, GRI 2-20 E GRI 2-30

Boticário Group’s remuneration and benefits policies are designed—and periodically reviewed—to ensure a compensation structure that is attractive, competitive, and fair across all functional levels. Employee compensation consists of a fixed salary and a variable portion, which includes short-term incentives (ICP) and long-term incentives (ILP), both linked to the achievement strategic goals.

Some of these goals are directly tied to ESG commitments. For managers, in addition to financial and non-financial targets specific to their department, variable pay is also linked to ESG performance targets. This approach has been in place since 2021.

In 2024, variable pay was linked to themes such as waste management, circular economy, and diversity and inclusion. By linking financial rewards to performance in these areas, we encourage responsible practices and foster an inclusive corporate culture. Our waste management target was extended beyond managers and factored in the variable compensation of all employees.

Furthermore, by including targets related to the representation of diverse individuals in leadership and across the company, we have made these targets both measurable and actionable.

Boticário Group ensures all employees receive at least the federal minimum wage or the entry-level wage established by applicable Collective Bargaining Agreements (CCTs). We also ensure contractor remuneration is consistent with the rules outlined in local union agreements. All employees are covered by collective bargaining agreements.

Ratio of standard entry-level wage compared to local minimum wage<sup>1</sup> GRI 202-1

Employees (based on GRI 2-7 categories)	2022		2023		2024	
	Men	Women	Men	Women	Men	Women
Entry-level wage paid by the organization	R\$ 1,212.00	R\$ 1,212.00	R\$ 1,320.00	R\$ 1,320.00	R\$ 1,418.00	R\$ 1,418.00
Minimum wage as established by legislation or the relevant union	R\$ 1,212.00	R\$ 1,212.00	R\$ 1,302.00	R\$ 1,302.00	R\$ 1,412.00	R\$ 1,412.00
Percent ratio	100%	100%	100%	100%	100%	100%

Note:  
1. The reported data includes manufacturing sites, distribution centers, corporate offices, logistics, and commercial staff.

Gender pay equity between men and women<sup>1, 2</sup>

GRI 405-2

Employee category <sup>3</sup>	2022	2023	2024
Executive level	0.80	0.87	0.73
Managerial level	0.93	0.82	0.84
Non-managerial level	0.9	0.76	0.77

Notes:  
1. Includes 100% of employees.  
2. The changes observed between 2024 and 2023 figures are due to the following factors:  
A higher number of women were hired or promoted in 2024, and since entry-level salaries vary depending on tenure and job role, these are not directly comparable to other positions.  
At the “Executive level,” a new Vice President of New Business position—held by a man—was added in 2024, and the average male salary increased due to remuneration components linked to time in position and company tenure. The disclosures presented in this report follow GRI (Global Reporting Initiative) guidelines and were independently assured by a third party.  
3. The following convention was used:  
• Executive management: Vice Presidents, Executive Directors, and Directors  
• Middle-management: Senior Managers, Managers, Supervisors, and Coordinators  
• Non-managerial positions: Administrative, Specialist Technicians, Technicians, Operational Staff, Interns, and Young Apprentices.

# Benefits

At Boticário Group, we demonstrate our commitment to employee care and well-being through a comprehensive benefits package. This strategy also supports our talent acquisition and retention efforts. We offer over 30 benefits:



## HEALTH

- Nationwide health plan with choice of provider
- Psychotherapy
- Second medical opinion
- Nationwide dental plan
- Prescription assistance
- Vaccinations
- Executive



## FINANCIAL SECURITY

- Private pension plan
- Life insurance
- Bereavement support (parental loss)
- Employee loans
- Legal and financial counseling



## WELL-BEING

- Wellness and physical activity
- A flexible work model and home office allowance
- Paid day-off on birthdays
- Volunteering opportunities
- Pet care support
- Health allowance
- Travel and hospitality
- Food allowance
- Meal vouchers
- On-site cafeterias
- Meal tickets
- Christmas vouchers
- *Pais & Filhos*
- Universal parental leave
- CEAK (Annelise Krigsner Educational Center)<sup>1</sup>
- Childcare assistance | Early childhood education
- Child nutrition
- School supply allowance
- Support for parents of children with special needs



## MOBILITY

- Transportation vouchers
- Chartered transportation
- Parking



## ADDITIONAL BENEFITS

- Free courses
- Product discounts for AGB (Boticário Group Association) members
- Discounts on Group branded e-commerce platforms.

We continuously review the benefits we offer, benchmarking them against the market. This enhances our benefits packages and has a genuine and positive impact on employees' lives

PARENTAL LEAVE GRI 401-3

Since 2021, in addition to 180-day maternity leave, Boticário Group has offered a mandatory extended parental leave of 120 days for fathers—regardless of sexual orientation or family structure. This is an important step toward greater gender equity in the workplace and encourages deeper parental involvement during the early stages of parenthood.

		2020	2021	2022	2023	2024
Employees who were eligible for parental leave <sup>1</sup>	Men	-	4,457	6,052	7,307	7,841
	Women	-	7,284	8,911	11,145	13,036
Employees who took parental leave	Men	-	168	277	333	121
	Women	-	468	444	425	235
Employees who returned to work after parental leave ended during the reporting period	Men	156	166	277	333	121
	Women	492	458	444	424	235
Employees who remained with the company for 12 months after returning from leave <sup>2</sup>	Men	-	134	233	308	121
	Women	-	269	328	340	235
Return-to-work rate <sup>3</sup>	Men	-	98.80%	100.00%	100.00%	100.00%
	Women	-	97.90%	100.00%	99.80%	100.00%
Retention rate <sup>4</sup>	Men	-	80.70%	84.10%	92.50%	100.00%
	Women	-	58.70%	73.90%	80.20%	100.00%

Notes:

1. The total number of employees does not include the Chair and Vice Chair of the Advisory Board.

2. The “employees who remained with the company for 12 months” data set already accounts for those who stayed on after returning in the same year, not the previous one.

3. Return-to-work rate calculation methodology: total number of employees who returned to work after leave / total number of employees who took leave.

4. Retention rate calculation methodology: total number of employees who were retained for 12 months after returning from leave / total number of employees who returned to work after leave in the previous year.

WORK MODEL

Our work model balances flexibility with efficiency, with employees allowed to work on-site, telecommute, or opt for a hybrid of both.

% of workers	2022	2023	2024
Hybrid	22.95%	21.37%	18.95%
Remote	36.88%	39.54%	45.14%
In person	40.18%	39.09%	35.91%



Investing in training enhances skills and strengthens organizational culture

## TRAINING AND DEVELOPMENT

GRI 404-2 AND GRI 403-5

In 2024, Boticário Group made significant investments in employee development, reaching 14,036 people with 137,937 hours of training and an average investment of R\$ 504.61 per employee. Our Corporate Education team works to build the core competencies needed to drive the company's strategy, with a focus on leadership development, employee development, and strengthening our company culture (see [page 31](#)).

Boticário Group's approach to skills development is structured on two main pillars: The first focuses on a set of core competencies based on organizational values and our core principles (see [page 18](#)). The second centers on skill sets needed to execute business strategy.

By training employees on topics such as values, sustainability, and diversity and inclusion, the Corporate Education team is also helping to deliver on our purpose: "creating opportunities for beauty to change lives and thus the world around us"—as these learnings extend beyond the workplace, empowering employees to become ambassadors for positive change in their communities.

In 2024, the Corporate Education function underwent a restructuring based on a competency mapping exercise carried out in 2023. This process involved assessments and detailed data collection to align training initiatives with organizational priorities.

The first eight months of the year were focused on planning, updating legacy training tracks, and aligning efforts, with new course launches beginning in September. Although fewer training programs were offered compared to previous years, the results were positive: engagement tripled year over year, and the average satisfaction rate reached 93%. The new training track is built on three pillars:

- **Business Insight:** immersion into Boticário Group's business and culture, introducing the company's mission, values, and strategies.
- **Legal Requirements:** essential topics in areas such as compliance, ensuring alignment with regulations and best practices.
- **Policies and Guidelines:** detailed explanations of safety-related aspects across different departments.

To foster data literacy, Boticário Group launched basic and intermediate modules of our Data Academy, helping to promote data-driven decision-making across all levels. An Artificial Intelligence course trains employees to use AI tools while reinforcing Boticário Group’s commitment to ethical use of AI. In 2024, 20% of employees participated in our Data Academy, which recorded a satisfaction rate of 91%.

Our Leadership Academy expanded in 2024, offering a range of synchronous and asynchronous formats, both online and classroom-based, reaching leaders across the organization. The Leadership Academy saw participation from 69% of eligible employees and achieved a satisfaction rate of 98%.

Key 2024 training track options included:

- **Asynchronous Online Track:** delivered through the EducaOn platform.
- **Synchronous Track:** live sessions covered topics such as people management cycles, information security, portfolio management, and specific modules for international leadership.
- **Mercado em Pauta Program:** this program continued to facilitate constructive discussion on corporate and business trends.

- **In-Person Events:** the Leadership Academy featured at in-person events such as the *Lidera* and the *Executive Forum* (see [page 32](#)), providing opportunities for peer learning and networking.
- **Executive Program:** launched in 2024, this program uses an approach tailored to accelerate individual executives’ careers.

Beyond Corporate Education, several other training fronts support different internal audiences and needs, reflecting the complexity and diversity of our operations. Operational Education targets operations teams, using specialized platforms to meet legal mandated training requirements. Retail education focuses on store staff, while technical departments like Logistics and R&D deliver specialized training through various formats, including classroom-based, synchronous, and asynchronous.

EDUCAON

Another key initiative is EducaOn, the Boticário Group’s asynchronous online learning platform. It offers a broad range of courses covering diverse skills, supporting employees’ ongoing development.



# Average training hours for direct employees<sup>1</sup>

GRI 404-1

	2022	2023	2024
EMPLOYEE CATEGORY			
CEO and Vice Presidents	4.2	2.5	3.3
Executive Board	6.0	9.0	7.5
Sr. Management	5.9	11.1	7.8
Mid. Management	7.5	13.8	6.8
Supervisors	6.1	10.8	7.1
Coordinators	6.6	11.1	8.5
Administrative	5.5	7.2	8.1
Specialists	6.3	12.2	7.9
Technicians	13.0	14.2	9.0
Operational	9.6	8.9	9.0
Interns	8.7	10.5	16.3
Young Apprentices	4.1	7.3	16.1
Not reported		5.8	4.4
TOTAL	7.4	10.1	8.4
GENDER			
Women	6.7	10.1	8.5
Men	8.4	11.0	8.2
Non-binary	-	-	-
Not reported	-	5.8	-
TOTAL	7.4	10.1	8.4

	2022	2023	2024
AGE GROUP			
Under 30	6.9	9.7	9.1
30 to 50	7.7	10.9	8.0
Over 50	8.5	10.1	9.0
Not reported		5.8	-
TOTAL	7.4	10.1	8.4
RACE/COLOR/ETHNICITY			
Asian	7.9	9.7	7.8
White	7.4	11.2	8.6
Indigenous	5.8	3.7	10.9
Black	7.9	10.0	8.2
Mixed race	7.4	9.6	8.2
Not reported	5.9	6.0	4.5
TOTAL	7.4	10.1	8.4

Note:  
1. Training hours per employee, by category, are calculated using the following formula: total number of training hours offered / total number of employees.



MAY/2025

TEAM ENGAGEMENT

Team engagement is monitored through weekly surveys sent to all employees. The data collected is managed through the TeamCulture communication platform, which supports segmentation by role, gender, tenure, location, and other criteria. Based on the results, managers are able to make more informed decisions and co-create action plans with their teams.



Employee engagement rate<sup>1, 2, 3</sup>

	2022	2023	2024
	8.8	8.76	8.77
BY EMPLOYEE CATEGORY			
Board of Directors		8.9	8.8
CEO and Vice Presidents		8.9	9.6
Executive Board		8.9	8.9
Sr. Management		8.9	8.9
Mid. Management		8.9	8.9
Supervisors		8.9	8.8
Coordinators		8.7	8.8
Administrative		9.7	8.7
Specialized Technicians		8.8	8.8
Technicians		9.0	9.0
Operational		8.6	8.8
Interns		8.9	9.1
Young Apprentices		9.1	9.0

	2022	2023	2024
BY GENDER			
Men		8.9	8.9
Women		8.7	8.7
BY RACE/ETHNICITY			
Black		8.79	8.8
Mixed-race		-	8.8
White		-	8.8
Asian		-	8.8
Indigenous		-	8.4
Not reported		-	8.9

Notes:

1. Engagement refers to how invested and committed employees are to the company they work for. This metric is calculated as the average score across the following dimensions: Leadership, Team Spirit, Alignment, Well-being, Personal Growth, Happiness, Satisfaction, Recognition, Team Relationships, and Feedback.

2. Racial data (mixed race, white, Asian, indigenous) will be included in 2024, following the incorporation of these new attributes to the TeamCulture platform.

3. Includes 100% of employees.

# Health, Well-being, and Safety GRI 403-6



Boticário Group provides comprehensive care to employees through a dedicated structure that supports both physical and mental health, and moments when immediate attention and support are needed. This structure includes Health Promotion Centers (CPS)—on-site clinics located at factories and distribution centers; our 24x7 Health Center, which offers assistance for medical problems, emergencies and information about our health services; and Health Gsite, an intranet hub centralizing all available health service information.

In 2024, Health Gsite was redesigned to become more intuitive and provide more comprehensive information. New features included short explanatory videos with subtitles and Brazilian Sign Language (Libras), helping to clarify common questions.

Structured programs such as *Família Cresceu*, for pregnant employees, and *Pais Atípicos*, aimed at employees with children requiring specialized therapies, are also part of this initiative. We also run health campaigns and provide communications on routine exams, vaccinations, and other initiatives to encourage health and wellness.

In 2024, 1,040 employees took parental leave at some point during the year, and 279 employees and family members participated in the *Pais Atípicos* program, which offers specialized therapies, including autism treatment.



## KEY HEALTH NUMBERS IN 2024

### ON-SITE CLINICS:

13,547	16,518	96,06%
medical consultations	nursing consultations	of cases resolved directly at on-site clinics
10,810 GB	2,737 Contractors	11,317 GB
		5,147 Contractors

### HEALTH CENTER:

5,121 consultations provided

### VITTUDE:

85,000+ consultations on the platform

### FAMÍLIA CRESCER (THE FAMILY HAS GROWN):

758	443 pregnant employees
active participants	248 children in pediatric care

### PAIS ATÍPICOS (SPECIAL PARENTS):

288 employees registered

### VACCINATION:

12,000+ flu vaccine doses administered during the campaign

2,923 HPV vaccine doses administered



## MENTAL HEALTH

In 2024, we reinforced our mental health strategy by expanding our team of specialized health partners. This team, which integrates health and business perspectives, plays a key role in supporting the strategy's three pillars: prevention, promotion, and care.

We have continued to enhance our intervention approach tailored to our organizational context, focusing on high-intensity areas through an action matrix that factors stress indicators and mental health data. This approach aims to prevent and reduce stress while promoting employee well-being through personalized and strategic actions aligned with each department's specific needs.

In parallel, our Sentinela strategy remains active, using data analytics to proactively identify employees in vulnerable or high-risk situations.

Complementing these efforts, *Vittude*—a key part of the *Cuidado ao Indivíduo* (Individual Care) program—offers specialized support through personalized solutions, including telepsychology and targeted help for specific challenges, such as fear of public speaking. Employee engagement with the platform increased in 2024, with over 85,000 consultations involving employees and their dependents—up from previous years. This growth

reflects a cultural shift: employees are now seeking support not only during crises (such as depression or anxiety) but also as a preventive measure and a tool for self-awareness.

For our comprehensive mental health efforts, Boticário Group was recognized at the Vittude Awards in the following categories:

- **Leading Company in Mental Health** – for the second consecutive year.
- **Best Corporate Health Manager** – for the second consecutive year.
- **Best Mental Health Project** – for our Post-Traumatic Stress Care Pathway, developed in response to the crisis in Rio Grande do Sul. In May 2024, heavy rains in the state affected more than 900 employees and their families, answered by a swift and comprehensive response to meet their physical, emotional and social health needs, including the launch of a PTSD prevention and care initiative (see [page 106](#)).

OCCUPATIONAL HEALTH

Workplace Safety

At Boticário Group, our culture of Occupational Health, Safety, and Environment (HSE) is a non-negotiable commitment. It is supported by a strategy that includes strong governance, effective risk management, a focus on leading versus lagging indicators, and data-driven decision-making. Operational leaders are assigned specific safety targets, while strategic, tactical, and operational committees ensure alignment and effective communication across the organization.

We are recognized for good safety practices, including our Integrated Internal Accident Prevention Committee (CIPA), which brings together 26 committees responsible for continuously monitoring safety through quarterly alignment meetings, annual meetings, and monthly check-ins.

Notable workplace safety initiatives implemented in 2024 include:

- **Comprehensive Care Week:** benefited over 28,000 people across nine countries, raising awareness and engagement around safety and well-being.

- **Developing Care Leaders Program:** launched in Camaçari (BA) through a local leadership initiative, this program was scaled across multiple sites, training managers to reinforce our safety-first culture.
- **Life Rules Program:** establishes non-negotiable guidelines for preventing high-potential accidents and has been incorporated into physical and virtual Safety Dojos<sup>1</sup> to maximize employee learning and engagement.

Ongoing monitoring of operational indicators is a well-established part of our management routine. The Safety Performance Index (IPS) is one of Boticário Group’s main management indicators, used to assess the effectiveness of operations and the workplace through predictive and preventive metrics, including total frequency rate, legal compliance, implementation of our Maturity Journey (see box), and leadership performance.

Occupational Diseases GRI 403-10

Integrated Risk Management (GRI) and legal requirements guide our approach to identifying and controlling hazards, with preventive measures implemented using the resources provided by Boticário Group. The effectiveness of these measures is monitored through our Occupational Health Surveillance Program (PCMSO), while the health of outsourced workers is tracked by the team responsible for contractor management. In 2024, there were no recorded cases of occupational diseases, fatalities, or recordable work-related illnesses among Boticário Group employees or contractors.

<sup>1</sup> Safety Dojo is a dedicated space for strengthening our safety culture, promoting preventive best practices to protect workers and prevent accidents and occupational diseases.

Certification and Management System

GRI 403-1, GRI 403-7

Boticário Group’s Integrated Management System (SGI) is implemented across all its sites and applies to both employees and contractors. It plays a key role in identifying hazards, assessing workplace risks, and defining and managing action plans and targets to eliminate or mitigate those risks.

To drive operational excellence and long-term sustainability, we strive to continually strengthen our safety and compliance culture through robust governance of hazards and risks that may impact people’s safety. To this end, we created the Life Rules, which govern critical activities such as work at heights, operating machinery and equipment, handling chemicals, and working with electricity. The focus is on preventing incidents and fully complying with health, safety, and environmental (HSE) regulations.

Supporting these efforts, we invest in:

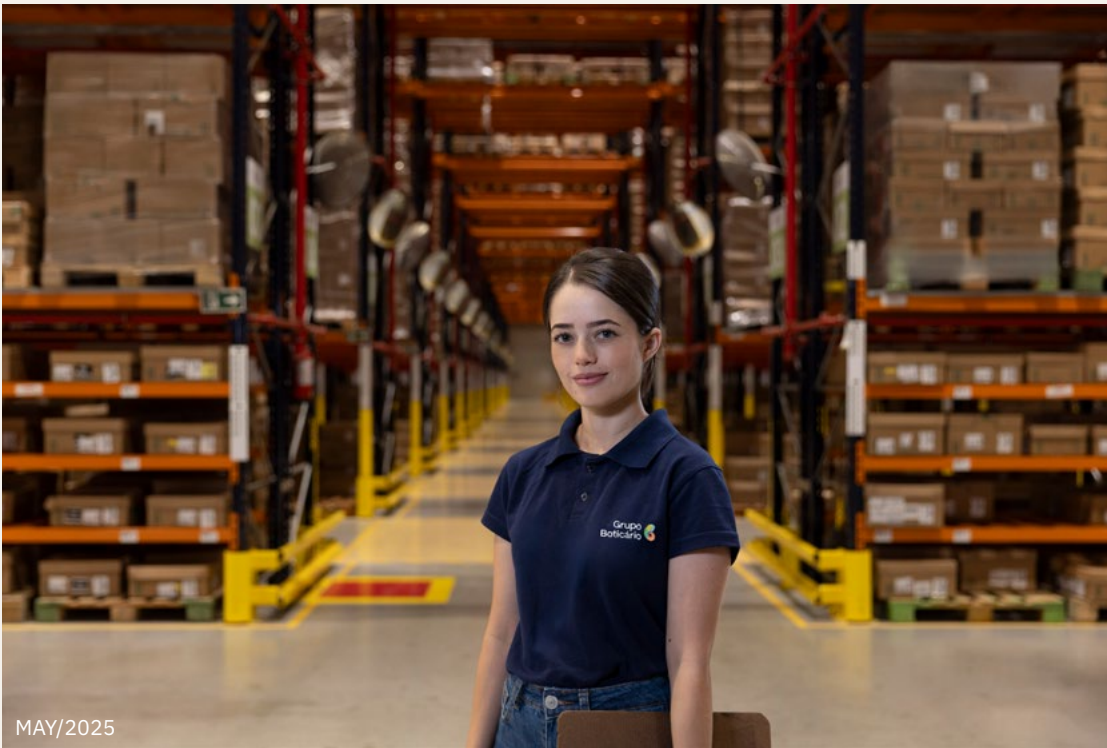
**1 – Risk Management:** identifying and controlling critical risks to ensure operational safety and performance. Within our Integrated Management System (SGI), these risks and hazards are managed through Integrated Risk Management (GRI), Preliminary Risk Analysis (APR), Permits to Work (PtW), our Risk Management Program (PGR), Safety Procedures, and certification processes.

**2 – Proactive Safety Culture:** fostering a collaborative safety culture in which proactivity, open communication, and continuous learning are essential pillars.

**3 – Active Learning:** conducting in-depth incident investigations, identifying root causes, and implementing effective corrective actions to prevent recurrence.

**4 – Safety Maturity:** continuously raising the maturity of our safety culture, aligning it with leading industry standards and best practices.

This strategic approach aims to forge a strong safety culture based on prevention, learning, and a commitment to excellence in employee



safety, environmental protection, and business sustainability.

Our manufacturing sites in São José dos Pinhais (PR) and Camaçari (BA), along with the distribution centers in Registro (SP) and São Gonçalo dos Campos (BA), hold ISO 45001 (Occupational Health and Safety Management Systems) and ISO 14001 (Environmental Management) certifications.

# Workers covered by an occupational health and safety management system

GRI 403-8

		2021		2022		2023		2024	
		Employees	Other workers <sup>1</sup>	Employees	Other workers <sup>1</sup>	Employees	Other workers <sup>1</sup>	Employees	Other workers <sup>1</sup>
Total number of individuals <sup>2</sup>	No.	7,071	3,700	8,102	3,813	12,002	4,539	15,293	6,485
Individuals covered by an occupational health and safety management system	No.	7,071	3,700	8,102	3,813	12,002	4,539	15,293	6,485
	%	100%	100%	100%	100%	100%	100%	100%	100%
Individuals covered by an occupational health and safety management system that has been internally audited	No.	3,871	2,855	4195	2,583	7,013	3,449	8,319	5,771
	%	54.70%	77.20%	51.80%	67.70%	58.40%	76.00%	54.40%	88.99%
Individuals covered by an occupational health and safety management system that has been independently audited or certified	No.	3871	2,855	4,195	2,583	7,013	3,449	7,876	4,425
	%	54.70%	77.20%	51.80%	67.70%	58.40%	76.00%	51.50%	68.23%

Notes:  
1 Other workers who are not employees but whose work and/or workplace is controlled by the organization.  
2. The scope of the reported data includes employees assigned to Boticário Group sites, fixed outsourced workers, and temporary contractors. No workers were excluded from the calculation.

Work-Related Injuries  
GRI 403-9

Serious work-related injuries can occur in various high-risk activities, such as work at heights, work in plenum spaces and confined spaces, hot work, load lifting, classified areas, hazardous energy, excavation, earthmoving, handling of hazardous chemicals, and working with pressure vessels and boilers.

To manage these risks, our Fatality and High-Potential Incident Prevention Program, called the “Life Rules,” comprises components such as Integrated Risk Management (GRI), a Risk Management Program (PGR), technical reports, and legal requirements. In 2024, reported lost-time injuries were related to collisions, cuts, falls from heights or stairs, human-machine interaction, and same-level falls.

Workplace Injuries<sup>1</sup>

	2022		2023		2024	
	Employees	Other workers <sup>2</sup>	Employees	Other workers <sup>2</sup>	Employees	Other workers <sup>2</sup>
Number of hours worked	19,395,870	10,153,240	26,205,765	14,048,445	36,500,865	15,494,515
Number of deaths resulting from work-related injuries	0	0	0	0	0	0
Fatality rate	0	0	0	0	0	0
Number of high-consequence work-related injuries	0	0	0	0	0	0
Severity rate <sup>3</sup>	2.52	5.71	5.65	2.42	1.26	5.48
Number of recorded work-related injuries (pick-up and logistics) <sup>4</sup>	4	9	17	8	1	5
Frequency rate (collection and logistics) <sup>5</sup>	1.22	2.63	3.27	1.52	0.15	0.96
Number of recorded work-related injuries (factories and supporting functions) <sup>6</sup>	8	14	15	16	18	17
Frequency rate (factories and supporting functions) <sup>7</sup>	1.74	4.44	0.71	1.82	2.67	5.71
Lost-time injury frequency rate	0.31	0.88	0.61	0.50 <sup>8</sup>	0.19	0.71

Notes:

1 Retail data was not included—only Boticário Group operations were considered. SJRP was not included in the 2024 and 2023 statistics.

2. Other workers who are not employees, but whose work and/or workplace is controlled by the organization. This category includes fixed and temporary third-party workers.

3. (Days of Leave \* 1,000,000) / Total Hours Worked (Boticário Group).

4. Accidents involving Logistics including Doctor's Cases, Lost-time Injuries and Restricted Work.

5. (Logistics Injuries \* 1,000,000)/MHW (Logistics).

6. Injuries in Manufacturing Facilities (IMPE) and Supporting Functions (QEC, Facilities, and S2P), including Doctor’s Cases, Lost Time Injuries, and Restricted Work cases.

7. (Injuries in Manufacturing Facilities and Supporting Functions \* 1,000,000) / MHW (Manufacturing and Support).

8. Rate restated due to incident reclassification.

**Risk Assessment and Incident Investigation** GRI 403-2 and GRI 403-3

We use a wide range of processes to identify hazards and assess risks in our operations. These include Integrated Risk Management tools, an AIPR (Aspects, Impacts, Hazards, and Risks Matrix), our Risk Management Program (conforming to Brazilian regulation NR01), legal requirements and technical reports mandated by Brazilian regulatory standards (NRs), Legal Requirements Governance (VCL), our Life Rules program, Preliminary Risk Analyses (APR), Permits to Work (PtW), safety procedures, work orders, our Contractor Management System (SG3), and General Health and Safety Orientation Procedures (POGs SS).

Other health and safety practices include occupational hygiene services, ergonomics, our Risk Management Program (PGR), our Occupational Health Surveillance Program (PCMSO), and health campaigns, supported by the Internal Accident Prevention Committee (CIPA). To ensure proper qualification, we establish minimum competency criteria, applying the SG3 system for contractors and a competency matrix for direct employees, along with internal and external audits.

Our safety culture is supported by programs such as: Life Rules, which gives team’s authority to remove workers from unsafe conditions; our

Responsible Conduct program, which grants employees the right and duty to refuse tasks that may pose safety risks; and indicators such as our Safety Performance Index (IPS) and General Partner Performance Index (IGPP). A dedicated reporting channel allows employees to report deviations and incidents, encouraging a proactive safety culture and driving continuous improvement.

**Employee Engagement** GRI 403-4

Employees participate in the development, implementation, and evaluation of the Occupational Health and Safety Management System through various channels, including deviation reporting, *gemba* (leaders visiting work areas), Toolbox Safety Talks, *Paradões*, CIPA meetings, High-Performance Team (TAD) meetings, and the active presence of the Health, Safety, and Environment (HSE) team during daily operational meetings (RODs).

To strengthen employee engagement, we hold monthly CIPA and TAD meetings, quarterly meetings with all CIPA presidents and vice presidents, and an annual meeting with the Vice President of Operations, the Head of Quality, Excellence, and Care (QEC), and CIPA representatives. In addition, we have dedicated squads focused on enhancing our Health and Safety Maturity Journey.



## Comprehensive Health and Safety Maturity Journey

The Maturity Journey has proven to be an valuable tool in preventing accidents and incidents at Boticário Group, strengthening the safety and environmental culture through a structured plan aligned with established methodologies that assess organizational maturity.

The methodology builds on strategic pillars that prioritize prevention, shifting from reactive approaches to proactive ones. While lagging indicators—like accident frequency rates—are still tracked, they are now supplemented by leading indicators.

Key initiatives as part of the Maturity Journey include: leadership training on safety, field practices, deviation monitoring, risk mitigation, and legal compliance. In 2024, the Maturity Journey comprised 21 core topics and over 200 actions, each generating multiple initiatives and transformations. A highlight of the year was our *seLIGA* program, designed to raise risk awareness via a mental checklist that helps employees detect and control risks before acting.

## Occupational Safety in Retail

Established three years ago, our Health, Safety, and Environment (HSE) team dedicated to retail oversees company-operated stores across Brazil, aiming to create safe workplaces tailored to the sector's unique needs.

In 2024, we launched a program, called Safety Guardian, with designated representatives in each unit. It resolved 89% of nearly 2,000 reported deviations in its first year. Structural improvements were also made to storage areas and ladders to reduce operational risks. All leaders received training, and additional sessions were held for stockroom employees.

New operating procedures were implemented, including audits, productivity monitoring, and improvements in the use of non-slip footwear and product handling bags.

# Sustainable Sourcing

# Supply Chain Management



We are committed to building and maintaining a sustainable and ethical supply chain through the careful selection of suppliers and transparent, collaborative partnerships. ESG principles are embedded from the outset of every business relationship.

As part of the onboarding process, suppliers must meet specific ESG criteria. This may include on-site or remote audits that assess factors such as health and safety, legal compliance, process quality, social responsibility, environmental sustainability, diversity, equity, and inclusion.

Once approved, suppliers are expected to comply with our [Code of Conduct](#), and adhere to ethical principles that guide sustainable supply chain management. These documents are available on our [Supplier Portal](#), which was updated in 2024 to offer a more modern and user-friendly interface.

Throughout the duration of contracts, occasional audits are conducted to ensure that suppliers meet the standards and conditions agreed upon at the outset. The frequency of these audits depends on the results of a risk matrix developed collaboratively by multiple departments within the Group. This matrix takes into account business strategy, quality, logistics, item exclusivity, and ESG-related factors.

Strategic suppliers undergo annual assessments that cover criteria such as eco-efficiency, climate change, biodiversity, raw material traceability, waste management, diversity and inclusion, ethical conduct, governance, integrity, and risk management. Depending on the type of item, some may be subject to additional criticality assessments.



In 2024, Boticário Group worked with 4,453 active suppliers. No actual or potential negative environmental or social impacts caused by these suppliers were identified. All critical active suppliers—representing 10% of total active suppliers—were screened against socio-environmental criteria. No suppliers or operations were found to be in violation or at significant risk of violating labor rights, including freedom of association, collective bargaining, child labor, hazardous work for minors, or forced or slave-like labor. [GRI 308-1](#), [GRI 308-2](#), [GRI 414-1](#), [GRI 414-2](#), [GRI 407-1](#), [GRI 408-1](#) and [GRI 409-1](#)

## Our Commitment

To encourage responsible sourcing within our supply chains as a way to combat illegal deforestation, biodiversity loss, and to ensure appropriate working conditions.

## Strategic Suppliers

Out of all active suppliers (direct and indirect), 116 are considered strategic. Of these, 115 have implemented initiatives to promote diversity, and 11.3% belong to diverse groups. In our sustainability assessment, 71 strategic suppliers—representing 61.2% of this group—scored above 60%. Within the first tier of the supply chain (tier 1), 99.14% of direct suppliers were assessed based on their sustainable practices.

In 2024, 59% of total purchases were made from sustainable suppliers—defined as those scoring 60% or higher in the sustainability assessment.

## Sustainable Sourcing

To ensure that the environmental, social, and governance principles adopted internally are also reflected in supplier practices, we have implemented measures ranging from strict procurement criteria to training opportunities for partners.

## Local Supplier Spend<sup>1</sup>

GRI 204-1

	2021	2022	2023	2024
% budget spent on local suppliers	96.3%	97.3%	95.8%	97.2%

1 All Boticário Group operational located in Brazil are included.



MAY/2025

## ESG Alliance and Training

In 2024, we continued to advance our commitment to sustainable sourcing with the launch of the ESG Alliance—a working group made up of professionals responsible for purchasing and service procurement across various departments. The group holds training sessions and meetings to raise awareness, build capacity, and engage buyers so that they, in turn, can cascade ESG knowledge across the wider supply chain. All buyers received training in 2024.

Our ESG Alliance initiatives include sustainable procurement training, in-person workshops, and visits to industries and businesses aligned with ESG topics. Beyond internal efforts, Boticário Group also regularly hosts supplier events and forums

to communicate strategy and guide partners on improving their ESG performance.

One example from 2024 was the online edition of our ESG Super Forum for the supplier chain. The event featured the participation of senior leadership from the ESG and Procurement departments, along with external guests. The event aimed to share best practices and reached a broad audience for its first edition, with over 900 views and attendees from several countries tuning in live.

---

The ESG Alliance was created to train buyers and strengthen sustainable practices across the supply chain

---

# ESG Performance Among **Suppliers**

In addition to audits conducted by the Supplier Development team within the Group's Procurement Department, three tools support ongoing ESG assessments of suppliers:

- **ESG self-assessments and benchmarking** via digital platforms (Beauty Chain)
- **Participation of higher-impact suppliers** in completing the CDP Supply Chain questionnaire
- **Ongoing monitoring** of strategic suppliers through our Partner Evaluation and Development Program (PADP).



MAY/2025

# CDP Supply Chain

Boticário Group invites selected suppliers to respond to the CDP Supply Chain questionnaire, which helps evaluate sustainability practices across the supply chain. The data collected helps identify opportunities to mitigate risks and promote more responsible practices.

In the CDP’s 2023 Annual Report, published in 2024, Boticário Group was singled out as a best practice case in supplier engagement and related activities. This recognition included an interview with ESG team representatives, showcasing how



MAY/2025

Boticário Group addresses sustainability with business partners.

In 2024, we invited 376 suppliers to respond to the CDP Climate Change questionnaire and received 183 responses (48.7%). Among them:

- 23.5% identified climate-related risks.
- 46.5% identified climate-related opportunities.
- 58.5% reported having at least one GHG emissions reduction target (intensity and/or absolute).

Also in 2024, we responded to the CDP Forests questionnaire for the first time, covering commodities such as wood, palm oil, and coffee. While the responses were kept confidential in this first year, the tool served as an assessment to identify improvement opportunities. As part of our sustainability strategy, we have made related commitments (see page 25) and are already implementing robust processes, including international certification requirements and action beyond tier 1 suppliers.

# Partner Evaluation and Development Program (PADP)

With over 27 years of activity, the PADP evaluates, ranks, and recognizes product and service suppliers annually based on criteria such as quality, commercial performance, service, technical assessment, and ESG factors. For suppliers showing improvement opportunities, we provide targeted support and develop personalized action plans. PADP participants receive scores based on their overall performance in different topics. ESG criteria have a weight of 10% in the final score.

In addition to traditional awards based on overall rank, the program also honors companies with the best ESG scores through an ESG Excellence Award. This award is audited by an external third party, and in 2024, 100% of finalist suppliers were evaluated.

No contracts were terminated in 2024 due to social, environmental, or compliance issues.

## Beauty Chain

Another key tool we use to manage our supply chain is the Beauty Chain digital platform, through which suppliers complete an ESG self-assessment and receive feedback on their performance, along with recommendations for continuous improvement.

In 2024, we hired a consultancy firm to structure and collate collected data, enabling segmented analysis by category and supplier with greater flexibility. This helped to identify strengths, opportunities, and recommendations based on market best practices to support supplier development.

## ESG Supplier Factoring

In partnership with Itaú BBA, we offer special credit facility to our suppliers. This provides more favorable loan conditions—such as lower interest rates—for suppliers with strong ESG practices, encouraging sustainable initiatives implemented and improved throughout the supply chain.

## Project Pandora

In 2024, Boticário Group made continued progress on Project Pandora, an initiative aimed at ensuring traceability of raw materials and promoting sustainable practices throughout all tiers of our supply chain, with a focus on preventing human rights violations, deforestation, and species extinction risks. We reached a key milestone in the sugarcane-based alcohol supply chain—an essential input. Today, 100% of this supply chain is certified and traceable.

This initiative involves strategic departments such as Legal, Compliance, Reputation, Procurement, Corporate ESG, Supplier Development, R&D, Product Safety, Regulatory Affairs, Quality Assurance, and teams focused on biodiversity, raw materials, and packaging. The process is managed in a structured way to define and validate guidelines and procedures.

Despite the complexity of dealing with raw materials from multiple suppliers, requiring specific certifications helps ensure best practices and supports long-term sustainability.



**Boticário Group has achieved 100% certification in its alcohol supply chain, 98% in wood, and 97% in palm oil sourcing**

---

# Appendix 1

---

# Management of Material Topics

GRI 3-3

Material Topic	Potential and/or actual impacts	Commitments and policies	Initiatives and monitoring
<b>Cybersecurity, Privacy, and Data Protection:</b> securely managing the collection, retention and use of sensitive and confidential information; and safeguarding cybersecurity and data privacy for internal and external information in compliance with the Brazilian General Data Protection Regulation (BR GDPR).	<b>SOCIAL AND ENVIRONMENTAL IMPACTS</b> <b>Negative</b> impacts include the risk of leaking sensitive or strategic data belonging to us or our partners—consumers, resellers, employees, and other business partners. <b>Positive:</b> security assured for non-critical personal data and sensitive personal data of consumers, employees and resellers.  <b>FINANCIAL EFFECTS:</b> higher costs associated with updates, cybersecurity, protection of internal data and stakeholders, operational shutdowns, ransom payments, lawsuits and damages, and restoring image and reputation in the event of data exposure for use by criminal organizations and/or leakage of sensitive information.	<a href="#">Data Privacy Policy</a>  Information Security Policy  IT Service Continuity Policy  <a href="#">Data Privacy Commitment</a>	  <a href="#">Page 49</a>  GRI 418-1  SDGs 9 and 16
<b>Climate Change:</b> managing climate change risks and actions, increasing energy efficiency and reducing greenhouse gas (GHG) emissions from the use of fossil fuels in operational, logistics and retail activities.	<b>SOCIAL AND ENVIRONMENTAL IMPACTS</b> <b>Negative</b> impacts include a possible increase in extreme weather events that pose risks to infrastructure, employees and consumer markets; supply chain disruptions; production shocks; and diminished availability of critical natural resources. The Group’s operations, transport, and retail activities may contribute to climate change through GHG emissions. <b>Positive</b> impacts include support for protected natural areas, the use of renewable energy in operations, and promoting decarbonization across the value chain.  <b>FINANCIAL EFFECTS:</b> There is a possibility of rising costs related to infrastructure adjustments and repairs, revenue loss in consumer markets affected by climate impacts, and the incorporation of carbon pricing into products. Other risks include changes in the regulatory landscape, shifts in rainfall patterns, global warming and biodiversity loss, and energy and water scarcity and conflicts over their use. These could lead to higher costs due to taxes and reduced revenue from limited market access, along with increased expenses for acquiring carbon credits.	<a href="#">Environmental Policy</a>  2030 Commitments  Climate Change: help limit the rise in global average temperature, in line with the Paris Agreement.  Renewable energy target linked to the SLB (See <a href="#">page 47</a> )	  <a href="#">Page 56</a>  GRI: 302-1   302-2   302-3   302-4   302-5   305-1   305-2   305-3   305-4   305-5  305-6   305-7

Material Topic	Potential and/or actual impacts	Commitments and policies	Initiatives and monitoring
<p><b>Waste Management:</b> this topic addresses the management and reduction of waste and residue generation through eco-design, reuse, recycling, proper disposal, and promoting conscientious consumption and recycling value chains.</p>	<p><b>SOCIAL AND ENVIRONMENTAL IMPACTS</b> <b>Negative</b> impacts include contamination risks and ecosystem damage from improper disposal at the new plant, in operations, and in retail; biodiversity loss due to packaging waste; low use of recycled raw materials; and high landfill disposal rates throughout the supply chain. <b>Positive:</b> incentives for waste reduction, material and packaging reuse, and recycling, focusing on the recycling chain and improving income and working conditions for independent waste pickers and cooperatives.</p> <p><b>FINANCIAL IMPACTS:</b> Increased costs on sourcing raw materials and developing reuse processes, stricter regulations, risks of being associated with contamination incidents or biodiversity loss, public health issues, and the cost of waste disposal and purchasing recycling credits.</p>	<p><a href="#">Environmental Policy</a></p> <p>2030 Commitments</p> <p>Waste: minimize the environmental impact caused by waste from our direct operations through waste volume reductions, recycling incentive programs and packaging circularity.</p> <p>Waste reduction goal indexed to variable compensation</p> <p>Waste reuse target linked to the SLB (see <a href="#">page 47</a>)</p>	<p><a href="#">Page 65</a></p> <p>GRI: 301-1   301-2   301-3   306-1   306-2   306-3   306-4   306-5</p>
<p><b>Water and wastewater management:</b> water management, impact reduction and efficiency improvement across water withdrawals, reuse, consumption and the discharge of wastewater and pollutants in operations and product use. Actions to conserve and use water resources efficiently.</p>	<p><b>SOCIAL AND ENVIRONMENTAL IMPACTS</b> <b>Negative:</b> potential inefficient use of water resources; contamination of water bodies; conflicts over water use. <b>Positive:</b> support for water source recovery projects.</p> <p><b>FINANCIAL EFFECTS</b> include potential association with water contamination cases, water scarcity, conflicts over usage, limited access to quality water, biodiversity loss, a rise in waterborne diseases, environmental remediation costs, and waste of water resources. All these effects can have financial impacts due to increased costs for water access and treatment, contaminated site remediation, damages payments and lawsuits, mediation of conflicts and disputes over use, and operational shutdowns.</p>	<p><a href="#">Environmental Policy</a></p> <p>2030 Commitments</p> <p>Water: increase the business’s water efficiency and positively impact strategic drainage basins for both us and society.</p> <p>Water reuse target linked to SLB (see <a href="#">page 47</a>)</p>	<p><a href="#">Page 75</a></p> <p>GRI: 303-1   303-2   303-3   303-4   303-5</p> <p>SASB: CG-HP-140a.1   CG-HP-140a.2</p>

Material Topic	Potential and/or actual impacts	Commitments and policies	Initiatives and monitoring
<b>Biodiversity and ecosystems:</b> protecting, preserving, restoring and rehabilitating biodiversity and ecosystems.	<b>SOCIAL AND ENVIRONMENTAL IMPACTS</b> <b>Negative:</b> risk of using inputs originating from deforestation; damage to biodiversity due to operational expansion; restriction of access to inputs/critical natural capital (CNC); being associated with biodiversity damage caused by plastic waste. <b>Positive:</b> support for the maintenance of protected areas (via Boticário Group Foundation); support for the recovery of water source areas (eg. Viva Água in the Rio Miringuava and Guanabara Bay watersheds).	<u>Environmental Policy</u>	<u>Page 80</u>
	<b>FINANCIAL EFFECTS</b> Possibility of higher raw material sourcing costs, operational shutdowns and product shortages, higher costs related to reputational recovery, revenue loss due to lower demand for our services, higher capital cost due to greater difficulty in accessing capital markets and sources of funding; increased costs related to infrastructure adaptations and recovery, revenue loss in affected consumer markets, and internalization of carbon pricing in products.	2030 Commitments  Biodiversity: enhance biodiversity and wildlife conservation.  <u>Brazilian Business Commitment to Biodiversity</u>  Vegan product target linked to SLB (see <u>page 47</u> )	GRI: 304-1   304-2   304-3  SDG 15
<b>Development and Engagement with Resellers and Local Communities:</b> manging impacts and easing social and gender inequalities, strengthening relationships, and supporting social, economic and professional development opportunities, with an emphasis on digital training and gender entrepreneurship for resellers and communities.	<b>SOCIAL AND ENVIRONMENTAL IMPACTS</b> <b>Negative:</b> risk of lawsuits or penalties related to interactions with neighboring communities and labor rights for resellers; lack of dialog or unresolved conflicts near operations; perpetuation of socioeconomic disparities. <b>Positive:</b> training an entrepreneurial workforce, digital inclusion; local socioeconomic development of resellers.	Donations Policy	
	<b>FINANCIAL EFFECTS</b> Risks include being perceived as socially irresponsible, facing legal claims and complaints, reduced labor availability, and insecurity in areas surrounding our operations. These may lead to financial losses through higher compensation costs, litigation, investments in local security, workforce acquisition and retention, and revenue reductions due to decreased sales among socially conscious consumers.	2030 Commitments  Social Development: actively contribute to easing social inequality among the general population and positively impact the quality of life of business partners within the beauty ecosystem.  <u>Code of Conduct</u>	<u>Page 100</u>  GRI: 203-1  413-1  413-2  SDGs 1, 5, 8 and 10

Material Topic	Potential and/or actual impacts	Commitments and policies	Initiatives and monitoring
<p><b>Diversity and Inclusion:</b> promoting representation for diverse individuals through inclusion within the organization and across the value chain—comprehensively and innovatively developing products, communication and workplace best practices. Strategic initiatives are guided by key diversity principles, which serve as a compass for action.</p>	<p><b>SOCIAL AND ENVIRONMENTAL IMPACTS</b> <b>Negative:</b> risk of underrepresentation of racial groups in leadership roles and broader workforce; incidents of discrimination including racism, sexism, ableism, LGBTphobia, ageism, and other forms of prejudice. <b>Positive:</b> Greater inclusion and appreciation of diversity in the workplace; support for affirmative procurement; and bias-free representation in our communication campaigns.</p> <p><b>FINANCIAL EFFECTS</b> Risks include stricter regulations, reputational damage from discrimination cases, challenges in retaining talent, and reduced organizational well-being. A lack of diversity and resilience in management can lead to higher costs related to compensation, image repair, and recruitment. Lower diversity may also reduce revenue and business resilience, especially among consumers who prioritize inclusion.</p>	<p>Diversity and Inclusion Policy</p> <p>2030 Commitments</p> <p>Diversity and Inclusion: Foster representativeness and inclusion of diverse individuals in the general workforce and leadership at Boticário Group, mirroring the Brazilian population.</p> <p>Advance diversity and inclusion within our business ecosystem through our purchasing, marketing and communication with society.</p> <p>Diversity targets indexed to variable compensation</p>	<p><u>Page 108</u></p> <p>GRI: 202-1   401-3   405-1  405-2   406-1 SDGs 5, 8 and 10</p>
<p><b>Health, Safety, and Well-being:</b> we prioritize the physical and mental health of our employees and partners by managing workplace conditions throughout our operations and supply chain, with a strong emphasis on organizational well-being.</p>	<p><b>SOCIAL AND ENVIRONMENTAL IMPACTS</b> <b>Negative:</b> risk of accidents involving internal and contractor teams, health issues linked to poor working conditions, demotivation, mental or physical illness, higher absenteeism, operational disruptions, and reputational harm from perceived neglect of employee health and safety, including mental health. <b>Positive:</b> implementation of programs supporting physical and mental health.</p> <p><b>FINANCIAL EFFECTS</b> Potential higher costs from turnover, talent loss, or leadership attrition; rising absenteeism due to occupational illness or fatalities; higher turnover rates; and reduced workplace well-being. Stricter labor regulations could also increase the cost of compensation claims.</p>	<p>Human &amp; Organizational Development Policy</p> <p>Corporate Education Policy</p> <p>Labor Policy</p> <p><u>Boticário Group Core Values and Purpose</u></p>	<p><u>Page 127</u></p> <p>GRI: 403-1   403-2   403-3   403-4   403-5   403-6   403-7   403-8   403-9   403-10</p> <p>SDGs 3, 8 and 10</p>

Material Topic	Potential and/or actual impacts	Commitments and policies	Initiatives and monitoring
<b>Supply Chain Management:</b> scaling, controlling, and monitoring suppliers' quality standards, prioritizing ESG criteria, and using packaging and ingredients with low socio-environmental impact.	<b>SOCIAL AND ENVIRONMENTAL IMPACTS</b> <b>Negative:</b> risk of unavailability of critical raw material and logistics suppliers; non-ESG compliance cases in the supply chain (e.g., causing deforestation, instances of racism, bribery); poor traceability of inputs. <b>Positive:</b> ESG analysis and development of the raw materials value chain; development of retail products and solutions using raw materials with lesser impact, supporting suppliers in achieving compliance.	Sourcing Policy	
	<b>FINANCIAL EFFECTS</b> Risks of stricter regulations and joint liability, restricted market access, being associated with cases of social or environmental irregularities, cases going viral on social media, shortages of inputs, and supply chain vulnerability. These can lead to financial impacts due to increased costs of accessing inputs, damages payments and lawsuits for joint liability, image and reputation recovery, traceability, audits, development of new suppliers, operational shutdowns due to input shortages, and revenue loss due to lower sales to groups concerned about these causes.	Supplier Relationship Policy  <u>Code of Conduct</u>  2030 Commitments  Sustainable Sourcing: promote responsible sourcing throughout our supply chains as a way to combat illegal deforestation, biodiversity loss, and promote decent working conditions.	<u>Page 135</u>  GRI: 204-1   308-1   308-2   407-1   408-1   409-1   414-1   414-2  SDGs 8, 9 and 17



# Frameworks

→ TCFD  
→ TNFD





## Governance

Boticário Group has a robust governance structure for our climate agenda, aligned with international best practices and the original recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), now incorporated in IFRS S2. Our climate management practices follow well-recognized guidelines, such as our GHG Protocol Gold emissions inventory and science-based (SBTi) targets. We have also developed a Climate Transition and Adaptation Plan and established monitoring mechanisms, performance indicators, and transparency practices embedded throughout the organization.

The Advisory Board is our top governance body, supported by committees that help steer strategic decision-making. Two of these play a key role in overseeing climate-related risks and opportunities: the Risk and Audit Committee and the ESG Committee. The Risk and Audit Committee is responsible for assessing and managing strategic risks, including climate risks. It reports directly

to the Advisory Board and includes a dedicated climate risk space within its risk governance structure. The committee annually evaluates the likelihood and financial impact of climate risks and oversees mitigation and adaptation action plans.

The ESG Committee plays a central role in overseeing our climate strategy, ensuring sustainability is embedded in our broader corporate vision. It advises the Advisory Board and senior leadership on ESG matters and ensures that climate risks and opportunities are factored into strategic decisions. Chaired by an independent board member, the ESG Committee includes Boticário Group's CEO, the Chair and Vice Chair of the Advisory Board, external specialists, and two senior executives—the VP of Corporate Affairs and the ESG Director—who spearhead ESG strategy deployment across the organization.

The ESG Committee ensures sustainability is embedded across all business functions, enabling

strategic decisions to address both financial and non-financial matters. Its key duties include monitoring our decarbonization strategy, setting science-based targets, prioritizing climate adaptation measures, and tracking ESG targets and metrics. It meets quarterly and on an *ad hoc* basis when needed and regularly reports to the Advisory Board on the progress of sustainable initiatives, climate risks and opportunities, and the Climate Transition and Adaptation Plan. This dialog between committees and the Board helps shape our financial and strategic planning in light of short-, medium-, and long-term climate challenges and opportunities.

Our climate governance structure also includes the ESG Department and the Senior Environmental Impact Management team, both of which report to the VP of Corporate Affairs and the ESG Committee. They are responsible for presenting results tied to climate targets, associated risks and opportunities, and mitigation strategies. These functions actively

participate in executive forums where financial planning, risk analysis, and climate strategy insights are shared. Annual climate action budgets are developed by department heads and directors and reviewed by the Advisory Board to ensure strategic alignment and resource efficiency.

Boticário Group recognizes that climate risks can affect both our operations and value chain. That is why climate is integrated into our Corporate Risk Management & Business Continuity System, overseen by the Risk and Audit Committee. This committee evaluates climate risk probability and financial impacts, supervises action plans, and delivers annual reports on progress. Based on these reports, recommendations are made to improve actions and ensure alignment with our strategic vision.

Climate change is a core pillar of our “Future Commitments” (see [page 25](#)), with specific targets to reduce greenhouse gas (GHG) emissions from direct and indirect operations. Actions to fight climate change include reducing carbon emissions, using lower-impact raw materials, and investing in natural capital and biodiversity conservation.

The ESG Committee monitors progress on climate targets, including those linked to green bonds like the Sustainability-Linked Bonds issued by the Group (see [page 47](#)). While the Advisory Board oversees strategic issues and receives updates from both

the ESG and Risk and Audit Committees, the ESG Committee focuses on the execution and tracking of sustainability efforts. The Risk and Audit Committee plays a vital role in identifying, evaluating and mitigating climate risks.

Our climate strategy is carried out operationally by the ESG Director and other directors in departments directly affecting performance indicators, such as Operations and R&D. These strategic objectives are tracked monthly and reported quarterly to the ESG Committee, which reviews progress, outcomes, action plans, and the need for adjustments.

This governance process provides oversight of our climate strategy, keeping it aligned with global best practices and integrated into the Group’s sustainability agenda.

# Strategy

We have a climate strategy fully aligned with our business strategy, integrating the management of climate-related risks and opportunities into corporate decision-making. This approach spans multiple time horizons, factoring climate considerations into strategic and financial planning and strengthening organizational resilience in the face of different climate scenarios. Our climate strategy guides investments, innovation, operational efficiency, and product development, ensuring we are prepared to address challenges and capitalize on opportunities brought by climate change over time.

The time horizons we use are based on the lifespan of our assets, organizational infrastructure, and the potential financial impacts of climate change:

**SHORT TERM (up to 10 years)**  
Covers climate events that are already occurring or may intensify, such as flooding, which affects product logistics and distribution. Emerging regulations, such as carbon pricing, are also considered within this horizon.

**MEDIUM TERM (10 TO 20 years)**  
Focuses on risks like restricted access to key raw materials, water resources, and energy security—all of which could directly impact operations and the supply chain.

**LONG TERM (20 to 30 years)**  
Includes extreme weather events and asset loss due to the growing global impacts of climate change.

**Risk identification follows a structured, ongoing process comprising three steps:**

**UNDERSTANDING THE CONTEXT** defining key processes, scope, and schedule;

**EXECUTION**, including the identification of internal and external risks through interviews, climate scenario analysis, and assessments of impact, likelihood, and existing controls;

**FINALIZATION**, with defined responses, action plans, and continuous monitoring of risks and solutions.

The assessment combines qualitative and quantitative analyses. Factors include event severity, availability of water and raw materials, operational impact, and related costs. Advanced geospatial tools are used to map site vulnerabilities to extreme events like flooding, supporting strategic, data-driven decisions.



## Impacts on business, financial planning, and value chain

The climate risks we map directly influence financial planning and business strategy. Each risk is classified based on financial and strategic impact, using the dimensions of reputation, operations, and finance:

- Insignificant risk:** financial impact up to R\$ 77 million, with minimal effects on reputation and operations.
- Low risk:** impact from R\$ 78 million to R\$ 154 million, with local reputation effects and minor operational impacts.
- Moderate risk:** impacts ranging from R\$ 155 million to R\$ 231 million, causing regional reputation damage and moderate operational effects.
- Significant risk:** impact ranging from R\$ 232 million to R\$ 308 million, with serious national consequences for operations and reputation.
- High risk:** impact above R\$ 309 million, with severe damage to operations and domestic reputation.

Risks classified as significant or high are included in our strategic risk monitoring process and treated as potential threats to our strategic plan.

In addition to risks, climate-related opportunities are also analyzed in terms of financial, operational, and environmental impact.

ASSESSMENT OF RISKS AND FINANCIAL IMPACT BASED ON CLIMATE SCENARIOS

Boticário Group assesses both physical and transition risks using long-term climate scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), based on the AR5 and AR6 reports. The assessment also incorporates Shared Socio-economic Pathways (SSPs) and Representative Concentration Pathways (RCPs), in line with global best practices for climate and financial risk assessment.

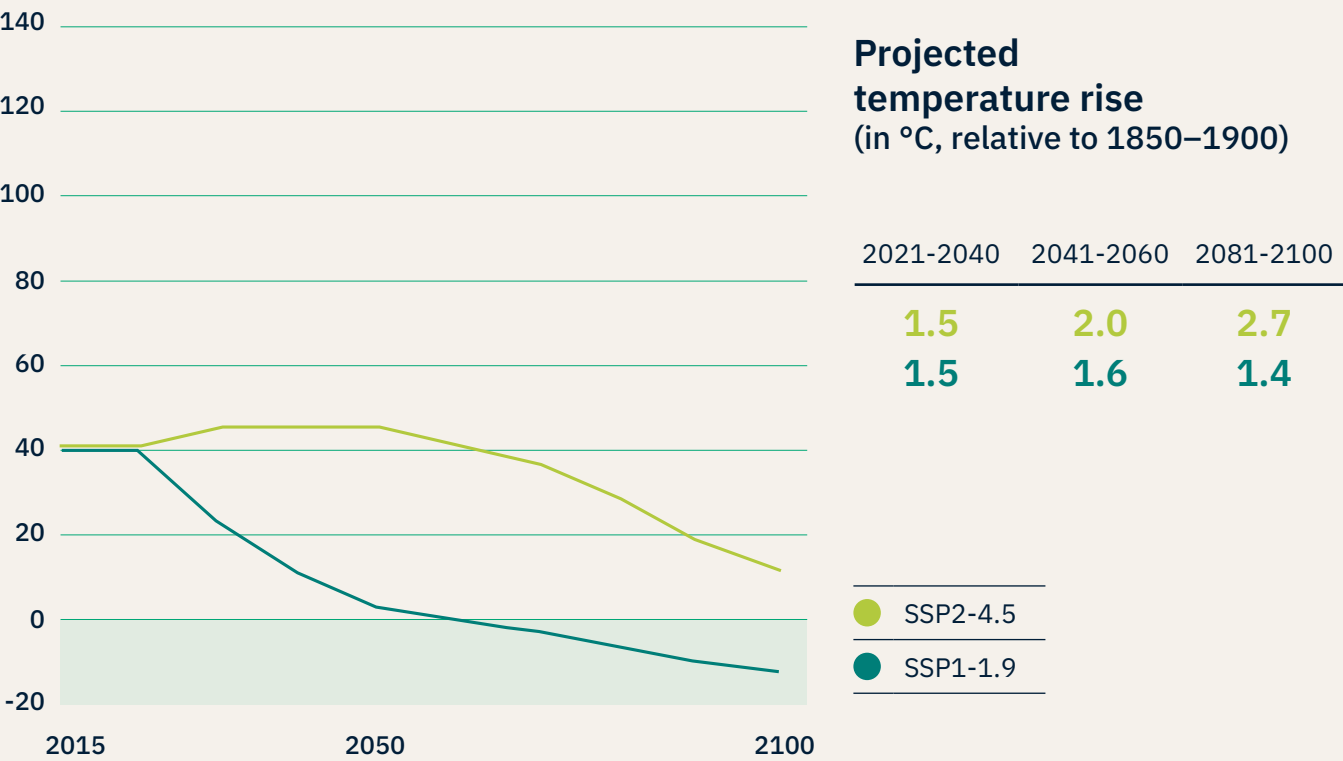
For transition risk assessments, we use at least two climate scenarios, including one aligned with a pathway below 2°C, following the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). The adopted scenarios are:

- **SSP1-1.9 Scenario (Net Zero Emissions – NZE):** this low-emission scenario reflects global efforts to limit average global temperature rise to 1.5°C by the end of the century (2100). It calls for achieving net-zero carbon emissions around 2050, through measures such as adoption of mature, cost-efficient emission reduction technologies, international cooperation, and an orderly energy transition. According to the International Energy Agency (IEA), this scenario represents the maximum effort needed to prevent severe climate change and is aligned with the Paris Agreement.

- **SSP2-4.5 Scenario (Stated Policies Scenario – STEPS):** this scenario reflects climate policies currently in effect and those formally announced by governments around the world. It is based on detailed sector-by-sector and country-by-country analysis, projecting a global temperature increase of 2.7°C by the end of the century. It highlights the limitations of current climate policies and represents middle ground between insufficient efforts and more ambitious actions.

Together, these two scenarios provide a detailed view of the risks and opportunities that may affect our strategic and financial planning. The NZE scenario (SSP1-1.9) imposes ambitious decarbonization and energy transition targets, while the STEPS scenario (SSP2-4.5) emphasizes the challenges of relying on current policy trends, pointing to more severe long-term impacts.

Annual CO<sub>2</sub> emissions through 2100  
(in billions of metric tons/year)



Source: IPCC AR6 WGI / Jornal da USP (adapted from the original English version)

**FACTORING SUSTAINABILITY INTO INVESTMENTS AND ACQUISITIONS**

For new investments and acquisitions, Boticário Group undertakes a rigorous M&A due diligence process that examines environmental, social and governance (ESG) issues for risk and opportunity assessment. Among other factors, this process evaluates the total greenhouse gas (GHG) emissions of target companies across scopes 1, 2, and 3. Once the initial assessment is complete, acquired operations undergo an integration process to align with our sustainable practices, ensuring consistency with our climate and strategic commitments.

**SUSTAINABLE PARTNERSHIPS IN THE VALUE CHAIN**

At Boticário Group, we view our suppliers as strategic partners in advancing sustainability and mitigating climate impacts. Most suppliers are located in areas vulnerable to water stress, such as São Paulo state, making adaptation and risk reduction measures especially relevant. To address this, we have committed to significantly reducing GHG emissions and water and energy consumption across our value chain, offering technical and financial support to help suppliers improve their own sustainable practices.

Direct operational impacts represent only part of the challenge. For this reason, we make continuous efforts to engage suppliers in the transformation process, urging them to actively participate in our sustainability agenda. As part of this, suppliers are assessed and categorized based on their ESG risk level, particularly within the PADP (see [page 140](#)).

Market demand risks and the growing preference for low-carbon products and services have also profoundly shaped our ESG strategy.

In response, we have developed a climate transition plan aligned with the latest scientific evidence, aimed at limiting global temperature rise to 1.5°C, in line with the Paris Agreement. This transition spans from raw material selection to product delivery, emphasizing quality, safety and the reduction of environmental and social impacts throughout the production process.

Efforts include prioritizing natural, certified, traceable, organic, or vegan ingredients—those with sustainability attributes such as higher yield and lower water consumption during use.

**PRODUCT AND PACKAGING IMPACT AND SUSTAINABILITY ASSESSMENTS**

Boticário Group ensures the safety and sustainability of our products through rigorous ingredient and formulation assessments. Ecotoxicity assessments are conducted to ascertain potential impacts on human health, the natural environment, and natural resources. We also apply the internally developed Environmental Risk Assessment Index (I.A.R.A® – see [page 92](#)), especially for products deemed critical.

Packaging undergoes Life Cycle Assessments (LCAs) that evaluate environmental impacts across multiple dimensions, including climate change, ozone depletion, human toxicity, respiratory particulates/inorganics, photochemical ozone formation, ionizing radiation, acidification, eutrophication, ecotoxicity, land use, material and energy resource depletion, and water scarcity.

Physical risks from extreme weather events such as heatwaves, droughts, storms, and floods present direct challenges to Boticário Group’s industrial and retail operations. In response, we have rolled out targeted action plans to reduce exposure to these risks, enhance operational resilience, and ensure business continuity.

**SUSTAINABLE WATER MANAGEMENT AT BOTICÁRIO GROUP**

Water is a strategic input for us, essential in both product formulation and production support activities. Recognizing its importance to society and the environment, we use a responsible approach to water resource management, prioritizing efficient use, reuse, and continuous improvement (see [page 75](#)). We have practices in place to maximize water use efficiency in our operations (see [page 77](#)).

Assessments are based on various climate scenarios aligned with the Shared Socio-economic Pathways (SSPs):

- **SSP1-2.6:** low-emissions scenario with controlled temperature rise.
- **SSP2-4.5:** intermediate scenario reflecting current policies and emissions.
- **SSP3-7.0 and SSP5-8.5:** high-emissions scenarios with global warming above 2°C.

These scenarios consider social, economic, and bioecological variables, including population growth and pressure on natural resources. Tools such as Aqueduct, Adapta Brasil, Think Hazard, and the Water Risk Filter support risk identification and planning of mitigation actions.

In light of identified challenges, Boticário Group has been developing initiatives to strengthen water self-sufficiency and reduce reliance on potable water (see [page 79](#))

These initiatives reinforce our commitment to water sustainability, promoting resource efficiency and contributing to environmental protection in high-risk regions.

CLIMATE TRANSITION AND ADAPTATION PLAN

Our Climate Transition and Adaptation Plan features a comprehensive set of strategies aimed at achieving our climate targets for 2030 and 2050 (see [page 62](#)).

On the adaptation front, the plan outlines actions to control and reduce exposure to key risks such as droughts, heatwaves, floods and storms—all of which may significantly impact the business and local communities.

To strengthen this approach, we collaborate with Fundação Grupo Boticário, a nationally recognized leader in climate adaptation projects such as the Viva Água movement. This partnership is essential for assessing and implementing nature-based solutions tailored to the needs of the most vulnerable regions (see [page 78](#)).

The risks identified and analyzed by Boticário Group have directly influenced our investments in research and development (R&D), which have expanded to meet rising demand for low-carbon products and services. Key efforts include optimizing production processes to reduce energy consumption, using alternative fuels for steam generation, and developing innovative tools such as ESG Scores (see [page 92](#)).

2030 COMMITMENTS: ALIGNED WITH THE PARIS AGREEMENT AND THE UN 2030 AGENDA

We reaffirm our commitment to helping limit global temperature rise by aligning our climate targets with the guidelines of the Paris Agreement. Our climate strategy is outlined in our “Future Commitments” (see [page 25](#)).

Our decarbonization targets include the following ambitious goals for 2030:

- **Scopes 1 and 2:** Reduce greenhouse gas emissions by 42% from a 2022 baseline, focusing on transitioning to renewable energy in direct operations, including factories, distribution centers and owned retail stores.
- **Scope 3:** Reduce greenhouse gas emissions by 17% compared to 2022, through coordinated action with partners and suppliers across the entire value chain.

Boticário Group leverages this strategy to strengthen our leadership in sustainability, actively contributing to climate change mitigation and to building a more balanced and sustainable future.

Our Climate Transition and Adaptation Plan focuses on sustainable innovation to reduce climate risks and emissions

ESG SCORE: A SUSTAINABILITY ASSESSMENT TOOL

Boticário Group developed a proprietary ESG Score, an advanced tool for evaluating product sustainability based on internationally recognized environmental and social best practices (see [page 92](#)).



2024 ACTIONS: RESPONDING TO EXTREME EVENTS AND SOCIAL INITIATIVES

2024 was marked by a series of extreme climate events in Brazil, requiring fast and effective responses from Boticário Group. One of the most significant was the flooding in Rio Grande do Sul state, which had serious impacts on local communities.

In response, we took swift social action through our *Supera* program, in partnership with Sebrae. This initiative aimed to accelerate 100 beauty businesses, focusing on female entrepreneurs affected by the disaster. A total of R\$ 300,000 was allocated to the initiative (see the Entrepreneurship Development Fund on [page 103](#)).

This effort reflects the synergy that exists between Boticário Group’s different departments, showing how the climate agenda is factored into social and economic practices, reinforcing our role in both mitigation and adaptation.

Flood risk is treated as a top priority in our climate adaptation agenda. The action plan includes a range of measures to reduce exposure to such events, such as:

- **Early warning systems**, enabling preventive action in high-risk situations.
- **Climate crisis response plans**, ensuring coordinated and effective action during emergencies.
- **Infrastructure upgrades**, with investments to improve operational resilience and minimize financial and operational losses caused by flooding.

Through these initiatives, we are redoubling our commitment to tackle the causes and consequences of climate change, protecting our employees, partners and customers.

# Risk Management

Climate change risk is considered strategic by Boticário Group and is embedded in our Corporate Risk Management & Business Continuity system, with semiannual reports submitted to the Risk and Audit Committee.

Climate risk identification and assessment are led by the ESG Department, in collaboration with the ESG Committee and the Vice President of Corporate Affairs, following a structured process comprising three main steps:

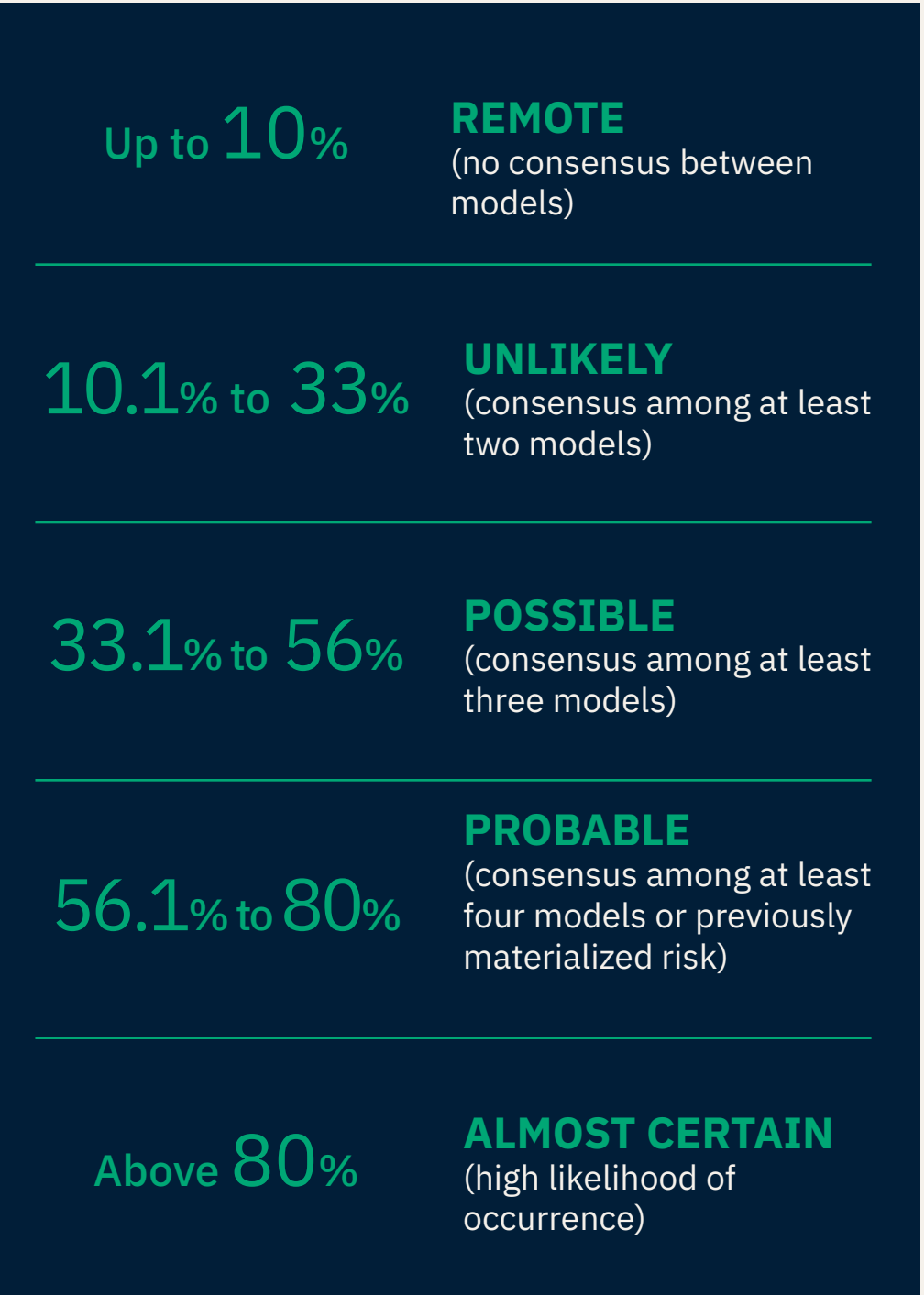
Scoping: defining project scope and identifying internal and external climate risks, analyzing impact scenarios and likelihood of occurrence, while validating existing internal controls to mitigate or prevent risks.

Execution: developing specific responses to identified risks, with detailed action plans and ongoing monitoring of risk evolution and the effectiveness of mitigation measures. This phase relies on both qualitative and quantitative analyses, geospatial tools, and evaluations of climate event severity, resource availability, and operational impact.

Finalization: incorporating climate risks into the business model and value chain, ensuring continuous communication with senior leadership to align strategy and monitor ESG performance.

GHG emissions projections play a key role in our strategic planning process. They guide climate target decisions and ensure that performance is continuously tracked against set goals.

We use a probability matrix to assess climate risks based on warming scenarios developed based on global IPCC models. Scenarios have been evaluated for temperature rise in the South/Southeast and Northeast regions of Brazil, where our direct operations are concentrated. These scenarios include projections of average temperature increases and use a probability table that ranks climate risks on a 0–100% scale, based on model consensus:



This quantitative approach strengthens our ability to plan operations and mitigate risks, enhancing resilience in the face of climate change.

Risk prioritization is conducted annually by mapping climate risks onto a probability and impact matrix, which classifies risks into five levels: insignificant, low, moderate, significant, and high. This classification is based primarily on each risk's potential financial impact (see [page 51](#)).

Between 2020 and 2023, climate change risk was categorized as moderate. In 2024, it was upgraded to significant, reflecting the growing relevance and complexity of climate-related risks (see [page 57](#)).



To mitigate climate risks, we continuously monitor environmental legislation and have publicly committed to reducing our emissions, including those from our value chain. Boticário Group is a founding member of GHG Protocol Brazil and we have been reporting our emissions for 16 years, demonstrating transparency and accountability. We also invest in technology and innovative solutions to decarbonize our operations and actively engage stakeholders to raise awareness of climate challenges and develop joint solutions.

Our approach to climate risk management involves strategic decisions to mitigate, accept, or control risks. Actions

include reducing our carbon footprint, transferring risk through insurance, and implementing contingency plans for extreme weather events.

We also use a double materiality approach, assessing both the socio-environmental impacts caused by our operations (impact materiality) and the environmental and social issues that affect our business (financial materiality) (see [page 11](#)).

# Targets and Metrics

Boticário Group has adopted a comprehensive set of targets and metrics to assess and mitigate climate-related risks and opportunities, embedding them into our business strategy and management processes. These targets are based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), aligned with the Science Based Targets initiative (SBTi), and structured to foster transparency and a strong commitment to sustainability throughout the value chain.

## STRATEGIC MANAGEMENT AND SUSTAINABLE INTEGRATION

Boticário Group manages climate-related risks and opportunities through targets and metrics aligned with the TCFD recommendations. These indicators not only track climate performance, but are also factored into strategic planning, scenario analysis, and compensation policies.

## CIRCULAR ECONOMY TARGETS AND COMPENSATION POLICIES

Boticário Group has set a target to promote circular economy practices, focusing on the reduction, circularity and recycling of post-consumer waste (see [page 65](#)). This target supports our Climate Transition and Adaptation Plan, which will be published in 2025, and reinforces our commitment to embedding sustainable practices throughout our value chain.

Our circular economy strategy also helps ease scope 3 GHG emissions, highlighting the positive impact of these initiatives on climate mitigation. Recognizing the importance of this agenda, we have included circular economy targets in our compensation programs for the fourth consecutive year in 2024.

## INTERNAL CARBON PRICING

To support strategic decision-making related to emissions reduction, Boticário Group has implemented an internal carbon price ranging from R\$ 30 to R\$ 50 per ton of Co<sub>2</sub>e. This mechanism enables us to compare and prioritize emissions reduction initiatives based on their economic feasibility, supporting more efficient resource allocation.

In addition, we closely follow legislative developments regarding carbon market regulation in Brazil, in the belief that companies based in the country may be regulated in this area within the next three years.

TOWARD NET ZERO AND CLIMATE MITIGATION

We have reaffirmed our commitment to climate sustainability by setting a Net Zero target. This target reflects our strategy to mitigate the impacts of climate change and drive decarbonization throughout the value chain.

Our Net Zero target is based on absolute values, and its short-term goals aligned with this ambition will be disclosed upon official submission to the SBTi, reinforcing our transparency and commitment to GHG emissions reduction.

To support progress toward our Net Zero target, we developed a Climate Transition and Adaptation Plan designed to standardize climate action disclosures and strengthen climate risk mitigation. Projects with emissions reduction potential are accordingly evaluated and ranked by priority using the Marginal Abatement Cost Curve (MACC) as a strategic tool.

The MACC assesses each emissions reduction initiative individually, weighing potential costs and benefits. By ranking projects in ascending order of cost, it helps identify and prioritize the most efficient and economically viable initiatives. This enables us to maximize the positive impact of our climate mitigation investments.

These metrics are continuously reassessed to reflect business needs and external expectations, supporting a dynamic and resilient approach to climate change.

SBTi ALIGNMENT AND CLIMATE MANAGEMENT

Boticário Group has adopted ambitious and comprehensive climate targets aligned with the Science Based Targets initiative (SBTi) and based on an absolute emissions reduction approach. These targets are embedded into our organizational strategy, covering all business units and guiding efforts to mitigate and adapt to climate change.



MAY/2025

SALTO MORATO  
NATURE RESERVE  
Photo credit: Haroldo Palo Jr.



**EMISSIONS TARGETS AND GREENHOUSE GAS INVENTORY**

We calculate our greenhouse gas (GHG) emissions using the GHG Protocol Brazil methodology, covering Scopes 1, 2, and 3. The emissions inventory is updated annually, audited independently, and publicly disclosed through the FGV Public Emissions Registry: [FGV Public Registry – Boticário Group](#). The emissions inventory is consolidated based on our organizational and operational boundaries and reviewed annually to reflect business growth.

Our 2030 Commitment, published in 2024, sets targets to reduce scope 1 and 2 emissions by 42% by 2030, in alignment with a 1.5°C scenario, and to reduce scope 3 emissions by 17% over the same period, in alignment with a scenario of just below 2°C. To track progress, we evaluate the sum of scope 1, 2, and 3 emissions for both the baseline year and the current year, plus the percentage reduction over time. Additional performance indicators indexed to targets validated by the SBTi are also monitored. Climate risk assessments take into account indicators such as: avoided emissions; increase in % recycled content in packaging; waste recycling; water intensity; raw material certification.

The year 2022 was defined as the baseline to measure progress toward these targets, which are

structured in absolute terms. Short-term targets will soon be submitted for validation by SBTi, while long-term targets—including the target year for reaching Net Zero—are under development.

The methodology used to calculate these targets follows the SBTi Corporate Net-Zero Standard Criteria, an approach that ensures alignment with global best practices for measuring, validating, and communicating climate targets.

We take a dynamic approach to evaluating and updating our climate metrics and targets. These initiatives are constantly reassessed to incorporate new information, ensure the effectiveness of our initiatives, and meet the demands of the business and stakeholders.

STRATEGIC MANAGEMENT OF SCOPE 3 EMISSIONS

Boticário Group recognizes the relevance of scope 3 emissions in our value chain and takes a strategic approach to managing and reducing these impacts. Boticário Group’s Scope 3 climate targets are absolute and measured from a 2022 baseline. These targets reflect our commitment to decarbonizing our indirect operations and building a sustainable value chain.

A critical analysis of the 2022 Scope 3 emissions inventory identified the most representative categories as: procurement of goods and services; and transportation and distribution. To address these challenges, we have developed a series of initiatives to reduce carbon intensity in logistics and the supply chain. These include:

- efficient, lower-carbon logistics through the implementation of tools and recognition of sustainability best practices for transport partners, including GHG emissions management and climate adaptation.
- our Partner Assessment and Development Program (PADP), which engages suppliers in sustainable practices to drive greater efficiency and lower environmental impact across the chain.

- research and development of raw materials and packaging with sustainability attributes, such as a lower carbon footprint and reduced water and energy usage.

Scope 3 performance indicators are directly linked to the SBTi validation process, ensuring alignment with global best practices. These indicators include:

- monitoring emissions associated with the most representative categories—such as transportation, distribution, and purchased goods and services
- and continuously assessing progress toward absolute reduction targets.

We use an integrated approach to decarbonizing our value chain, working closely with our ESG, Logistics, and Supplier Development teams. Innovation is also a fundamental pillar, with the Research and Development team investing in solutions for raw materials and formulations with lower environmental impact.

NATURAL RESOURCE MANAGEMENT AND CLIMATE SUSTAINABILITY

Boticário Group manages natural resources in a way that fulfills our climate goals, with a focus on renewable energy, water efficiency, and climate resilience. Metrics and goals are aligned with global climate commitments and include initiatives to mitigate environmental impacts, drive operational efficiency, and support sustainability.

Commitment to renewable energy

Boticário Group has reinforced its commitment to the energy transition through Sustainability-Linked Bonds (SLBs), which are directly indexed to renewable energy targets. The initiatives include:

- **SLB 2020:** ensuring that 100% of the electricity consumption at the São José dos Pinhais (PR) and Camaçari (BA) plants and the Registro (SP) and São Gonçalo dos Campos (BA) distribution centers, comes from renewable sources by 2025.
- **SLB 2024:** ensuring that 75% of our corporate sales stores nationwide use electricity from renewable sources by 2030.

These goals strengthen the decarbonization of operations and position the Group as a leader in Brazil’s energy transition. We use clear and consistent methodologies to calculate and monitor our energy efficiency targets. The combination of accurate disclosures and public sustainability commitments reinforces energy efficiency as a strategic driver for sustainable growth and climate impact mitigation.

Sustainable Water Management and Water Security Initiatives

Boticário Group recognizes that water is a strategic and essential resource for both our own operations and society at large. For this reason, we have established clear targets to promote water efficiency and minimize impacts on watersheds. These initiatives are designed not only to optimize internal water consumption but also to generate positive outcomes in key river basins that are vital for both society and the business.

The 2030 Commitment outlines the following:

- **Reducing water intensity:** reduce water consumption (m³/ton of product) in manufacturing operations.
- **Increasing water reuse:** maximize the use of recycled water at production sites, promoting sustainable water resource management.

Our water consumption target is to reduce the volume (m³) of water consumed per metric ton of final product by at least 25% by 2030, from a 2022 baseline. This target is measured in terms of water intensity and reflects the Group’s focus on aligning operations with global best practices in water resource management.

Key performance indicators used to track progress include relative water consumption, calculated as the ratio of the volume of water consumed (m³) to the tonnage of final product. Monitoring is conducted by DP&S through strategic

performance meetings and periodic reports within our annual Key Result (KR) cycle.

On another front, Boticário Group is committed to using at least 90% of the recycled water generated in our manufacturing operations by 2030, also from a 2022 baseline. This goal reflects the Group’s commitment to integrating water reuse into our operational strategies, thereby reducing dependency on fresh water resources.

As an interim target, we have pledged—via a debenture—to use 80% of the recycled water generated at our São José dos Pinhais plant by 2029, demonstrating our prioritization of sustainable practices throughout the production chain.

We use advanced tools such as the LifeKey software to assess the impacts, dependencies, risks, and opportunities related to water consumption in our operations. This software incorporates operational values and severity indexes related to the ecoregion hosting each facility, considering the balance between demand and water availability in the most critical watersheds.

The BSE Matrix supplements this analysis by qualitatively assessing each site’s water dependency. As a result, water has been identified as a critical natural capital, informing the implementation of projects aimed at ensuring water quality and availability for both the business and society.

Boticário Group is a signatory of the Brazilian Business Commitment to Water Security, led by the Brazilian Business Council for Sustainable Development (CEBDS). This initiative aims to better embed water topics into corporate strategies, mitigate risks, and promote water preservation and efficient use.

Our performance in this area is evidenced by an A- rating for our CDP Water Security questionnaire, which recognizes consistent sustainable water resource management.

With a long-term vision, we continue to invest in innovative practices and advanced technologies to improve water management, cementing our role as an industry leader in the sustainable use of natural resources.

# TNFD

## Governance

In line with our commitment to information transparency, for the first time in this report Boticário Group has adopted the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) for the year 2024. We are therefore sharing information about nature-related impacts, dependencies, risks, and opportunities in our business, and the strategies in place to manage them. In the years ahead, we aim to expand these recommendations to, and engage, our value chain.

This report was developed based on the Life Methodology, following the LEAP approach<sup>1</sup>. The Life methodology was initially applied at our São José dos Pinhais (PR) and Camaçari (BA) sites. The Life Methodology is recognized by the TNFD and recommended as a tool for setting science-based targets (SBTN). We hold Life certification, issued by an independent body, for our manufacturing plants in São José dos Pinhais and Camaçari, supporting our measurable commitment to biodiversity.

Nature-related topics—biodiversity, climate change, and ecosystem services—are considered strategic by Boticário Group and are overseen by the organization’s highest

governance bodies. The ESG Committee (see [page 43](#)) establishes guidelines, approves recommendations, and monitors both progress on targets and risks, such as biodiversity loss within operations and the value chain, in collaboration with the Risk and Audit Committee.

The ESG Chapter, ESG Division and related departments are responsible for implementing the actions and practices needed to meet nature-related guidelines. Our Integrated Management System ensures compliance across operations and ensures that critical information reaches management promptly, enabling agile and effective decision-making.

We take a proactive and strategic approach in our relationship with nature, recognizing the impacts, dependencies, risks, and opportunities that this interaction brings to the business. To identify these impacts and dependencies, we use the Life BSE Matrix—a tool that supports identifying the natural resources and raw materials used in our processes and products. Based on this methodology, we developed a Biodiversity and Ecosystem Services Action Plan (PABS) that establishes governance governance and continuous monitoring of related initiatives.

Boticário Group works toward sustainable sourcing, with traceability and origin verification for our most critical raw materials. To this end, we build close relationships with suppliers and implement initiatives such as the Pandora project, which goes beyond the first tier of the supply chain to gather more detailed information on these raw materials (see [page 141](#)).

We have developed social and environmental guidelines to build internal awareness around policies and engagement with traditional communities, local populations, small farmers, and family farmers. These guidelines are also aligned with laws concerning genetic resources, traditional knowledge, and fair benefit-sharing.

Following the Life methodology applied at our São José dos Pinhais and Camaçari plants, we carry out environmental conservation and community engagement initiatives that promote environmental education, human well-being, and the preservation of biodiversity, ecosystem services, and natural capital, always in partnership with other institutions.

<sup>1</sup> LEAP is a TNFD methodology, and is an acronym for: Locate, Estimate, Assess, and Prepare.

# Strategy

Boticário Group recognizes that biodiversity and other elements of nature are essential to our business and, to understand and manage this relationship, we use the Life Methodology and Life Key software as strategic tools for measuring nature-related impacts, dependencies, risks, and opportunities.

Based on this methodology, our São José dos Pinhais (PR) and Camaçari (BA) operations are located, and projects are being developed, in the ecoregions of Araucaria Forest and Coastal Atlantic Forest of Serra do Mar, and the Bahia Coastal Forest, respectively. Each ecoregion has specific calculations that relate pressure and severity indexes to each environmental factor, allowing objective measurement of environmental impacts by manufacturing location.

The impacts and dependencies at both plants are very similar, as their operational processes are alike. The main impact identified relates to ecosystem services that regulate the global climate, especially in connection with product manufacturing operations.

In terms of dependencies, Boticário Group relies primarily on ecosystem services that provide water, biochemicals, and medicinal resources, followed by services that regulate regional and local climate, natural resources, and support for primary production. Product manufacturing is also the process most dependent on these services.

Impact assessments consider recovery time, scale, and mitigation or compensation costs. Dependency criteria, in turn, consider operational damage, the availability of alternatives, and substitution costs.



SALTO MORATO  
NATURE RESERVE – PARANÁ  
Photo credit: Jose Paiva

MAY/2025

# Impacts

**SHORT TERM (up to 10 years):** Boticário Group is already experiencing immediate challenges due to the intensity of climate events affecting global equilibrium. Recognizing our impacts and in order to improve operational efficiency, we implement short-term measures to avoid, mitigate, restore, and offset, ensuring the quality and availability of the resources we depend on. We also invest in new technologies that minimize environmental impact, such as the I.A.R.A.® methodology (see [page 92](#)).

**MEDIUM TERM (10 to 20 years):** Given the projected water scarcity and difficulties in obtaining critical raw materials, our strategies aim to diversify our sources of inputs and improve water use efficiency. These initiatives aim to promote sustainability and operational continuity, including within the value chain, mitigating future risks and aligning with stakeholder and regulatory expectations.

**LONG TERM (20 to 30 years):** Our long-term strategy involves investments in innovation and the development of sustainable products, in addition to operational practices that minimize environmental impact. Our focus spans from product design to delivery, with a priority on traceability and eco-efficiency throughout the value chain.

As opportunities in the short, medium, and long term, Boticário Group has prioritized the preservation of ecosystem services both through our own projects and through support and partnerships led by the Boticário Group Foundation, such as the [Viva Água movement](#).

The effects of dependencies, impacts, risks, and opportunities are mitigated and monitored by the Risk and Audit Committee, which links them to financial impacts and response strategies. As part of our resilience strategy, we implement initiatives, and projects outlined in our Biodiversity and Ecosystem Services Action Plan (PABS).

The PABS includes initiatives such as fauna monitoring, species population enhancement, support for academic research, support for reserve inspection, planning and execution of conservation initiatives, spring restoration, and income generation. These projects are developed within the above-identified ecoregions and verified through Life certification by an independent audit.

In addition, we follow an Environmental Management Plan (PGA), maintain certifications, prepare fire prevention plans, and implement manufacturing upgrades that ensure efficient water and waste management, as part of our commitment to sustainability and sound environmental management.

# Risk and Impact Management

Boticário Group takes a strategic, integrated approach to monitoring and mitigating nature-related risks, including climate change, biodiversity, water, waste, and our value chain. This process involves continuous monitoring of environmental regulations and identifying potential regulatory impacts on our operations, overseen by the Risk and Audit Committee (CRA).

Through Environmental Issues and Impacts Assessments, we identify and manage environmental impacts, supported by engineering and administrative controls. Our Change Management Procedure ensures that changes potentially affecting the environment are responsibly evaluated and approved.

The Biodiversity Pressure Index (IPB)—a component of the Life methodology—assesses and compares the pressure exerted on biodiversity at each site, taking into account factors such as water use, waste generation, energy consumption, GHG emissions, and operational land use. This informs performance targets and indicators focused on conservation.

At Boticário Group, we monitor our environmental performance against eco-efficiency indicators and

have practices in place to manage liquid and solid waste (see pages [65](#) and [75](#)) and emissions (see [page 56](#)), ensuring compliance with environmental and safety regulations.

We also systematically track the results of biodiversity conservation and sustainable use initiatives using official scientific data. In our Private Natural Heritage Reserves (RPPNs), managed by the Boticário Group Foundation and totaling more than 11,000 hectares, management indicators are reviewed monthly to ensure the effectiveness and efficiency of conservation initiatives.

Our Chemicals Management Plan ensures the responsible handling of chemicals, establishing requirements for their use and management based on Material Safety Data Sheets (MSDS) and specific standards such as those on storage of flammable products in designated areas and on the transportation of hazardous materials.

Our processes to identify and assess nature-related risks and opportunities also extend to our value chain, involving suppliers, customers, and employees. Efforts addressing suppliers are

supported by tools such as our Partner Assessment and Development Program (PADP), our annual ESG Questionnaire, CDP Supply Chain questionnaires, and ESG training and support from the Supplier Development and Environmental ESG teams. In addition, our Pandora project (see [page 141](#)) maps the origin and traceability of other links in the supply chain, helping to mitigate supply risks and strengthen the overall process. Onboarding briefing for new employees, including contractors, includes sustainability topics, and regular awareness programs are carried out with operational staff, focusing on environmental stewardship and conservation practices.

# Targets and Metrics

We have set ambitious targets for reducing environmental impacts and promoting responsible practices throughout our value chain (see commitments on pages 25 to 30). These targets include a 15% reduction in the volume of waste generated per unit sold by 2030, compared to 2022.

To track progress, we use eco-efficiency indicators such as water and energy consumption, waste generation, GHG emissions, recyclability, water reuse, and use of renewable energy. These indicators are tracked monthly, providing accurate data to support strategic decision-making and adjustments to sustainability initiatives.

Our annual GHG emissions inventory covers Scopes 1, 2, and 3, offering a comprehensive view of our carbon footprint and guiding reduction actions. Eleven scope 3 categories are currently reported, with seven categories applied to our São José dos Pinhais operations and six to the Camaçari plant<sup>1</sup>.

We seek to achieve a net positive impact on biodiversity by promoting sustainable practices, measuring impacts, and supporting conservation projects in partnership with other organizations.

<sup>1</sup> Categories reported in São José dos Pinhais: 1, 3, 4, 5, 7, 11 and 12.

Among our biodiversity-related commitments, Boticário Group has pledged to protect 2 million hectares of terrestrial and marine areas by 2030, make 100% of our products vegan by 2026, and increase the use of alternative safety testing methods by 40%

To this end, we use the Biodiversity Pressure Index (IPB) from the Life methodology to calculate and monitor environmental impact metrics. In addition, we carry out assessments of environmental issues and impacts, ensuring compliance with applicable legal requirements and communicating this information to the appropriate departments.



## Biodiversity Pressure Index (IPB)<sup>1</sup>

São José dos Pinhais (PR)		
IPB	DMB <sup>2</sup>	DPB <sup>3</sup>
6.4129	43,560.42	65,936.80

INDIVIDUAL SCORES <sup>4</sup>				
Waste	Water	Area	GHG	Energy
5.14141	0.08587	3.50336	16.87262	6.46126

Camaçari (BA)		
IPB	DMB <sup>2</sup>	DPB <sup>3</sup>
5.88514	34,372.07	37,562.17

INDIVIDUAL SCORES <sup>4</sup>				
Waste	Water	Area	GHG	Energy
7.13996	0.11253	9.49532	5.011	7.66688

Notes:  
1 Based on the Life methodology and applied at the São José dos Pinhais (PR) and Camaçari (BA) plants.  
2. DMB: Minimum Biodiversity Performance – based on the number of points required in conservation projects within the same ecoregion as the IPB.  
3. DPB: Positive Biodiversity Performance.  
4. Individual scores are expressed on a scale from 0 to 1,000, and the average corresponds to the single index: the Biodiversity Pressure Index (IPB).

For 34 years, the Boticário Group Foundation has been dedicated to conserving Brazil’s biodiversity. Through its own initiatives and partnerships with a wide range of organizations across society, it has helped strengthen environmental awareness and action throughout the country. It also works to influence public policy and represents civil society in major national and international forums, such as the Climate and Biodiversity COPs and the UN Decade of Ocean Science.

As part of its efforts to support knowledge generation, the acceleration of businesses with positive socio-environmental impact, and the development of innovative solutions to today’s social and environmental challenges, the Boticário

Group Foundation has already sponsored more than 1,800 initiatives across Brazil. Since 2020, through our “Teia de Soluções” (Web of Solutions) platform, more than 880 people have received training, and 243 solutions have been improved. In total, 89 solutions have received financial support from the Foundation and partner institutions, amounting to more than R\$ 18 million.

In addition, the natural reserves maintained by the Foundation represent a long-term commitment to biodiversity conservation. The two Private Natural Heritage Reserves (RPPNs) jointly protect 11,000 hectares (110 km²) of *Cerrado* and Atlantic Forest—Brazil’s two most threatened biomes due to deforestation.



COASTAL-MARINE ZONE  
Photo credit: Edital Conexão Oceano  
| Angelo Roos

MAY/2025



# Content Indexes

- GRI
- SASB
- TCFD
- TNFD
- Assurance Letter
- Credits



# GRI

Statement of use	Boticário Group has developed its report in accordance with the GRI Standards for the period from January 1 to December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION / REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details	<u>10</u>			
	2-2 Entities included in the organization’s sustainability reporting	<u>10</u>			
	2-3 Reporting period, frequency and contact point	<u>10</u>			
	2-4 Restatements of information	<u>67</u>			
	2-5 External assurance	<u>185</u>			
	2-6 Activities, value chain and other business relationships	<u>22, 45, 112</u>			
	2-7 Employees	<u>118</u>			
	2-8 Workers who are not employees	<u>118</u>			
	2-9 Governance structure and composition	<u>42</u>			
	2-10 Nominating and selecting the highest governance body	<u>42</u>			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION / REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	<u>42</u>			
	2-12 Role of the highest governance body in overseeing the management of impacts	<u>43</u>			
	2-13 Delegation of responsibility for managing impacts	<u>43</u>			
	2-14 Highest governance body’s role in sustainability reporting	<u>11</u>			
	2-15 Conflicts of interest	<u>45</u>	2-15-b-ii; 2-15-b-iii	Not applicable	Disclosure omitted as it does not apply to Boticário Group
	2-16 Communicating critical concerns	<u>45</u>	2-16-b	Confidentiality restrictions	Disclosure partially omitted because it is deemed business-critical/strategic.
	2-17 Collective knowledge of the highest governance body	<u>43</u>			
	2-18 Evaluating the highest governance body's performance			Not applicable	Disclosure omitted as it does not apply to Boticário Group
	2-19 Remuneration policies	<u>120</u>	2-19-a-ii; 2-19-a-iii; 2-19-a-iv; 2-19-a-v	Confidentiality restrictions	Disclosure partially omitted because it is deemed business-critical/strategic
	2-20 Process for determining remuneration	<u>120</u>	2-20-a-ii; 2-20-a-iii; 2-20-b	Confidentiality restrictions	Disclosure partially omitted because it is deemed business-critical/strategic
	2-21 Annual total compensation ratio			Confidentiality restrictions	Disclosure omitted because it is deemed business-critical/strategic

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION / REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	<u>05</u>			
	2-23 Policy commitments	<u>46</u>			
	2-24 Embedding policy commitments	<u>46</u>			
	2-25 Processes to remediate negative impacts	<u>45</u>			
	2-26 Mechanisms for seeking advice and raising concerns	<u>45</u>			
	2-27 Compliance with laws and regulations	<u>46</u>			
	2-28 Membership associations	<u>28</u>			
	2-29 Approach to stakeholder engagement	<u>11, 12, 13</u>			
	2-30 Collective bargaining agreements	<u>120</u>			
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	<u>11, 12, 13, 14</u>			
	3-2 List of material topics	<u>14</u>			
	3-3 Management of material topics	<u>35, 61, 68, 116, 143, 144, 145, 146, 147</u>			
DEVELOPMENT OF AND ENGAGEMENT WITH RESELLERS AND LOCAL COMMUNITIES					
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	<u>103, 104, 105</u>			
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	<u>98</u>	ii	Not applicable	There are no significant—actual or potential—adverse impacts on local communities.
	413-2 Operations with significant actual or potential negative impacts on local communities			Not applicable	There are no significant—actual or potential—adverse impacts on local communities.

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION / REQUIREMENT(S) OMITTED	REASON	EXPLANATION
WASTE MANAGEMENT					
GRI 301: Materials 2016	301-1 Materials used by weight or volume	<u>74</u>			
	301-2 Recycled input materials used	<u>74</u>			
	301-3 Reclaimed products and their packaging materials			Confidentiality restrictions	Disclosure omitted as confidential and strategic for Boticário Group.
GRI 306: Effluents and Waste 2020	306-1 Waste generation and significant waste-related impacts	<u>65</u>			
	306-2 Management of significant waste-related impacts	<u>66</u>			
	306-3 Waste generated	<u>67</u>			
	306-4 Waste diverted from disposal	<u>67</u>			
	306-5 Waste directed to disposal	<u>67</u>			
CLIMATE CHANGE					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<u>62</u>			
	302-2 Energy consumption outside of the organization			Not applicable.	No energy is consumed outside of the organization.
	302-3 Energy intensity	<u>63</u>			
	302-4 Reduction of energy consumption	<u>63</u>			
	302-5 Reductions in energy requirements of products and services	<u>62</u>			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION / REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<u>59</u>			
	305-2 Energy indirect (Scope 2) GHG emissions	<u>59</u>			
	305-3 Other indirect (Scope 3) GHG emissions	<u>59</u>			
	305-4 GHG emissions intensity	<u>60</u>			
	305-5 Reduction of GHG emissions	<u>59</u>			
	305-6 Emissions of ozone-depleting substances (ODS)				Boticário Group’s operations do not emit ozone-depleting substances (ODS)
	305-7 NOx, SOx, and other significant air emissions	<u>60</u>			
WATER AND WASTEWATER MANAGEMENT					
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	<u>76</u>			
	303-2 Management of water discharge related impacts	<u>76</u>			
	303-3 Water withdrawal	<u>76</u>			
	303-4 Water discharge	<u>76</u>			
	303-5 Water consumption	<u>76</u>			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION / REQUIREMENT(S) OMITTED	REASON	EXPLANATION
BIODIVERSITY & ECOSYSTEMS					
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased or managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas				Boticário Group does not have operational sites in areas covered by this disclosure.
	304-2 Significant impacts of activities, products and services on biodiversity	80, 81			
	304-3 Habitats protected or restored	64			
SUPPLY CHAIN MANAGEMENT					
GRI 204: Procurement practices 2016	204-1 Proportion of spending on locally-based suppliers	137			
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	137			
	308-2 Negative environmental impacts in the supply chain and actions taken	137			
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	137			
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	137			
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	137			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION / REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	<u>137</u>			
	414-2 Negative social impacts in the supply chain and actions taken	<u>137</u>			
OCCUPATIONAL HEALTH, SAFETY & WELL-BEING					
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	<u>130</u>			
	403-2 Hazard identification, risk assessment, and incident investigation	<u>133</u>			
	403-3 Occupational health services	<u>133</u>			
	403-4 Worker participation, consultation, and communication on occupational health and safety	<u>133</u>			
	403-5 Worker training on occupational health and safety	<u>123</u>			
	403-6 Promotion of worker health	<u>127, 128, 129</u>			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<u>130</u>			
	403-8 Workers covered by an occupational health and safety management system	<u>131</u>			
	403-9 Work-related injuries	<u>132</u>			
	403-10 Work-related ill health	<u>129</u>			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION / REQUIREMENT(S) OMITTED	REASON	EXPLANATION
DIVERSITY, INCLUSION AND EQUITY					
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	<u>120</u>			
GRI 401: Employment 2016	401-3 Parental leave	<u>122</u>			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	<u>110</u> , <u>111</u>			
	405-2 Ratio of basic salary and remuneration of women to men	<u>120</u>			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken			Confidentiality restrictions	Disclosure omitted as confidential and strategic for Boticário Group.
CYBERSECURITY AND DATA PRIVACY & SECURITY					
GRI 418: Customer privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	<u>49</u>			
OTHER MATERIAL DISCLOSURES					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<u>118</u>	b	Confidentiality restrictions	Disclosure partially omitted as confidential and strategic for Boticário Group.
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	<u>125</u>			
	404-2 Programs for upgrading employee skills and transition assistance programs	<u>123</u> , <u>124</u>			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION / REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 404: Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	<u>119</u>			
GRI 416: Consumer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	<u>93</u> , <u>94</u>			
	416-2 Incidents of noncompliance concerning the health and safety impacts of products and services	<u>93</u> , <u>94</u>			
GRI 417: Marketing and labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	<u>94</u>			
	417-3 Incidents of non-compliance concerning marketing communications	<u>94</u>			



Sustainable Industry Classification System (SICS): CG-HP		
Sector: Consumer Goods		
Category: Household & Personal Products		
SASB DISCLOSURES	LOCATION	OMISSION AND REASONS
Packaging Lifecycle Management		
CG-HP-410a.1 (1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable.	<u>74</u>	
CG-HP-410a.2 Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle.	<u>73</u>	
WATER MANAGEMENT		
CG-HP-140a.1 (1) Total water withdrawal, (2) total water consumed and percentage of every (withdrawal and consumption) from high or extremely high water stress regions.	<u>76</u>	
CG-HP-140a.2 Description of water management risks and discussion of strategies and practices to mitigate those risks	<u>76</u>	
PRODUCT ENVIRONMENTAL, HEALTH AND SAFETY PERFORMANCE		
CG-HP-250a.1 Revenue from products that contain REACH substances of very high concern.	<u>95</u>	
CG-HP-250a.2 Revenue from products that contain substances on the California DTSC Candidate Chemicals List.		Disclosure omitted as confidential and strategic for Boticário Group.
CG-HP-250a.3 Discussion of process to identify and manage emerging materials and chemicals of concern.	<u>95</u>	
CG-HP-250a.4 Revenue from products designed with green chemistry principles		Not applicable. Boticário Group does not have materials classified under the principles of green chemistry.

# TCFD

Pillar	Disclosure recommendation	Page
Governance	a. Describe the Board’s oversight of climate-related risks and opportunities	<a href="#">149</a> , <a href="#">150</a>
	b. Describe management’s role in assessing and managing climate-related risks and opportunities	<a href="#">149</a> , <a href="#">150</a>
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<a href="#">151</a> , <a href="#">154</a> , <a href="#">155</a>
	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	<a href="#">152</a> , <a href="#">154</a> , <a href="#">155</a> , <a href="#">156</a> , <a href="#">157</a>
	c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<a href="#">153</a> , <a href="#">155</a> , <a href="#">156</a>
Risk Management	a. Describe the organization’s processes for identifying and assessing climate-related risks	<a href="#">158</a> , <a href="#">159</a>
	b. Describe the organization’s processes for managing climate-related risks	<a href="#">158</a> , <a href="#">159</a>
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management	<a href="#">158</a> , <a href="#">159</a>
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<a href="#">160</a> , <a href="#">161</a> , <a href="#">162</a> , <a href="#">163</a> , <a href="#">164</a>
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<a href="#">59</a> , <a href="#">162</a> , <a href="#">163</a>
	c. Describe the goals used by the organization to manage climate-related risks and opportunities and performance against goals	<a href="#">161</a> , <a href="#">162</a> , <a href="#">163</a> , <a href="#">164</a>

# TNFD

Pillar	Disclosure recommendation	LEAP Framework	LIFE Disclosures	Page
Governance	A. Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities.	P - Prepare	P1.C1.i1; P1.C1.i2; P1.C2.i1; P1.C2.i2; P5.C2.i3; P1.C1.i4; P1.C2.i1; P1.C2.i2; P1.C2.i3; P4.C1.i1; P4.C2.i1; P9.C1.i1; P9.C1.i2; P9.C2.i1; P9.C2.i2	<u>165</u>
	B. Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	P - Prepare	P5.C3.i1; P5.C3.i2; P5.C3.i3; P5.C3.i4	<u>165</u>
	C. Describe the organisation’s human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation’s assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	P - Prepare	P2.C1.i8; P4.C4.i1; P4.C4.i2; P6.C1.i1; P6.C1.i2; P7.C1.i1; P7.C1.i2; P7.C2; P8.C1.i1; P8.C1.i2; P1.C1.i3; P1.C3.i1	<u>165</u>
Strategy	a. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	E - Evaluate A - Assess	P4.C1.i1; P4.C2.i1; P5.C1.i1; P5.C2.i1; P5.C2.i2; P5.C2.i3; P1.C2.i3	<u>166</u> , <u>167</u>
	B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization’s business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	P - Prepare	P4.C1.i1; P5.C1.i1; P5.C2.i1; P5.C2.i2; P5.C2.i3; P5.C6.i1; P5.C6.i2; P5.C6.i3; P5.C6.i4; P5.C6.i5; P5.C6.i6; P5.C6.i7; P5.C6.i8	<u>166</u> , <u>167</u>
	B. Describe the resilience of the organization’s strategy to nature-related risks and opportunities, taking into consideration different scenarios.	A - Assess P - Prepare	P3.C1.i3; P4.C3.i1; P4.C3.i2; P5.C3.i1; P5.C3.i2; P5.C3.i3; P5.C3.i4; P5.C4.i1; P5.C4.i2; P5.C4.i3; P5.C4.i4; P5.C4.i5; P5.C4.i6; P5.C6.i1; P5.C6.i2; P5.C6.i3; P5.C6.i4; P5.C6.i5; P5.C6.i6; P5.C6.i7; P5.C6.i8; P5.C7.i1; P5.C7.i2; P5.C7.i3; P5.C7.i4; P5.C7.i5; P5.C7.i6; P5.C8.i1; P5.C9.i1	<u>166</u> , <u>167</u>
	D. Disclose the locations of assets and/or activities in the organization’s direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	L - Locate E - Evaluate A - Assess	P3.C1.i1; P3.C2.i1; P3.C2.i2; P3.C2.i3; P3.C2.i4; P3.C2.i5; P3.C2.i6	<u>166</u> , <u>167</u>

Pillar	Disclosure recommendation	LEAP Framework	LIFE Disclosures	Page
Risk and impact management	A(i) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations.	E - Evaluate A - Assess	P2.C1.i1; P2.C1.i2; P2.C1.i3; P2.C1.i4; P2.C1.i5; P2.C1.i6; P2.C1.i7; P2.C1.i8; P2.C1.i9; P2.C1.i10; P2.C1.i11; P2.C1.i12; P3.C1.i2; P4.C2.i1; P4.C2.i2; P4.C3.i2; P5.C2.i3; P5.C5.i1; P5.C5.i2; P5.C5.i3; P5.C5.i4; P5.C5.i5; P5.C5.i6; P5.C5.i7; P5.C5.i8; P5.C5.i9; P5.C5.i10; P5.C7.i1; P5.C7.i2; P5.C7.i3; P5.C7.i4; P5.C7.i5	<u>168</u>
	A(ii) Describe the organization’s processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	E - Evaluate A - Assess	P1.C3.i1; P1.C3.i2; P1.C3.i3; P1.C3.i4; P1.C3.i5; P4.C1.i1; P4.C2.i2	<u>168</u>
	B. Describe the organization’s processes for managing nature-related dependencies, impacts, risks and opportunities.	E - Evaluate A - Assess	P3.C1.i3; P3.C2.i5; P3.C3.i1; P3.C3.i2; P4.C2.i1; P5.C5.i2; P5.C8.i1; P5.C8.i2; P5.C8.i3; P5.C8.i4; P9.C1.i1; P9.C1.i2; P9.C2.i1; P9.C2.i2	<u>168</u>
	C. Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization’s overall risk management processes.	A - Assess	P2.C1.i1; 2.C1.i2; P2.C1.i3; P2.C1.i4; P2.C1.i5; P2.C1.i6; P2.C1.i7; P2.C1.i8; P2.C1.i9; P2.C1.i10; P2.C1.i11; P2.C1.i12; P3.C2.i1; P3.C2.i2; P3.C2.i3; P3.C2.i4; P3.C2.i5; P3.C2.i6; P3.C3.i1; P3.C3.i2; P4.C2.i1; P4.C2.i2; P5.C5.i1; P5.C5.i2; P5.C5.i3; P5.C5.i4; P5.C5.i5; P5.C5.i6; P5.C5.i7; P5.C5.i8; P5.C5.i9; P5.C5.i10; P5.C8.i1; P5.C8.i2; P5.C8.i3; P5.C8.i4; P6.C2.i1; P6.C2.i2; P6.C2.i3	<u>168</u>
Metrics and targets	A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	A - Assess	P3.C1.i3; P5.C1.i1; P6.C3.i1; P6.C3.i2	<u>169, 170</u>
	B. Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.	E - Evaluate A - Assess	P3.C1.i3; P5.C1.i1; P6.C3.i1; P6.C3.i2	<u>169, 170</u>
	C. Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	P - Prepare	P1.C2.i1; P3.C4.i1; P5.C9.i1; P5.C9.i2; P5.C9.i3; P5.C9.i4; P5.C9.i5; P5.C10.i1; P5.C11.i1	<u>169, 170</u>



KPMG Assurance Services Ltda.  
Rua Verbo Divino, 1400, Conjunto Térreo ao 801 - Parte,  
Chácara Santo Antônio, CEP 04719-911, São Paulo - SP  
Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brazil  
Phone +55 (11) 3940-1500  
[kpmg.com.br](http://kpmg.com.br)

# Independent Auditors’ Limited Assurance Report

(A free translation of the original report in Portuguese, containing the Assurance Report).

To the Management of  
Boticário Produtos de Beleza Ltda.  
Curitiba - PR

**Limited assurance report on the Environmental, Social and Governance information of the 2024 ESG Report of Boticário Produtos de Beleza Ltda.**

## CONCLUSION

We performed a limited assurance engagement on the Environmental, Social and Governance information in the 2024 ESG Report (“Report”) of Boticário Produtos de Beleza Ltda. (“the Company”) for the year ended December 31, 2024, prepared in accordance with the *Global Reporting Initiative (GRI) Standards - GRI Standards and the Sustainability Accounting Standard – Household & Personal Products*, issued by the *Sustainability Accounting Standards Board (SASB)* (“Criteria”).

Based on the procedures performed and the evidence obtained, we are not aware of any fact that leads us to believe that the Environmental, Social and Governance information in the 2024 ESG Report of Boticário Produtos de Beleza Ltda. for the year ended December 31, 2024 was not prepared, in all material respects, in accordance with the *Global Reporting Initiative (GRI) Standards - GRI Standards and the Sustainability Accounting Standard - Household & Personal Products*, issued by the *Sustainability Accounting Standards Board (SASB)*.

## BASIS FOR CONCLUSION

We conduct our work in accordance with NBC TO 3000 (revised) - Assurance Engagements Other Than Audits and Reviews and *International Standard on Assurance Engagements (ISAE) 3000 (Revised)*, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the Brazilian Federal Accounting Council (CFC) and the *International Auditing and Assurance Standards Board (IAASB)*, respectively. Our responsibilities in relation to These standards are

described in more detail in the “Our Responsibilities” section of the report.

We comply with the independence and other ethical requirements of the Professional Code of Ethics for Accountants and the Professional Standards (including the Independence Standards) issued by the Federal Accounting Council (CFC) based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies NBC PA 01 Quality Management for Firms (Legal Entities and Individuals) of Independent Auditors and the *International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the CFC and IAASB, respectively. These standards require the firm to develop, implement and operate a quality management system, including policies or procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to support our conclusion.

**RESPONSIBILITIES OF THE COMPANY’S MANAGEMENT FOR THE REPORT**

The Company’s Management is responsible for

- the design, implementation and maintenance of internal controls relevant to the preparation of the Report that are free from material misstatement, whether due to fraud or error;
- the selection of the Criteria as being suitable for the preparation of the Report and the appropriate reference to the Criteria used or description of those Criteria;
- the preparation and adequate presentation of the information contained in the Report in accordance with the Criteria ; and
- design, implement and maintain internal controls over information relevant to the preparation of the information contained in the Report.

**OUR RESPONSIBILITIES**

We are responsible for:

- plan and perform the work to obtain limited assurance as to whether the information contained in the Company’s Report for the year ended December 31, 2024, prepared in accordance with the Criteria, is free from material misstatement, whether due to fraud or error;

- form an independent conclusion based on the procedures performed and the evidence obtained; and
- report our conclusion to the Board of Directors and shareholders of the Company.

**SUMMARY OF THE WORK WE HAVE PERFORMED AS THE BASIS FOR OUR CONCLUSION**

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Report that is sufficient and appropriate to provide a basis for our conclusion. Our selected procedures depend on our understanding of the Report and other circumstances of the engagement, in addition to our consideration of areas where material misstatements are likely to arise. In performing the engagement, we performed the following procedures:

- a. we plan the work, considering the materiality of the aspects for the Company’s activities, the relevance of the information disclosed, the volume of quantitative and qualitative data, and the operational and internal control systems used in the preparation of the Report;
- b. we obtained an understanding of the calculation methodology and procedures for compiling the indicators through questions and interviews with the managers responsible for preparing the information;
- c. we applied analytical procedures to quantitative information and conducted inquiries regarding qualitative information and its correlation with the indicators disclosed in the information contained in the Report; and

- d. we evaluate the processes for preparing the Report and its structure and content, in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing, and their scope is restricted (less extensive) than in a reasonable assurance engagement. Accordingly, the level of assurance obtained in a limited assurance engagement is substantially less than the assurance that would have been obtained if a reasonable assurance engagement had been performed.

São Paulo, April 30, 2025

KPMG Assurance Services Ltda.  
CRC 2SP-023228/O-4

  
*Original report in Portuguese signed by*  
Bernardo Moreira Peixoto Neto  
Independent Auditor CRC RJ-064887/O-8

# Credits

## Boticário Group

**ESG**  
Luis Augusto Meyer  
Thais Pires Lopes  
Judith Von Paumgarten Klautau

We would like to thank all team members who contributed to this report.

**GRUPO REPORT – [gruporeport.com.br](http://gruporeport.com.br)**

**CONTENT**  
Letícia Miraglia  
Naná Prado

**PROJECT MANAGEMENT**  
Beatriz Miranda  
Lígia Feliciano

**DISCLOSURES**  
Marília Campos

**GRAPHIC DESIGN**  
Diego Ribeiro

**LAYOUT**  
Bruna Finkennauer  
Taiana Granja  
Rubem Hojo

**INFOGRAPHICS**  
Henrique Assale  
Fábio Nienow

**MATERIALITY**  
Daniele Malpelli  
Priscila Garrido

**TRANSLATION**  
Latin America Translations

**PHOTO CREDITS**  
Grupo Boticário image  
archive, where specified.