Instituto Natura

Financial statements as of December 31, 2023 and independent auditor's report

Independent auditor's report on the financial statements

To Advisors and Administrators
Instituto Natura

Opinion

We have examined the financial statements of Instituto Natura ("Institute"), which comprise the balance sheet as of December 31, 2023 and the respective statements of income, comprehensive income, changes in equity and cash flows for the year ended on that date, as well as the corresponding explanatory notes, including a summary of material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above adequately present, in all material respects, the equity and financial position of Instituto Natura as of December 31, 2023, the performance of its operations and its cash flows for the year ended on that date, in accordance with accounting practices adopted in Brazil, including the provisions contained in the Technical Interpretation ITG 2002 (R1) - "Non-Profit Entities".

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities under such standards are described in the following section entitled "Auditor's Responsibilities for the Audit of the Financial Statements". We are independent from the Institute, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Management and governance responsibilities for financial statements

The Institute's management is responsible for the preparation and adequate presentation of the financial statements in accordance with the accounting practices adopted in Brazil, including the provisions contained in the Technical Interpretation ITG 2002 (R1) - "Non-Profit Entities" and for the internal controls that it determined as necessary to allow the preparation of financial statements free from material distortion, regardless of whether caused by fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in preparing the financial statements, unless the administration intends to liquidate the Institute or cease operations, or has no realistic alternative to avoid closing operations.

Those responsible for the governance of the Institute are those responsible for supervising the process of preparing the financial statements.

Auditor's responsibilities for auditing financial statements

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable security is a high level of security, but not a guarantee that the audit carried out in accordance with Brazilian and international auditing standards will always detect any existing relevant distortions. Misstatements may arise from fraud or error and are considered material when, individually or collectively, they may influence, within a reasonable perspective, users' economic decisions taken based on said financial statements.

As part of an audit performed in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatement in the financial statements, whether caused by fraud or error, plan and perform audit procedures in response to such risks, and obtain sufficient appropriate audit evidence to support our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve the act of circumventing internal controls, collusion, forgery, omission or intentional misrepresentations.
- We obtain an understanding of the relevant internal controls to the audit to plan audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal controls.
- We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty regarding events or conditions that may raise significant doubt regarding the Institute’s ability to continue as a going concern. If we conclude that material uncertainty exists, we should draw attention in our audit report to the related disclosures in the financial statements or include a modification of our opinion if the disclosures are inadequate. Our conclusions are based on audit evidence obtained up to the date of our report. However, future events or conditions may lead the Institute to no longer maintain operational continuity.
- We evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether these financial statements represent the corresponding transactions and events in a manner consistent with the objective of fair presentation.

We communicate with those responsible for governance regarding, among other things, the scope and timing of planned audit work and significant audit findings, including significant deficiencies in internal controls that may have been identified during our work.

São Paulo, June 24, 2024

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Rodrigo Lobenwein Marcatti
Accountant CRC 1MG091301/O-2

PricewaterhouseCoopers Auditores Independentes Ltda.
Avenida Brigadeiro Faria Lima, 3732, B32 Building, 16th floor
São Paulo, SP, Brazil, 04538-132
Phone: +55 (11) 4004-8000, www.pwc.com.br

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INSTITUTO NATURA

BALANCE SHEET AS OF DECEMBER 31, 2023 AND 2022
(in thousands of Reais – BRL)

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents (Note 4)	238	1,173
Securities (Note 5)	6,994	9,805
Other assets	341	321
Total current assets	**7,573**	**8,299**
NON-CURRENT		
Fixed assets (Note 6)	7	9
Right of use (Note 7)	1,694	1,044
Total non-current assets	**1,701**	**1,053**
TOTAL ASSETS	**9,274**	**9,352**

	2023	2022
LIABILITIES AND UNSECURED LIABILITIES		
CURRENT		
Loans and financing (Note 8)	15,410	15,699
Commercial leasing (Note 7)	397	643
Suppliers and supplies (Note 9)	785	1,233
Labor obligations (Note 10)	1,896	1,715
Tax obligations (Note 10)	201	306
Total current liabilities	**18,689**	**19,569**
NON-CURRENT		
Leasing (Note 7)	1,525	700
Total non-current liabilities	**1,525**	**700**
UNSECURED LIABILITIES		
Social assets (Note 11)	162	162
Accumulated deficit (Note 11)	(11,102)	(11,106)
Total unsecured liabilities	**(10,940)**	**(10,944)**
TOTAL LIABILITIES AND UNSECURED LIABILITIES	**9,274**	**9,352**

Management's explanatory notes are an integral part of the financial statements.

INSTITUTO NATURA

INCOME STATEMENTS
FOR THE YEARS ENDING DECEMBER 31, 2023 AND 2022
(in thousands of Reais – BRL)

	2023	2022
SOCIAL REVENUES (NOTE 13)		
Donations Crer para Ver	51,800	56,822
Volunteer work	441	425
Other donations	450	3,067
SOCIAL REVENUES	**52,691**	**60,314**
SOCIAL EXPENSES (NOTE 14)		
General and administrative	(3,203)	(2,955)
With projects	(49,508)	(52,548)
	(52,711)	**(55,503)**
SURPLUS / (DEFICIT) BEFORE FINANCIAL RESULT	**(20)**	**4,811**
Financial income (Note 15)	1,513	829
Financial expenses (Note 15)	(1,489)	(1,736)
SURPLUS FOR THE YEAR	**4**	**3,904**

Management’s explanatory notes are an integral part of the financial statements

INSTITUTO NATURA

COMPREHENSIVE INCOME STATEMENT
FOR THE YEARS ENDING DECEMBER 31, 2023 AND 2022
(In thousands of Reais - BRL)

	2023	2022
SURPLUS FOR THE YEAR	4	3,904
Other comprehensive results	-	-
Total comprehensive income for the year	**4**	**3,904**

Management’s explanatory notes are an integral part of the financial statements

INSTITUTO NATURA

DEMONSTRATION OF CHANGES IN UNSECURED LIABILITIES FOR THE YEARS ENDING DECEMBER 31, 2023 AND 2022

(In thousands of Reais - BRL)

	Social equity	(Deficit) accumulated	Unsecured liabilities
As of January 1, 2022	**162**	**(15,010)**	**(14,848)**
Surplus for the year	-	3,904	3,904
As of December 31, 2022	**162**	**(11,106)**	**(10,944)**
Surplus for the year	-	4	4
As of December 31, 2023	**162**	**(11,102)**	**(10,940)**

Management's explanatory notes are an integral part of the financial statements

INSTITUTO NATURA

CASH FLOW STATEMENT
FOR THE YEARS ENDING DECEMBER 31, 2023 AND 2022
(In thousands of reais - BRL)

	2023	**2022**
CASH FLOW FROM OPERATIONAL ACTIVITIES		
(Surplus for the year **(Note 12)**)	4	3,904
Non-cash income and expense adjustments:		
Interest on investments and securities	(1,513)	(819)
Depreciation and amortization **(Note 6)**	2	4
Depreciation and amortization **(Note 7)**	460	391
Reversal of provision for tax, civil and labor risks **(Note 11)**	-	(469)
Interest and exchange rate variation on leasing **(Note 7)**	107	105
Interest and exchange rate variation on loans and financing **(Note 8)**	832	1,246
INCREASE/(DECREASE) IN ASSETS AND LIABILITIES		
Other assets	(20)	(152)
Suppliers and supplies **(Note 9)**	(448)	375
Labor obligations **(Note 10)**	181	(434)
Tax obligations **(Note 10)**	(105)	(31)
CASH GENERATED BY (USED IN) SOCIAL ACTIVITIES	**(500)**	**4,120**
OTHER CASH FLOWS FROM SOCIAL ACTIVITIES		
Payments of tax, civil and labor proceedings	-	-
Payment of interest on leasing **(Note 7)**	(107)	(105)
NET CASH USED IN SOCIAL ACTIVITIES	**(607)**	**4,015**
CASH GENERATED BY (USED IN) INVESTMENT ACTIVITIES		
Acquisitions of fixed assets, intangible assets **(Note 6)**	-	-
Investment in securities **(Note 5)**	(63,450)	(57,751)
Redemption of bonds and securities **(Note 5)**	64,836	55,675
Redemption of interest on investments and securities **(Note 5)**	(62)	(75)
CASH GENERATED BY (USED IN) INVESTMENT ACTIVITIES	**1,324**	**(2,151)**
CASH FLOW FROM FINANCING ACTIVITIES		
Amortization of leasing – principal	(531)	(329)
Payment of loans and financing **(Note 8)**	(15,000)	(15,000)
Interest paid and on loans and financing **(Note 8)**	(1,121)	(649)
Loans and financing raised **(Note 8)**	15,000	15,000
CASH GENERATED BY (USED IN) FINANCING ACTIVITIES	**(1,652)**	**(978)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(935)**	**886**
Opening balance of cash and cash equivalents	1,173	287
Final balance of cash and cash equivalents	238	1.173
	(935)	**886**

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Management's explanatory notes are an integral part of the financial statements

INSTITUTO NATURA

EXPLANATORY NOTES FROM MANAGEMENT TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDING DECEMBER 31, 2023 AND 2022
(In thousands of reais - BRL)

1 General information

1.1 Social objective

Instituto Natura, hereinafter referred to as simply “Institute”, is a non-profit or economic Association, with an indefinite duration, headquartered in the city of São Paulo, State of São Paulo, at Av. Brigadeiro Faria Lima, No. 201, set 171, Faria Lima Building Condominium, and its social objective is the transformation of society, focusing on promoting quality of life, in its different dimensions, with an emphasis on education, expanding freedoms, democratizing access to information, deepening social justice and sustainability.

The Institute is a Civil Society Organization of Public Interest (OSCIP) which is a title granted by the Brazilian Ministry of Justice to organizations that meet the requirements of Law No. 9,790, of March 23, 1999. The Institute has this title since January 31, 2011.

As of 2016, with the publication of Ordinance MJ No. 362, of March 1, 2016, annual renewal no longer occurs, and the title remains in force as long as the initial conditions for obtaining it are met.

1.2 Relevant events of the year

During the 2023 financial year, the Institute presented:

- Unsecured liabilities of BRL 10,940 (BRL 10,944 in 2022),
- Negative net working capital of BRL 11,116 (BRL 11,297 in 2022) and
- Surplus for the year of BRL 4 (surplus of BRL 3,904 in 2022).

The changes in these positions are basically due to the reduction in social revenue received by the Institute during the year, mainly due to the reduction in transfers of donations from the sponsor, a consequence of less need for transfers to cover the current year's expenses, and the reduction in non-recurring donations received from other institutions (explanatory note 12). Although there was a reduction in social revenues, social expenses (explanatory note 13) were also lower, ending with a surplus in the current year.

The Institute's main source of resources comes from the sponsor Natura Cosméticos S.A. and its subsidiaries in Brazil, which allocates the profits from the Crer Para Ver product line to be invested in social actions and maintenance of the Institute. Additionally, the administration highlights to demonstrate the assumption of continuity of the Institute that on the date of approval of the issuance of these financial statements, there are financial resources from the Crer Para Ver Line that are invested in the Institute's sponsor, which are considered sufficient to guarantee the premise of continuity of operation. As of December 31, 2023, this amount is BRL 38,725 (72,608 in 2022).

2 Summary of main accounting policies

The main accounting policies applied in the preparation of these financial statements are defined below. These policies were applied consistently in the years presented.

2.1 Preparation basis

The financial statements were prepared in accordance with Brazilian Accounting Standards, embodied in the technical pronouncements of the Accounting Pronouncements Committee (CPC) and in the provisions applicable to non-profit institutions, ITG 2002 (R1) - Non-Profit Entity, CPC PME - Accounting for Small and Medium-sized Companies, issued by the Federal Accounting Council (CFC), which aim to guide compliance with legal requirements on accounting procedures to be followed by non-profit legal entities governed by private law. They were prepared considering the historical cost as the value basis.

The preparation of financial statements in accordance with the CPC PME requires the use of certain critical accounting estimates and the exercise of judgment by the Company's management in the process of applying accounting policies. The areas that require a higher level of judgment and are more complex, as well as those whose assumptions and estimates are significant for the financial statements, are disclosed in explanatory note No. 3.

Finally, Management assessed the Institute's ability to continue operating normally and is convinced that it has the resources to continue its business in the future, and is not aware of any material uncertainty that could generate significant doubts about its ability to continue operating. Therefore, these financial statements were prepared based on the assumption of operational continuity of the Institute's business.

2.2 Functional Currency

(a) Functional currency and presentation currency

The items included in the financial statements are measured according to the currency of the main economic environment in which the Institute operates (“functional currency”). The financial statements are presented in thousands of reais, which is the Institute's functional currency and also its presentation currency.

(b) Operations and balances

Transactions in foreign currency are converted into the Institute's functional currency (BRL - reais) using the exchange rates in force on the dates of the transactions. Balance sheet accounts are converted using the exchange rate in effect on the balance sheet dates. Exchange rate gains and losses resulting from the settlement of these transactions and the conversion of monetary assets and liabilities denominated in foreign currency are recognized in the income statement for the year, under the headings “Financial income” and “Financial expenses”.

2.3 Cash and cash equivalents

They include cash, bank deposits in cash and financial investments realizable within 90 days of the original date of the security or considered to be immediately liquid or convertible into a known amount of cash and which are subject to an insignificant risk of change in value. They are recorded at cost, plus income earned up to the balance sheet dates, which do not exceed their market or realizable value.

2.4 Financial instruments

Non-derivative financial assets

Financial instruments are only recognized from the date on which the Institute becomes party to the contractual provisions of the financial instruments.

The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flows of the financial asset and the Institute's business model for managing these financial assets. The Institute initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not measured at fair value through profit or loss. Its subsequent measurement occurs at each balance sheet date in accordance with the rules established for each type of classification of financial assets and liabilities.

The Institute's financial instruments are classified as:

(i) Amortized cost

When it meets the following conditions and is not designated as measured at fair value through profit or loss:

- is maintained within a business model whose objective is to maintain financial assets to receive contractual cash flows; and
- its contractual terms generate cash flows on specific dates that are only related to the payment of principal and interest on the outstanding principal amount.

They are subsequently measured using the effective interest method and are subject to impairment. Gains or losses are recognized in profit or loss when the asset is written off, modified or presents an impairment.

(ii) Fair value through profit or loss

When not classified as amortized cost, they are presented in the balance sheet at fair value with net changes in fair value recognized in the income statement. This category includes securities and cash and cash equivalents.

Non-derivative financial liabilities

The Institute's financial liabilities are classified, upon initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost or as derivatives designated as hedging instruments in an effective hedge, when applicable.

All financial liabilities are initially measured at their fair value, plus or minus, in the case of financial liabilities other than fair value through profit or loss, the transaction costs that are directly attributable to the issuance of the financial liability.
The Institute's financial liabilities during the periods presented include loans and financing (explanatory note No. 8) and suppliers (explanatory note No. 9).

Subsequent measurement

For subsequent measurement purposes, financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortized cost.

Financial liabilities at fair value through profit or loss

They include financial liabilities for trading and financial liabilities designated at initial recognition at fair value through profit or loss. They are classified as held for trading if they are incurred for short-term repurchase purposes. This category also includes derivative financial instruments that are not designated as hedging instruments in the hedging relationships defined by CPC 48. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains and losses on trading liabilities are recognized in the income statement.

Financial liabilities designated at initial recognition at fair value through profit or loss are designated on the initial date of recognition, and only if the criteria of CPC 48 are met. In the years presented, the Institute did not have financial liabilities classified in this category.

Financial liabilities at amortized cost (loans and financing and suppliers)

After initial recognition, loans and financing contracted and granted subject to interest are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in profit or loss when liabilities are written off, as well as through the effective interest rate amortization process.

The amortized cost is calculated taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. Amortization using the effective interest rate method is included as a financial expense in the income statement.

This category applies to loans and financing and suppliers granted and contracted, subject to interest.

Derecognition

A financial liability is written off when the obligation under the liability is extinguished, that is, when the obligation specified in the contract is settled, canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying values is recognized in the income statement.

2.5 Fixed assets

Fixed assets items are stated at historical acquisition cost less the amount of depreciation and any provision for accumulated non-recoverable asset loss. The historical cost includes the directly attributable expenses necessary to prepare the asset for its intended use by management, excluding financing costs.

Depreciation is calculated using the straight-line method using as reference the cost value less the residual value and the remaining useful life. Estimated useful lives are shown as follows:

. Furniture and fixtures - 5 - 8 years (12.5% p.a. to 20% p.a.)
. Computer equipment - 15 - 20 years (5% p.a. to 6.67% p.a.)
. Improvements to third-party properties - 20 years (5% p.a.)

Residual values, useful lives and depreciation methods of assets are reviewed and adjusted when there is an indication of a significant change since the last balance sheet date.

The carrying value of an asset is immediately written down to its recoverable value if the carrying value of the asset is greater than its estimated recoverable value (explanatory note No. 6).

Gains and losses on disposals are determined by comparing the sales value with the carrying value and are recognized in “Other gains/(losses), net” in the income statement.

2.6 Loans and financing

Loans and financing are initially recognized at the transaction value (i.e., the amount received from the bank, including transaction costs) and subsequently stated at amortized cost.

Interest expenses are recognized based on the effective interest rate method over the term of the loan such that on the maturity date the book balance corresponds to the amount due. Interest is recorded in financial expenses.

Loans and financing are classified as current liabilities, unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date.

2.7 Leasing

The Institute assesses at the beginning of the contract whether it is, or contains, a lease. That is, whether the contract grants the right to control the use of an identified asset for a period in exchange for consideration. The Institute (as lessee) applies a single recognition and measurement approach to all leases except short-term leases and leases of low-value assets.

The lease assets and liabilities of Instituto Natura are disclosed in explanatory note No. 7.

2.8 Suppliers

Accounts payable to suppliers are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method as a reference.

2.9 Provisions

Provisions are recognized when: (i) the Institute has a present or non-formalized obligation as a result of past events; (ii) it is probable that an outflow of resources will be necessary to settle the obligation; and (iii) the value can be safely estimated.

Provisions are measured at the present value of the expenses that must be necessary to settle the obligation, through the application of a discount rate plus the effects of taxes on profit, which reflects current market assessments of the time value of money and for the specific risks of the obligation. The increase in the obligation due to the passage of time is recorded as a financial expense.
Provisions for restructuring include fines for termination of lease contracts and payments for termination of employment. No provisions are recognized for future operating losses.

Provision for contingencies

Provisions for contingencies are recognized when the Institute has a present or unformalized obligation as a result of past events, it is probable that an outflow of resources will be necessary to settle the obligation and the amount can be safely estimated.

2.10 Short-term employee benefits

Short-term employee benefit obligations are recognized on an undiscounted basis and are incurred as expenses as the related service is provided. Liabilities are recognized at the amount expected to be paid, if the Institute has a legal or constructive obligation to pay this amount and as a result of past service provided by the employee and if the obligation can be estimated reliably.

2.11 Social heritage

On December 31, 2023, the accumulated total of allocations to the endowment fund classified as social assets was BRL 162 (BRL 162 in 2022).

2.12 Calculation of surplus / deficit - income and expenses

Income from donations is recorded using appropriate documentation, when the resources are actually received. All other income and expenses necessary to maintain its activities are recorded on an accrual basis.

There is no provision for returning donations to the donor. Additionally, the Institute's Administration has autonomy to allocate the respective donations and there are no projects in which there is an effective correlation between the donation received and the expense to be incurred.

Donation expenses are recorded when the respective expenses are incurred or when there is an effective contractual commitment made to allocate resources to a project or initiative. For some projects, these commitments are assumed partially, based on the partners' respective accounts for each phase of the project.

2.13 Volunteer work

Income from volunteer work is measured at fair value, taking into account the amounts that the Institute would have to pay if it contracted these services in a similar market. As established in ITG 2002 (R1) - Non-Profit Entity ("ITG 2002"), the Institute values revenue from voluntary work, including from members of management bodies in the exercise of their functions.

Income from voluntary work is recognized in the income statement for the year as social income from other donations (explanatory note No. 12) against social expenses with personnel (explanatory note No. 13).

3 Critical accounting estimates and judgments

The Company makes estimates and establishes assumptions regarding the future, based on historical experience and other factors, including expectations of future events. By definition, the resulting accounting estimates will rarely be equal to the respective actual results. The estimates and assumptions that present a significant risk of causing a material adjustment in the carrying values of assets and liabilities for the next year refer to the useful life of fixed assets, disclosed in explanatory note 2.5 and reviewed at each year end, and the fair value of volunteering, where the entity measures the fair value of the volunteer work of each board member, based on the hours of each member as if both were employees of the Natura Institute as per explanatory note No. 12.

4 Cash and cash equivalents

	Instituto Natura	
	12/31/2023	12/31/2022
Cash and banks	238	1,173
	238	1,173

5 Securities

	Instituto Natura	
	12/31/2023	12/31/2022
Exclusive Investment Fund (I)	6,994	6,805
	6,994	6,805

(i) Essential Investment Fund - exclusive fund of the Natura Group which is a Private Credit Multimarket Investment Fund under the management, administration and custody of Itaú Unibanco Asset Management. The eligible assets in the portfolio composition are: public debt securities, Bank Deposit Certificate (CDB), Financial Bills and repo operations. There is no grace period for redemption of shares, which can be redeemed with income at any time.

6 Fixed assets

		Instituto Natura			
	Useful life in years	**12/31/2022**	**Additions**	**Write-off**	**12/31/2023**
Cost value:					
(+)Improvements to third-party properties:	20	214	-	-	214
(+) Furniture and utensils	5 to 8	193	-	-	193
(+) IT equipment	15 to 20	91	-	(79)	12
Total cost		**498**	- **-**	**79**	**419**
Depreciation					
(-) Improvements to third-party properties		(214)	-		(214)
(-) Furniture and utensils		(184)	(2)		(186)
(-) Computer equipment		(91)	-	79	(12)
Total depreciation		**(489)**	**(2)**	**79**	**(412)**
Net total		**9**	**(2)**	**-**	**7**

(In thousands of reais - BRL)

	Instituto Natura				
	Useful life in years	12/31/2021	Additions	Write-off	12/31/2022
Cost value:					
(+) Improvements to third-party properties	20	214	-	-	214
(+) Furniture and utensils	5 to 8	193	-	-	193
(+) IT equipment	15 to 20	91	-	-	91
Total cost		**498**	- **-**	**-**	**498**
Depreciation					
(-) Improvements to third-party properties		(214)	-		(214)
(-) Furniture and utensils		(180)	(4)		(184)
(-) Computer equipment		(91)			(91)
Total depreciation		**(485)**	**(4)**	**-**	**(489)**
Net total		**13**	**(4)**	**-**	**9**

7 Right of use

	Instituto Natura				
	Useful life in years	12/31/2022	Additions	Write-off	12/31/2023
Cost value:					
(+) Properties	4	1,837			
(+) Vehicles	3	270	-	-	270
Total cost		**2,107**	**1,110**	**-**	**3,217**
Depreciation					
(-) Properties		(1,046)	(370)		(1,416)
(-) Vehicles		(17)	(90)		(107)
Total depreciation		**(1,063)**	**(460)**	**-**	**(1,523)**
Net total		**1,044**	**650**	**-**	**1,694**

(In thousands of reais - BRL)

	Instituto Natura				
	Useful life in years	12/31/2021	Additions	Write-off	12/31/2022
Cost value:					
(+) Properties	4	2,443	(136)	(470)	1,837
(+) Vehicles	3	-	270	-	270
Total cost		**2,443**	**134**	**470**	**2,107**
Depreciation					
(-) Real Estate		(1,142)	(374) 470		(1,046)
(-) Vehicles		-	(17) -		(17)
Total depreciation		**(1,142)**	**(391)**	**470**	**(1,063)**
Net total		**1,301**	**(257)**	**-**	**1,044**

Financial lease obligations

The property is the lessor's own guarantee since, in the absence of payment, the leased asset reverts to the lessor.

The expiry date of the 5-year contract was February 2020. In June 2020, an amendment (6th) was signed in which the criteria for calculating the rental value for the next 5 years (2020 - 2025) were defined, confirming the agreement between the Parties for the extension of the contract.

The 7th amendment (7th) was prepared, ratifying the extension of the contract's term (2020 - 2025) and indicating that, exceptionally this year, the application of a readjustment index different from that provided for in the contract was adjusted (IPCA instead of IGPM).

The 8th amendment (8th) was prepared ratifying the extension of the contract term in advance (2023 - 2028) and indicating that there was an increase to one hundred and thirty reais per square meter (130.00 x m^2), calculated on the BOMA area of 383.03 m^2.

The useful lives applied refer to the periods for which the Institute is certain that it will use the assets covered by the leasing contracts in compliance with the contractual conditions. On January 1, 2023, they corresponded to the remaining term of contracts in force on the date of transition to the leasing standard.

(In thousands of reais - BRL)

	Instituto Natura	
	12/31/2023	12/31/2022
Amounts recognized in the income statement		
Financial expense on leasing	107	105
Amortization of right of use	460	391
Total	**567**	**496**
Amounts recognized in the cash flow statement		
Lease payment (principal)	531	329
Lease payment (interest)	107	105
Total	**638**	**434**

a) Lease liabilities

	Instituto Natura	
	12/31/2023	12/31/2022
Current	397	643
Non-current	1,525	700
Total	**1,922**	**1,343**

Below is the movement in the balance of lease liabilities for the year ending December 31, 2023.

	12/31/2023	12/31/2022
Balance at the beginning of the year	1,343	1,538
New contracts	1,110	134
Payments – principal	(531)	(329)
Payments – interest	(107)	(105)
Appropriation of financial charges	107	105
Write-offs (iii)	-	-
Total	**1,922**	**1,343**

(In thousands of reais - BRL)

The maturities of the balance of non-current leases are shown as follows:

	12/31/2023	12/31/2022
2024	-	512
2025	419	188
2026 onwards	1,106	-
Total	**1,525**	**700**

8 Loans and financing

	Instituto Natura					
	12/31/2022	Collection	Payment	Interest	Interest Paid	12/31/2023
Loans and financing	(15,699)	(15,000)	15,000	(832)	1,121	(15,410)
	(15,699)	**(15,000)**	**15,000**	**(832)**	**1,121**	**(15,410)**

	Instituto Natura					
	12/31/2021	Collection	Payment	Interest	Interest Paid	12/31/2022
Loans and Financing	(15,102)	(15,000)	15,000	(1,246)	649	(15,699)
	(15,102)	**(15,000)**	**15,000**	**(1,246)**	**649**	**(15,699)**

The bank loan contracted on October 11, 2023 matures on April 17, 2024. It was contracted with an interest rate of 1.65% p.a. plus 100% of the (CDI), to be paid through a single installment debited in account.

9 Suppliers and supplies

	Instituto Natura	
	12/31/2023	12/31/2022
National suppliers (I)	(236)	(1,042)
Provisions for accounts payable (II)	(549)	(191)
	(785)	**(1,233)**

(i) National suppliers

Administrative support activities (accounting, financial, legal, information technology, etc.) are carried out by Natura Cosméticos S.A. and charged to the Institute. On December 31, 2023, the Institute had a balance payable to Natura Cosméticos S.A. of BRL 66 (BRL 15 on December 31, 2022).

(In thousands of reais - BRL)

(ii) Provisions for accounts payable

Refers to provisions for miscellaneous expenses to comply with the accrual basis.

10 Labor and tax obligations

	Instituto Natura	
	12/31/2023	12/31/2022
Salaries payable	(982)	(999)
Social charges on payroll	(229)	(130)
Provision for vacations and charges	(685)	(586)
	(1,896)	**(1,715)**

	Instituto Natura	
	12/31/2023	12/31/2022
INSS	(7)	(13)
IRRF	(148)	(161)
ISS	-	(3)
Others	(46)	(129)
	(201)	**(306)**

11 Social heritage

	Social equity (Unsecured liabilities)	Accumulated deficit	Total
As of January 12, 2023	162	(11,106)	(10,944)
Fiscal year surplus	-	4	4
As of December 31, 2023 (i)	**162**	**(11,102)**	**(10,940)**

The endowment fund is made up of 10% of the value of donations received from sponsoring associates, when these are not allocated to specific projects. It aims to guarantee the sustainability and perpetuation of the heritage and social purpose of Instituto Natura. The use of the endowment fund is approved, when necessary, at the General Meeting.

On December 31, 2023, the accumulated total of allocations to the endowment fund classified as social assets was BRL 162 (BRL 162 in 2022).

(In thousands of reais - BRL)

(i) Accumulated deficit

As of December 31, 2023, the accumulated deficit is BRL 11,102 (deficit of BRL 11,106 in 2022).

12 Social Revenue

	Instituto Natura	
	12/31/2023	12/31/2022
Donations Crer para Ver (i)	51,800	56,822
Voluntary work (iii)	441	425
Other donations (ii)	450	3,067
SOCIAL REVENUES	**52,691**	**60,314**

(i) Donation from Natura Cosméticos S.A. and its subsidiaries in Brazil, which is associated with the transfer of the net result from sales of the Natura Crer Para Ver product line, plus management salary expenses.

(ii) Donations received from other Institutes and Foundations for allocation in initiatives coordinated by the Instituto Natura for investment in the actions where we operate.

(iii) Voluntary work by members of the Board of Directors. The voluntary work and service obtained did not generate cash disbursement for Instituto Natura and refers to the fees of the board of directors. If there had been a need to disburse cash for this purpose, Instituto Natura estimates that it would have disbursed the approximate amount of BRL 441 thousand (2022 – BRL 425 thousand).

	12/31/2023		12/31/2022	
Fees	**Value / Hour**	**Value / Hour**	**Value / Hour**	**Value / Hour**
Board of Directors	5,993	440,515	6,119	425,296

13 Social expenses

	Instituto Natura	
	12/31/2023	12/31/2022
General and administrative		
Personal (i)	2,326	1,568
Consultancy and intellectual services (iv)	180	419
Maintenance and conservation	600	709
Other expenses (v)	97	259
	3,203	**2,955**

(In thousands of reais - BRL)

	Instituto Natura	
	12/31/2023	12/31/2022
Projects		
Consultancy and intellectual services (iii)	18,040	14,991
Donations made (ii)	19,511	25,124
Personal (i)	8,171	7,417
Other expenses	608	735
Communication and events	1,812	3,641
Logistics expenses (v)	1,366	640
	49,508	**52,548**
Total	**52,711**	**55,503**

(i) Increase reflects a non-recurring effect in 2022 due to the reversal of charges from the previous year's provision with a change in the classification of the salary bonus item to extraordinary bonus (without charges) according to the 2022 Legal opinion.

(ii) Donations made by the Institute are directed to partner and implementing organizations

(iii) Consultants (third parties) hired with the aim of improving our approach to operations and mitigating possible labor risks.

(iv) Accounting for travel, accommodation and transportation expenses. The increase reflects an intensification of the needs of external agendas that are met by strategic commitments and reflects the increase in ticket prices.

14 Financial income (expenses)

	Instituto Natura	
	12/31/2023	12/31/2022
Financial income		
Interest on financial investments	1,506	819
Other income	7	10
	1,513	**829**
Financial expenses		
Interest on loans	(833)	(1,246)
Interest with leasing	(107)	(105)
Other financial expenses	(549)	(385)
	(1,489)	**(1,736)**
Net financial result	**24**	**(907)**

15 Management remuneration

As provided for in the Institute's Bylaws, the Institute's Board of Directors, through a General Meeting, is responsible for establishing remuneration for the Institute's directors, in accordance with Law No. 9,790/99, who effectively act in executive management. The members of the Institute's Board of Directors are not remunerated for their statutory functions and their dedication is accounted for as described in explanatory note No. 3.11 “Volunteer Work”. The Board of Directors is responsible for establishing remuneration for the other directors of the Institute, in accordance with Law No. 9,790/99, who effectively act in executive management.

16 Tax Waiver

The Institute is subject to certain taxes subject to the tax waiver for the years ending December 31, 2023 and 2022. In the Management's judgment, for the purposes of complying with the disclosures required by ITG 2002(R1), the tax waiver includes Tax on Transmission “Causa Mortis” and Donation of Any Assets or Rights - ITCMD, Corporate Income Tax - IRPJ and Social Contribution on Net Profit - CSLL.

The ITCMD is provided for in the Federal Constitution article 155, I. Instituto Natura is exempt from the same according to Law No. 10,705/2000 of the State of São Paulo as it is a non-profit institution whose social objective is linked to the promotion of human rights.

17 Approval for issuing Financial Statements

These financial statements were approved for publication by the Institute's Board of Directors at a meeting held on June 24, 2024.

Board

Chairman
David Saad

Finance and Governance Manager
Rodolfo Luque Simões

Technical Manager
Paula Teshima
RTR Manager
CRC: 1SP212964

Controller
Alessandra Segatelli
Financial Controller Latam

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