

TOGETHER WE ARE BUILDING

**#BeautyFor**  
*TheFuture*

# 2023 ESG REPORT

// COMMITMENTS FOR THE FUTURE

EXECUTIVE VERSION

GrupoBoticário 

# Messages

TOGETHER WE ARE BUILDING  
**#BeautyFor  
theFuture**

This is the executive version of Boticário Group's 2023 ESG Report. To view the full version, [click here](#)

## ESG at the core *of our strategy*

“We embrace the responsibility that comes with being a major player and are aware of the role we can play in addressing global challenges. 2023 was therefore a major milestone in our history. It was the year we updated our 2030 commitments, something we do every three years under our strategic planning, which keeps the ESG agenda aligned with the respective global challenges and at the heart of business decisions.

**Fernando Modé**  
Boticário Group CEO



## Equilibrium *and* consistency

“Boticário Group continues to grow in an organized, balanced and consistent manner. We are ambitious and restless, eager to expand our expertise, and want to roll out more and more innovative and sustainable solutions in the years ahead. I invite you to learn more about this journey.”

**Fabiana de Freitas**  
Vice President of  
Corporate Affairs



## Fostering *critical* thinking

“The ESG Committee's consistent looking towards the future and discussing material issues with high-level governance fosters strategic prioritization, resulting in better decisions and, consequently, generating tangible and sustainable results. By establishing solid governance, the company ensures that this analysis process takes place, always underpinned by transparent dialog with all stakeholders.”

**Carolina da Costa**  
Leader of the Boticário  
Group ESG Committee



# How *it all* began

Boticário Group is a privately-held Brazilian company, with beauty sector brands and a leader in the country's cosmetics industry.

It all began in 1977 when Miguel Krigsner opened a small compounding pharmacy in Curitiba, Paraná, where our headquarters remain to this day. The founder's dream was to build a 100% Brazilian beauty brand, with high-quality products inspired by love and care for people. Bit by bit this dream blossomed, and O Boticário transposed Brazil's borders, going global. In 1986, the company embarked on its internationalization process in earnest, with the opening of a store in Portugal. Boticário Group now operates in over 50 countries.

The well-being of the natural world is essential to all life. To preserve it, in 1990 the Boticário Group Foundation for Nature Protection was established, focusing on biodiversity conservation and supporting scientific research.

Boticário Group's efforts to spur social development advanced in 2004 with the creation of the Boticário Group Institute, which has consistently achieved results by fostering and supporting social, cultural and sports projects, currently

focused on entrepreneurship within the beauty ecosystem.

Over its 47-year history, Boticário Group has grown and incorporated various brands and companies into its business – in 2023, Truss Professional was acquired. The Group's footprint currently spans 99% of Brazilian territory, with company stores, franchises, direct sales and non-proprietary channels such as drugstores and marketplaces.

## Our purpose

Create opportunities for beauty to transform each person's life and thus transform the world around us.

## Our essences

- We make our customers' eyes shine
- We are restless
- We nurture our relationships
- We deliver with passion
- We seek responsible success

**Boticário Group's footprint currently spans 99% of Brazilian territory, with company stores, franchises, direct sales and non-proprietary channels such as pharmacies, drugstores and marketplaces. [Click here to learn more.](#)**



## By the numbers

**100,000**

points of sale  
throughout Brazil

More than

**33,000**

people work in  
our franchising  
network

**3,134**

active  
suppliers

More than

**4,500**

brick-and-mortar  
stores

More than

**18,000**

direct employees

**3** plants

and **8** distribution  
centers

Present in more than

**5,000**

Brazilian municipalities  
in the form of stores  
and/or direct sales

Present in  
more than

**40**

countries<sup>[1]</sup>

More than

**80**

distributors

[1] Learn more at:  
[From Brazil to the world](#)



# Our brands

We draw on the strength of our brands:

## Consumer brands

---

OBOTICÁRIO

EUDORA

Quem Disse,  
Berenice?

vult 

O.U.i  
ORIGINAL UNIQUE INDIVIDUEL

Dr. JONES 

TRUSS  
PROFESSIONAL

beleza  
NA WEB

tô.que.tô  
COSMÉTICOS

AU.migos  
pets

## Licensed consumer brands

  
Bio-Oil®

  
NUXE  
PARIS

  
Australian  
Gold.

Nova  
Linha de  
cuidados 

## Business brands

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MOOZ

 GAVB

casa  
magalhães

Fundação   
GrupoBoticário

Instituto   
GrupoBoticário

Find out more in [Boticário Group](#)

# Shared success

## Discover Boticário Group's beauty ecosystem

### 1. Supply

- / More than **3,000** direct and indirect employees
- / Partner Assessment and Development Program (PADP) with ESG performance analysis
- / **98% of palm and 94% of wood purchased are certified**

### 2. Staff

- / **18,000+** direct employees
- / **46% of black employees in the overall workforce** and 26% in leadership positions
- / **60% of women in the overall workforce** and 56% in leadership positions

### 3. Research & Development

- / **96% vegan products in our portfolio and 23% inclusive products in our portfolio**
- / 100% of products developed feature at least one sustainability attribute

### 4. Manufacturing

- / More efficient processes, water reuse, use of renewable energy, and waste recycling
- / **97% recyclability of generated waste<sup>1</sup> and 100% renewable energy<sup>2</sup>**



- ### 5. Distribution
- / Eight distribution centers
  - / **40 electric cars** avoiding the emission of 708 metric tons of CO<sub>2</sub>



### 11. Boticário Group Foundation

- / **11,000 hectares of direct protection** through the Salto Morato and Serra do Tombador natural reserves
- / 178 species of fauna and flora discovered and scientific knowledge gained



### 9. Consumers

- / **2,000+** diverse people co-develop inclusive and diverse products
- / **4,500+** stores with collection points in **1,780 municipalities**



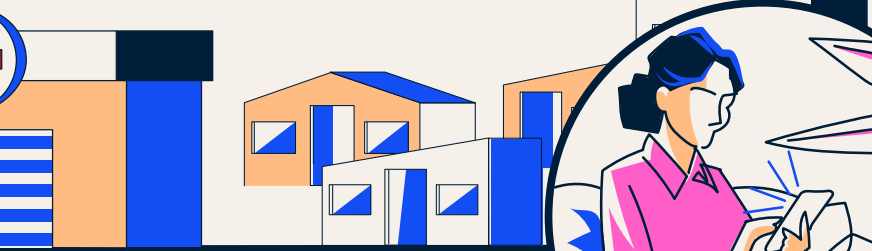
### 8. E-commerce and non-proprietary channels

- / **80+** distributors
- / Click & Collect: customer purchases online and chooses the nearest store to pick up the products



### 6. Company stores and franchises

- / **60+** sustainable stores in Brazil are container-format and were constructed using approximately 1 ton of post-consumer plastic waste each
- / There is also a pilot project for renewable energy in 30 company stores

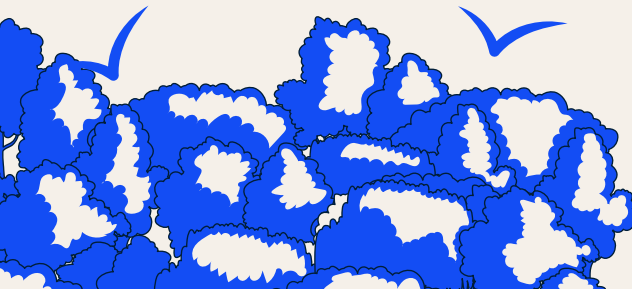


### 7. Direct Selling

- / Integration of brands in direct sales with a portfolio and pricing that cater to diverse consumers
- / In 2023 **the number of resellers grew by 22%** compared to the previous year

### 10. Communities and Boticário Group Institute

- / **Over 220,000 opportunities<sup>3</sup>** have been created through training and entrepreneurship programs such as Beauty Entrepreneurs, Develop, Beauty of Living and Educate



<sup>1</sup>In all operational sites in Brazil, excluding the Truss plant  
<sup>2</sup>Denotes Boticário Group's 4 largest sites  
<sup>3</sup>Since 2020

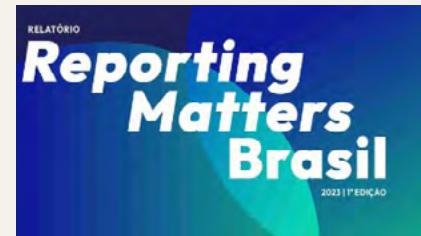
# Awards and recognition



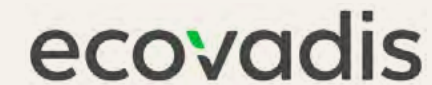
Boticário Group made the **Top 5% of S&P Global's Sustainability Yearbook**, rising from sixth place in 2022 to **third place as the most sustainable beauty company in the world**, according to S&P Global's Corporate Sustainability Assessment (CSA) in the Personal Products category, with results announced on December 22, 2023.



Recognized by the Carbon Disclosure Project (CDP), Boticário Group received an **A- rating in climate change and water security**, demonstrating leadership in sustainable practices.



Boticário Group's 2022 ESG Report ranked among the **top ten in Brazil according to Reporting Matters 2023**. Prepared by the Brazilian Business Council for Sustainable Development (CEBDS) which analyzes the sustainability reports of its members using the methodology created by the World Business Council for Sustainable Development (WBCSD).



For the second time in as many years Boticário Group was awarded the **Silver rating** by EcoVadis, ranking among the top 15% best companies in ESG. This is a benchmark in the ESG assessment of companies and their value chains.



In 2023, Boticário Group was recognized for its **pioneering work in the transparent disclosure** of its greenhouse gas (GHG) emission inventories in Brazil through the GHG Protocol Program.



For the second consecutive year, Boticário Group has excelled in **Exame's Best in ESG ranking** in the Pharmaceutical and Beauty category.



Awarded **gold status in the Eco-efficiency category at the POPAI Brasil Awards** for implementing sustainable furniture in the O Boticário store at the Shopping Boulevard mall in Curitiba.



Boticário Group **ranks in the Top 5** of the Corporate Reputation Business Monitor's (Merco) ESG Responsibility ranking.

## Sustainability-linked bond

In 2023, we issued sustainability-linked bonds (SLBs). R\$ 2 billion was raised under the issuance, which is indexed to two targets:

- 100% of the product portfolio for all Boticário Group's own brands is to be of vegan origin by December 2026.
- Use 80% of the recycled water generated at the São José dos Pinhais facility (PR) by 2029.

This issuance made the Group the first in the world to include a vegan product and animal welfare goal in a debt security.

In 2020, Boticário Group made the 1<sup>st</sup> issuance in the Brazilian market with the goal of achieving by 2025 100% of the electricity consumed by the factories in São José dos Pinhais (PR) and Camaçari (BA), and the distribution centers in Registro (SP) and São Gonçalo dos Campos (BA), to come from renewable sources by 2025, and to ensure that 100% of the waste generated in the production and logistics processes at these sites is sent for recycling or co-processing (see more on page 19 of our [2023 ESG Report](#)).

# Materiality

In 2023, Boticário Group conducted a double materiality assessment, analyzing both the socio-environmental impacts caused by the business, known as impact materiality, and the socio-environmental issues that affect the company's activities, referred to as financial materiality. This involved analyzing internal documents (such as risk maps and the company's ESG strategy) and external documents (main standards and ratings), conducting individual interviews (with leadership and an external expert), online consultations, and working meetings that included the participation of internal experts to assess socio-environmental impacts.

Two types of online consultations were carried out: one to assess the relevance of topics for stakeholders and another to evaluate the probability of risk and the magnitude of financial impact with the leadership (among officers and senior managers). The socio-environmental impact materiality considered probability and severity (intensity, extent, reversibility), and financial materiality considered probability and magnitude.

**Participating stakeholders**  
(online consultation and secondary surveys)

## 1. Stakeholders

- Consumers
- Collaborators
- Resellers
- Franchisees
- Suppliers and contractors
- Innovation partners
- Institutes and NGOs
- Local communities and cooperatives
- Media and influencers

## 2. Assessing socio-environmental impact

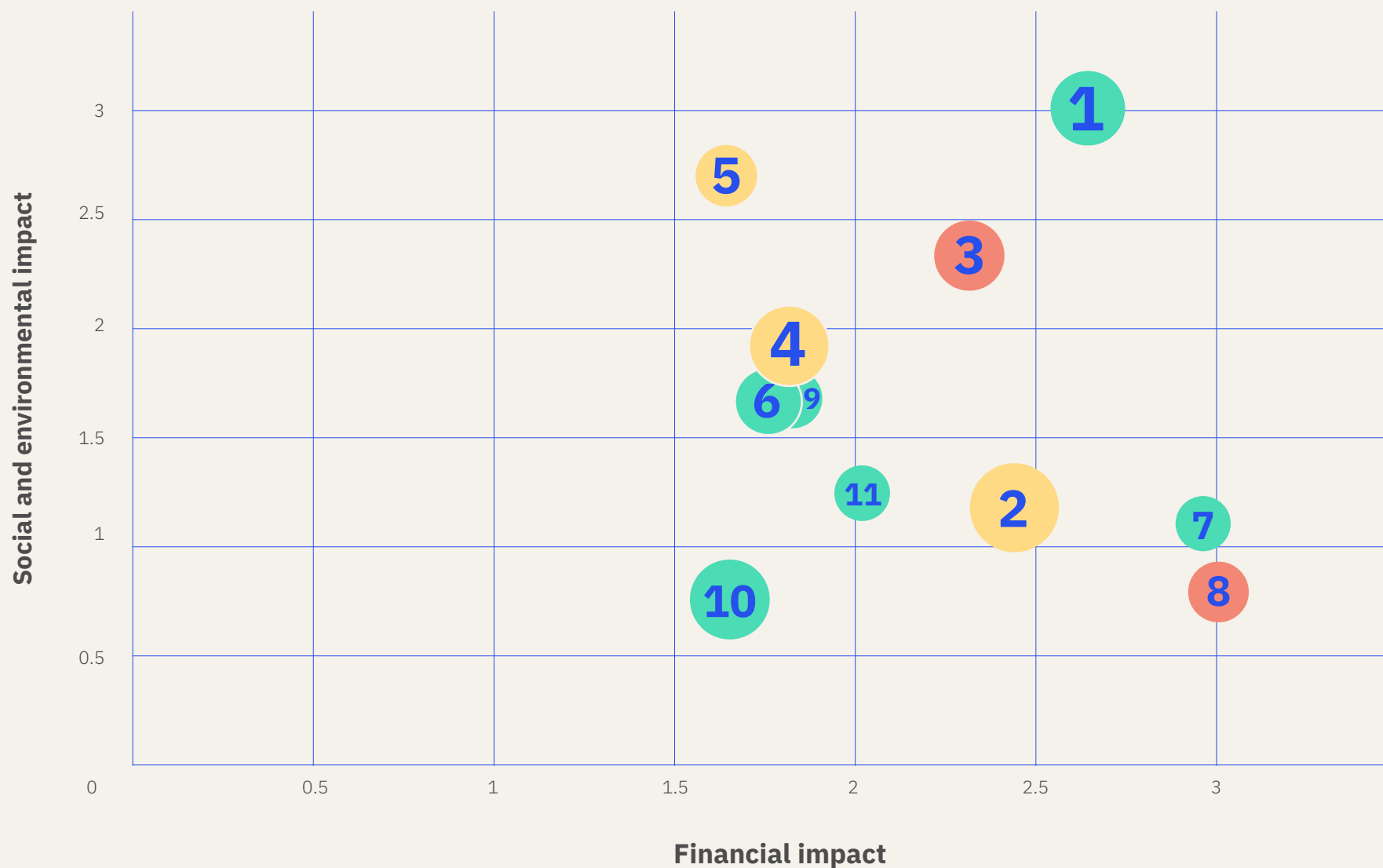
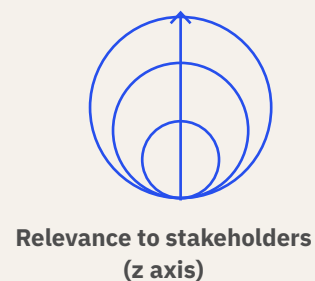
- Internal experts (Boticário Group staff) and external experts

## 3. Assessing financial impact

- Boticário Group Leaders



# Materiality matrix



## Boticário Group's material topics in 2023



- 1 Circular economy and waste management
- 2 Health, safety and well-being
- 3 Managing a sustainable supply chain
- 4 Diversity and inclusion
- 5 Development of resellers and communities
- 6 Product quality, safety and transparency
- 7 Climate change
- 8 Data privacy and security
- 9 Biodiversity and ecosystems
- 10 Innovation and technology geared towards sustainability
- 11 Water and wastewater management

● Environmental   ● Social   ● Governance

# Commitments *for the future*

Three years ago we undertook ambitious commitments, because we understand our responsibility as an innovative ecosystem. Our Future Commitments are aligned with the United Nations Sustainable Development Goals (SDGs) and express our care and respect for people, the planet and the future.

In 2023, we updated these commitments for the first time, analyzing external and internal situations to diagnose where we stand in relation to the global and regional challenges of the ESG agenda. As part of this process' evolution, which also considers issues such as transparency and engagement in the key stakeholders' agenda, we reorganized the topics covered by the 15 commitments previously in place to connect our long-term priorities more objectively with our short-term actions and initiatives. No important topic was

left behind, and we were able to measure progress in previous commitments and continue on this journey. Eight commitments and 30 specific targets now govern the Group's ESG strategy. In the new model, all topics addressed in the Future Commitments have evolved from the maturation and creation of new governance and performance monitoring processes.

The result of this update, built through a joint effort between leadership and all business areas, will be presented in the following pages, along with the results for 2023. See the complete content in our [2023 ESG Report](#).

**For each of our commitments,  
we have specific targets and  
achieved results.**



# Our Commitments

#ENVIRONMENTAL

## Climate change



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



### Specific targets


#### Scopes 1 and 2

42% reduction in greenhouse gas emissions, compared to 2022, through actions in direct operations and the use of renewable energy in factories, distribution centers and company retail outlets by 2030.

#### Scope 3

17% reduction in greenhouse gas emissions compared to 2022, through coordinated actions with our partners.

### Results

**-8%**  **42%**  
 % reduction in total GHG emissions for Scopes 1 and 2 compared to the 2022 baseline

Higher emissions primarily due to the scope's expansion.

**-29%**  **17%**  
 % reduction in total GHG emissions for scope 3 compared to the 2022 baseline

Scope increase with the enhancement of the GHG inventory which now includes the Transport and Distribution (downstream) and increased emissions in all other categories due to the growth of operations.

## Waste



Minimize the environmental impact caused by solid waste from our direct operations by reducing waste volume, recycling incentive programs and packaging circularity.



### Specific targets

#### Reducing waste intensity

15% decrease in the volume of waste generated per unit sold (sell-in) by 2030 compared to 2022.

### Results



**% decrease in the intensity of waste generated per unit sold (sell-in) compared to 2022.**

The result was driven by the increased use of refills, reduced weight of catalogs, increasing digitization, and providing one catalog only per active reseller.

#### Recycling

Collection and recycling of at least 45% of the waste from packaging generated in the year.



**% waste sent for recycling relative to the total waste generated by BG packaging**

Through our own packaging collection programs, participation in the sector agreement and collection of waste generated by store demobilization.

#### Packaging circularity

Recycling of at least 95% of logistic and industrial waste.

Monitoring of this target's indicator starts in 2024, considering the evolution of the scope and reclassification of waste.

Use of 30% recycled material in our packaging by 2030.



**Total % of recycled material in packaging**

Achieve results through efforts to incorporate post-consumer recycled content into the portfolio, by developing more sustainable packaging and partnering with suppliers.

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

The target was set in 2023 and will begin to be measured in 2024. Boticário Group is advancing in creating metrics and establishing the baseline for product recyclability.



## Water

**Increase the business' water efficiency and positively impact strategic drainage basins for both us and society.**



### Specific targets

Make at least 90% of rinse-off products biodegradable.

### Results



**% of biodegradable rinse-off products in relation to the total active rinse-off products in our range**

Result driven by the creation of new formula platforms for rinse-off products and the substitution of higher impact raw materials.

### Product

100% of rinse-off products with less water impact (vs. 2020) as measured by the I.A.R.A® methodology<sup>1</sup>.

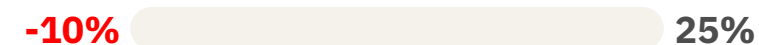


**% reduction in rinse-off products with reduction of environmental impact on water in relation to the total active rinse-off products in our range**

Target performance began to be measured by an internal tool called Lyra in 2023. Results were achieved through initiatives aimed at replacing higher impact raw materials and also creating new formula platforms for shampoo, conditioner, hair masks and hair products at the R&D center.

### Efficiency

Reduction of at least 25% of the volume (m<sup>3</sup>) of water consumed per ton of final product compared to 2022 (water intensity).



**% reduction in water volume consumed per ton produced compared to the 2022 baseline**

Increase in consumption due to changes in the work regime and higher production.

### Conservation

Fostering nature conservation initiatives that reduce water risk in six critical water sources for Brazil or where our operations are located, benefiting approximately 25 million people.



**% utilization of recycled water generated in factories**

The Water Treatment Plant in our São José dos Pinhais factory underwent adjustments to improve the quality of the treated water, which was not reused during this time.

The goal and indicator were defined in 2023, and Boticário Group is improving the management of water sources and the number of people benefited. The results will be presented from 2024 onwards.

[1] See more on page 57 of the [2023 ESG Report](#)

## Biodiversity



Enhance the conservation of biodiversity and respect for animals.



### Specific targets

#### Conservation

Support the conservation of biodiversity in 2 million hectares of protected terrestrial and marine areas by 2030.

### Results

In 2023, Boticário Group Foundation directly or indirectly conserved a total of 732,557 hectares. Considering the first cycle of this commitment, from 2020 to 2023, the goal was exceeded, achieving a total of 3.6 million hectares of nature conservation over four years, through direct and indirect actions. With this result and the updating of our 2030 commitments, in 2024 the company is adopting a new focus on the hectares of Conservation Units that benefit from environmental offsetting funds and potentially others influenced by the actions of Boticário Group Foundation. The results will be reported from 2024 onwards.

Ensure that 100% of our products are vegan by 2026.



% of active vegan products in the portfolio

Efforts to phase out non-vegan raw materials boosted the results achieved in 2023 and made this issue a new commitment for Boticário Group.

#### Animal Welfare

Increase by 40% the portfolio of alternative methods available for assessing the safety of raw materials and products.



% increase in the portfolio of alternative methods

Boticário Group has not conducted animal testing since 2000 and is cruelty-free certified. It has also pledged to expand its portfolio of alternative methods. In 2023, the baseline was calculated, resulting in 50 alternative methods becoming available. This represents 71% of the target, and we aim to have 70 alternative methods available by 2030, an increase of 40%.

#### Positive impact

Pursuing a net positive impact on biodiversity.

Target reinforces the commitment to the Global Biodiversity Framework . One of the initiatives is the LIFE certification, granted to businesses committed to biodiversity conservation. The factory in São José dos Pinhais (PR) holds the LIFE certification, and the company will make efforts to expand the certification to other sites.

# #SOCIAL

## Social development

Actively work to ease social inequality among the general population and positively impact the quality of life of business partners within the beauty ecosystem.



### Specific targets

#### General public

By 2030, create a million opportunities to transform people's lives by fostering participation in social development programs focused on entrepreneurship and/or professional training.

#### Business partners

Aim to enhance the quality of life of business partners, so that their income grows as a result.

### Results



**% achievement of the goal for opportunities created**

The results were driven by the Beauty Entrepreneurs program, which provides training for women. In 2023 alone, more than 150,000 opportunities were created. 22% of the goal represents 224,384 opportunities created.

The calculation was conducted as a pilot for the first time in 2023. As it is a new indicator, its impact on income will be monitored, and as maturity increases, the reported indicator will be quality of life.

## Diversity and inclusion

Foster representativeness and inclusion of diverse individuals in the general workforce and leadership at Boticário Group, mirroring the Brazilian population



### Targets

#### General workforce

Increase the representativeness of diverse individuals in the general workforce.

#### Leadership

Fairly representing diverse people in leadership positions.

### Results

**% of black employees in the overall workforce: 46%**

**% of female employees in the overall workforce: 60%**

The number of women and black people in our workforce rose thanks to initiatives like: creating affinity groups and developing empowerment and belonging initiatives for black people, like the Ébano Project; in addition to providing affirmative action places for diverse individuals.

**% black employees in leadership positions: 26%**

**% women in leadership positions: 56%**

To achieve these results, a set of actions was implemented, including development training and mentorship, an anti-racist training journey with live sessions and training on the topic, and the setting of targets to boost diversity across all levels of the organization.

# #SOCIAL

## Diversity and inclusion



Advance diversity and inclusion within our business ecosystem through our purchasing, marketing and communication practices with society.



### Specific targets

#### Communication

Accessible communication, representative of the Brazilian population and free from stereotypes, normalizing diversity.

#### Value chain

Encourage entrepreneurship among diverse individuals by including them in our value chain.

#### Product

Offer a new and existing product range that is inclusive and diverse, taking into account the needs of the Brazilian population.

### Results

**Black: 47%**

**LGBTQIA+: 17%**

**Different body types: 26%**

**Generations: 9%**

**PwDs: 2.5%**

**% of diverse people represented in communications of BG and the brands O Boticário, Eudora, QDB, Vult, BLZ, OUi and Dr. Jones**

Considers the representation of diverse people in communications. The representativity percentages for each group were achieved by choosing campaign castings that now include models with diverse profiles that represent the real Brazil. In 2024, goals will be defined for each brand.

**% spending on suppliers owned by diverse individuals: 10%**

**% suppliers owned by diverse individuals: 15%**

**% achieving the maximum score on the diversity questionnaire: 72%**

The number of companies owned by diverse individuals rose, boosted by the affirmative purchasing portal. Our partners' diversity performance also improved with the training offered and through monitoring and recognition of ESG performance.



**% of active SKUs<sup>[1]</sup> in our range with inclusive delivery**

The results were driven by projects such as: Free Beauty Communities; Inclusive Beauty; Beauty in Movement; and engagement events on the topics of diversity and inclusion for those developing new products.

[1] SKU: Stock Keeping Unit



## Sustainable Sourcing



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



### Specific targets

#### Raw materials sourcing

95% of raw materials should derive from renewable or sustainable sources by 2030.

### Results



#### % raw materials from renewable sources relative to raw materials used

To be considered, raw materials must be 100% plant-based, biotechnological, or of plant+biotechnological origin. Products with these raw materials were prioritized.

100% of palm purchased by 2030



#### % of palm purchased by 2030

Although we are measuring this commitment for the first time, acquisitions of certified palm rose in 2023, boosting the result.

#### Responsible sourcing

Guaranteed certification of high-risk raw materials

90% of wood and derivatives purchased by 2030



#### % of wood and derivatives purchased by 2030

The goal sets out to ensure that, every year, more than 90% of wood and derivatives have a responsible origin. In 2023, the result exceeded the commitment by reaching 94% due to the drive to acquire certified wood and derivatives. However, this challenge will not go away. The scope encompasses all makeup SKUs, cartridges, full service, and international.

100% of the sugarcane alcohol purchased by 2030.

The sustainable-origin certification process for sugarcane alcohol will begin in 2024.

#### Supplier screening

Sustainability performance reviews of tier 1 suppliers responsible for at least 75% of the spend by 2030.



#### % tier 1 suppliers reviewed for their sustainability performance

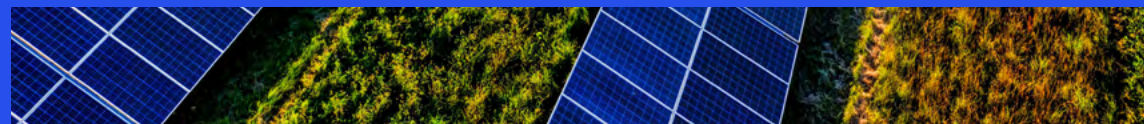
The result was achieved with the implementation of the Beauty Chain, a program which allowed us to grow the number of suppliers reviewed in ESG.

# #ENVIRONMENTAL

TOGETHER WE ARE BUILDING  
**#BeautyFor  
theFuture**



**In 2023, Boticário Group was recognized by the GHG Protocol Program for its pioneering efforts and engagement.**



# Climate *change*

## Science-based targets

Boticário Group is engaged in discussions and is committed to analyzing and monitoring the risks that extreme weather events and a potential scarcity of resources can have on society, the environment and business.

The company's production chain has been constantly evaluated in terms of climate change and energy consumption. The impacts of products, both positive or negative, are monitored from manufacturing to their arrival at retail stores, including their use and disposal by the final consumer.

## #our commitment

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

## Our plan

The Group revisited its goals in 2023 to align them more closely with the Paris Agreement, which proposes that the temperature increase should not exceed 1.5°C for Scopes 1 and 2 and should not exceed 2°C for Scope 3. For this, the Group officially committed Boticário to the SBTi (Science Based Targets initiative) – a collaborative action spearheaded by the CDP (Carbon Disclosure Project) to set climate goals based on scientific data. Boticário Group will submit its short-term goals for SBTi approval in 2024, and its net zero goal in 2025.

another milestone in 2023 was Boticário Group's construction of a Climate Change Transition and Adaptation Plan following the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). The information raised pertains to governance; risk management; strategy; and metrics and targets (see more about TCFD on page 40 of our [2023 ESG Report](#)).

Decisions about climate change within Boticário Group are the responsibility of senior leadership and have been factored into business planning since 2023. In response to climate challenges, the Group adopted a decarbonization strategy by using renewable energy at its four largest

operational sites. In 2023, the Group launched a pilot project for distributed generation (acquiring energy from renewable sources from small distributors) across all 30 corporate stores in Minas Gerais. The plan for 2024 is to expand this initiative to other franchisees.

## Emissions inventory

Boticário Group's GHG emissions inventory follows the methodology of the Brazilian GHG Protocol Program and is published annually in the Public Emissions Register to improve transparency. Boticário Group is a founding member of the program created in 2008 and has calculated and disclosed its emissions, which are assured by an entity accredited for over 15 years.

In 2023, the calculations for greenhouse gas (GHG) emissions encompassing Scope 3 were expanded to include 11 categories—up from just four used until 2021 and ten in 2022. Approximately 98% of the Group's entire emissions are in scope 3, of which 57% are related to goods and services (purchase of raw materials, packaging and other items related to transactions). [See more on page 46 of the ESG Report.](#)



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

# Waste

## Circular economy for packaging

Packaging accounts for 66% of the waste generated by Boticário Group’s direct operations. In response, the company strives to develop products conducive with the circular economy, using recyclable, reusable, biodegradable or recycled-content packaging.

To consume less raw materials, the Group invests in ecodesign, deploying environmental management tools from the design to the use of the packaging, aiming to optimize transport and facilitate the disassembly of packaging, among other factors.

The packaging development process takes into account the volume; the use of alternative, single-material, and post-consumer recycled (PCR) materials; and products with refills. We also endeavor to design out unnecessary secondary packaging, such as valve clips, boxes, and plastic bags.

### #our commitment

*Minimize the environmental impact caused by solid waste from our direct operations by reducing waste volume, recycling incentive programs and packaging circularity.*

## Always striving for more is part of our DNA

### Arbo Puro with sustainable cap

Constantly evolving and eager to transform the world through beauty, the Group launches products based on research and scientific methods. An example was the redesign of the Arbo perfume packaging, a project developed throughout 2023 and launched in February 2024. Since then, the entire Arbo line features bottles that enable refilling, extending the packaging's lifespan and allowing for an 89% reduction in material usage – compared to regular deodorant-cologne packaging (see more on page 51 of the [ESG Report](#)).



# Post-consumer reverse logistics for packaging

Boticário Group's reverse logistics programs boasted over 4,500 collection points, which accept packaging from any cosmetic brand. More than 500 recyclable material collectors across Brazil benefit from the reverse logistics program.

Boti Recicla is currently the largest reverse logistics program in drop-off points for the cosmetics sector in Brazil. In addition to packaging, the program also directs visual merchandising material to our partner cooperatives (see more on page 52 of the [ESG Report](#)).



## Impact on variable compensation

In 2023, waste management and circular economy targets were indexed to the variable compensation of all company leaders, focusing on the three Rs: reuse, reduce, and recycle. This marks the third year that this topic has been included in the management tool, reinforcing its significance in the business strategy.

## Factory Price Station

In partnership with the startup Green Mining, Boticário Group inaugurated the first Factory Price Station in 2021. In 2023, three more stations had opened, located in the Pinheiros and Jabaquara neighborhoods in São Paulo (SP), and in Camaçari (BA). These stations operate as collection points for post-consumer recyclable materials, primarily glass, plastic and paper. The goal is to open more stations and increase the volume

collected by partnering with other companies. The five stations dotted around Brazil received more than a thousand tons of recyclable materials in the year, benefiting over 1,400 people, who earned up to six times more for their waste than they would have in the traditional recycling market. These stations operate as collection points for post-consumer recyclable materials, primarily glass, plastic and paper. See more on page 54 of the [ESG Report](#).



# Waste circularity

## Procurements, Product Development (R&D) and Categories Marketing

/ We develop products with sustainability attributes and utilize the Score ESG tool (see more on page 66 of the 2023 ESG Report) to aid in decision-making, supported by a multidisciplinary team for negotiations on sustainable raw materials and packaging

/ Post-consumer recycled materials (PCR) are used in the packaging

/ O Boticário's Intense brand lipstick features mono-material packaging that is 100% reusable and easily enters the recycling chain.

/ Arbo refillable bottles by O Boticário reduce the use of materials by 89%, preserving the fragrance while offering convenience

## Cooperatives and Recyclers

Materials are sent to **15 certified cooperatives** where waste is sorted and forwarded to recycling industries, enhancing the circularity of materials

## Reverse logistics programs

Company reverse logistics programs for collecting and recycling packaging

/ **4,500+ Boti Recicla collection points**

/ Acceptance of all market brands of perfumery, cosmetics and personal hygiene products

## Factory Price Station

/ Partnerships with companies from various sectors to **develop the recycling chain in Brazil, aimed at collecting, allocating and adding value to post-consumer packaging** made of glass, plastic and paper



## Operations – Factories and Distribution Centers

/ Our operations are ecoefficient. We work the 3Rs: reduce, reuse and recycle waste

/ **3,000+ tons of waste were prevented from being generated** in operations through projects focused on reusing plastic and cardboard boxes

/ **97% of waste materials generated in our operations were recycled<sup>1</sup>**

## Logistics

/ **Reusing product shipping boxes in other stages of the process**

/ Use of recycled material in the walls of the Cajamar (SP) distribution from our own reverse logistics program

## Communication, marketing and brand experience

/ **60+ sustainable stores in Brazil** are container-format and **were constructed using recyclable plastic**

/ **60+ tons of plastic have been transformed into blocks used to create floors, walls and ceilings**

/ **70,000+ t of plastic not used<sup>2</sup>** through the use of paper bags

/ **12% reduction** compared to the previous year in the volume of paper waste has been achieved by **reducing and digitizing catalogs**

1. In all operational sites in Brazil, excluding the Truss plant  
2. Since 2008



# Water

Effective water resource stewardship and environmental conservation are imperative for sustaining life on the planet and are essential for the continuity of business operations. To ensure continuous improvement and urge suppliers to commit to the same goals, Boticário Group leverages the CDP (Carbon Disclosure Project). In 2023, the organization received an A- grade in Water Security from the CDP. In a study to identify the ecosystem services it depends on and impacts, water was identified as the natural resource Boticário Group is most dependent on.

## Water stewardship

Water drawn from local networks and wells is used in the production processes across various lines and for building maintenance, cleaning factory tanks and utensils, and routine employee activities. Water is treated and reused in certain company operations.

### #our commitment

*Increase the business' water efficiency and positively impact strategic drainage basins for both us and society.*

Responsible water stewardship begins at the product formulation stage, where factors such as the amount of water needed for rinsing, yield, ecotoxicity and biodegradability are evaluated. The Group also adopts water reuse practices, constantly pursues operational eco-efficiency, and urges consumers to use resources responsibly (see more on page 56 of the [ESG Report](#)).

## I.A.R.A.<sup>®</sup> for environmental risk assessment

At the product development stage, the Group conducts raw material and formulation aquatic environmental impact assessments. One of the tools used is the Environmental Risk Assessment Index (I.A.R.A.<sup>®</sup>), a methodology developed internally to assess the ingredients used in rinse-off products such as shampoos and conditioners. This tool continues to evolve, and with the application of data sciences, the calculation of aquatic environmental impact and biodegradability of the Group's formulations is now performed automatically.



## Viva Água Movement

Since 2019, Boticário Group Foundation has been funding the [Viva Água Movement](#), which aims to improve water security and adaptation to climate change through nature conservation and impact entrepreneurship promotion. The movement connects individuals, public and private organizations, and funding to implement and strengthen solutions for water security, sustainable business practices and quality of life (see more on page 59 of the [ESG Report](#)).

### Impact pillars

Viva Água's actions are based on:





**#our commitment**

*Enhance the conservation of biodiversity and respect for animals.*

# Biodiversity

## Biodiversity impacts

Boticário Group believes that the biodiversity loss Brazil has been experiencing demands increasing attention and action. Simply reducing negative impacts is no longer sufficient.

With the guidance of external experts, Boticário Group has ramped up the mapping of its critical natural capital, identifying the essential natural resources for its operations and further understanding the impacts of raw materials and vital ecosystem services for the development on its manufacturing activities.

### Aquatic environment

2023 marked the strengthening of the strategy focused on biodiversity and ecosystem protection. It was when the Group created the Water-Friendly Formula Label, indicating that a product has a minimal impact on aquatic ecosystems. To award this label, the Group uses the I.A.R.A® methodology. Products displaying the label have a smaller impact compared to other products in the same category within the Group. See more on page 62 of the [ESG Report](#).

## Vegan products

Boticário Group aims to make its portfolio 100% vegan by 2026, a goal that is part of its Commitments for the Future. The company uses over 50 alternative methods to animal testing to assess the safety and efficacy of raw materials and finished products, with plans to increase this number further.



## SBTN and impacts on biodiversity

Boticário Group recognizes its socio-environmental responsibility and buys into the findings of COP15 (Biodiversity Conference, held in 2022).

The Group plans to formally join the Science Based Targets Network (SBTN) in the coming years. This initiative promotes science-based targets to reduce companies' impacts on nature. This involves monitoring, assessing and disclosing risks, dependencies and impacts on biodiversity, requiring collective actions and leadership from various relevant actors.

## Task force on climate-related financial disclosures



Boticário Group has mapped out the needs and business opportunities related to biodiversity and ecosystems in line with the recommendations of the TNFD (Taskforce on Nature-related Financial Disclosures). Created in 2021 with over 50 members from 25 countries, this movement sets guidelines for identifying and assessing impacts, dependencies, risks and opportunities related to nature.

## Strategic partnerships

Since 2019, Boticário Group has been part of the Brazilian Business Council for Sustainable Development (CEBDS). In 2023, the Group ratified its acceptance of seven of the nine CEBDS goals focused on conservation strategies, support for studies and projects, impact and dependency measurement, publishing results, understanding the chain and local communities, and pursuing net biodiversity impact. Key advancements regarding the commitment are disclosed on the [CEBDS website](#).



## Boticário Group Foundation

Throughout its history, Boticário Group Foundation has invested over R\$ 80 million in approximately 1,600 projects dedicated to conservation across the entire country and in all biomes. The Foundation was established with the purpose of conserving natural areas through two reserves, the Serra do Tombador Natural Reserve (Goiás) and the Salto Morato Natural Reserve (Paraná), located in the Cerrado and Atlantic Forest, respectively, the most threatened biomes in Brazil. The Foundation also aims to conserve biodiversity and ecosystems. In total, 732,000 hectares are involved in conservation initiatives. Among these, approximately 85,000 hectares have a direct impact on the conservation of endangered species and the creation and implementation of Conservation Units. Other results include:

- 606 benefited conservation units (20% of the total in Brazil)
- 112 partner institutions involved in planning and executing actions in aid of Brazilian biodiversity
- 11,000 hectares directly protected through the Salto Morato (PR) and Serra do Tombador (GO) natural reserves.

**See more**  
[Annual Activities Report 2023](#)



*Serra do Tombador Natural Reserve*

# Innovation and technology *geared towards* sustainability

Boticário Group constantly invests in research and development, staying attuned to market trends and opportunities. To drive this effort onwards, it relies on the [Future of Beauty](#) program, where different areas work together to prospect and develop new technologies for formulas, processes and packaging.

Several initiatives have led to the development of more sustainable products and processes.



## Product launches

### Smart lipstick

Over the past five years, Boticário Group has invested in a research project to develop a smart lipstick, aiming for inclusion and accessibility. A prototype was developed in 2022 whereby an electronic device allows the visually or physically impaired – for example, those suffering from Parkinson's disease – to easily use it by pressing a button. The prototype is being validated by the Free Beauty community, and it is expected to hit the shelves of concept stores in Curitiba and São Paulo in 2024 (see more on page 67 of the [ESG Report](#)).

### Mono-material lipstick

In 2023, the first mono-material lipstick packaging was launched, made entirely from polypropylene (PP) resin, a fully recyclable material. The packaging is available in O Boticário's Intense range. This solution can eliminate over 4 tons of waste in a year, as mono-material packaging can be recycled and fed back into the production chain or used to create new products (see more on page 67 of the [ESG Report](#)).

### Make B. Glycolic TX Foundation

In 2023, Grupo Boticário registered the patent for Make B. Glycolic TX Foundation by O Boticário, the first foundation in the world capable of reducing sunspots. With a formula containing glycolic acid, it provides high coverage, uniformity and skin hydration (see more on page 67 of the [ESG Report](#)).

### Bio-printing of 3D skin with follicles

In December 2023, the Group created 3D skins with hair follicles for more detailed and sustainable testing, also benefiting regenerative medicine. In 2024, internal production of these skins began after acquiring a bioprinter (learn more on page 67 of the [ESG Report](#)).

### Arbo with sustainable cap

The new men's fragrance Arbo Puro features eco-friendly packaging and a formula with 92% natural ingredients, such as eco-alcohol. The cap is made from recycled cooking oil and refills are available. The ISCC-certified packaging reduces CO<sub>2</sub> emissions and can be recycled in the conventional polypropylene (PP) chain, thereby boosting the circular economy. See more on page 67 of the [2023 ESG Report](#).

# Sustainability gains in 2023

Of the products developed in the year:

**100%** feature at least one sustainability attribute in their formulation or packaging

**36.5%** harness raw materials sourced from renewable and/or alternative sources

**6.2%** use sustainable processes.

Of active products in the portfolio:

**96%** are vegan products.<sup>[1]</sup>

[1] Number of vegan products in our portfolio / total active products in our portfolio



# Product quality, *safety and* transparency

The Product Safety, Alternative Methods, and Cosmetics Surveillance department at Boticário Group has over 30 employees who conduct clinical and in vitro studies to ensure product safety and compliance.

The professionals utilize alternative models to animal testing, such as 3D skin models, which closely resemble human skin. In 2023, a model of infant skin was launched for testing products aimed at newborn babies, allowing for more accurate clinical assessments. Looking ahead, we expect to ramp up the development of new methods and models to ensure product safety and influence the market as a whole.

Since 2013, the material usage policy has monitored controversial ingredients, enabling the replacement of over 40 materials and altering the formulation of more than 2,000 products (see more on page 69 of the [ESG Report](#)).

## Safe products

Boticário Group adopts transparency and safety practices in its products, sharing information about ingredients, formulations, and research on the [Transparent Beauty](#) portal.

The glossary has more than 900 entries detailing the raw materials used. Beauty influencers, active on social media, equip consumers with technically sound and scientifically backed data.

In 2023 none of the Group's formulations contained hazardous substances in accordance with REACH regulations, aimed at guaranteeing human and environmental health in the use of chemical products. Learn more about product safety at Boticário Group in the [ESG Report](#).



# #SOCIAL

TOGETHER WE ARE BUILDING  
**#BeautyFor  
theFuture**

# Social Development

## Development of resellers and communities

Boticário Group believes it has a fundamental responsibility to drive progress and foster social change. It therefore encourages entrepreneurship as a tool for economic and social growth, invests in professional training within the beauty ecosystem, and fosters the inclusion of diverse individuals.

Through social programs, Boticário Group creates thousands of opportunities annually to ease social inequality, focusing

### #our commitment

*Actively work to ease social inequality among the general population and positively impact the quality of life of business partners within the beauty ecosystem.*

on communities near its operations. The actions include proprietary projects, volunteering, donations, sponsorships through Tax Incentive Laws, and the development of resellers in the direct sales channel.

## Social initiatives

Boticário Group's social works takes place through its own initiatives, incentivized projects, and partnerships with non-governmental organizations. These social programs target socially vulnerable individuals – based on income and diversity criteria – primarily in the areas surrounding the Group's operations, in regions where its brands are active, and nationwide actions in an online format (see more on page 73 of the [ESG Report](#)).

## Develop Program

The Develop program offers free training in technology, seeking to leverage the inclusion of diverse talents in both the job market and the Boticário Group team.

In 2023, the Group invested R\$ 535,000 in the program, which had over 27,000 people enrolled for the one thousand available places and had a 60% completion rate. Develop also

fosters volunteering, with over a hundred employees mentoring students in portfolio and career development (see more on page 75 of the [ESG Report](#)).

## Advocacy and engagement

To strengthen local relationships and advocacy, the Group carries out initiatives with communities and non-governmental organizations in priority territories. The company operates in more than nine Brazilian municipalities through projects incentivized by federal laws on culture, children and adolescents, the elderly, sports, and health, benefiting over six thousand people in 2023.

To direct products donated by Boticário Group to other partner social organizations, primarily in the vicinity of factories and distribution centers, the company created the Beauty of Giving program. In 2023, over 65,000 people benefited from the donation of 260,000 products from the brands.

Beauty of Living was also formed in 2023, which focuses on boosting self-esteem through makeup courses for patients and caregivers undergoing long-term hospital treatment and healthcare professionals.



In total, the project supported 1,614 individuals at the Erasto Gaertner and Pequeno Príncipe hospitals, both in Curitiba (PR), and at the Women's Cancer Support Center in Salvador (BA).

The volunteering program impacted 2,143 children from surrounding communities in the regions of Curitiba (PR), Registro, São Paulo, São José do Rio Preto (SP) and Camaçari (BA). The program's investment topped R\$ 620,000, involved 1,678 volunteers, and saw over 13,000 hours dedicated to volunteering.

**More than 2,000 children from surrounding communities in the regions of Curitiba (PR), Registro, São Paulo, São José do Rio Preto (SP) and Camaçari (BA) were benefited by the volunteering program.**



## Beauty Entrepreneurs

Focused on empowering socially vulnerable women by enabling them to generate income, Boticário Group maintains the Beauty Entrepreneurs Program, a nationwide professional training initiative.

The course offers technical and complementary pathways that participants can complete at any time in the Beauty Entrepreneurs platform. Topics covered include basic makeup, advanced makeup, hairstyling, nails (manicure and pedicure),

nail extensions, sales, entrepreneurship and personal development.

In 2023, Boticário Group invested over R\$ 2.4 million in both in-person training – in Salvador (BA) and São José dos Pinhais (PR). See more on page 74 of the [ESG Report](#).

**Over 200,000 women have enrolled, and more than 43,000 have graduated since the program's inception<sup>[1]</sup>.**

**More than 50% of participants are black, and approximately 57% of those who completed a course and responded to the satisfaction survey reported an increase in income.**

[1] 2021 to 2023.



## #our commitment

*Foster representativeness and inclusion of diverse individuals in the general workforce and leadership at Boticário Group, mirroring the Brazilian population.*

# Diversity and *inclusion* within the Group

## Future vision: grow together

Boticário Group has a broad view of diversity and believes that the beauty market should reflect the diversity of society as a whole. Its strategy is therefore aimed at the entire business, promoting mechanisms for inclusion in everything it develops as a product, purchases as inputs or services, or even in how it communicates with its consumers.

The Group directs efforts towards five priority groups:

- **Black people** (black or brown)
- **Women**
- **LGBTQIA+ Community**
- **45+ generations**
- **People with disabilities (PwDs)**

The work is carried out in a coordinated and systematic manner, with projects and actions spanning five pillars:

- **people** (focus on employees)
- **products** (inclusive and accessible portfolio of brands)
- **social impact** (impacts on the community)
- **value chain** (suppliers, franchisees, consumers and distribution companies)
- **communications** (representation and accessibility in brand campaigns).

## Taking care of our people

Inclusion actions aimed at employees involve mentoring for diverse talents, five specific affinity groups, a comprehensive schedule of awareness events, and a diversity and inclusion training program with specific pathways for leaders.

Affirmative positions are also frequently opened, which help attract new diverse talents and maintain and/or further good representation. In 2023, 13% of all the Group's positions were affirmative for one or more diversity groups (see more on page 78 of the [ESG Report](#)).

## Universal parental leave

Since 2021, the Group has been offering extended and mandatory parental leave of 120 days for men, regardless of sexual orientation and family make-up. This is an important step to improve gender equity in companies and encourage greater involvement of fathers in the first months of family transformation. In 2023, 642 people took parental leave, with 40.7% taken by men from different hierarchical levels within the company. [See more on page 79 of the ESG Report.](#)

# Diversity and inclusion in our ecosystem

Boticário Group's approach to diversity and inclusion is comprehensive and extends beyond its employees to encompass the entire business ecosystem. It permeates the entire company, including product design, communication and supply chain management.

## #our commitment

*Advancing diversity and inclusion within our business ecosystem through our purchasing, marketing and communication practices with society.*



## Entrepreneurship

Boticário Group stokes entrepreneurship among diverse individuals, including their inclusion in the value chain, through relationship-building actions with suppliers, franchisees, resellers, and consumers.

For strategic suppliers, there is the **Partner Assessment and Development Program** (PADP), which includes diversity criteria in the ESG Questionnaire to improve diversity performance (see more on page 98 of the [ESG Report](#)).

The Group also created the Affirmative Purchases Portal connected to the Responsible Sourcing Program, which

More than  
**89%**  
of the franchise network underwent training in the Anti-LGBTphobia, Anti-Racism and Anti-Ableism Paths.

encourages partnerships with companies owned by diverse individuals (see more on page 82 of the [ESG Report](#)).

For franchisees, there is the Future Acceleration Instrument (IAF) with diversity criteria and a Diversity Training Program, including mandatory courses such as the Anti-Ableism Course, to promote inclusive service (learn more on page 82 of the [ESG Report](#)).

The Group also has a comprehensive Diversity Training Program, with paths launched annually.

## Impact on variable compensation

In 2023, diversity-related goals are embedded in the variable compensation of eligible managers and employees, and are linked to the percentage of diverse individuals in the overall workforce and in leadership positions. This topic's presence in the management tool reinforces its significance in the business strategy.

## Free Beauty Community

Set up by Boticário Group in 2022, the Free Beauty community is the first online community in Brazilian retail focused on the co-development of beauty products with diverse individuals.

By the end of 2023, it had over 2,000 members, including people with disabilities, black people, LGBTQIA+ community members, individuals aged 45 and above, and women.

Members participate in product development across all corporate brands, resulting in launches that align with consumers' needs and characteristics.

An example is the **accessible brush by the brand?**, created with the community's collaboration. It includes features such as tactile points, colored bristles, and a square base to facilitate use by visually impaired individuals.

See more in [Free Beauty Community](#)



# Diversity and Inclusion in our ecosystem

Our priority dimensions are: Racial equity, Gender equity, LGBTQIA+ Community, People with disabilities, and Generations (45+)

## 1 Diverse individual

### Employee:

/ 46% of black employees in the overall workforce and 26% in leadership positions

/ 60% of women in the overall workforce and 56% in leadership positions

/ 5 affinity groups provide a support network for diverse individuals

/ Exclusive development initiatives with mentoring programs

### Innovation:

/ 2,000+ diverse people co-develop inclusive and diverse products in the Free Beauty Community



## 2 Inclusive products

/ 23% inclusive products in our portfolio

/ **Brushes of Quem Disse Berenice?** Designed for the visually impaired, the brush features tactile points for sensory identification, colored bristles and a square base to help people hold it and to stop it overturning

/ O Boticário facial and body sunscreen has a 100% invisible finish, catering to all skin types and **co-created by diverse people**

### Inclusive accessories:

/ **Pioneering project by Boticário** offers consumers an Adhesive Base and a Multi-Use Thickener that **facilitate the usability of products for people with disabilities or motor limitations in their upper limbs**

## 3 Social impact

/ 31,000+ socially vulnerable women have been trained through the **Beauty Entrepreneurs Program** in makeup, hairstyling and manicure, plus sales and personal development

/ Develop Program: **600+ talents completed the technology course**

/ Beauty in Movement project: manufacturing of **12,000 inclusive accessories**

/ 20% of the posts opened are for diverse individuals



## 4 Inclusive value chain

/ 1,000+ companies owned by diverse individuals made available to Boticário Group buyers

/ Suppliers and franchisees monitored for performance in diversity and inclusion

/ 89% of the franchise network's sales force trained in anti-LGBTQ phobia, anti-racism and anti-ableism

### Inclusive Welcome Committee:

/ Support for consumers and store consultants in potential situations that do not align with the Group's diversity values

## 5 Communication for all

/ Accessible communication, representative of the Brazilian population and free from stereotypes, normalizing diversity

/ The terms "normal," "perfect" and "whitening" will no longer appear on any packaging or brand communications starting December 2024

/ **Thematic years: 360-degree campaigns directed at stakeholders encourage respect, appreciation and normalization of diversity.**

In 2023, the focus was on anti-ableism, and in 2024, it will shift to age diversity





**There were  
7,099 new  
hires in 2023.**

# Attracting, developing *and* retaining employees

Boticário Group had a workforce of 17,953 permanent employees and 499 temporary staff - an increase of 23.38% on 2022.

## A journey of continuous learning

To support employee development, Boticário Group invests in initiatives such as training tracks and academies, honing technical, managerial and leadership skills. In 2023, 13,013 employees were impacted<sup>1</sup> (with a 71.9% participation rate) for a total of 84,385 hours.

[1] Employees who completed at least one course, consuming an average of 6.5 hours of training.

## Career Management

Boticário Group's talent management process embraces the entire team and consists of performance reviews and regular feedback, allowing professionals to own their growth trajectory.

To build on the review process, all employees have access to the 360-degree assessment tool, allowing them to request feedback from their colleagues and managers. This process aims to drive engagement and continuous improvement throughout the team.

## Engaged team

To gauge team engagement, weekly surveys are conducted on all employees. The information is compiled in the TeamCulture communication tool and can be segmented by positions, gender, length of employment, and location, among other criteria. The results guide decision-making and enable managers to create action plans in collaboration with employees (see more on page 91 of the [ESG Report](#)).

## Remote working

Embedded in the company's routine since 2019, remote work is a reality at Boticário Group for employees who do not require the company's physical structure or can fully perform their duties remotely. In addition to remote work, these employees benefit from flexible working hours, adjusting their schedules according to personal and professional needs. This practice is going nowhere, even after the critical period of the COVID-19 pandemic has passed.





# Health, safety *and* well-being

For Boticário Group, taking care of its people is the cornerstone of its business longevity. To support employees in this endeavor, two main fronts are in place: occupational health, ensuring compliance with legal and regulatory requirements, and well-being, with lines of care focused on overall health, especially mental health.

## Well-being and care

Boticário Group offers all employees:

- Health Promotion Centers (CPS), located in various Group units, and the Health Center
- Health Gsite
- Health campaigns
- Communications about periodic exams
- 24x7 Health Center with social workers and psychologists offering support, from health-related inquiries to psychiatric emergencies, along with information about the company's health services and products.

In 2023, 4,132 consultations were conducted, compared to 3,500 in 2022, including monitoring of COVID-19 cases.

Specialized clinics provide care in factories and distribution centers during all work shifts.

Structured health programs are offered to employees, such as the Family Growth Program and the Atypical Parents Program.

In 2023, over 14,000 flu vaccine doses were administered to employees and their families to prevent complications from this disease. In a groundbreaking campaign, over 3,700 people were vaccinated against HPV with the company covering the entire cost. This high-cost vaccine is used to prevent cervical cancer (see more on page 93 of the [ESG Report](#)).

### It's time to prioritize mental health

In recent years, special attention has been dedicated to mental health. Adherence to Vittude, a meeting place for psychologists and patients, increased from 9% in 2022

to 12% in 2023. There were 17,000 consultations in 2022 and over 53,000 in 2023, resulting from incentive campaigns conducted with employees.

### Certification and Management System

The factories in São José dos Pinhais (PR) and Camaçari (BA) and the distribution centers in Registro (SP) and São Gonçalo dos Campos (BA) are certified to ISO 45001 (Occupational Health and Safety Management System) and ISO 14001 (Environmental Management).



# #GOVERNANCE

TOGETHER WE ARE BUILDING  
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theFuture**



# Sustainable *sourcing*

Suppliers are fundamental partners for the Group's business, aiming to forge relationships steeped in respect, transparency and collaboration to leverage the businesses of both parties.

In 2023, the Group had 3,134 active suppliers. No negative environmental or social impacts, be they real or potential, caused by these suppliers were identified - all of them were screened against socio-environmental criteria.

## #our commitment

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

## ESG performance *among suppliers*

The PADP (Partner Assessment and Development Program) is one of Boticário Group's programs for recognizing performance and developing strategic suppliers, seeking to strengthen relationships.

The Group evaluates the annual performance of partners, including environmental, social and governance (ESG) factors, and rewards companies based on quality, commercial, service, and technical evaluation criteria. There is special recognition for those excelling in ESG, offering support for improvements.

In 2023, 100% of the finalists in the "ESG Excellence" category were evaluated by an independent audit.

In the evaluation process for the "ESG Highlight" award, the Group relies on specialized independent ESG audits, and in 2023, 100% of the supplier finalists in this category were assessed (see more on page 98 of the [ESG Report](#)).

**In 2023, 100% of strategic suppliers were assessed. No contracts were terminated due to ESG matters.**



**PADP participants receive scores based on their overall performance in different topics. ESG criteria have a weight of 10% in the final score.**



## Corporate *governance*

Committed to the best practices and principles defined by the Brazilian Institute of Corporate Governance (IBGC), Boticário Group – a privately held company – has as its main governance body the Advisory Board. This Board is tasked with assessing and making recommendations on Group strategies and topics related to finance, reputation and ESG.

Advisory Committees to the Board. They are composed of members of the Board itself, external members and company executives. With periodic meetings, the Committees streamline the processes of analysis, discussions, and recommendations of the Advisory Board, always aligned with the Group's medium and long-term strategic directions. Check the description of the Committees on page 101 of the [2023 ESG Report](#).

The ESG Committee is chaired by an independent director and includes the Group CEO, the president and vice-president of the Advisory Board, and experts and two key executives responsible for our ESG strategy. The committee supports the Group in embedding financial and non-financial matters into decision-making and monitoring our ESG strategy.

With bimonthly meetings, and extraordinary meetings when necessary, the ESG Committee supports the Group in maintaining an integrated view of the Advisory Committees to the Board (see more on page 101 of the [2023 ESG Report](#)).

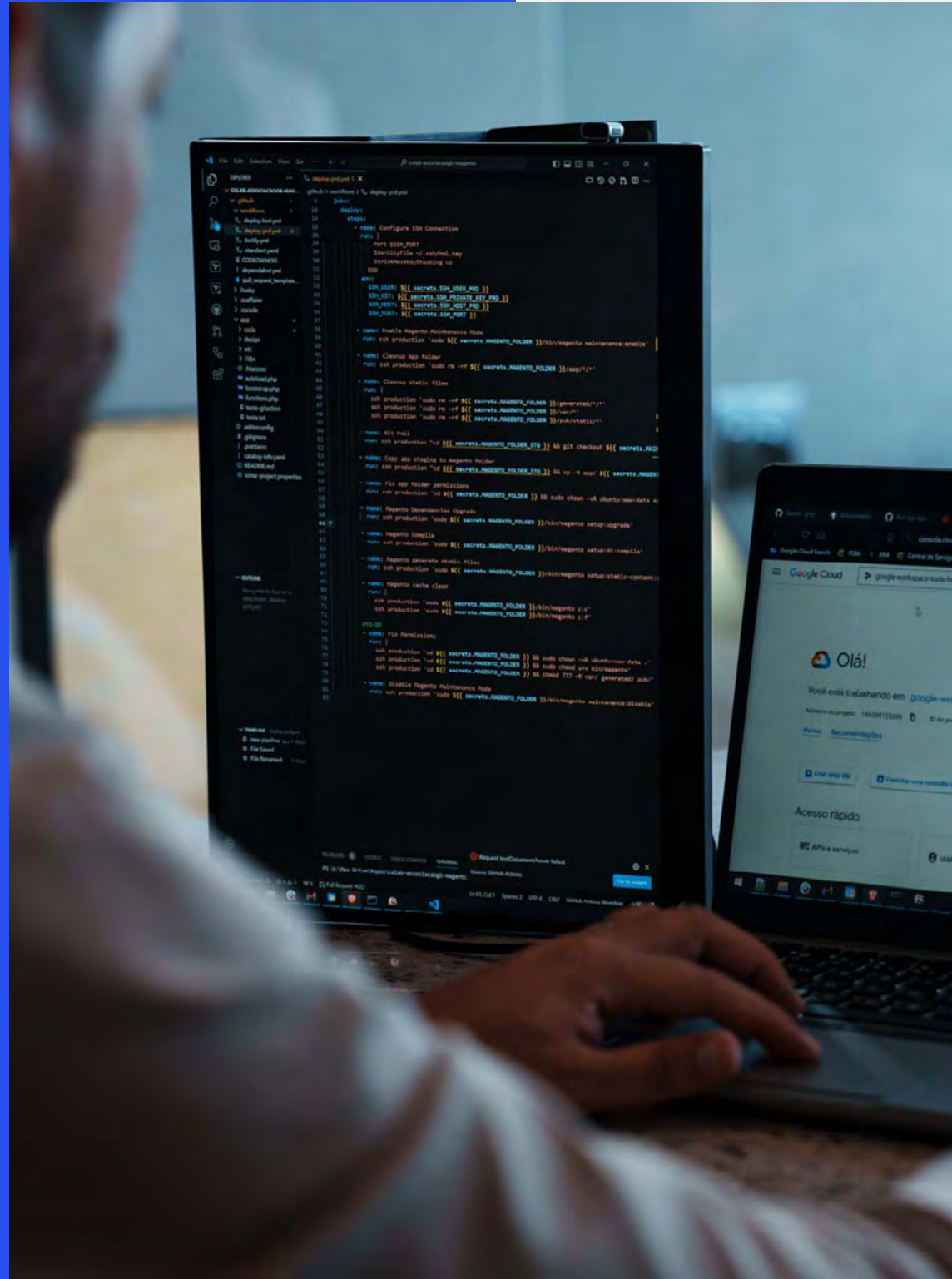
It is also the responsibility of the ESG Committee to inform the Advisory Board about the management of impacts related to these matters. The Committee plays a crucial role in driving action plans and improvements in ESG management, ensuring decisions are aligned with the Group's long-term vision and conducive with its business plan. The Committee also bases its actions on information derived from the systematic monitoring of trends, best practices, risks and opportunities, ensuring an informed and strategic approach to fostering sustainability across all company operations.

### Human rights

Respect for human rights is a fundamental value for Boticário Group and the basis for relations with its entire chain. Boticário Group is a signatory of the Global Compact and has signed up to the UN Universal Declaration of Human Rights. The Group's positioning on this is made explicit in a [Commitment Charter](#), approved jointly by its Advisory Board and the highest executive governance level and published in 2021.

Mandatory training on human rights is provided to all employees and contractors.





# Data privacy *and* security

To ensure privacy and data protection, the Group operates responsibly, using information ethically and securely. Among the guidelines followed in the business are: the [Privacy Policy](#), the [Cookies Policy](#), mechanisms for protection against fraud, and the commitment to personal data.

The group has technical tools to prevent frauds, cybernetic incidents, leaks and other unwarranted uses of personal data.

Periodic training on information security is offered to all employees and franchisees, who are required to maintain the confidentiality of the Group's information.

One of the pillars of the Group is monitoring and managing incidents related to data security. Incidents can be related to information security (any event that compromises the confidentiality, integrity, or availability of data) and privacy (any information security incident related to personal data). For this purpose, the company has an Incident Response

Plan (IRP), aiming to serve as a guiding and unified structural basis for the treatment and management of responses to Information Security Incidents, with processes, actions, activities, and responsibilities of those involved.

## Privacy culture

Boticário Group invests in raising awareness among its employees about the ethical use of data. Employee education on the topic is carried out through training sessions, both in-person and online workshops, dissemination of informative materials such as cards and infographics,

gamification, educational tracks on the Educa.On platform, and specific actions on dates like International Privacy Day. The company also provides an internal data privacy channel, allowing employees to clear up any queries they may have.

## Responding to complaints

In 2023, Boticário Group did not receive any complaints regarding customer privacy violations. This outcome reinforces the continuous pursuit of process improvement and data policy, ensuring a secure environment for employees, customers, partners and suppliers.



# Credits

## **Boticário Group**

ESG Board  
**Luis Augusto Meyer**  
**Bruna Freitas**  
**Judith Von Paumgarten Klautau**

Institutional Affairs Department  
**Gabriela Paraná Ferreira**  
**Luiz Eduardo Giasson**

Why truly thank all those employees who contributed to this report.

## **Grupo Report**

Contents  
**Naná Prado and Patrícia Berton**

Project management  
**Beatriz Miranda and Camila Henriqson**

Graphic Design  
**Fábio de Assis**

Layout  
**Camila Cogo de Oliveira**  
**Rubem Hojo**  
**Vanessa Plassas**

Infographics  
**Henrique Assale**  
**Pedro H. S. Andrade**

Translation to English  
**LATAM Translations**

Photos  
**Ana Momm**