



Slavery and Human Trafficking Statement

This statement includes the activities of Avon Products, Inc. and its applicable, consolidated subsidiaries (collectively “Avon” or the “Company”). The statement is published in accordance with the requirements of the UK’s Modern Slavery Act (2015) and outlines the steps taken to ensure that slavery and human trafficking are not taking place in Avon’s supply chain or in any part of Avon’s own business. This statement covers the 12 month financial reporting period ending 31st December 2017.

Avon Values

Avon is the Company that for 130 years has proudly stood for beauty, innovation, optimism and, above all, for women. Avon products include well-recognized and beloved brands such as ANEW, Avon Color, Avon Care, Skin-So-Soft, and Advance Techniques sold through nearly 6 million active independent Avon Sales Representatives. Avon products are sold and distributed in approximately 70 countries worldwide.

At Avon, we believe in five core values: Trust, Respect, Belief, Humility and Integrity. While each plays an integral role in our global business operations, the value of Integrity holds a special place in Avon’s culture and serves to anchor our company in an increasingly complex and demanding world. Avon defines Integrity as setting and observing the highest ethical standards and always doing the right thing. In remaining true to this value, we fulfil a duty of care, not only to our Independent Representatives and customers in the communities we serve, but to our colleagues and ourselves.

Avon is firmly committed to sourcing with integrity throughout our entire business operation. Avon will not accept any form of forced or bonded labor or engagement in or support for human trafficking within the Avon supply chain or within any part of the Avon business. Relevant Avon policies, procedures and action taken, including in the 2017 financial year, are set out in more detail below.

Supply Chain

Like all multinational businesses Avon has a substantial supply chain spanning many territories. In 2017 Avon worked with suppliers and production sites based in over 57 different countries worldwide. Because of the complexity of Avon’s supply chain it is important that all suppliers to Avon are clear on the ethical standards that are expected of them. Avon has outlined its minimum expectations for all suppliers of goods or services in the Avon Supplier Code of Conduct.

The terms of the Avon Supplier Code of Conduct prohibit:

- The use of any form of forced labor – including prison, bonded and indentured labour.
- Any engagement in, or support for human trafficking.

The Supplier Code of Conduct forms part of our contractual agreements with suppliers. In order to raise awareness of the terms of the Supplier Code of Conduct, Avon has also made acceptance of these terms a pre-requisite of use of our online supplier master system.

The [Avon Supplier Code of Conduct](#) is publicly available on the Avon Corporate website, Avoncompany.com. In addition, training on the Supplier Code of Conduct and guidance for suppliers



is provided through our [e-learning training modules](#) as well as in face to face Supplier Code of Conduct training sessions.

We provide suppliers with Avon's Social Responsibility Guidebook for Suppliers which includes the Avon Supplier Code of Conduct as well as guidance on interpretation of key terms and guidance on implementing the Code. The Guidebook also contains information more widely on our social responsibility program and related sourcing policies. The [Social Responsibility Guidebook for Suppliers](#) is available online on the Avon Corporate website, Avoncompany.com.

Monitoring Supplier Compliance

Avon conducts audits on 'in-scope' production sites to check and monitor compliance with the terms of Avon's Supplier Code of Conduct – including the terms prohibiting the use of any form of forced labor, or any involvement in human trafficking. Avon requires suppliers and production sites to maintain records to substantiate that all materials they supply are produced in compliance with the anti-slavery and human trafficking laws of the country or countries in which they operate, and this documentation is checked as part of the audit process.

As part of our ongoing commitment to working with suppliers and production sites that share our values and respect workers' rights, we aim to conduct full audits at 'in-scope' sites every two years.

In 2017, in conjunction with an appointed third party inspection agency, Avon conducted 705 audits in approximately 40 countries where production of finished goods or branded goods/componentry takes place. The product categories covered by the audits conducted in 2017 include all Avon sourcing category areas – Beauty Boutique and Home; Beauty Products and Indirect (goods not for re-sale).

Auditing production sites is a key element of managing Avon's supply chain risk and is an important tool in encouraging suppliers and production sites alike to adhere to Avon's high ethical standards. Audits involve a thorough review of a production site's policies, procedures and records as well as a visual review of on-site conditions and confidential interviews with workers.

If an audit reveals egregious working practices – such as the use of any form of forced or bonded labor or child labor, there are procedures in place to ensure that this is reported to Avon immediately. This ensures that issues of critical importance can be dealt with immediately by Avon together with input from suppliers and production sites.

Where an audit reveals instances of noncompliance with the Supplier Code of Conduct or with an applicable local law, Avon works with suppliers and production sites to agree a comprehensive Corrective Action Plan (CAP). The CAP will include details on actions to be taken, a timeframe for action and will assign responsibility to an individual within a production site for the implementation of key actions. Suppliers are required to review outstanding CAPs and manage the improvement process under Avon's guidance. In certain cases, Avon may require a further audit to take place to verify that corrective actions have been implemented appropriately and sufficiently.

The aim of Avon's social responsibility monitoring programme is to encourage improvements in working conditions that offer longer-term benefits to suppliers, production sites and workers. Avon does however reserve the right to discontinue a relationship with any supplier or production site that fails to address critical issues or make the necessary corrections requested within a specified, reasonable time period.

Training & Raising Awareness

In 2017 in order to raise awareness of modern slavery risks, additional material has been incorporated into social responsibility training presentations developed for and delivered to Sourcing and Buying teams. The training outlined typical forms of modern slavery in supply chains, high risk countries and industries and reiterated the unacceptability of any form of modern slavery within Avon's supply chain. Sourcing and Buying team members were asked to raise any concerns regarding the conduct of suppliers or factories for further investigation. In total 40 Sourcing and Buying team members were trained in 2017 representing Sourcing and Buying operations in 13 countries.

Avon's Own Business

Avon maintains and enforces internal accountability procedures for both employees and suppliers regarding Company standards in slavery and human trafficking. As in Avon's Supplier Code of Conduct, Avon's Code of Conduct for employees specifically states the Company's support for and compliance with laws and regulations prohibiting forced, compulsory, and child labor. All Avon employees globally receive training in compliance with the law and the Code of Conduct. Avon does not permit violations of the law or the Code of Conduct and will take immediate action to prevent violations.

Statement Approval

This statement has been approved by the Board of Directors of Avon Products, Inc. and also by the Board of Directors of Avon Cosmetics Limited.

Signed



Jan Zijderveld
Chief Executive
Avon Products, Inc.
Date: 16th May 2018



Matthieu Comard
Director
Avon Cosmetics Limited
(Registered in England & Wales, with company no. 00592235).
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