



# AVON MODERN SLAVERY STATEMENT 2018

# AVON



# INTRODUCTION

Avon is committed to sourcing responsibly and to respecting human rights throughout our own business operations, within our own supply chain and in the local communities in which we operate. As a responsible business Avon recognises that modern slavery is a complex human rights abuse, which can take many different forms. The company is committed to invest time and resources, and to collaborate widely with other businesses and stakeholders to eliminate slavery and human trafficking practices from worldwide supply chains.

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## OUR INTEGRITY

At the heart of Avon's business is a five million strong network of beauty advisors, our independent Avon Representatives. This inspiring community has been the driving force for women for more than 130 years, championing women and helping them succeed, making Avon 'a global force for women.'

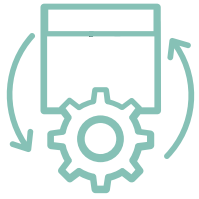
Avon has proudly stood for women's empowerment since its founding, long before women's rights were widely recognised, and we continue to drive this powerful mission in the respect of human rights today.

The Avon culture is based on five core values: Trust, Respect, Belief, Humility and Integrity. Each plays a vital role in our global business operations. Integrity in particular means setting and observing the highest ethical standards in everything we do. By always striving to do the right thing, we ensure that our business is conducted in an ethical manner for our Avon Representatives, our customers in the communities we serve, our suppliers and our direct employees.



## OUR BUSINESS

Avon is a global retailer operating in 56 countries, with 5 million representatives serving 100 million customers. Avon provides innovative, quality products to customers at competitive prices. Our product lines include Avon make-up, Avon fragrance, ANEW skincare, Skin so Soft and Advance Techniques. Avon also sells an extensive range of wellbeing products, jewellery, lingerie, accessories and gifts.



## OUR SUPPLY CHAIN & SUPPLY CHAIN STANDARDS

Products and components procured for re-sale are sourced from just under 3,000 direct suppliers in 56 countries. As with other brands and retailers, Avon's supply chain is complex and diverse and we face challenges when dealing with changing economic, political and environmental landscapes. Our global Social Responsibility (SR) team work to ensure we meet our priority of trading ethically and sourcing responsibly.

Avon is committed to supporting suppliers and their factories to improve working conditions in their production sites and supply chains. The SR team works directly with suppliers and factories to ensure that they demonstrate compliance with the requirements of Avon's Social Responsibility Programme.

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 labour – 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 all suppliers and acceptance of these terms are a pre-requisite of working with us and for use of our online supplier master system.

The Avon Supplier Code of Conduct is publicly available online alongside training and further guidance for suppliers and factories – including our e-learning training modules and Avon's Social Responsibility Guidebook for Suppliers, which includes the Code and guidance on implementation of the Code.

Avon also undertakes regular supplier engagements and training sessions to ensure awareness and understanding of these requirements. In total 73 suppliers were trained in 2018 on Code of Conduct and SR requirements and expectations.



## OUR POLICIES

Our code of conduct and responsible business policies are in place to ensure that people are treated respectfully by upholding internationally recognised human rights principles detailed in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the Universal Declaration of Human Rights. As a responsible business we have the following formal policies and employee engagement & grievance mechanisms in place:

- Workplace Violence policy
- Global anti-corruption policy
- Employment of young workers policy
- Code of Business Conduct & Ethics

In addition to the policies listed above, there are also established processes and procedures to allow associates to give feedback on the company's operations and raise any concerns or grievances they may have:

- Global Integrity Helpline
- Country and market-specific employee engagement forums
- Regular employee pulse surveys in key markets
- New associate 'lifecycle' surveys and check-ins



## OUR DUE DILIGENCE APPROACH

Avon conducts regular ethical audits on factories that are in scope of our Social Responsibility Programme. Overall, in 2018 there were a total of 1,195 direct and indirect suppliers and 1,770 factories based in 59 different countries within scope of the programme.

Factories are audited to monitor compliance with the Avon Supplier Code of Conduct, which include the terms prohibiting the use of any form of forced labour, or any involvement in human trafficking.

The Avon ethical standards that all in-scope factories are audited against are as follows:

- Laws and Regulations
- Child Labour
- Forced Labour
- Harassment
- Wages and Benefits
- Hours of work
- Health and Safety
- Discrimination
- Women's Rights
- Freedom of Association and Collective Bargaining
- Environment
- Subcontracting
- Monitoring and Compliance

As part of our ongoing commitment to working with suppliers and factories that share the Avon values of honesty and integrity, and respect workers' rights, we aim to conduct full audits at all 'in scope' factories every two years.

In 2018, in conjunction with our appointed third-party auditing agency – Bureau Veritas, Avon conducted 657 Avon audits in approximately 37 countries where production of Avon finished goods or branded goods/componentry takes place. In 120 cases this year, we have also accepted robust third-party audits (conducted for other retailers or brands) in lieu of Avon social audits.

Our auditing process is a vital due diligence tool as it provides assurance that our suppliers and their factories understand their responsibility to comply with our ethical standards.



## TRAINING

During 2018, Avon reviewed and updated its Social Responsibility Programme to ensure it is fit for purpose. Training updates on the new Social Responsibility Programme were delivered to Sourcing and Buying teams across the business and reached a total of 244 associates. During these training updates, specific information regarding the risk of modern slavery within the supply chain and high-risk countries and industries where modern slavery is prevalent were delivered to relevant associates. Buying and Sourcing teams were asked to raise any concerns to the Social Responsibility team for future investigation.



## FUTURE STEPS

To strengthen Avon's oversight of Modern Slavery and Human Trafficking risks in the supply chain, the following steps will be taken in 2019:

- Avon will join Sedex in 2019 which we expect will further strengthen our in-depth human rights risk assessment; helping us to map and understand our human rights and modern slavery risks.
- Avon will review current policy commitments with the intention of introducing a Modern Slavery and Human Rights policy that is applicable for all employees
- Avon will strengthen training programmes around Modern Slavery risks - including the creation of dedicated Modern Slavery online training for employees
- Avon will continue to seek opportunities to collaborate and participate with other brands, retailers and stakeholders on tackling common modern slavery and human rights risks.

# APPROVAL OF STATEMENT

This statement has been approved by the Board of Directors of Avon Products, Inc.

Signed

A handwritten signature in black ink, appearing to read 'Jan', is positioned to the left of the printed name.

Jan Zijderveld

Chief Executive  
Avon Products, Inc.

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