



AVON

GENDER PAY GAP  
2018 REPORT

# CONTENTS

- 3** WELCOME
- 4** AVON ACROSS THE WORLD
- 5** AVON IN THE UK
- 6** 2018 GENDER PAY GAP DATA
- 7** 2018 GENDER PAY GAP ANALYSIS
- 8** OUR PROGRESS OVER THE LAST YEAR
- 9** STAND4HER
- 10** CLOSING REMARKS







# WELCOME

Avon is the company for women and for over 130 years has helped women to participate in the workforce in their own way and on their own terms.

With over 20,000 associates in more than 50 markets across the world, we are committed to creating a culture that values the strengths and differences of all our employees. We offer a work environment where everyone feels engaged, understood and respected. Our culture is inclusive of people of all genders, races, religions, sexual orientations and abilities. In fact 90% of our global associates believe Avon is committed to diversity and inclusion.\*

In recognition of this we are pleased to have been included in **Bloomberg's 2019 Global Gender Equality Index** – a demonstration of our commitment to transparency in gender reporting and advancing women's equality.

We view diversity and inclusion as business-critical for Avon – and with the company undergoing significant change and modernisation under our CEO Jan Zijderveld, it is more important than ever that we draw on the talents of everyone at Avon. It is essential that we look for a broad mix of skills, opinions and

experiences in our recruitment to help equip and guide us as we grow the business in all our markets. This broad mix of people helps us to better understand and reflect the diverse experiences, opinions and needs of our millions of Representatives, 100 million customers and the communities we serve.

Our commitment to advancing women who work at Avon is underpinned by our **Global Women's Strategy**, which we introduced in 2014 providing a framework to help us achieve our ambition to be an employer of choice for women around the world. With that in mind we are pleased also to share some of our global colleagues' views on gender equality/achievements in our report this year

We welcome the ongoing opportunity the UK Government's gender pay gap reporting legislation has brought, to shine a spotlight on gender balance. We believe it is vital that businesses around the country are transparent about their gender pay data and are expected to develop and deliver strategies for improving gender parity.

This report sets out Avon's own gender pay gap information, the

factors influencing it and outlines our ongoing plans to advance women, at Avon. We are committed to continuing our work in the UK, and right across the world, to ensure that we have a fair and inclusive workplace where all our people can thrive.

## AVON'S HISTORY OF SUPPORTING WOMEN

1886, Avon's founder, David H. McConnell, helped give women the opportunity to earn an independent income in the US before they even had the right to vote. We are rediscovering this powerful sense of purpose through the launch of **stand4her** – our global plan to improve the lives of 100 million women a year by improving their earning potential through the power of beauty and their ability to live a safe and healthy life.

## EQUAL PAY ASSURANCE

Avon monitors pay equity (equal pay for equal work) across the company. Every year since 2014, we have partnered with independent experts to produce an equal pay comparison across our global organisation, taking proactive and corrective action on an ongoing basis, as required.

As a result there is pay equity between men and women across the organisation and we remain committed to maintaining these efforts to ensure consistency and objectivity in how we pay people.

\*From our 2017/18 all associate engagement survey (My Voice).

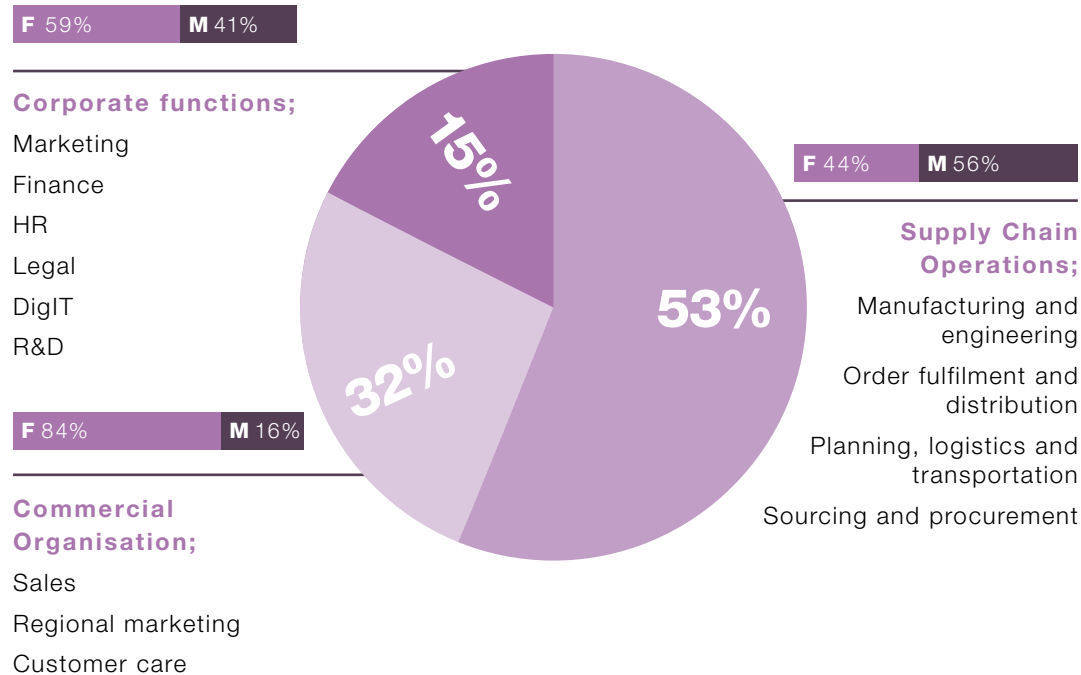
# AVON ACROSS THE WORLD

As a global business, we employ over 20,000 people across the world in over 50 markets

Because of Avon's scale and diversity, a range of functions are carried out across different markets. Within our global footprint a large number of our sales

force associates are female, and a large proportion of our associates working in supply chain are male.

Through our Global Women's Strategy we look at diversity and inclusion at both a global and a local level. All associates are passionate about being part of a company which enables women and men to thrive.



**F 59%** **M 41%**  
All associates

**F 58%** **M 42%**  
Managers

**F 42%** **M 58%**  
Director +

AVON



"We are proud of our reputation of being a great place to work, particularly for women, and are very happy to see this reflected with our inclusion in the Bloomberg Gender-Equality Index. This benchmarking program helps us to continually raise the bar and make progress when it comes to gender equality and broader diversity and inclusion. It's crucial to business growth."

**JAN ZJIDERVERLD**  
CEO, Avon Products Inc



"There is still a lack of women in STEM (Science, Technology, Engineering and Mathematics) practices – only about 30 per cent on average. That's one of the reasons I'm proud to lead the Research & Development team at Avon, which is almost 70 per cent female."

**LOUISE SCOTT**  
Chief Scientific Officer, Avon Products Inc

"Women should be able to thrive and succeed in their lives and careers on an equal footing to men – that is a core belief at the heart of Avon's culture."

**ANGELA CRETU**  
General Manager, Avon Central Europe



Removing unnecessary barriers which were preventing women in our factories getting on that first step of the ladder has really helped us start to improve gender diversity."

**MARCIO FABIANO**  
Senior Human Resources Manager, Avon Brazil



"I am honoured that Avon is one of only 30 organisations in Turkey, and also the first and only beauty company to be recognised and certified via KADIGER for our tangible commitment to gender equality in the workplace"

**ORKUN GUL**  
General Manager Avon Turkey, Middle East and Africa

"For our female associates to thrive at work they must first feel safe and secure in their lives outside. I am very proud that Avon Argentina has become the first company in the country to implement a policy to support employees experiencing gender-based violence."

**MARIA-ELENA D'ANGELO**  
Executive HR Director, Avon Argentina



**F** 72%      **M** 28%

**All associates**

**F** 78%      **M** 22%

**Below manager**

**F** 61%      **M** 39%

**Managers**

**F** 44%      **M** 56%

**Director**

**F** 33%      **M** 67%

**VP +**



AVON

# AVON IN THE UK

**Of Avon's global workforce, 5.7% are based in the UK, of which 72% are women**

The UK plays an important role within Avon's global operations because it is where the business is headquartered. One third of the UK workforce is in a global functional role, including the majority of the most senior global roles including the global Executive Committee (EC). Our gender pay gap at the UK level is therefore partly driven by this high proportion of senior and global roles in the UK.

Avon is undergoing major change as we deliver our 'Open Up Avon' strategy to transform and build the business for a new era of success. During 2018, we continued to bring more global roles into our UK-based corporate HQ with an additional 10 senior leaders, compared with the previous year – four of whom are female

and six of whom are male. This increased the proportion of female Vice Presidents (VP) within Avon to over a third – up from 29% in 2017.

To put this into a global perspective; across the world, although fewer than 1.5% of roles are director and above, in the UK this rises to 6% – demonstrating the prevalence of senior, and therefore higher paid roles, in the UK. While leaders are only a very small proportion of our overall workforce, inevitably people in more senior roles receive the highest pay and reward, e.g. bonus, and thus the gender imbalance at that level is a contributor to the gender pay gap in the UK.

We are continuing our efforts to improve the representation of women at senior levels and as noted above, since the 2017 report have improved the balance at VP level.

**F** 64%      **M** 36%

**Supply Chain Operations UK;**  
**Order fulfilment and distribution**

Customer Care

**F** 81%      **M** 19%

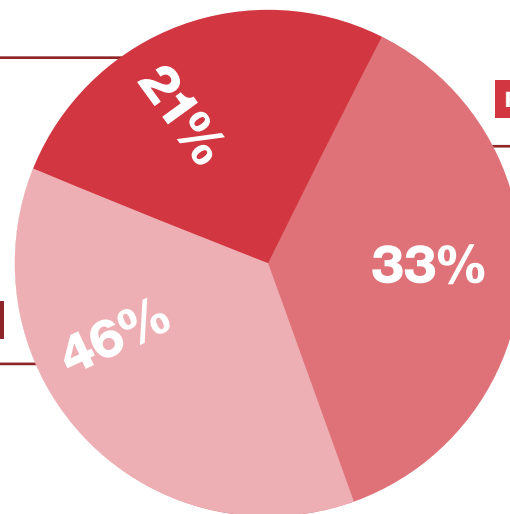
**Commercial/UK Direct Selling;**  
**Sales**

Local functions

**F** 63%      **M** 37%

**Global functions;**

Executive Committee  
Marketing  
Finance  
HR  
Legal  
Digital and IT





# 2018 GENDER PAY GAP DATA

**As the company for women, the Avon UK workforce is 72% female, with women in the majority across all pay quartiles**

## What is the gender pay gap and what are the reporting requirements?

The **UK Government** has made it compulsory for any organisation, with 250 or more employees, to publish and report specific figures about their gender pay gap and we welcome this transparency.

In Avon UK, the median gender pay gap has improved slightly, while a small number of senior appointments has impacted the other gender pay and bonus gap metrics. The proportion of men and women receiving bonus is equal.

When looking at the proportions of women and men in each pay quartile, we see that 56% of top 25% of earners and 62% of the top 50% of earners by hourly pay, in the UK, are women.

Between 2017 and 2018, the gender balance across all four pay quartiles improved:

## Pay quartiles by gender

<b>TOTAL</b>	<b>F</b> 72% (983)	<b>M</b> 28% (390)
<b>Upper Quartile</b> (Band D)	<b>F</b> 56% (193)	<b>M</b> 44% (150)
<b>Upper Middle Quartile</b> (Band C)	<b>F</b> 68% (234)	<b>M</b> 32% (109)
<b>Lower Middle Quartile</b> (Band B)	<b>F</b> 84% (288)	<b>M</b> 16% (55)
<b>Lower Quartile</b> (Band A)	<b>F</b> 78% (268)	<b>M</b> 22% (76)
<b>Proportion receiving bonus</b>	<b>F</b> 89.7%	<b>M</b> 90.0%

AVON

## HOURLY PAY GAP: MEAN



The mean gender pay gap has increased this year due to a small number of very senior hires within Avon to drive the growth and modernisation of the business.

## HOURLY PAY GAP: MEDIAN



A slight increase in the number of male associates in the lower quartiles has contributed to a narrowing of the median GPG.

## BONUS GAP: MEAN



A small number of very senior appointments has had a particular, but extraordinary, impact on the gender bonus gap.

## BONUS GAP: MEDIAN



Bonus pay is pro-rated but the bonus calculation in this report does not adjust for this. Within Avon UK we have a higher proportion of women than men working part time

# 2018 GENDER PAY GAP ANALYSIS

The figures on page six show the difference in the average hourly pay and bonuses of women and men across Avon's UK-based organisation, regardless of the nature of their work and their roles. It is influenced by a range of factors, in particular, the difference in the number of men and women within our senior leadership and field sales-based populations.

## Imbalance in senior leadership

While women represent 72% of the UK workforce, there are fewer women than men in our most senior leadership positions.

Avon has a higher proportion of senior roles based in the UK, due to many of our global functions and the location of our global headquarters, moreover, a higher proportion of our most senior executive (and therefore most highly paid) roles are performed by men.

As a result, 38% of all male associates based in the UK are in the top pay quartile, compared to only 20% of all female associates. Conversely only 19% of all male associates fall into the lowest pay quartile, compared to 27% female associates.

We have also looked at the pay of all employees and divided into 10 deciles – with an equal number of employees in each section. From this, we can see that in 5 out of 10 pay deciles, there is a small gender pay gap that is favourable to women (up to 1.8%), and in 3 out of 10 pay deciles there is a small gender pay gap that is favourable to men (up to 1.5%). However, in the top decile (the 137 highest paid roles from senior management to CEO), the pay gap is significantly larger. This is driven by the gender imbalance in our top c. 30 roles (Vice President and above) where 67% of roles are held by men. This top decile pay gap has an impact on the gender pay gap across the whole UK workforce.

## Imbalance in field sales

Over 20% of our workforce are field sales managers who are predominantly women (90%). We naturally expect these roles, which are the frontline interaction with the independently employed Avon Representatives, to be more attractive to women. As these roles sit within the lower to lower middle hourly pay quartiles, this has an impact on the gender pay gap by pulling down the female mean and median hourly pay figures.

## Proportion women to all women and men to all men in each pay quartile

### UPPER QUARTILE: BAND D



### UPPER MIDDLE QUARTILE: BAND C



### LOWER MIDDLE QUARTILE: BAND B



### LOWER QUARTILE: BAND A





# OUR PROGRESS OVER THE LAST YEAR

## In 2017 we established a Gender Working Group in the UK

This group is made up of key stakeholders helping to drive our strategy and actions, to

continually raise the bar on gender diversity at Avon. This group have continued to take a proactive role into 2018 in driving and supporting our Gender Action Plan (GAP) across the UK business.

WE SAID	We Did	What our People Said	What's Next
Continue to ensure flexible working opportunities are accessible to everyone and encouraged regardless of role or gender to empower every associate to achieve their goals inside and outside work.	<p><b>Agile Working Refresh</b></p> <p>We ran a workshop around agile working to understand the views and needs of our associates.</p>	<p>“Work-life balance is part of our culture. It’s important that we continue to support associates, and equip managers, to ensure all associates can maximise their efficiency and productivity, both personally and professionally. It is because of Avon’s culture around flexibility, that I am able to successfully juggle a big job and two small children.”</p> <p><b>NADIA STRONE</b>, Executive HR Director, Avon UK</p>	In 2019 we will run a second series of focus groups, with associates and line managers, to understand our progress in regards to enhancing a culture of agile working and what more we can do to improve in this area.
Provide formal and informal development opportunities to inspire women to achieve their ambitions, with tools to support	<p><b>Everywoman Pilot</b></p> <p>We ran a pilot with 20 women from across the organisation in partnership with Everywoman</p>	<p>“Having access to the everywoman tools has made me feel valued. The variety of subjects covered is wonderful, helping you think about areas of the business and improvements/ changes you can make in your role. It’s also inspiring and empowering to learn from examples of people from a wide variety of background/journeys, showing you it can be done.”</p> <p><b>ANNE-ELISABETH JEHL</b>, Global Talent Team Co-ordinator</p>	We are extending access to the Everywoman resources to more of our UK based associates in 2019
Give women across the business the opportunity to build internal networks and hear from Avon role models and external speakers about how they have managed their own careers	<p><b>UK Career Week</b></p> <p>We ran a week of events to inspire our associates to build a career with Avon - offering a variety of interventions relevant to our workforce, with webinars, workshops, panels and external speakers including one speaker focused on career development for females in the workplace.</p>	<p>Ayisha Dedat, Analyst Regulatory Affairs</p> <p>“Maxine (Benson MBE, Everywoman) delivered an exceptionally empowering talk, providing an insight into Everywoman and the work they do to change the landscape for women who face challenges in the workplace. As a young professional working woman, it was inspiring to learn how experiences, ideas and opportunities can be shared and relationships nurtured for women to not only be confident but succeed without limitations to reach their full potential.”</p> <p><b>AYISHA DEDAT</b>, Analyst Regulatory Affairs</p>	We will run another career week in June 2019



# STAND4HER

**In March 2019, Avon launched stand4her – a global plan to improve the lives of 100m women a year between now and 2030**

Stand4her is rooted in Avon's core purpose and continues a long tradition of championing women which began when Avon was founded in 1886. It is Avon's global response to the barriers still holding women back and aims to improve the lives of 100 million women each year by advancing their earning potential through the power of beauty, and their ability to live a safe and healthy life

Through existing programmes and new initiatives, stand4her is our promise – to the women who work for us, who work with us, who work in our supply chain, and to our customers – to create a better world for women.

## Avon's Global Women's Strategy

Our Global Women's Strategy forms an important part of stand4her. First developed in 2014, the strategy supports our overarching ambition to be the leading employer for women globally and is our approach to nurturing an inclusive workforce.

The strategy is a global framework of standards available to each of Avon's major geographies to adapt and tailor to suit the needs of their local people and cultures. It addresses the employment needs and aspirations of female employees, as well as providing them with the opportunity and working conditions to thrive at work and through all aspects of their lives.

The Global Women's Strategy identifies four key action areas in support of Avon's employees; talent pipeline development, flexible working policies and practice, benefits and pay equity.

Avon is committed to implementing innovative family-friendly working practices for all employees through stand4her. For example, we will enable all parents who return to work after having children to have flexible working opportunities, and we aim to offer parental leave that is above the local benchmark in our top 20 markets which represent around 80% of our employees. Building on our commitment to increasing women's participation in STEM (Science, Technology, Engineering and Maths), we will also be looking at how we can identify and offer more opportunities for women to develop and progress in our direct supply chain workforce.

## Women who work with us

**1** **FREEDOM TO EARN**

**The Avon Academy**  
A training platform to enable Representatives to learn everything, from contouring techniques to cash-flow management.

**The Avon Scholarship Programme**  
A scholarship programme for children and grandchildren of Avon Representatives to access education.

**Fair For Her**  
A set of standards to aim to improve working conditions for women in our supply chain and across the industry.

## Women who buy from us

**2** **THE POWER OF BEAUTY**

**The Avon brand**  
A new identity and ethos championing the power of beauty. Beauty is pretty powerful.

**Avon Sisterhood**  
The world's largest network of women, enabling the Avon family to campaign on important issues, mentor one another and expand their networks.

## Women in our communities

**3** **SAFE & HEALTHY LIVES**

**The Avon Breast Cancer Promise**  
Invested \$800m to educate women about breast cancer and provide access to information and resources on breast health

**Avon Promise to end VAWG**  
Provide resources and campaign materials to Representatives, associates, customers and supply chain on domestic violence.

The pay and bonus gap data in this document is in line with UK government reporting regulations, and has been independently verified as being accurate, by a leading global HR consultancy specialising in compensation and pay equity.

As a leadership team we remain committed to advancing women and addressing Avon's gender pay gap.

**MATTHIEU COMARD**

*Group Vice President Western Europe*



I am delighted to join the Avon family at this critical time in our business turnaround. Avon's sense of purpose sets it apart, and creating opportunities for women to succeed is part of our DNA.

I am committed to creating an environment where all associates contribute to Avon's future growth. I want to ensure that every single associate across the world has equality of opportunity to drive the business forward and ensure that our Representatives across the world are successful. Because when she succeeds, we succeed.

**KAY NEMOTO**

*Chief People and Strategy Officer*

Media contact details: [media.enquiries@avon.com](mailto:media.enquiries@avon.com)



AVON