



Corporate Responsibility Report
Avon International 2023



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Foreword

At Avon, we believe a better world for women is a better world for all.

Avon has been helping women to transform their lives since 1886. We offer our independent Representatives – almost all women – flexible earning opportunities. Using our voice and resources, we support causes that strengthen women's health and wellbeing, reaching 1 million people through our NGO partner support in 2023 alone.

Every Avon sale supports women, while also providing great quality products at irresistible value.

We're also creating a better world by prioritising our planet. **Sustainability now permeates every part of our business, and every stage of our products' lifecycle.** We made some amazing progress in 2023, launching new products, systems and marketing materials that are kinder to the planet.

I joined Avon in 2022 because of the brand's commitment to making a positive difference. I'm proud to be a male ally in a female-powered business, and to be the sponsor for our Pride Associate Resource Group. Now, as CEO, **I'm excited to accelerate Avon's growth as an inclusive omnichannel business with an ever-greater positive impact on people and planet.**

Avon is a global family of thousands of dedicated associates and millions of enterprising Representatives who all share our purpose of creating a better world. I'm truly honoured and humbled to be part of such an amazingly purposeful organisation.

Thank you for your interest.



**Kristof Neiryck,
Chief Executive Officer**



Our structure, strategy and governance

At Avon we believe a better world for women is a better world for all. So **we strive to improve women's lives in all that we do.**

Our focus is on progress for women, but we are open to all. This includes trans and non-binary people, men, and people of all ages, ethnicities and abilities.

Across Avon International, we empower

over 2 million independent Representatives

to be their own boss. We employ **over 5,000 associates** to run our business.

Governance, ethics and compliance

This report covers the calendar year 2023. It focuses on Avon International, which manages our operations in Europe, the Middle East and Africa, and Asia Pacific.¹

Along with Natura &Co Latam, Avon is part of [Natura &Co](#). Avon International's business is governed by Natura &Co Holding's independent board, and led by Avon's CEO and Enabling Leadership Team. Kristof Neiryck was promoted from Avon Chief Marketing Officer and Managing Director for Western Europe to our CEO on 1 January 2024, following a well-planned succession process.

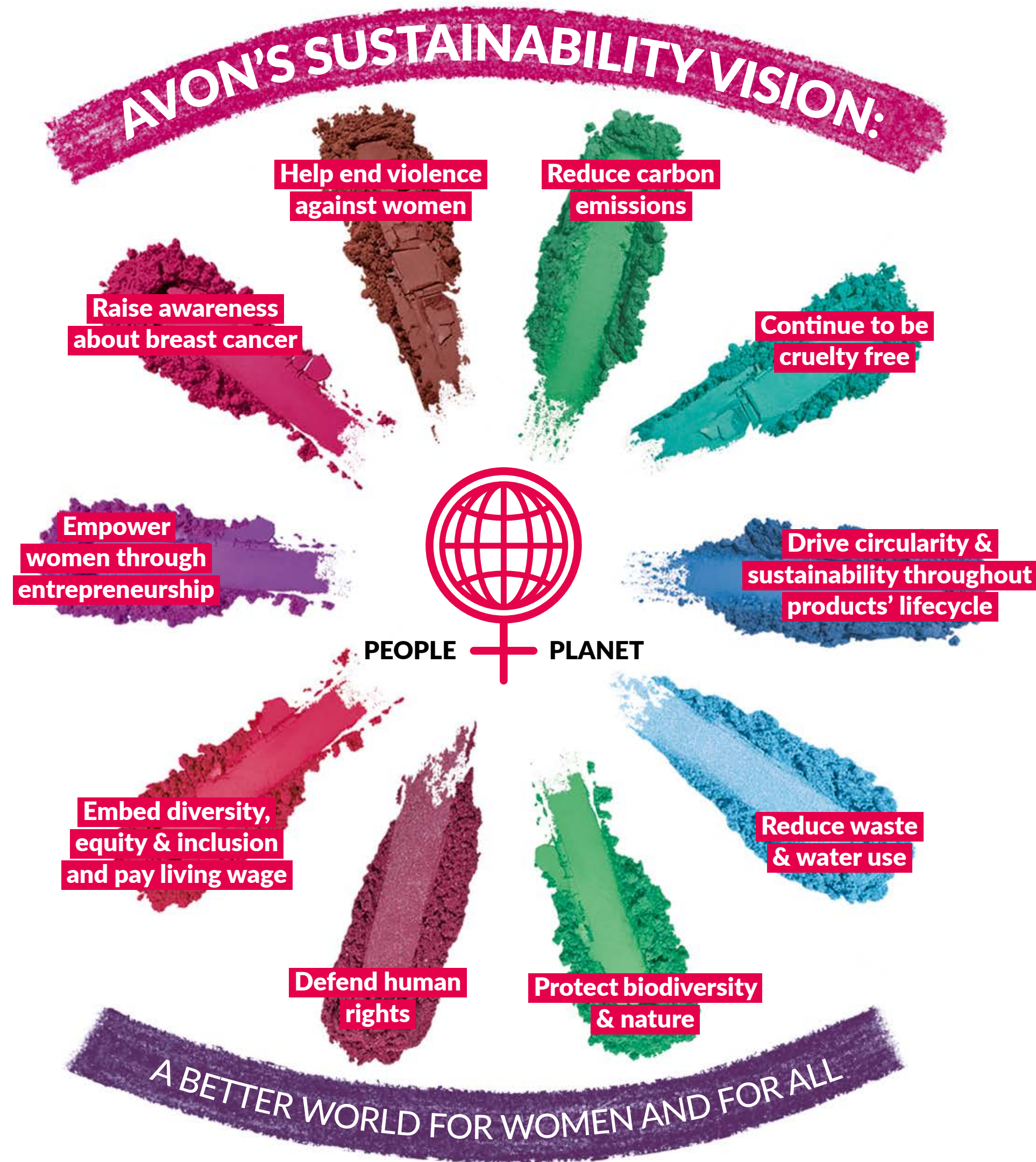
Strong governance is fundamental to ethics and compliance. The Natura &Co Board of Directors oversees our strategy and programme to ensure ethical conduct throughout our business, and to meet external requirements to manage and mitigate risks. Out of the nine Board members, three are Co-Chairmen, and six are independent. The Board has one-third of women in its composition.

In 2023 we launched the [Natura &Co Code of Conduct](#), bringing together our policies and procedures in a user-friendly way, and highlighting our associates' individual responsibilities to uphold the highest ethical standards. All Avon associates must complete Code of Conduct online training annually. And we survey all associates on our culture of ethics and compliance, encouraging honest responses.

Natura &Co's Global Privacy Programme includes optimal data management to minimise our data footprint and related carbon emissions. Our robust privacy programme enhances consumer trust, by demonstrating our compliance with data protection laws, promoting ethical data use and consumer rights.

We continue to enhance the **Natura &Co Global Antitrust Programme**, which encompasses global and local efforts to benefit consumers. This comprises an Antitrust Policy, training, communications and materials, and ongoing risk assessments, market monitoring and internal audits. All middle managers or above receive online training in this area, and people in core commercial roles receive additional face-to-face training.

¹ Natura &Co Latam reports on Avon's operations in Latin America.



Sustainability strategy

Our Sustainability Steering Committee, which includes our Head of Sustainability and a Director from the Enabling Leadership Team, leads on our sustainability strategy, supported by our central Sustainability team and sustainability experts in every major department.

Sustainability forms part of our core business strategy and key performance indicators, and **we educate and engage our colleagues and suppliers in ways to integrate sustainability** into all business activities.

For Avon, sustainability means supporting the wellbeing of both people and planet in everything we do – including the way we work and our philanthropic support.

We support people by providing a diverse and equitable working culture, paying at least the Living Wage, protecting human rights throughout our business and value chain, and championing women’s wellbeing.

We support the planet by reducing emissions relating to our operations, supply chain, product formulas and packaging, and embracing circularity and regeneration where possible.

Our people and planet priorities are informed by internal roadmaps and external standards and regulations, including the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), the Carbon Disclosure Project (CDP) and the Dow Jones Sustainability Index (DJSI). In 2023 we developed a roadmap to ensure our regulatory and legislative compliance, and improve our environmental social and governance (ESG) data gathering and reporting.

→ Through our 2030 sustainability vision, inspired by the UN Sustainable Development Goals, Avon has pledged to meet several ambitious, measurable **targets**

Our performance:

PEOPLE

See full details and data of how we're tracking against our targets [here](#).

	Target	2023 performance	How we're getting on
Target year 2023	No unexplained gender pay gap (<1% is considered not to be a gap)	-0.8%	Achieved
	Pay the living wage 1A (or above) to all (to meet the local living costs for one adult)	100%	Achieved
	50% of senior leadership positions held by women	48.7% (plus 1% of undeclared gender)	Achieved
Target year 2025	Engage 50% of associates in volunteering activities	36% (baseline)	On track
Target year 2030	30% of management to be from under-represented communities	9% (baseline)	Making progress
	Maintain donations in key causes year on year Support 1m women and girls annually through programmes and NGO partnerships	\$6.2M donated by Avon International and Avon Foundation 1M women positively impacted thanks to Avon's donations	On track On track

Our performance:

PLANET

	Target	2023 performance			How we're getting on
Target year 2023	Reduce water intensity by 0.5% year on year	-8.2%			Achieved
	Reduce waste intensity by 1% year on year	-6.3%			Achieved
Target year 2025	Full traceability and/or certification for critical supply chains (palm oil, mica, paper, alcohol, soy, cotton)		Traceability	Certification	On track
		Paper	n/a	84%	
		Palm oil	96%	92%	
		Alcohol	100%	0%	
		Cotton	96.4%	n/a	
		Mica	100%	8% <small>(third party verification)</small>	
	Soy	89%	0%		
	Cruelty Free International Leaping Bunny accreditation for all brands	Certification for fragrances, Anew, Avon Care and Make-up categories			On track
Target year 2030	Reduce scope 1 and 2 emissions by 42% by 2030 versus 2020 baseline	-35.0%			On track
	Reduce scope 3 emissions by 42% versus 2020 baseline (SBTi coverage)	-41.5%			On track
	50% recycled content for all plastic used	4.1%			Making progress
	100% reusable, recyclable or compostable packaging	80.3%			On track
	95%+ biodegradable rinse-off formulas	90.9%			On track
	100% of new formulas to have lower environmental footprints, measured by lifecycle analysis	We developed, tested and introduced the tool			On track

Our highlights

People

- Avon and the Avon Foundation donated over **US\$6.2 million to good causes**, with a focus on tackling breast cancer and gender-based violence
- We **donated 89,324 items** to people affected by the war in Ukraine, including Avon products, clothing and blankets
- Our **NormalForMe campaign won a bronze #Effie award** from the SAR Marketing Communication Association for its educational content
- Our associates' **volunteering hours increased by 22%**
- We continued to have **women strongly represented** in our leadership team and **no unexplainable gender pay gap**

People & planet

- **75%** of respondents to our employee engagement survey **believe Avon is taking the right steps** to build a more human-kind and planet-kind future
- **1,152 associates took part in our People & Planet Hackathon** to propose and present sustainability initiatives to our senior leaders
- **92% of our palm oil and 84% of our paper came from certified sources** that meet international standards on labour rights and environmental sustainability
- Our **Garwolin factory in Poland received a distinction** in the Factory of the Year category in the Green Industry Diamonds Awards, reflecting its innovation, efficiency, safety and employee engagement

Planet

- Our fragrances, Anew, Avon Care and Make-up categories achieved **Cruelty Free International Leaping Bunny certification**
- We **reduced plastic packaging in our new Beauty+ fashion and home portfolio by 21.6%** on average compared with 2022
- Our 1.5°C aligned Science-Based Targets covering scopes 1, 2 and 3 were **reviewed and validated against the SBT initiative criteria**
- We **reduced our operational carbon emissions by 17.6%**
- We sent **zero operational waste to landfill**
- **80.3%** of our packaging is **reusable, recyclable or compostable**

PEOPLE



Creating a better world for women and for all involves protecting the human rights of people throughout our business. This includes our associates, Representatives and everyone working in our distribution centres and manufacturing sites, even if they're not employed by us.

We're working to advance processes to identify, prevent and mitigate human rights risks across our supply chain and operations by 2027.



Supporting our associates

Avon endeavours to be a diverse, equitable, inclusive and supportive employer. Our associates are paid at least the Living Wage, and benefit from a range of progressive employment policies.



Understanding our associates and their needs

In 2023, 48.7% of our senior leaders were women (2022: 51.7%). We work to maintain a 50% female leadership. **We're proud to have no unexplained gender pay gap.**²

We conduct regular demographic surveys in selected markets³ to understand our workforce and inform our representation and diversity work. In 2023, 9% of respondent managers identified as being from an under-represented background or community. Our 2030 target is to have 30% of our managers from these groups.

We listen to our associates through Glint staff engagement surveys. In 2023, **73% of respondents were happy working at Avon** and 82% felt that the work they do at Avon is meaningful to them.

Our diverse and inclusive culture

We continue to foster an inclusive culture.

We have four Associate Resource Groups:

- Beauty in Colour, which advocates for racial diversity
- Women's Network, to further advance our agenda to improve the lives of women
- PossAbility, which looks after associates who have a disability of any kind
- Avon Pride, a platform for members of the LGBTQIA+ community.

In 2023, Avon Pride hoisted LGBTQIA+ flags at our offices in South Africa, the UK, Poland and the Philippines as a symbol of solidarity.

Workplace culture and professional development

Our associates completed **6,091 hours of training on LinkedIn Learning**, ranging from project management to software skills. We're delighted that **871 participants attended our courses to develop their leadership skills and career prospects**. And 272 of our senior leaders attended Psychological Safety training to enhance our culture of inclusion and innovation.

People & Planet Hackathon

Our 2023 Hackathon **involved over 1,000 associates**. Associates submitted over 70 sustainability ideas to a dedicated portal and voted on their favourites. We then held learning sessions and brainstorming breakouts on key themes arising from these ideas, and presented suggestions to our Sustainability Steering Committee.

The Hackathon has led to us introducing monthly sustainability webinars and newsletters, boosted volunteering numbers, and enhanced our Representatives' engagement in sustainability.

“ This year marks my five-year anniversary at Avon! What stands out most is the respect, passion and love I have experienced during my time at this amazing company. I know that I (and anyone else) can be my true self at work and that I will be seen, heard and appreciated. ”

Werner Botes
Global Lead for Avon Pride Associate Resource Group, Avon South Africa

² No differences in average pay for women and men that aren't because of different roles, locations or experience/performance levels. Gaps of less than 1% are generally considered not to be gaps.

³ UK, Italy, Türkiye, South Africa, Romania and the Philippines.

Empowering our Representatives

Millions of Representatives in Avon International regions sell our products directly to their customers. Every sale supports women because we invest in women, **helping them to learn, earn and embrace their power.**⁴

Anyone can become an Avon Representative and work the way they want. This flexibility empowers many women who have few other opportunities to generate income.



“ I started working with Avon because I needed some extra money. Learning something has made me feel confident. ”

Renata
Representative in Poland

We continually aim to improve our Representatives' experience and earning potential. In 2023 we expanded our **Beauty Advisor training** into three more countries. So far, over 10,000 Representatives have completed this skincare, fragrance and make-up training, which increases their average sales by up to 20%.⁵

We're **enhancing Representatives' digital inclusion through training and social media selling tools.** We know that Representatives who use digital tools earn more. Over 90% of Representatives now place their orders online.

We're also **improving rewards and offering retail franchise opportunities** to commercially viable Representatives who want to take that step. At the end of 2023 we had 67 franchise stores and kiosks in Türkiye and three in South Africa. We're launching more in other countries in 2024.



“ It's so rewarding having financial independence and knowing I can take full care of my family. ”

Victoria
Representative in the UK

How we empower and support our Representatives

- Our **compensation** starts from the first sale
- Our range of **digital tools** makes it easy to connect with customers and sell online
- **Avon Academy** enhances Representatives' beauty, digital and sales know-how
- We provide shareable resources relating to campaigns and product launches through our **Avon ON app, Avon Academy, social media channels and email newsletters**
- We **source feedback** on Representatives' experience so we can make improvements where necessary



⁴ Find out more at www.avonworldwide.com/supporting-women

⁵ Based on UK and Poland Representatives.

Championing our causes

From our Breast Cancer Promise to our programme to help End Violence Against Women, and our corporate philanthropy to employee volunteering, **Avon is dedicated to improving women's lives around the world.** We do this by using our skills, our global voice and by partnering with specialist organisations.

Through Avon and the Avon Foundation, **we've donated over US\$1 billion to these causes since 1992.** In 2023 we donated US\$6.2 million, and supported 1 million women and girls through our programmes and partnerships.



Breast cancer awareness and support

Around one in seven women will develop breast cancer at some point. But early detection saves lives. **We've been at the forefront of breast cancer awareness since 1992, helping to educate 180 million women about the disease and funding over 20 million breast scans.**

During Breast Cancer Awareness Month 2023 our global **#FeelTheBoobLove campaign** encouraged women to check their breasts every month, as recognising their 'normal' makes it easier to spot any early signs of cancer.

This campaign was based on our international research, which found that 34% of women don't check their breasts every month. Overall, 24% aren't confident that they could spot a sign of breast cancer (swelling, puckering, changes in size or shape, nipple discharge/encrustation, lumps or changes in colour).

Our Representatives and associates participated in activities that gained **widespread media coverage and social media engagement.** In the Philippines, our fun run raised US\$20,000 for the Philippine Cancer Society. In Italy, we collaborated with the Pepapp menstrual tracking app to raise awareness of breast health.

Our Representatives visited 100 schools in Poland to educate girls on breast health through our **NormalForMe campaign.** To date, we've co-funded **63,000 ultrasound scans**⁶ through this campaign.

⁶ Generally used for diagnostic reasons after a mammogram breast scan.



“Avon's support changes lives – enabling us to develop more tools, resources, and reach new and more diverse audiences. Avon helps us to educate, encourage and empower the nation to get to know what's normal for their boobs, pecs or chest, and we can't thank them enough.”

CoppaFeel!
our UK breast cancer charity partner



Action against gender-based violence

1 in 3 women will experience gender-based violence (GBV), such as physical or sexual harm, coercive control or domestic violence.



“ We are grateful to Avon for revealing the harrowing reality many women face every day. This video, rooted in the experiences of domestic violence survivors, raises awareness but also guides those affected toward avenues of support. ”

Pamela Zaballa
CEO, NO MORE

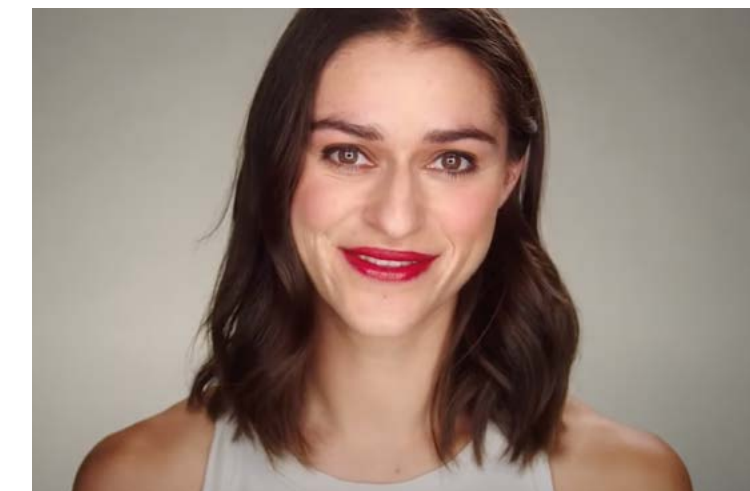
We're tackling this by raising awareness of the issue and where to get help, particularly through our partnership with the global charity [NO MORE](#). We also fund frontline services in multiple countries.

Our **GBV** protocol helps us direct any Avon associate who experiences or suspects GBV to confidential external support. All our associates receive GBV training, and our GBV Ambassadors receive additional training to support colleagues.

Over three days in November, Avon, the Vital Voices Global Partnership and the Association for Liberty and Equality of Gender **brought together 65 specialists to improve GBV support in Romania and Ukraine**. Sessions covered topics including improving coordination between agencies. 100% of respondents said the event increased their knowledge, understanding and confidence.

During the **16 Days of Activism against GBV**, we and NO MORE highlighted appearance-based domestic abuse, which often precedes physical violence. Make-up should be fun, but our international research found that 20% of women have had a partner influence whether they wear make-up, 20% have had a partner control this and 39% have seen a friend experience this.

If you or someone you know is suffering abuse, please [click here to find organisations that can help](#).



The [Reverse Make-up Tutorial](#), our powerful video based on women's real experiences, draws attention to this problem. The film features a man removing his partner's make-up while verbally abusing her. In each country, we worked with local NGO partners to publicise sources of support.

The Reverse Make-up Tutorial film gained **4.7 million** social media impressions and **136,600** engagements, including women sharing their own experiences. The campaign generated the **highest engagement of all posts across NO MORE's channels** during the 16 Days of Activism against GBV.

Helping in times of crisis

Making the world a better place for women and for everyone means stepping up when crises happen.

Throughout 2023, we continued to support our Representatives, associates and other **people affected by the war in Ukraine**, both people in Ukraine and refugees in neighbouring countries.

We **donated 74,391 Avon products** to people affected by the war, particularly hygiene products such as shower gels and shampoos. We also **donated 12,913 items of clothing and 2,020 blankets** to meet their needs. Local authorities and the Help the Ukraine Children Foundation distributed these items to hospitals, orphanages and a centre for children with disabilities, people in flood-affected towns in Ukraine, and refugees in Poland.



Tragically, five of our Sales Leaders and 143 Representatives were killed when the devastating **earthquake and aftershocks hit Türkiye and Syria** in February. We feel their loss deeply.

The Avon Foundation and Natura & Co quickly **donated US\$100,000 to two NGOs** – Kamer and the Federation of Women's Associations of Türkiye – which support women in various ways. Altogether, our initiatives to provide **psychological support reached 500,000 women** in the affected region.

Avon also provided direct support to our Representatives and colleagues in the region, including food, heating and hygiene products.

“ I want to thank everyone who has donated money, goods or time to help those affected by the earthquakes. We will continue to support our teams on the ground as well as send our thoughts and prayers to all affected.”

Orkun Gul
Avon Managing Director, Asia Pacific, Middle East and Africa

Employee volunteering

We encourage all associates to spend up to three paid working days a year on volunteer activities. We turbocharged our employee volunteering in 2023 – **36% of our associates volunteered**, surpassing our target. Together, they volunteered **for 14,829 hours**. From planting trees to supporting children in care and inspiring women to enter business, we're proud of all of their efforts.

In Poland, **our associates helped hundreds of young people to prepare for their future careers** by sharing their professional knowledge:

- We hosted a group of logistics and management students from a university in Lublin, sharing our knowledge about **logistics processes** and customs handling
- Secondary school students attended **two-day scrum training** at our Garwolin site – the first of its kind for students
- At the Garwolin County Job and Education Fair, our chemist explained to young attendees **how red lipstick is made and how perfume is dyed**



Volunteering to support our breast cancer charity partners

With our charity partner Look Good Feel Better, **we held a day of self-care in our UK Head Office for women going through breast cancer treatment**. This enabled 16 women to connect with others in their situation. We boosted spirits through a hand and nail care workshop and a goodie bag of free products.

In partnership with the same charity, our Corporate Communications team in South Africa **spent a day bringing laughter and hope to women receiving cancer treatment** at the Donald Gordon cancer ward.

In Poland our **associates used their archiving and data entry skills to help our Polish breast cancer charity partner the Rak'n'Roll Foundation**.

Two members of our UK Training Team **equipped volunteers at our UK breast cancer charity partner CoppaFeel! with public speaking skills** to help them educate and inspire a variety of audiences.

Understanding our supply chain

Avon International has over 16,500 direct and indirect suppliers. **Ensuring high standards in our supply chain helps us to have a positive impact on people and planet.**

During 2023 we gained a deeper understanding of our suppliers, particularly their carbon emissions, to build a strong, evidence-based foundation for future supply chain work.

A **dedicated team and strict policies** help us to achieve ambitious targets on our suppliers' employment and sourcing practices. For example, our policies on six critical materials that can be associated with social or environmental risks (palm oil, paper, cotton, soy, mica and alcohol) outline stringent standards on their origins (traceability), and certification against specific international standards.

In 2023, **we piloted testing the DNA origin of cotton samples** to enhance their traceability. Most samples confirmed their expected origins, and we addressed any anomalies with suppliers. Our **Beauty+ section** outlines another traceable cotton project with **Cotton Made In Africa**. During the year we also had a **positive social impact through palm oil and mica supply chain projects** (see page 16).

- We achieved between **89% and 100% traceability** across our critical materials, and certified **92% of our palm oil** (2022: 57.5%) and **84% of our paper** (2022: 76.8%), putting us on track to meet our **goals**
- Stronger Together, an organisation that tackles labour exploitation, filmed **Taking Stock** in our Corby depot. This fictional film highlights businesses' responsibilities towards agency workers
- As part of Natura &Co we scored highly across all areas of the **Roundtable on Sustainable Palm Oil (RSPO) Shared Responsibility Scorecard**. We scored 8 out of 10, compared with a sector average of 2.1

We launched a new **supplier engagement** programme, gathering information on our suppliers' ESG credentials and carbon emissions. We conducted information and training workshops with key suppliers, and met with 17 of our main packaging and raw ingredients providers to discuss **next steps**. We also introduced an awards scheme to recognise and incentivise suppliers' social and environmental impact.



Positive impact in the palm oil industry

Avon is a member of [Action for Sustainable Derivatives \(ASD\)](#), a collaboration that tackles environmental and social issues relating to palm oil and palm kernel oil derivative supply chains.

ASD's **Respect in Palm** pilot project supports women palm workers in Indonesia, who may face **gender-based violence (GBV)**. The project aims to prevent and address this through workplace training in Central Kalimantan.

With local partner YCP (CARE International in Indonesia), the project is **strengthening workers' and supervisors' capacity to identify and respond to GBV and harassment**, through locally tailored policies and grievance mechanisms. 20 training sessions have taken place, alongside three sessions on strengthening workplace policies and approaches, and grievance mechanism implementation.

The **Sustainable Palm Index (SPI)** evaluation scorecard for direct and indirect palm oil derivative suppliers aims to assess suppliers' sustainable sourcing practices, and drive improvements. In 2023 Avon received detailed feedback on 14 of our suppliers, with good results. **64% of these suppliers use best-in-class practices**. No suppliers were non-compliant, but we will engage with two who could improve.



Positive impact in the mica industry

As a [Responsible Mica Initiative \(RMI\)](#) member, Avon helps to fund RMI's inclusive approach to strengthen local health, education and women's empowerment in India. Since 2018, this initiative has **benefited 95,000 people in 180 villages** in Jharkhand and Bihar states.

RMI has established 14 new centres that are being used by over 3,000 households. Almost 3,500 community members attended **agricultural and livestock training courses**. 2,145 people, mainly women, attended **financial literacy sessions** to build their capacity in tasks such as record keeping and managing a bank account.

PLANET



At Avon, we increasingly embed sustainability in our day-to-day business decision-making. That means everything we do, everywhere.

We're on a journey to embrace circular principles through product development, and to improve our operations and work with our suppliers to improve theirs.



Sustainable innovation

As a global beauty brand, **using socially responsible and environmentally sustainable product formulas and packaging improves our impact on people and planet.** It also role models positive practices for our customers and other businesses.

We prioritise making changes that will have the **biggest positive impact.** And of course we ensure that our products remain **highly effective, great value** and **arrive in perfect condition.**

By 2030, we will deliver:

- **95+%** biodegradable rinse-off product formulas (we reached 90.9% in 2023)
- **100%** of our packaging to be recyclable, reusable or compostable (we achieved 80.3% in 2023)
- **100%** of our new formulas to have lower lifecycle environmental footprints than previous versions
- **50%** of the plastic packaging we use to be recycled (we reached 4.1% in 2023, above our target)



Eyeshadow innovations

Our product and packaging innovations often go hand in hand. Our reinvented eyeshadows show how we rethink all elements of a product and its packaging to increase their sustainability, lowering their carbon footprint and making them more recyclable without passing the cost on to our customers.



These new eyeshadow palettes are on sale from early 2024.



Mica third party verified against the Responsible Mica Initiative

No mirror, no metal hinges and no applicators with mixed materials

No plastics, saving around 19 tonnes of plastic per year

3.05g less aluminium per palette, water-based glue and holes on the palette base to make pans easy to remove and recycle separately

Palette made from Forest Stewardship Council (FSC) certified paper

Formula innovations

2023 was an exciting year for improving the social impact and environmental footprint of Avon products.

We developed, recruited and onboarded a **skilled new team dedicated to sustainable product formulas** and technology research, increasing our capacity in this area.

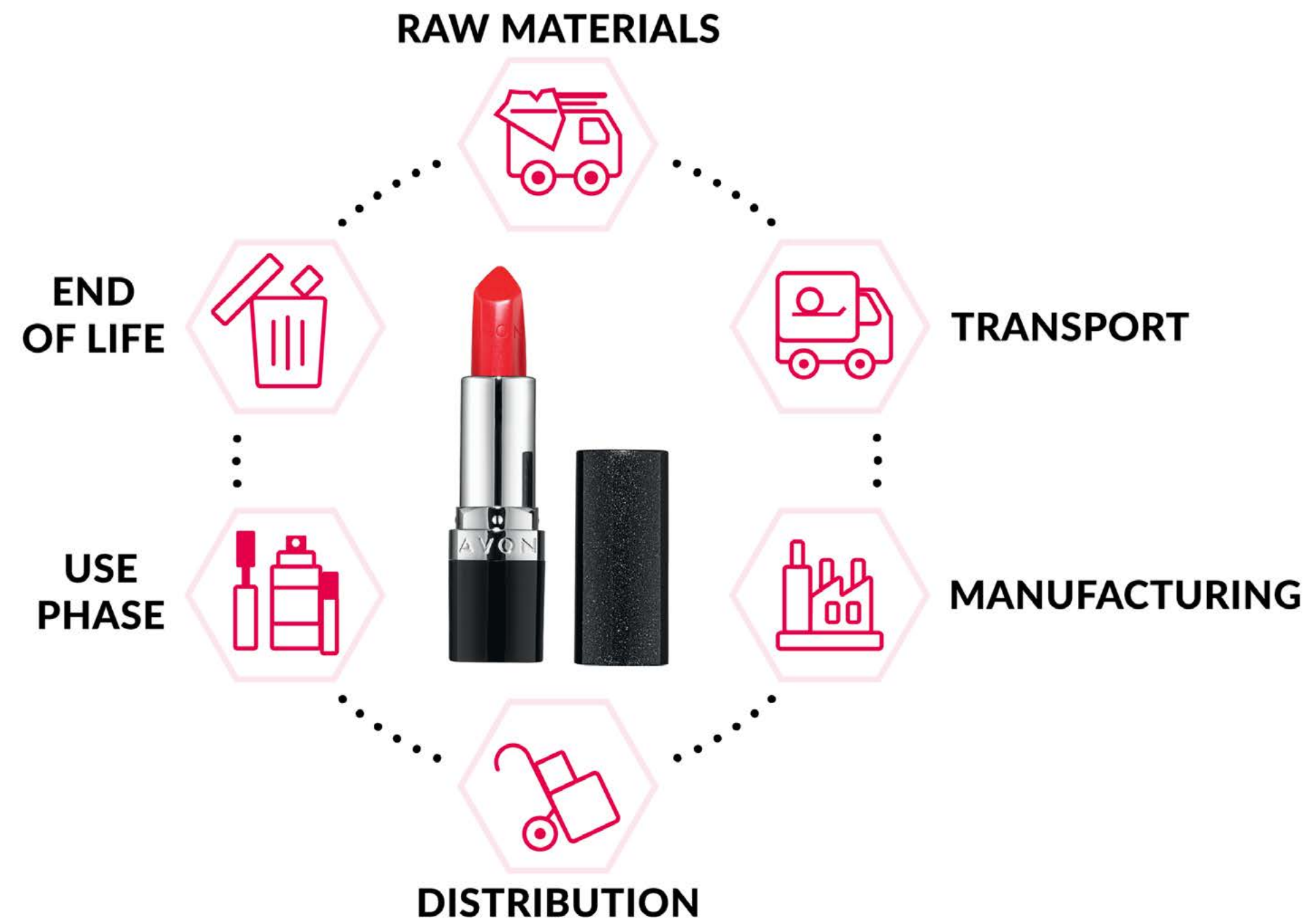
We also **developed our roadmap to reduce carbon emissions** related to our product formulations, based on:

- Exploring eco and bio-based ingredients, emerging technologies and new product forms
- Switching to organic and certified ingredients, regenerative farming, repurposed ingredients and biotechnology
- Focusing on key ingredients – alcohol, surfactants, silicones and oleos
- Simplifying our product lines

In 2023 we **rolled out a new lifecycle analysis approach to all product formulas**, using the Quantis Life Cycle Assessment tool. This analyses our products' impact at every stage, from their ingredients to how they're made, used and disposed. Each product is scored against 16 different indicators.

We developed a **new biodegradability strategy** that identified key ingredients we want to phase out, such as silicones, polymers and conditioning agents. Our next focus is to switch ingredients from 2025, initially focusing on our shampoos and conditioners. Along with our procurement colleagues we **started to investigate alternative lower carbon ingredients**, based on **suppliers'** lifecycle analysis.

With our colleagues at Natura &Co, Avon continues to be an active member of the **EcoBeautyScore (EBS) Consortium**. This will help us to drive improvements in the transparency of products' environmental impacts across our sector, not just our own business.



We're active members of:

- [Eco Beauty Score consortium](#) and working groups
- [British Beauty Council Sustainable Beauty Coalition](#) Advisory Board
- [Cosmetic, Toiletry & Perfumery Association](#) Sustainability Committee

2023 innovative ingredients

Our fragrance oil in Today Tomorrow Always Everlasting is 73.5% biodegradable, and its production now involves fewer carbon emissions and less water.



Our Far Away Beyond the Moon fragrance contains sustainable and upcycled Sandalwood Album Oil, and uses eco-friendly technology to capture the scent while leaving the Belle de Nuit flower intact.



Packaging innovations

During the year, we continued to implement changes to reduce the environmental footprint of our packaging in multiple ways.

Our global Packaging Engineering team launched around 170 new innovations in 2023, always ensuring that every new package takes a step forward on sustainability. Our packaging team also tirelessly investigates greener, more recyclable and lighter alternatives with our suppliers. For example, in 2023 we switched our **Full Speed Electric hair and body wash to 100% recycled polyethylene terephthalate (rPET) bottles**, which produce 40% fewer carbon emissions.

Overall, we **used 3% less plastic in packaging** than in 2022, and increased our use of post-consumer recycled plastic (PCR) to 4.1% of our total plastic use. We did this by including PCR in some product tubes and reducing plastic in packaging, including for our **Feelin Fresh Deo-Cream (-7%)** and **Avon Care body lotions (-17%)**.

We're active members of:

- The **SPICE** Plastic Recyclability Taskforce
- **RecyClass**
- **Circpack**
- **Ecolnvent**



2023 packaging pilots

We started investing in refillable systems for our fragrance products, and conducted a pilot to remove cellophane wrap from our fragrances.

We started trials to use polyhydroxyalkanoate (PHA)-based bioplastics instead of virgin plastic. These naturally occurring polymers are produced in a way that uses carbon from the air.

Our fashion & home portfolio: Beauty+

We're reducing plastic use across our Beauty+ (Fashion & Home) Portfolio. In 2023, Beauty+ products in all regions except South Africa became PVC-free, and we're on track to be entirely PVC-free in 2024.⁷ Our Beauty+ packaging was already PVC-free.

On average, we used 21.6% less plastic in our Beauty+ packaging in 2023. We changed our plastic jewellery packaging to a FSC certified, recyclable gift envelope and protective box. We also encourage our customers to re-use packaging, for example by showing our Home Fragrance jars can store other items.

We're active members of:

- [Cascale](#)
- [Cotton Made in Africa](#)



“ We welcome Avon as our first partner from the cosmetics sector. This helps us expand training and projects for climate resilience, and extend the social and environmental advantages of sustainable cotton cultivation. ”

Tina Stridde
 Managing Director
 Aid by Trade Foundation, which runs CmiA

We **are analysing our Beauty+ apparel to precisely calculate their environmental impact** and pinpoint ways to reduce our carbon emissions and plastic use. Avon **joined Cascale**, whose HIGG Materials Sustainability Index will enable us to calculate the whole lifecycle environmental impact of these products.

We **continued to reduce waste** by strategically discontinuing product lines and donating unused stock to charity. We started selling on unwanted stock – selling 800 pallets through one scheme alone.

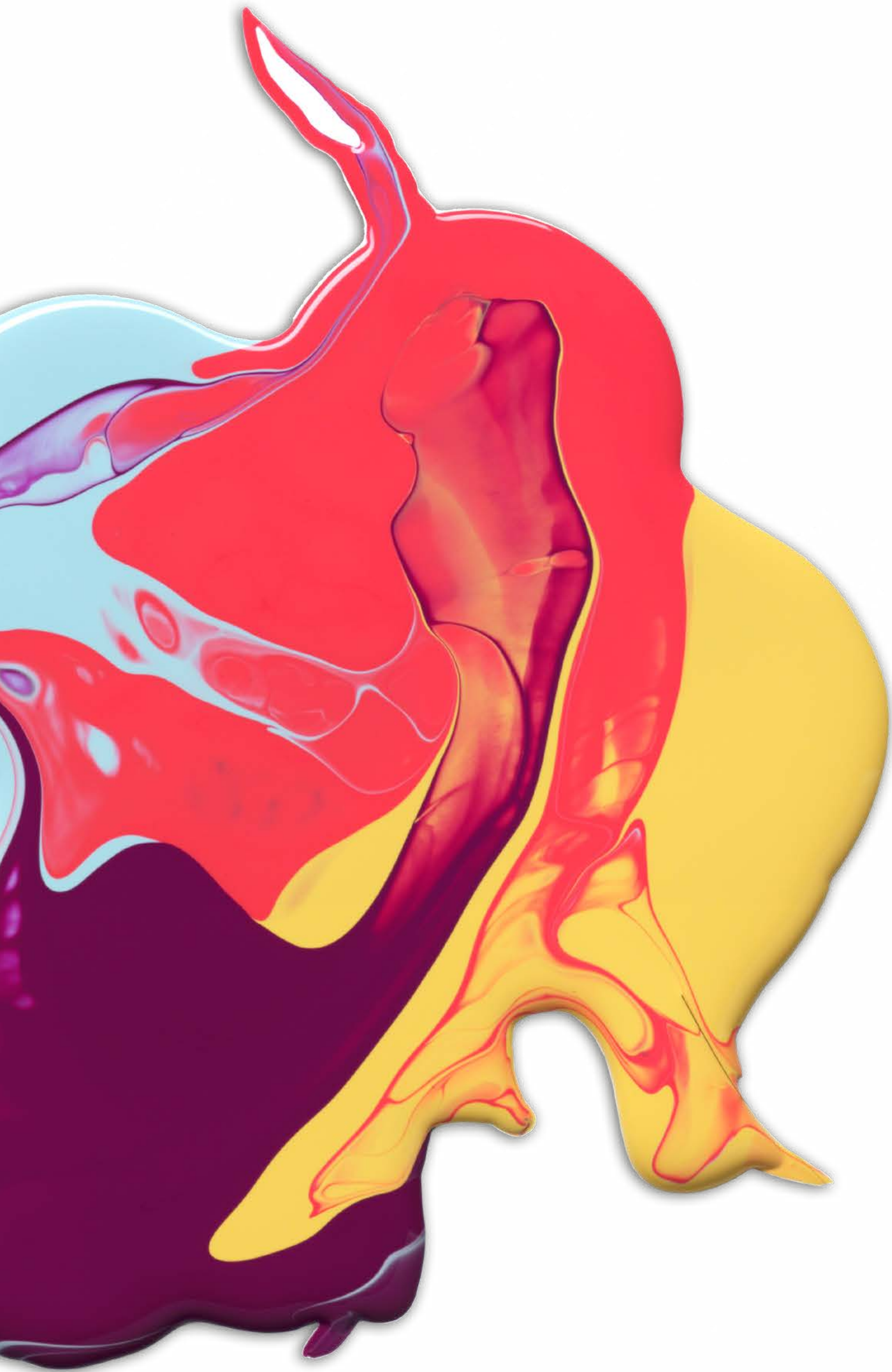
Positive pyjamas

[Cotton Made in Africa](#) (CmiA) is an internationally recognised standard to improve conditions for 1 million small-scale farmers, including women. We **launched CmiA Hard Identity Preserved (HIP) verified cotton in our pyjamas**, which go on sale in 2024.

CmiA promotes human rights and gender equality for all farmers and workers in the ginneries, and invests in regenerative agriculture. CmiA cotton is fully traceable, and uses no irrigation or genetically modified seeds. **It also produces 13% fewer carbon emissions** than standard cotton. Next, we'll introduce CmiA cotton in our intimate apparel.



⁷ Older products may remain on sale in some markets in 2024.



The resources we use

In our day-to-day operations, we strive to reduce our energy and water use, generate less waste and increase our recycling.

We **outperformed our 2023 targets in these areas**, reducing our water intensity by 8.2% and our waste intensity by 6.3%. We slightly increased our operational recycling rate to 97.1%. And, for the first time, **we sent zero operational waste to landfill**.

In 2023 **we partly switched power for our main manufacturing site in Poland from coal-powered electricity to natural gas**. This resulted in reducing our carbon emissions by 1,900 tonnes. We also consolidated production into fewer shifts, to avoid heating and lighting the site during evenings and weekends – saving an estimated 800 tonnes of carbon emissions each year.

Through greater efficiency during production and cleaning, **we significantly reduced our water use** in our biggest manufacturing site. Following a deep dive into our waste generation, we started separating more materials to increase our recycling rates and storing raw materials in greater quantities to reduce packaging. We **continue to explore other ways to reduce our environmental footprint**, including using renewable energy sources at more of our sites.

Our resource use also relies on our associates and partners using a sustainability mindset in their everyday work. We regularly conduct training and share communication around our current and planned sustainability actions.



We're active members of:

- [EkoPak](#)

Our decarbonisation plan

We achieved a milestone in 2023 when the Science-Based Targets Initiative (SBTi) verified Natura & Co's 2030 targets to dramatically reduce our carbon emissions. SBTi defines best practice in strategies to help limit global warming to 1.5°C above pre-industrial levels.

In 2023 we reduced our scope 1 and 2 emissions by 35% from our 2020 baseline, through increasingly sustainable business practices, sustainability improvements in our products and lower production levels. Our scope 3 carbon emissions decreased by 39% from our 2020 baseline, mainly due to lower production levels, but also carbon saving initiatives and portfolio changes.

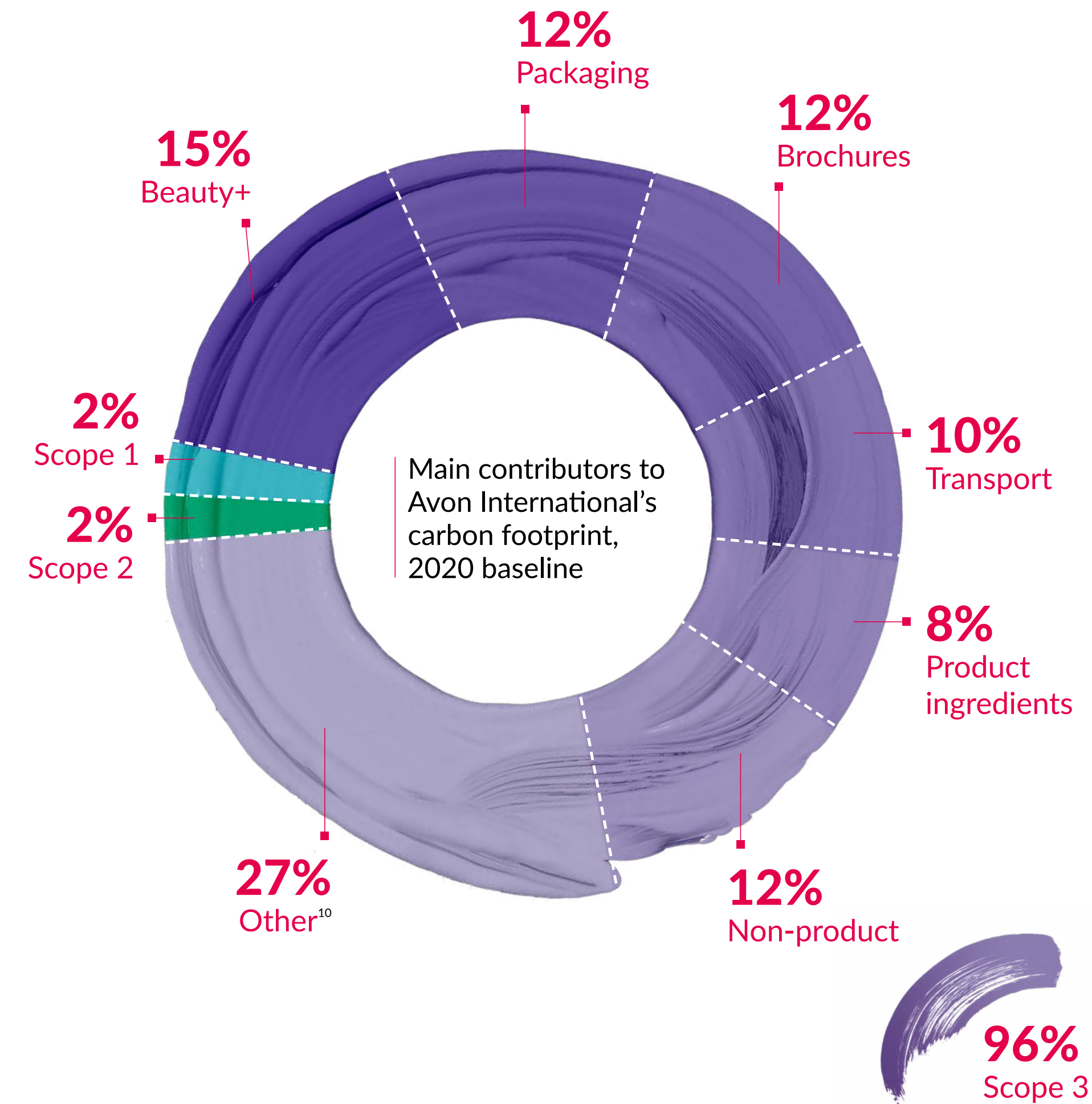
Our **Climate Transition Action Plan to reduce carbon emissions across our value chain** has six key workstreams, reflecting areas that currently generate the greatest emissions (see table on page 24).

Each workstream has a roadmap that uses **a full lifecycle and holistic approach to achieve the greatest possible impact**. These will be continually adapted and improved as new insights and technologies become available. We will provide quarterly internal reports to track their progress. While each roadmap is tailored to a specific workstream, each involves **switching to less carbon-intensive materials/methods, strengthening our systems, processes and data, and engaging with our suppliers**.

Across our product portfolio, we're **switching to less carbon-intensive materials and formulas**. Decreasing the size of our **Beauty+ portfolio** has reduced our emissions by 3%. We've already started launching **products** and **packaging** with less carbon-intensive solutions, to help reduce our carbon footprint.

Transporting our ingredients and finished products is a significant contributor to our scope 3 emissions. In 2023 we started an in-depth review into reducing these emissions, through **more efficient route planning, streamlined systems and using alternative transport methods**.

In 2023 we significantly strengthened our systems and data, and we launched our carbon-focused supplier **engagement programme**. We also educated teams throughout Avon to consider carbon impacts as part of core commercial decisions. And we're **piloting internal carbon pricing to assess the impact of business initiatives and emission reduction projects**.



Our SBTi targets

We commit to reducing our absolute:

- Scope 1 and 2 greenhouse gas emissions by 42% from 2020–2030⁸
- Scope 3⁹ greenhouse gas emissions from purchased goods and services, upstream (pre-production) transportation and distribution, and end-of-life treatment of sold products by 42% by 2020–2030

⁸ Those directly caused by our business and energy use.

⁹ Indirect emissions associated with our business, such as those generated in our supply chain.

¹⁰ Such as downstream transport, waste, business and employee travel etc.







Climate Disclosure Project (CDP) and Taskforce on Climate Related Financial Disclosure (TCFD)

Our carbon reduction strategy aligns with the CDP and the TCFD. In 2023, CDP rated our performance as level B, four grades higher than our previous score. This demonstrates our readiness to address climate-related risks, opportunities, governance and performance.

We began preparing for 2024 TCFD disclosure. Sustainability experts SLR Consulting conducted a deep dive into climate-related risks and opportunities throughout Avon and benchmarked us against similar businesses. Our senior leadership team helped to review these opportunities and risks, and plan how to reflect them in our business decisions

We support the recommendations of the TCFD and consider this disclosure a step on our journey to better manage and respond to climate-related risks, and capitalise on climate-related opportunities. Our disclosure enables our compliance with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and the Limited Liability Partnerships (Climate-related Financial Disclosure) Regulations 2022, on mandatory climate-related financial disclosures.

Avon is committed to full transparency in its journey towards sustainability and climate resilience.

Climate Transition Action Plan workstream	Emissions scope/s	Initiative examples
 Operational (use of energy and refrigerant gases)	1 and 2	Switching power source in main manufacturing facility from coal-powered to natural gas
 Packaging	3	Increasing PCR content in our packaging, engaging with our suppliers
 Raw ingredients	3	Switching to less carbon-intensive sources of ethanol, engaging with our suppliers
 Beauty+	3	Reviewing our portfolio, taking into account carbon intensity – removing high carbon intensity product lines, eg footwear
 Distribution and transportation	3	Increasing our use of sea freight versus air freight, and using the spare capacity in part-filled containers used by our logistics provider
 Consultant materials	3	Scaling down our Representatives' use of paper-based materials and increasingly using digital tools



To access our full TCFD disclosure, please see [here](#).



Our support for animal welfare



Avon believes testing on animals is unnecessary, full stop.

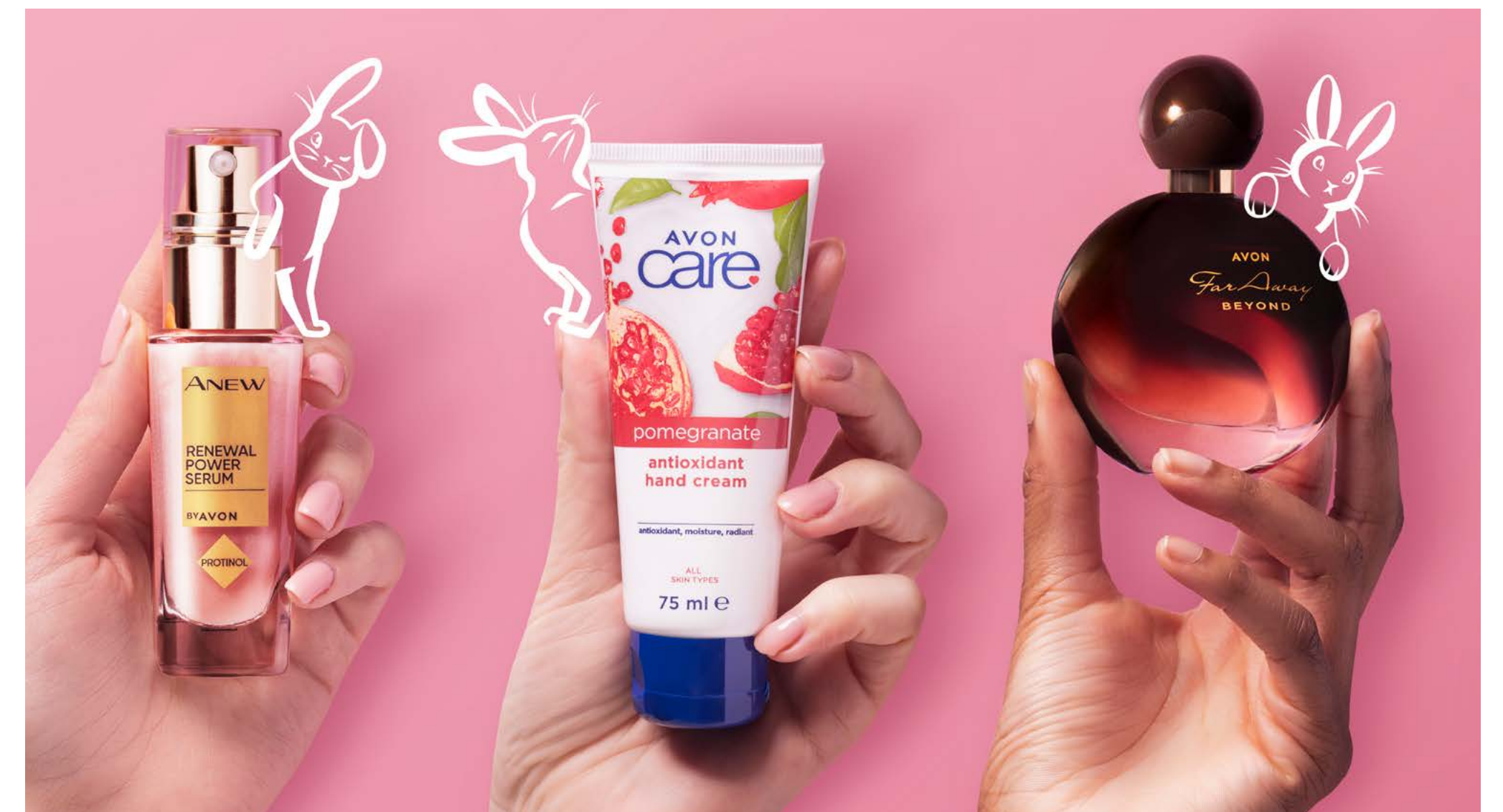
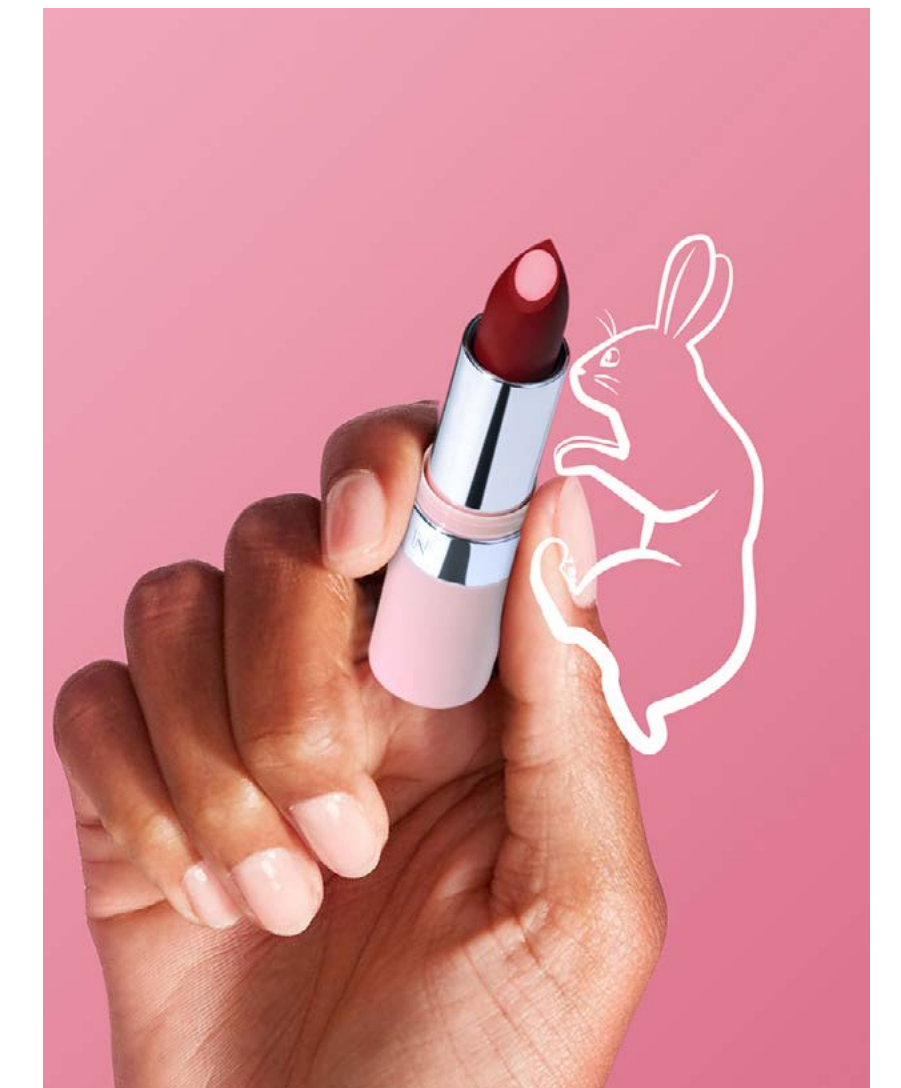
We never test products or ingredients on animals or ask our suppliers to do so, and we've been advocating for alternatives to animal testing for cosmetics for over 30 years.

In 2023, we were delighted that **Cruelty Free International awarded Leaping Bunny certification to our fragrances, Avon Care, Anew and Make-up ranges.**

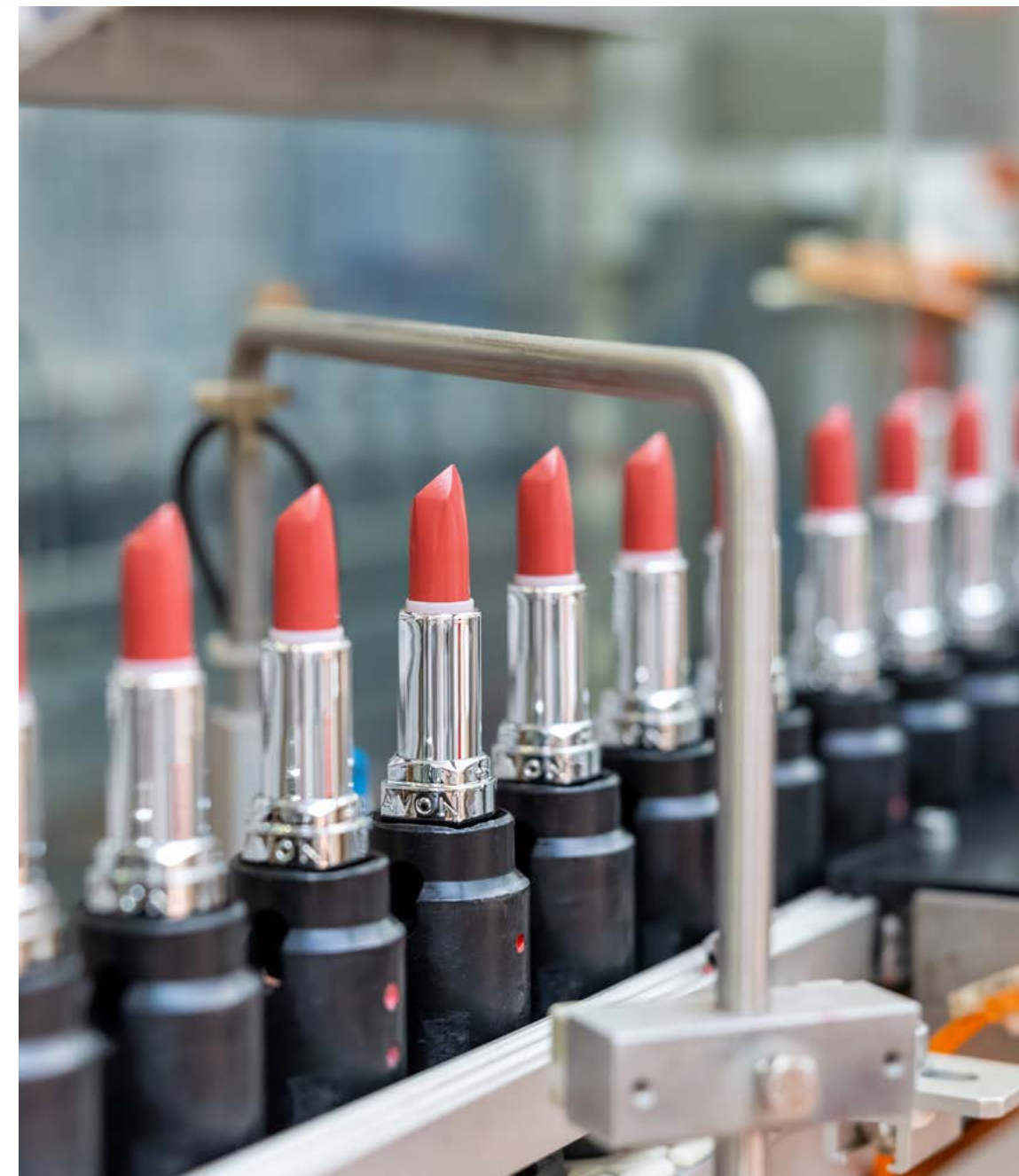
This means that none of these products' ingredients have been tested on animals for cosmetic use. We proactively monitor our suppliers to ensure this, and our supplier monitoring system is also independently audited. By mid 2024, we expect all of our categories to be fully Leaping Bunny accredited.

“ Avon achieving approval under the Leaping Bunny Programme is a real milestone, demonstrating their commitment to help end animal testing for cosmetics. ”

Michelle Thew
CEO, Cruelty Free International












APPENDIX



Sustainability targets

Key:  Achieved  On track  Making progress






Avon International's progress to date against our Sustainability Targets

Strategic pillar	Target	Target year	Baseline performance & year	2022 performance (w/out Russia)	2023 performance (w/out Russia ¹)	Progress
Empower Women Through entrepreneurship	More women earning more with Avon: measured through Representative productivity	2030	2022	N/A	Representatives' productivity grew 12%.	
	Grow our Representatives' digital capabilities: measured through % digital penetration	2030	2022	N/A	Total digital sales increased by 1.5%, with a 6.9% contribution driven by online sales and marketplaces.	
Raise awareness about breast cancer & help end violence against women	Maintain donations in key causes year on year (Avon International & Avon Foundation)	2030	\$5.5M (2021)	\$6.1M	\$6.2M	
	Support 1m women and girls annually through programmes and NGO partnerships by 2030	2030	2023	N/A	1M women positively impacted thanks to Avon's donations (baseline)	
	Engage 50% of associates in volunteering activities	2025	2023	N/A	36%	
Embed diversity, equity & inclusion & pay the living wage	Pay the living wage 1A ² to all from 2023 (1A = living costs for one adult, 2A2C = living costs for two adults and two children)	2023	99% (2021)	100% (1A) 100% (2A2C)	100% (1A) 98.2% (2A2C)	
	Maintain 50% of women at senior leadership positions from end of 2023	2023	52% (2021)	51.7%	48.7% (plus 1% of undeclared gender)	
	Equitable pay, no unexplained gender pay gap from 2023	2023	(-)1.27% (2021)	0.79%	(-)0.84%	
	30% of management to be from under-represented communities	2030	9% (2023)	N/A	9% (baseline)	

¹All results exclude Russia except the SBTs

²or above

Sustainability Targets continued

Strategic pillar	Target	Target year	Baseline performance & year	2022 performance (w/out Russia)			2023 performance (w/out Russia)			Progress
Defend human rights	Advance process to identify, prevent and mitigate human rights risks across our supply chain and operations by 2027; making sure to engage with potentially affected stakeholders, promote access to remedy, and use our leverage for positive impact	2027	New target for 2024	N/A			N/A			N/A
Protect biodiversity & nature	Full traceability and/or certification for critical supply chains by end of 2025: palm oil, mica, paper, alcohol, soy, cotton	2025	All 6 policies signed off (2021)		Traceability	Certification		Traceability	Certification	
				Paper	n/a	76.8%	Paper	n/a	84%	
				Palm oil	91.7%	57.5%	Palm oil	96%	92%	
				Alcohol	100%	0%	Alcohol	100%	0%	
				Cotton	98.2%	n/a	Cotton	96.4%	n/a	
				Mica	100%	0% (third party verification)	Mica	100%	8% (third party verification)	
Reduce carbon emissions	Reduce absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2020 base year ³	2030	0% (2020) 52,367 TCO2e	-29.4% 36,980 TCO2e			-35.0% 34,048 TCO2e			
	Reduce absolute scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution, and end-of-life treatment of sold products by 42% by 2030 from a 2020 base year	2030	0% (2020) 426,589 TCO2e	-17.6% 351,679 TCO2e			-41.5% 249,691 TCO2e			
	Become net zero to help limit global warming to 1.5°C above pre-industrial levels in line with SBTi criteria (2050)	2050	See above	See above			See above			
Continue to be cruelty free	Cruelty Free International Leaping Bunny accreditation complete for all brands in 2024	2024	N/A	N/A			Certification for fragrances, Anew, Avon Care and Make-up categories			

³Location-based emissions

Sustainability Targets continued

Strategic pillar	Target	Target year	Baseline performance & year	2022 performance (w/out Russia)	2023 performance (w/out Russia)	Progress
Drive circularity & sustainability throughout our products' lifecycle	50% recycled content for all plastic used (in weight)	2030	0.9% (2021)	2.7%	4.1%	
	100% reusable, recyclable or compostable packaging material	2030	79% (2021)	79.7%	80.3%	
	95%+ biodegradable rinse-off formulas	2030	91.1% (2021)	91.7%	90.9%	
	100% of new formulas to have lower environmental footprints, measured by LCA	2030	N/A	N/A	We developed, tested and introduced the tool	
	25% PCR plastic in Beauty+ packaging by 2025 and 50% by 2030 (APAC only)	2025 /2030	New target for 2024	N/A	N/A	N/A
Reduce waste & water use	Reduce waste intensity by 1% year on year (YoY) (2023)	2023	- 11% (2021)	-1%	-6.3%	
	Reduce water intensity by 0.5% YoY (2023)	2023	2.4% (2021)	-1.2%	-8.2%	
	Maintain zero operational waste to landfill	2023	-42% (2021)	-72.9%	Zero	
	Increase recycling from our operations to 97.3% by 2023	2023	96.1% (2021)	96.3%	97.1%	

Carbon footprint data

Avon International's Scope 1, 2 & 3 greenhouse gas emissions

Our carbon footprint data includes our 'scope 1 and 2' greenhouse gas emissions (those directly caused by our business and energy use), and our 'scope 3' emissions (indirect emissions associated with our business, such as those generated in our supply chain). Significant reductions in emissions can be attributed to lower production levels. All values are measured in tonnes of carbon dioxide equivalent (TCO2e).

Category	2020	2021	2022	2023	% change in emissions from 2020 baseline
Scope 1	17,213	14,515	13,540	12,590	-27%
Scope 2 - location based	35,154	31,420	23,440	21,458	-39%
Scope 2 - market based	10,982 ⁴	34,723	27,171	24,772	126%
1a: Purchased goods and services (product)	339,723	316,157	250,989	177,497	-48%
1b: Purchased goods and services (non-product)	81,077	51,735	67,229	38,329	-53%
2: Capital goods ⁵	889	1,042	6,004	2,871	223%
3: Fuel- and energy-related activities	11,399	12,645	9,065	8,170	-28%
4: Upstream transportation and distribution	69,911	67,074	88,938	47,267	-32%
5: Waste generated in operations	334	358	241	215	-36%
6: Business travel	7,750	5,126	6,394	3,538	-54%
7: Employee commuting	5,763	4,689	2,661	2,252	-61%
8: Upstream leased assets	N/A	N/A	N/A	-	
9: Downstream transportation and distribution	45,307	36,387	36,948	30,679	-32%
10: Processing of sold products	N/A	N/A	N/A	-	

⁴Market-based emissions were low in 2021 due to Renewable Energy Guarantees of Origin (REGO) certificates being procured. Since then we are instead using the funds to invest in internal carbon reduction initiatives.

⁵Emissions associated with capital goods are expected to fluctuate year on year due to investment in large items such as manufacturing equipment.



Category	2020	2021	2022	2023	% change in emissions from 2020 baseline
11a: Use of sold products (Direct)	17,118	13,302	14,467	11,626	-32%
11b: Use of sold products (indirect)	1,681,645	1,587,341	1,531,403	1,158,608	-31%
12: End-of-life treatment of sold products	78,287	69,984	52,221	42,535	-46%
13: Downstream leased assets	N/A	N/A	N/A	-	
14: Franchises	5,689	7,805	7,744	7,900	39%
15: Investments	N/A	N/A	N/A	-	
TOTAL scope 3 (excl 11b)	663,247	586,304	542,901	372,880	-44%
TOTAL scope 3	2,344,892	2,173,645	2,074,304	1,531,488	-35%
TOTAL (location-based, excl 11b)	715,614	632,239	579,881	406,927	-43%
TOTAL (location-based)	2,397,259	2,219,580	2,111,284	1,565,535	-35%
TOTAL (market-based, excl 11b)	691,442	635,542	583,612	410,242	-41%
TOTAL (market-based)	2,373,087	2,222,883	2,115,015	1,568,850	-34%

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