



SUSTAINABLE PROCUREMENT DUE DILIGENCE SUPPLIER GUIDELINES

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SUSTAINABLE PROCUREMENT DUE DILIGENCE SUPPLIER GUIDELINES

I. PURPOSE

The purpose of these guidelines is to outline Avon Sustainable Procurement processes and procedures for our suppliers, as part of our company commitment to exercise human rights due diligence and environmental protection.

II. DEFINITIONS

Avon - refers to Avon operations across Asia, Europe and South Africa.

SPDD (Sustainable Procurement Due Diligence) - is how Avon seeks to ensure that working conditions in in-scope facilities, third party manufacturing sites, and subcontractors meet the requirements set out in the Avon Supplier Code of Conduct, as well as all applicable laws and regulations in the countries in which the supplier operates. The Supplier Code of Conduct applies to all Avon suppliers and their related supply chains.

Social and Environmental Compliance Audit – verification and monitoring of working and environmental conditions in the supply chain against international standards, ensuring that the suppliers/factories comply with the local legal demands and the requirements laid out in the Avon Supplier Code of Conduct.

Factories - Sites that manufacture or refine complete, finished or end products, components or ingredients that are supplied to Avon.

Subcontractors – Sites partially manufacturing or refining products, components or ingredients that are supplied to Avon for finished and end products. This includes Intimate Apparel Subcontractors performing core processes such as sewing assembly.

Outsourced Service Provider – Activities rendered by subcontracted provider to support Avon Operations such as labour provider (including housekeeping, cafeteria, security), 3PL, warehousing, etc.

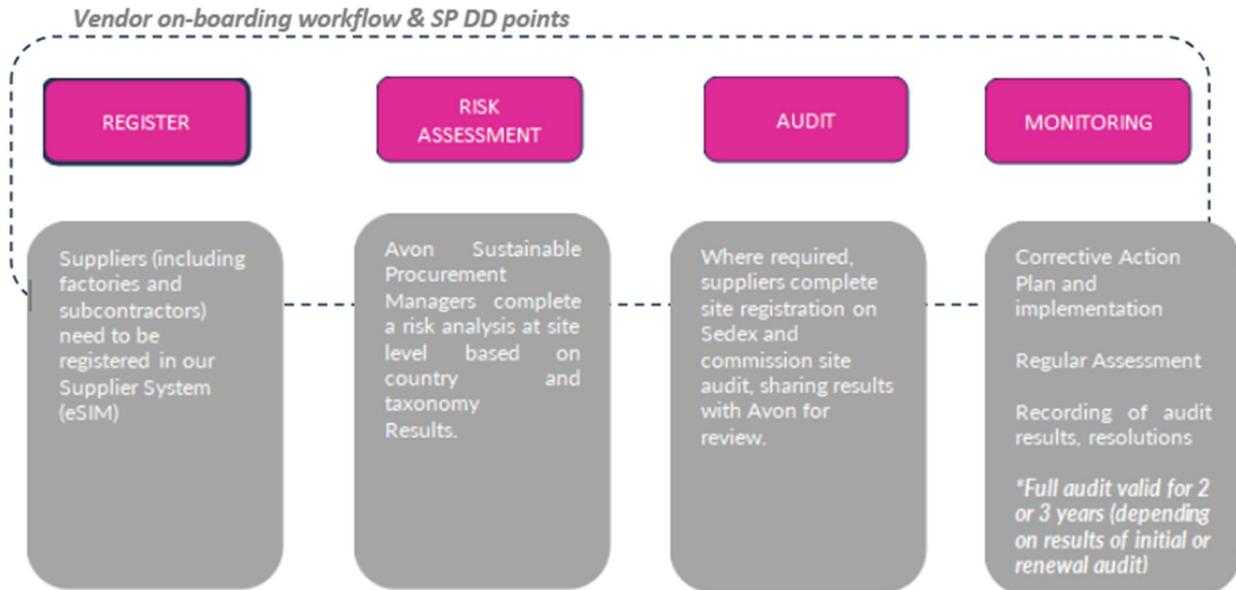
CAP – Corrective Action Plan. When non-compliances are found during a social and environmental compliance audit, it is important for Avon International to know what measures the factory/supplier is taking to remediate each issue within a dedicated timeframe.

Follow-up audit - audit to verify actions taken to correct the issues identified during the initial/periodic social and environmental compliance audit.

SMP – The Supplier Management Process involves overseeing and documenting due diligence activities.

SP Managers – Sustainable Procurement Managers

III. PROCESS OVERVIEW



Step 1: Register

To create, modify or extend a new supplier or factory or site, suppliers will be required to provide relevant information to Avon to register.

Failure to provide accurate information, respond to questions asked or otherwise comply with Minimum Entry Requirements may result in failure to be onboarded as a supplier to Avon.

Suppliers are responsible for ensuring their vendor details, including site address and information, are up to date.

Step 2: Risk Assessment

In-scope suppliers

Suppliers and subcontractors of products or services in the follow categories are currently in-scope of the Avon Sustainable Procurement programme: ***Fashion and Home, Raw Ingredients Manufacturer, Packaging, Third party product manufacturer, Logistics, Print and Paper, Labour Providers.***

Avon may require an audit of any supplier or site which we consider poses a high risk to the Avon brand, e.g., sites producing Avon-branded products or suppliers operating on Avon-owned and operated sites.

Suppliers with sites that are in scope will undergo risk assessment at the site level to determine the additional level of required due diligence.

This Risk Assessment will be carried out by the Avon Sustainable Procurement team using third-party risk assessment tools where applicable (e.g. SEDEX Pre assessment tool). If a supplier or subcontractor sites are deemed high risk (e.g. Inherent Risk Overall Rating is High or Overall Rating in any of Labour standards, Health & Safety, Environment Pillar is High), a social and environmental compliance site audit will be required.



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Level of risk is based on category, location, and other available information. ¹Countries where Forced Labour (i.e. Payment of recruitment fees and related costs) is prevalent is considered high risk.

¹ Identified countries having a high prevalence of Forced Labour (i.e. Payment of recruitment fees and related costs, i.e. Taiwan and Malaysia)

Step 3: Audit

Sedex Registration and use of SEDEX platform

Avon is a member of the Sedex platform, which allows suppliers to share audit results with Avon and other buyers efficiently. Sedex also provides additional responsible procurement resources for its members. All in-scope suppliers and factories who are considered 'high risk' must register on Sedex, commission a third-party site audit, link to Avon using the registration number below and give viewing rights to Avon to view their audit information.

- **Avon SEDEX registration number - ZC406349058**

Audit requirements

Avon accepts the following audit methodologies:

- Sedex Members Ethical Trade Audit - **SMETA 4 Pillar (preferred)**
- Sedex Members Ethical Trade Audit – SMETA 2 Pillar
- Business Social Compliance Initiative - BSCI
- Disney International Labor Standards (ILS) Social Audit
- Others – subject to review and approval from SP Managers

Audit reports must be:

- *Complete* – Avon will only review complete initial audit reports that are submitted and will not accept sites self-assessments, corrective action plan reports, preliminary reports, follow-up audits or other forms of certification/guarantee.
- *Recent* – must have been carried out within the last 12 months
- *Professional* - Conducted by an APSCA registered audit company and auditor, to one of the accepted equivalent formats

Sharing of audit results outside of SEDEX platform

SEDEX does not currently accept non SMETA audit results reports (such as BSCI, Disney). Suppliers must email a copy of social and environmental compliance audit reports to the relevant Avon SSP manager.

Other third party supplier sustainability assessment platforms

Avon and suppliers may also refer to other supplier sustainability assessment platforms, such as EcoVadis. Supplier assessment by EcoVadis (regardless of score) is **not** currently accepted by Avon as an alternative to SEDEX membership, site audit, or uploading of site audit results onto the SEDEX site, for in-scope suppliers.

Audit Costs

The cost of SEDEX membership and all social and environmental compliance audits required must be paid for by the responsible supplier(s).



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Audit Results

Classification/ Onboarding decision	Level of Compliance	Corrective Action Plan Required	Follow-up Audit Required	Audit validity
Green / Approved	Full compliance	No	No	Renewal Audit after 3 years ²
Yellow/ Approved with conditions	MINOR	To be sent to Avon SP manager via email within 15 days of the audit	No — satisfactory outstanding CAP (corrective action plans) and supporting evidence (when necessary)	Renewal Audit after 3 years upon CAP approval ¹
Orange / Approved with conditions	MAJOR	To be sent to Avon SP manager via email within 15 days of the audit	May be necessary within 90 days of the audit or satisfactory CAP (corrective action plans) and supporting evidence (where necessary)	Renewal Audit after 2 years upon CAP resolution/approval
Red / Failed	CRITICAL/ BUSINESS CRITICAL	To be sent to Avon SP manager within 15 days of the audit	May be necessary within 90 days of the audit or satisfactory CAP (corrective action plans) and supporting evidence (when necessary)	Factories may not be approved while there are outstanding critical risk issues Renewal Audit after 2 years upon Follow Up Audit completion

² Suppliers with no NCs or only Minor NCs (resolved) in their initial and renewal audits are eligible for up to 1 (one) year extension of next audit cycle (i.e. Renewal audit after 3 years instead of 2 years).

Step 4: Monitoring

Audit Validity (cycles)

Suppliers are required to undergo a full social and environmental compliance audit for Avon every two years dependent on the results of the social and environmental audit as outlined above. Audits are valid from the date of last full audit for up to two years.

Collaborative Human Rights Due Diligence

Avon is committed to working with our suppliers with the intention of protecting human rights and ensuring working conditions are fully compliant with the Avon Supplier Code of Conduct and all local laws & regulations. In line with our human rights statement, we aim to work in a spirit of collaboration and transparency with all our suppliers towards identifying, preventing and mitigating risks to people in our supply chain, understanding and addressing the root causes of identified violations, and promoting access to remedy where applicable. If our suppliers or workers become aware of human rights risks or violations in our supply chains, we strongly encourage them to proactively inform us so we can work together to resolve the issue.

Common findings may include:

- Recruitment fees being charged to migrant workers, often by recruitment agencies subcontracted to our suppliers, in both destination and home countries
- Other unacceptable fees being charged to workers such as for mandatory medical exams
- Excessive Working hours above the ILO limit of 60 hours per week, and/or lack of rest days
- Health and safety violations including blocked fire exits, unsafe chemicals storage or excessive heat exposure



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- Employers failing to pay required wages, social insurance, or other benefits
- Labour-only contracting/ non-regular employment for ongoing business needs
- Absence or expiry of legal inspections or site permits
- Lack of required documentation i.e. contracts, payslips, policies and/or workplace signage
- Discrimination based on age, sex, parental status etc

Violations and Termination

Within our terms and conditions with suppliers, and within these guidelines, however, Avon reserves the right to terminate a relationship with suppliers or subcontractors that do not respect Avon's corporate values, do not abide by the terms of the Supplier Code of Conduct, are not transparent and proactive in their communications with us about human rights risks, and/or deliberately or negligently engage in activities that pose a risk to human rights and/or the Avon brand. Termination of the business relationship may include (but is not limited to) rejection at onboarding, cancelation of orders and rejection of shipments, requirement to move production to other supplier sites, suspension or termination of contract, and being held responsible for remediation of harm.

Reasons for termination may include (but are not limited to)

- Child labour - Use of workers under the legal age of employment
- Any type of prison, bonded, indentured or forced labour -e.g. withholding of IDs
- Physical punishment or abuse
- Negligent risks to workers' safety/lives
- Attempts to subvert the audit process – e.g. falsification of records, attempted bribery of auditors, refusal of audit
- Persistent failure to implement a corrective action plan or otherwise address identified non-compliances and risks in a timely, responsive and transparent matter
- Other issues or conditions determined to be critical by Avon

For additional information and guidance on international labour standards on child labour, forced labour, occupational health and safety and other key human rights at work, please see [International Labour standards](#) or contact us.

Re-activation/on-boarding for previously terminated suppliers/factories

Any suppliers subject to termination will not be considered for Avon business, however, it may be possible for suppliers to apply for re-qualification (at Avon's discretion) but pending re-qualifying audits at the Supplier's expense for all proposed factories. Suppliers and/or factories must have fully addressed any previously identified issues and must meet the applicable current responsible procurement requirements before onboarding.

IV. REFERENCES AND CONTACT

Supplier Code of Conduct

- ♣ [Avon - Global Supplier COC as of June2025.pdf \(avonworldwide.com\)](#)

High risk materials policies

- ♣ [Paper | Avon](#)
- ♣ [Palm | Avon](#)
- ♣ [High-risk Materials Requirements for Suppliers | Avon](#)

Avon Sustainability Mission

- ♣ [Our Responsible Business Commitment | Avon](#)



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Contacts

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V. APPENDIX

APPENDIX – SMETA labour and environmental compliance audit and SEDEX Important links

SMETA is the world's most widely used audit. Businesses use SMETA to understand and make improvements to working conditions and environmental performance in their business and supply chain. SMETA is an audit, which helps understand standards of labour, health and safety, environmental performance, and ethics within operations or at a supplier site. The SMETA audit is designed to help protect workers from unsafe conditions, overwork, discrimination, low pay, and forced labour.

- ♣ [About SEDEX](#)
- ♣ [Registration](#)
- ♣ [Approved Audit Companies](#)

This policy is subject to regular review and may be updated at any time.