

UK GENDER PAY GAP

2019 Report

We have always believed that by advancing a woman's earning potential, it benefits her family, her community and the wider world we live in.

This is something we will always stand for.

AVON

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We believe in the power of beauty

Avon has always stood for female economic empowerment, it was the guiding principle of our founder David H McConnell and is as relevant today as it was in 1886. It is something we will always stand for.

We take seriously our responsibility to be a leader in championing the economic freedom of women and Avon is again this year participating in the Bloomberg Gender-Equality Index (GEI). We are proud to be a part of this open and transparent dialogue and sharing of information.

To help Avon Open Up and Grow, now more than ever, we need to draw on the diverse talents of everyone at Avon, to better understand and reflect the diverse experiences, opinions and needs of our millions of Representatives, 100 million customers and the communities we serve.

Of utmost importance, is inclusivity, and enabling our people to flourish and thrive by being themselves, in their own way and on their own terms. In this report we share some examples and insights from UK colleagues on their experiences.

We welcome the UK Government's gender pay gap reporting legislation and the opportunity to shine a spotlight on the gender pay gap and believe it is vitally important that businesses around the country are transparent about their gender pay data and take action to improve gender parity.

There is still work to be done, within Avon and society at large, and we will continue to be a strong voice for women, and to stand up for equality in all its forms.

Angela Cretu,
CEO





The **makeup** of our business

Avon is the company for women and in every function, across our global footprint, all of our people (69% of whom are women) play an integral role in supporting our global network of beauty entrepreneurs.

In the UK, Avon is made up of the global headquarters and the UK business.

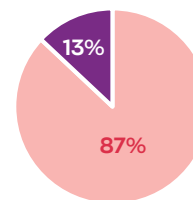
- 54% work in Corporate Functions
- 25% work in Commercial / Direct Selling
- 21% work in Supply Chain

We are proud of the number of middle leaders we have who are women (managers 63% and directors 64%). We recognise the need to improve the proportion of women at the most senior level (VP and above).

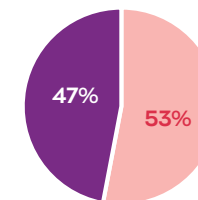
Gender split by function

Women Men

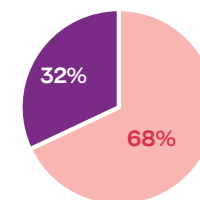
Commercial and Direct Selling



Supply Chain



Corporate Functions



Our workforce by grade and gender





Highlighting the issues affecting our gender pay gap

The figures on this page, show the difference in the hourly rate and bonuses of women and men across Avon’s UK-based organisation.

Here are some of the key factors influencing our gender pay gap:

- Over 20% of our workforce are in field based roles which are predominantly occupied by women. These roles sit within the lower to lower-middle hourly pay quartiles which pulls down the female mean and median hourly pay figures.
- Avon’s global headquarters is based in the UK with many of our most senior positions on the UK payroll.
- Our business transformation over the past few years included some shorter-term male hires, as well as senior level female expats, not on the UK payroll.

We are committed to improving the overall gender balance across all quartiles and in all functions.

Gender Pay Gap 2017 vs 2018 vs 2019, %

	Hourly Pay Gap 2019	Hourly Pay Gap 2018	Hourly Pay Gap 2017
Mean	40.8%	36.9%	31.6%
Median	32.5%	26.7%	27.8%

	Bonus Gap 2019	Bonus Gap 2018	Bonus Gap 2017
Mean	72.5%	63.4%	36.8%
Median	-21.1%	17.7%	11.7%

Our pay and bonus gap data has been analysed and presented in line with the UK government reporting regulations, and has been independently verified as being accurate, by a leading global HR consultancy specialising in compensation and pay equity.



Since it launched, 25% of participants in our Future Leaders Programme have been promoted.

Our eyes on future talent

To help Avon Open Up and Grow, we are identifying and developing our future leaders internally and investing in future external talent too.

Avon's Future Leaders Programme

Avon's Future Leaders Programme was established in June 2019 and is a 12 month development programme built on four principles: Educate, Develop, Network, and Plan to Accelerate.

Participants take part in face to face and virtual talent labs and are supported by a senior associate mentor. In 2019, participants travelled to New York where they met Avon's executive committee and participated in coaching and mentoring sessions.

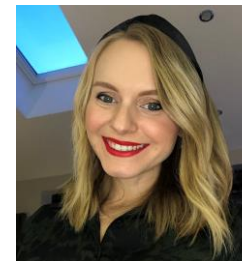
Next Tech Girls

We've partnered with the *Next Tech Girls* initiative which aims to increase the number of women in technology by securing meaningful work experience for girls. This summer we're piloting a scheme of work experience and apprenticeships for girls aged between 14 - 18 who are interested in a career within technology.



Kyla Lyford
Brand Director,
Global Marketing

"The Future Leaders Programme has given me a wealth of tools to help hone my business knowledge and advance my career. I've also had amazing opportunities to connect with inspirational senior leaders, including our CEO Angela Cretu, who I am fortunate to have as a mentor."



Sarah Gillespie
Sales Training
Manager

"Future Leaders is preparing me with confidence for future leadership roles within Avon. I've gained valuable exposure across our business and I look forward to returning after my maternity leave and completing the business challenge part of the programme."



Extending opportunities for career growth

Identifying and supporting the development of our most talented women is a priority for Avon. We've made a number of internal promotions and other advancements, including the recent appointment of our new CEO Angela Cretu in January 2020.

"I've been with Avon for more than two decades. It's a calling for me, working with a company that creates opportunities for women.

Avon is more than a beauty brand; it's a movement, a company with a deeply ingrained purpose."

Angela Cretu
Avon CEO



Sabina Morgan-Richards
HR & Talent Analyst

Sabina joined Avon in 2017 as an Executive Assistant and has now transitioned into a new role within the Global Talent team. She was supported in the transition to her new role by a mentor and is currently completing her CIPD HR qualification with funding from our apprenticeship levy scheme.



Anna Chokina
VP Colour Cosmetics

Anna joined Avon in September 2018 as VP Global Skincare and Personal Care and in December 2019 she took on the higher business impact role of VP Colour Cosmetics. Anna has built an all-female leadership team, promoting two of the category's top female talents to Director and Executive Director positions. Anna hopes the Colour Cosmetics leadership team will be role models to the new generation of bright, ambitious women, who love beauty, love marketing, and want to make a difference in society.



Setting the foundations for success

At Avon we believe that if we grow our people we will grow our business, and we constantly strive to provide our teams with the tools and resources to support them in driving their own development and to successfully achieve their career aspirations. Here are some highlights from 2019.

Leveraging our partnership with Everywoman UK

In 2019 we launched our [Connecting Women Programme](#), leveraging our partnership with Everywoman UK and building on the success of our 2018 pilot. In last year's report we committed to extending these career inspiring resources to more UK associates and for the launch we invited all of our female associates in the UK to take part in one of the programme's mini networking events.

Connecting to our reps, our products and our strategy

In summer 2019 we hosted [Time for Action](#), a three week associate conference dedicated to bringing our brand, service excellence and strategy into focus for our associates through a series of activities designed to motivate, engage, educate and inspire.

Upskilling our workforce through the Apprenticeship Levy

Avon has embraced the UK Government's Apprenticeship Levy as a tactical opportunity to support the skills and career development of our people across all levels. The scheme is well integrated into our talent and learning strategy and of our 2019 apprentices, 16 of the 20 are female (80%).

Developing agents of change

In 2019 we launched the [Leadership Community Forum](#) to nurture leadership capabilities in middle managers. The 52 participants (including 33 women), were all direct reports of Avon's UK Leadership Team who attended sessions to gain a deeper understanding of business drivers and strategy, workshop key business challenges, and inspire their journey to leadership and becoming agents of change.

Connect | Learn | Share

In September 2019, we launched [Inside Avon](#), our online training and communication platform, connecting Avon associates around the world. The learning and development hub gives associates access to more than 35,000 training and development programmes and also enables social learning through its dynamic commenting and sharing functionality.



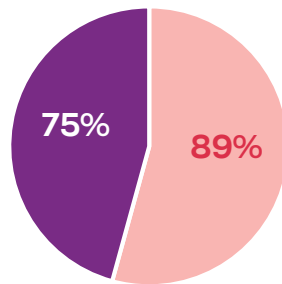
Avon's culture of flexible working meant I could accept the job that I love.

Jacqui Lewington

Flexible working, a key feature of our culture

Enabling our people to be at their best means truly promoting a diverse and inclusive culture where we are open and honest about balancing work and life.

In 2019 we rolled out our Agile working policy which is so well embedded that associates have the autonomy to manage their arrangements directly with their immediate manager. *Agile working is open to all associates regardless of gender, age, marital status, child/eldercare needs.*



■ Women ■ Men

The % of UK associates who said they could generally balance work and personal responsibilities.

Willis Towers Watson Employee Engagement Survey 2019



Jacqui Lewington, HR Business Partner

“I initially turned down a promotion because I was concerned about managing childcare with the extended commute. My manager, key stakeholders and I were all really keen to make it work and agreed to try a flexible working arrangement. I’m now a few months in and it’s working well. From the outset everyone was really positive about making it work.”



Andrew Campling, Head of Finance UK, married to Hannah Lally, Head of Beauty, UK.

“As a couple both working at Avon in senior positions, flexible working allows us to manage our busy working schedules to fit with childcare and family commitments. This flexibility which is so engrained in Avon’s culture, means we can have rewarding careers while achieving a healthy work-life balance.”



Primed for change, looking to the future

With Avon joining the Natura &Co family in January 2020, as a group we now have a louder voice to help amplify all the causes, all the things that matter to us.

Our vision is to create, not just the best beauty group in the world, but FOR the world. This is something that inspires us all, every day.

Roberto Marques, Executive Chairman / Group CEO, Natura &Co

We are committed to improving our gender balance across all pay quartiles and in all functions.

Whilst our gender pay gap is not where we want it to be, female economic empowerment is our purpose at heart and will always be what drives us.

There is work to be done on our current position and we are committed to improving it. We will do this by continuing to strengthen our internal talent pipeline, improving our recruitment processes and continuing to champion flexible working policies so we remain open and attractive to a wide range of people.

Our business transformation of the past few years resulted in some factors which have negatively influenced our gender pay gap, however we are encouraged by changes being made, including the recent appointment of our new female CEO Angela Cretu, in January 2020.

As we begin this next chapter in Avon's journey, we are very excited to be a part of the Natura &Co family. Natura has always been a strong advocate for gender and all types of diversity and together with other purpose driven brands, The Body Shop, and Aesop, we are united by our beliefs and inspired by our causes to be the best beauty group FOR the world.

Avon's UK Gender Pay Gap, 2019 Report.
Prepared March 2020.

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