



AVON

# EMBRACING THE POWER OF BEAUTY



Corporate Responsibility Report,  
Avon International 2022



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# A message from our CEO



At Avon, we believe a better world for women is a better world for all. For more than 135 years, we've been doing beauty differently: by creating flexible, accessible entrepreneurship opportunities, and through supporting our global community of over five million Representatives and their customers.

We've always wanted to make the world a better place: through our business model, through our great quality and value products, and through addressing the issues that matter to our communities. To that end, our commitment to people is matched by our commitment to our precious planet.

Last year was a year of impressive achievements for us, but we also tackled immense challenges arising from the socio-political and economic environment, and in particular the war in Ukraine.

My heart goes out to everyone affected by the war in Ukraine and more recently the disaster in Türkiye. I'm so proud of how our Avon associates, Representatives and our whole business have stepped up to support colleagues and communities caught up in these terrible

events. Through our campaigns and philanthropy, we continued helping specialist organisations that support people in need.

Part of our success comes from always asking ourselves, our customers and others, "How can we do better?", and acting on this information. In 2022, we made significant progress in our sustainability journey, embracing everything from the full lifecycle of our products to our employment policies.

As we strive to become an even more sustainable business, we invite all of our communities to be part of this journey. Together, we can make a positive contribution to our beautiful planet and its people. Together, I believe the global Avon family will change the world for the better – for women and for all of us.

**Thank you for your support.**

**Angela Cretu, CEO**








# Avon and this report at a glance


## About us

At Avon, we work towards creating a better world for women, and a better world for all, through:

- 

The way we treat our Representatives, associates (employees) and customers, who are mostly women
- 

The socially and environmentally ethical ways we conduct our business
- 

The causes we support
- 

Ensuring that more than 20 percent of every Avon sale helps to create better futures for women

Around the world, we empower more than five million independent sales Representatives to earn on their own terms. And we employ over 15,000 associates across more than 50 countries to run our business.

## Our structure and governance

This report focuses on Avon International, which covers our operations in Europe, the Middle East and Africa, and Asia Pacific.<sup>1</sup> It covers the calendar year 2022. Where this report refers to Avon globally or worldwide, we mean Avon's international and Latin American operations combined. All other references are to Avon's international operations only.

Avon is proud to be part of [Natura & Co](#), along with Natura, The Body Shop and Aesop. Our business is governed by Natura & Co Holding's independent Board, and led by Avon's CEO and Enabling Leadership Team.

**Social and environmental sustainability are increasingly embedded throughout everything we do.** Our ambitious people and planet agenda is led by our Sustainability Steering Committee, and driven by the central Sustainability team, sustainability experts in every major department and trained Purpose Champions in every market.

To increase our influence, Avon is an active member of multiple sectoral, thematic or commodity-based associations.



## Open to all

Avon is open to all. We celebrate beauty in all its forms and all its diversity, and welcome [associates](#) and [Representatives](#) from diverse groups.

Our driving force is not about focusing on women at the cost of others. It's about achieving a world that's better for everyone. This includes trans and non-binary people, men, and people of all ages, ethnicities and abilities.

<sup>1</sup> Natura & Co Latam reports on Avon's operations in Latin America.  
<sup>2</sup> Following David Boynton's departure, Ian Martin Bickley has assumed the position of interim CEO.



# 2022 highlights

“ Beyond our long-standing drive to create progress for women, Avon is breaking several moulds. As the senior sponsor of Avon Pride, I’m proud that Avon has been trailblazing inclusive employment policies. But I’m also proud that we’re increasingly focusing on the whole environmental impact of our products. This is difficult work, but essential – and rewarding.

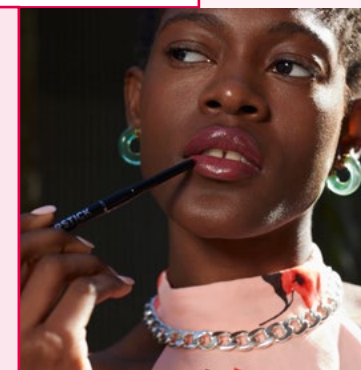
**Kristof Neiryck**  
Global Chief Marketing Officer  
& Managing Director, Western Europe



## People

We donated more than **US\$3.5 million** to end gender-based violence, including an Avon Foundation grant of **US\$782,000** to over 35 domestic violence NGOs in **33 countries**

**71 percent** of respondents to our staff engagement survey said they would recommend Avon as a great place to work



Our CEO Angela Cretu won *Management Today's* Trailblazer of the Year award, recognising her leadership in creating a **better world for women**

We donated **US\$4.4 million** to breast cancer awareness campaigns in **45 countries**



## Planet

**79.7 percent** of our packaging is now recyclable, reusable or compostable

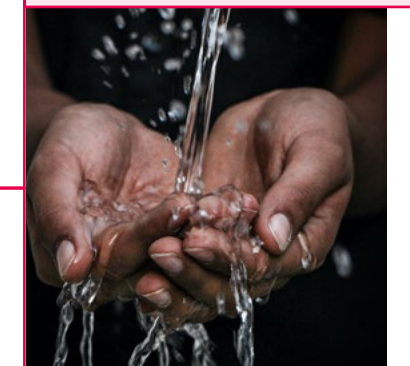
We used **4,425 (36 percent)** fewer tonnes of plastic packaging in 2022 compared to the previous year

We're saving over **2.1 million litres** of water a year by using new approaches when making products



We completed the challenging task of setting our **scope 3 carbon emissions baseline** and understanding its main drivers

Our Clean Break Cleanser **won the 2022 Global Green Beauty Award**







# Our sustainability strategy

At Avon, we think about sustainability in two ways: **people** and **planet**.

We're committed to positive social and environmental impact through how we do business and through our philanthropic support. We're working to ensure that the products we develop, and how we make and sell them, consider the health of both people and planet.

Through our [Sustainability Vision 2030 - Commitment to Life](#), inspired by the UN Sustainable Development Goals, Avon and our sister brands have pledged to meet several ambitious, measurable targets.

Avon's **commitment to people** means providing a supportive and diverse working culture, protecting human rights throughout our business and supply chain, and championing progress for women.

Avon's **commitment to the planet** means reducing emissions from our operations and supply chain, innovating on sustainable packaging solutions, and switching to regenerative ingredients.

Our people and planet priorities are informed by [materiality assessments](#), and external insights and standards. This includes independent GlobeScan research based on quantitative and qualitative evidence, and our performance against our own targets and external frameworks.







# People

“I’ve been at Avon since 2005, which is a testament to the heart of the company. I’ve had lots of great opportunities and mentors here. Avon is very nurturing, aspirational and ambitious.”

**Natalie Deacon,**  
Head of Corporate Affairs and Sustainability



# Nurturing our associates

We're proud to have achieved some of our 2023 people targets early:

- In 2022, 51.7 percent of our leadership team members were women
- We pay all associates at least the [Living Wage](#) for their region

In addition to the above, we have been working hard to close our gender pay gap and reached -0.79% in 2022.

“ It was a non-judgmental safe space. The facilitators were brilliant and truly helped me in moving forward on some challenging aspects where I felt I was getting stuck.

**Anonymous feedback** on our [Leading with Purpose](#) development programme



## Equity and Inclusion

Avon aims to provide supportive and inclusive working environments where each person can **bring their whole self**. Everyone at Avon has a role in ensuring that this happens.

We launched our [Equity and Inclusion Position](#) in 2022, clearly outlining that we are open to all, have zero tolerance for harassment or discrimination and will be strong allies to under-represented groups.

Developed with support from our LGBTQIA+ associate resource group Avon Pride, this position commits us to equitable employment policies. For example, our relocation allowances give people in same-sex and mixed-sex couples equal rights, even in countries where same-sex couples aren't legally recognised.

Our **first demographic survey of our associates** told us that:

- 23.8 percent are from under-represented backgrounds
- 11 percent do not identify as heterosexual
- 3 percent have a disability
- 0.7 percent identify as trans or non-binary

Overall, 1,753 associates chose to take part in the survey. Tracking this data over time will show where our equity and inclusion initiatives are working, and where we might need to focus additional attention.

## New employment policies

Recognising that women and trans men can face specific challenges at work, we launched two new policies that exceed best practice:

1. Our global [Menopause policy](#) gives all associates experiencing the menopause/peri-menopause five paid days off to help manage any challenging symptoms. They can also take additional unpaid leave if needed.
2. Our generous [UK Family Leave policy](#) gives associates six months' maternity leave on full pay and three months on Statutory Maternity Pay. It also introduced six weeks of paid paternity leave. Adoptive parents are entitled to the same benefits.







### Meeting our associates' needs

On average, our associates attended over 17 hours' training in 2022. We made LinkedIn Learning available to all associates, in addition to role-specific training. We supported 341 associates through tailored management courses, and we held webinars to educate teams on our sustainability initiatives.

We listen to our associates in our daily work but also through twice-yearly surveys, and we act on what they tell us. Our associates value these surveys, and an impressive 93 percent respond. In 2022, 83 percent of respondents said they would recommend their manager to others.

We held our first employee Hackathon, giving teams a chance to change how we do things. For example, this led to our new position on flexible working, and simplified marketing processes.

### Volunteering

We launched a new volunteering policy to encourage our associates to make the world a better place. All associates can spend up to three paid working days a year on their chosen volunteer activities (pro-rated for part-time employees). In the first few months, associates from four countries donated 12,128 volunteering hours.

For example, 60 colleagues from several departments in Poland harvested 42 tonnes of apples for a single parent farmer with a seriously ill child.

“ We used the volunteering opportunity to help a family in great need. We managed to contribute significantly, at the same time using this opportunity to integrate the team.

Jacek Puła  
Global Sourcing Leader, Europe  
and North America Procurement

”



# Empowering our Representatives

Avon has a long and proud history of supporting female entrepreneurs. Anyone can become an [Avon Representative](#) and work on their own terms.

We commissioned a study of 8,638 women across three continents and found that 98 percent have been affected by the cost-of-living crisis. Some 80 percent have started, or are considering, a side hustle to help pay their bills or afford small luxuries.

**Being an Avon Representative is easier and more flexible than ever**, for full-time beauty entrepreneurs and part-time enthusiasts alike. Our Avon On app makes it easy to connect with customers and sell online, with no up-front costs. And our industry-leading compensation starts from the first sale.

“ My life changed after becoming an Avon Representative just for fun. As a Sales Leader, I manage a team. My Avon earnings helped me to start beauty school, a dream come true. My work is purely digital, Avon gives me all the tools and training I need. I can manage my Avon business from my smartphone, anywhere.

**Giulia Jendoubi**  
Digital Sales Leader, Italy

“ Avon has been there for me from the beginning. I like doing things my way and the flexible working hours mean that I can. I couldn't do that with any other part-time job. It has afforded me a lifestyle that I wouldn't have otherwise.

**Laura Shaw**  
Avon Representative, UK

- In late 2022, the proportion of Representatives highly rating their overall experience was rising or stable in all countries
- Since 2021, our Representatives are generally happier with how we listen to, recognise, communicate with and support them





# Supporting the causes that matter to our communities

Avon supports causes that predominantly – but not exclusively – affect women. We speak out about breast cancer and gender-based violence, raising awareness, recommending action, and financially supporting relevant organisations through fundraising and donations.

In 2022, Avon International and Avon Latin America donated more than US\$10.1 million to these causes, including donating products to Ukrainian refugees.



I chose to work for Avon because of what it stands for. Here, I've built a career with higher purpose and meaning. I've also made lasting connections. At Avon, we live and breathe our collective culture to embrace our power!

**Sipelelo Lityi**

Legal Manager, South Africa and Avon Pride leader





# Action against gender-based violence

## Gender-based violence (GBV)

GBV is defined as violence or abuse directed against an individual because of their gender, or violence that disproportionately affects individuals of a particular gender.

This includes physical or sexual harm, coercive control and domestic violence. Although it affects one in three women and girls worldwide, anyone may experience it and it harms families and communities.

To date, we've contributed more than US\$91 million to help end GBV, helping almost 15 million women globally.

**In 2022, we granted US\$3.5 million to ending gender-based violence, including a US\$782,000 grant from the Avon Fund,** to more than 35 domestic violence NGOs around the globe.

Our Gender-Based Violence Protocol helps us support any Avon associate who experiences GBV, or suspects a colleague may be experiencing it – in strict confidentiality, through trained staff, referrals to other organisations and paid leave.

Large sporting events are a known contributory factor to domestic violence. As the 2022 16 Days of Activism against domestic abuse coincided with the football World Cup, we and the specialist charity **NO MORE** launched #iamasupporter, a campaign and toolkit to help people recognise the signs of domestic abuse and how to help people experiencing it.





“ For over 15 years Avon has worked with charities around the world to tackle gender-based violence, helping our five million Representatives and their customers to recognise the signs, have safe conversations and signpost vital services. The NGOs that we support provide women with the essential help they need to leave the situation and rebuild their lives.

**Angela Cretu**  
CEO, Avon



**Examples of our work to tackle GBV**



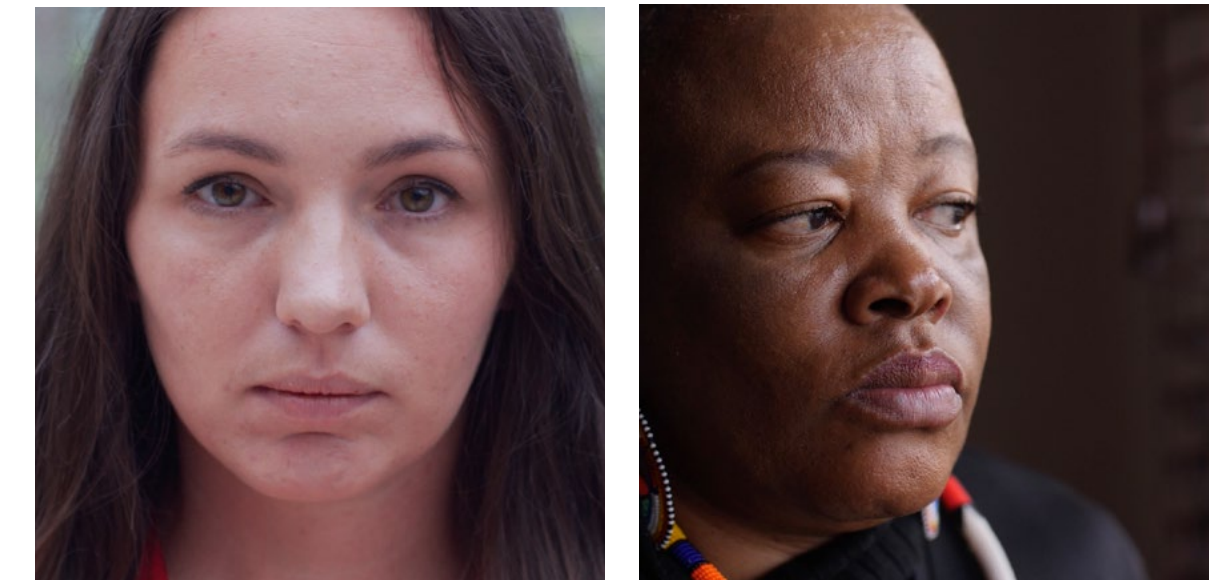
In Romania, our **Respect in a Relationship workshops** educated over 500 teenagers in the dynamics of healthy relationships. The campaign also included a book and private online forum for parents and teenagers, and our Instagram content received 279,000 impressions



Our **16 days of Activism** press coverage in 2022 reached seven million people in the UK alone



Our **#SpeakOut / #YouCanTellMe** campaign in Poland, developed with the singer Ewelina Flinta, highlighted the hidden problem of sexual assault against women and girls. The campaign achieved over 56.7 million online impressions



“ Our partnership with Avon enables us to continue highlighting the support services available to all victims of domestic abuse. We all need to be part of the solution and open up the conversation about domestic violence in all its forms.

**Pamela Zaballa**  
CEO, NO MORE





# Breast cancer support, education and awareness

One in eight women will develop breast cancer in their lifetime. But early detection saves lives.

To date, Avon has donated over US\$951 million to breast cancer causes globally, educating 180 million people about the issue, and funding breast screening for 17 million women across the world. In 2022, our campaigns educated or supported 410,773 women, and enabled 78,232 to access free breast scans across the world.

## #NormalForMe

Everyone's 'normal' is different, but research shows that many people never check their breasts for possible signs of cancer such as new lumps or changes in appearance.

During **Breast Cancer Awareness Month 2022** we ran a global campaign, #NormalForMe, reminding women and men to make checking part of their monthly routine to help spot any potentially concerning changes.



It is not possible to tell you what your 'normal' should look and feel like. Instead, it is important that you watch out for any [breast] changes, which could be an indication of cancer. If we get to know what is normal for us, these changes will be easier to spot, we can get a diagnosis earlier, and treatment will ultimately be more effective.

Dr Frankie Jackson-Spence  
UK





### Rak'n'Roll Foundation

In Poland, as part of a pilot programme, the Rak'n'Roll Foundation trained 48 Avon Representatives to help girls in Polish high schools understand how to know what's normal for them.

This initiative has already reached **6,084 girls** in 66 schools, and will expand next year. Supported by influencer Natalia Nykiel, the #NormalForMe campaign in Poland reached more than **30 million people** through print and online media, including TikTok.



### Example breast cancer initiatives in 2022

- Avon Italy's **30K Steps for Life** campaign encouraged people to walk or run 30,000 steps in September and October, while raising awareness and funds to tackle breast cancer. Some proceeds from sales of the campaign cap benefited the Libellule Onlus Association to help fund breast screening. Many event participants wore these caps and shared images of their events. We sold 1,410 caps, raising almost €7,000.

- Over 15 years, our **Pink Ribbon Examination Room initiative** has co-funded 63,000 ultrasound breast scans in Poland. In 2022 it supported 5,000 scans in 78 locations.
- The 2022 **Avon Pink Ribbon walk** in Prague raised US\$41,000 for breast cancer awareness. Our team in Czechia has sold more than 13,000 T-shirts and donated over US\$5 million to breast cancer NGOs since 2008.

“ Events like these make us really proud to be part of a family so committed for the well-being of women. ”

Avon Associates from Italy







# Supporting people affected by the war in Ukraine

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

When war broke out in Ukraine, at Avon we immediately supported our Ukrainian associates, Representatives and communities by facilitating humanitarian support. We organised wellbeing, financial and logistical support, including advance salary payments, hardship funds, and access to security advice and medical support.

We provided vital information and support to Ukrainian associates and Representatives who relocated to neighbouring countries, covering legal, medical and employment issues. We focused on safely restarting operations to ensure thousands of Ukrainian Representatives had an opportunity to earn an income, quickly enabling deliveries from our Poland Distribution Centre.

We partnered with international and local organisations providing humanitarian relief. For example, The Avon Foundation donated **US\$200,000** to support [The Red Cross](#) work in the region and donated **over 37 tonnes** of cosmetics, hygiene products and clothing to support Ukrainians in Poland, Romania and Ukraine.

The Avon family came together in an exceptional show of solidarity by raising additional funds and personally helping **more than 2,000 refugees** by offering them transport, places to stay, and collecting donations of essential items.

## Speaking out against gender-based violence in war

As part of the [16 Days of Activism Against Gender-Based Violence](#) campaign, we raised awareness of sexual violence during war. We also donated **US\$162,000** to [The UN Population Fund \(UNFPA\) in Ukraine](#), to support survivors of [gender-based violence](#). This will assist around 1,000 women and girls to overcome their experiences of war and rebuild their lives.



We are extremely grateful to our long-term partner Avon for their contribution to end gender-based violence in Ukraine, and I hope it will encourage other private sector companies to join us in this cause, for the future of Ukrainian women and girls.

**Jaime Nadal**  
UNFPA Representative in Ukraine














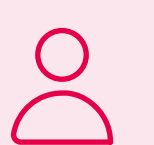

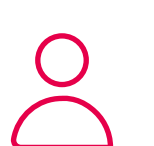


# Our supply chain

Avon’s supply chain – involving some 7,000 direct and indirect suppliers in 101 countries – is an area where we can significantly influence our impact on people and planet.

In 2022, we launched [critical material policies](#) and action plans covering six items that are sometimes associated with social or environmental risks, such as deforestation (see table). To ensure these ingredients and materials are sourced in a sustainable way for both people and planet, we have clear standards on traceability (where they come from), and require certification that their production meets specific international standards.

**In 2022, Avon International achieved over 90 percent traceability across all critical materials as well as 76.8 percent certification for paper (FSC or PEFC) and 57.5 percent certification for palm (RSPO MB).**

Critical material	Main use	Key potential risks in supply chain
Palm → 	Product ingredient	  Environmental, Social
Paper → 	Brochures, packaging	 Environmental
Cotton → 	Apparel, home textiles, accessories, bags	  Environmental, Social
Soya → 	Product ingredient	 Environmental
Mica → 	Product ingredient	 Social
Ethanol → 	Product ingredient	 Social

We respect the rights of everyone connected to our business, specifically people from disadvantaged or under-represented groups. Launched in 2022 and aligned with [internationally recognised standards](#), national and international laws, [the Natura &Co Human Rights Statement](#) outlines strict protocols to ensure the rights of workers and sourcing communities throughout our operations and supply chain. This is embedded throughout Avon planning and performance measurement.

The updated [Natura &Co Supplier Code of Conduct](#) requires our suppliers to comply with stringent social and environmental conditions, with a robust audit process to ensure compliance. By 2023, 347 new Avon suppliers had signed this code. We’re now extending it to all suppliers.

We trained suppliers to ensure they understand our sourcing requirements, including over 500 Representatives of our direct and indirect suppliers in the Philippines. And we continued participating in collaborative initiatives such as the [Sustainable Palm Index](#) and [The Responsible Workplace Standard](#) for mica processors to drive good practice in global supply chains.





### Supporting regenerative palm production in Indonesia, Central Kalimantan

Alongside several other Action for Sustainable Derivatives members, Avon is supporting the five-year Mosaik project, implemented by Kaleka, to encourage sustainable practices and restore depleted land in palm-producing areas of Indonesia. To date, 8,512 independent palm farmers have been trained to help them farm sustainably through the support of different public and private funders.

Through funding from the ASD collective fund in 2022, 500 hectares of forest have been protected through a social forestry scheme, and one village has adopted alternative fire-free agricultural practices. The project has restored ecosystems in 90 hectares of land, and supported 614 farmers in certifying that they meet Roundtable on Sustainable Palm and Indonesian Sustainable Palm Oil standards.

“ We are thankful for this programme because this reforestation activity is the first of its kind in Indonesia. We have never received such assistance before.

Jabar  
Palm farmer from Indonesia



### Tackling gender-based violence in South Asia

In 2021–22, Avon supported the HERrespect programme in India and Bangladesh, to help tackle gender-based violence and other harmful gender norms among some suppliers, and in wider society.

Jewellery supplier Radium Creation in India took part in this programme, led by local NGO Kshitij and the sustainable business network BSR. Following training, awareness-raising and stronger workplace grievance procedures, women now feel able to communicate their concerns and have a greater say in decision-making both at work and outside work. Men’s attitudes are changing too.

“ The HERrespect programme has been so helpful. Our workers became aware about gender sensitivity and prevention of sexual harassment. Supervisors became more supportive towards female workers. Female workers now bring their concern to their supervisor. We will continue this programme in our factory.

Radium Creation representative

### We’re active members of:

- Action for Sustainable Derivatives
- Roundtable on Sustainable Palm Oil
- Responsible Mica Initiative





# Planet

“At Avon, we talk and think about sustainability all the time. It’s not just the Sustainability team – everybody thinks about it. It’s rare to see that and it’s something to be very proud of.”

**Louise Scott,**  
Chief Scientific Officer, Avon



# Reducing our carbon footprint

Like any organisation, improving our impact on the planet requires understanding and addressing all factors that contribute to our carbon footprint. This 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).

- In 2021, we reduced our scope 1, 2 and 3 emissions by 8 percent<sup>3</sup>
- In the Philippines we reduced our scope 1 and 2 emissions by 14 percent, and in South Africa we reduced them by 16 percent year on year

<sup>3</sup> Market-based, exc. indirect consumer use compared with 2020, by promoting efficiencies across everything we do but also because of lower production levels.

<sup>4</sup> Market-based emissions have increased significantly due to no Renewable Energy Guarantees of Origin (REGO) certificates being procured in 2021. We are instead using the funds to invest in internal carbon reduction initiatives.

## Our scope 1, 2 and 3 emissions, 2020–2022

	2020 baseline tonnes of carbon dioxide equivalent (TCO <sub>2</sub> e)	2021 (TCO <sub>2</sub> e)	2022 (TCO <sub>2</sub> e)
Scope 1	17,213	14,515	13,540
Scope 2 (market-based)	10,982	34,723 <sup>4</sup>	27,171
Scope 2 (location-based)	35,154	31,420	23,440
Scope 3 (exc. indirect consumer use)	663,247	586,304	Scope 3 data to be published at a later date
Total (market-based, exc. indirect consumer use)	691,442	635,542	
Total (location-based, exc. indirect consumer use)	715,614	632,239	

## Developing evidence-based carbon reduction plans

We've measured our scope 1 and 2 emissions since 2005. In 2022, we completed the challenging task of **setting our scope 3 baseline for 2020 and understanding its main drivers** (see chart on next page).

We're proud of this progress, but we know we have much more to do. Our key focus in 2022 was understanding in detail how our beauty product ingredients and packaging, Beauty+ products (our fashion and home range), brochures and transport contribute to our carbon footprint.

In turn, we're using this knowledge to develop evidence-based, costed strategies for each of the focus areas listed above, which will be finalised in 2023. In 2022, we conducted extensive feasibility studies to inform these strategies and started putting the right teams in place to drive them. Getting this right takes time, but will make our carbon reduction plans more impactful.

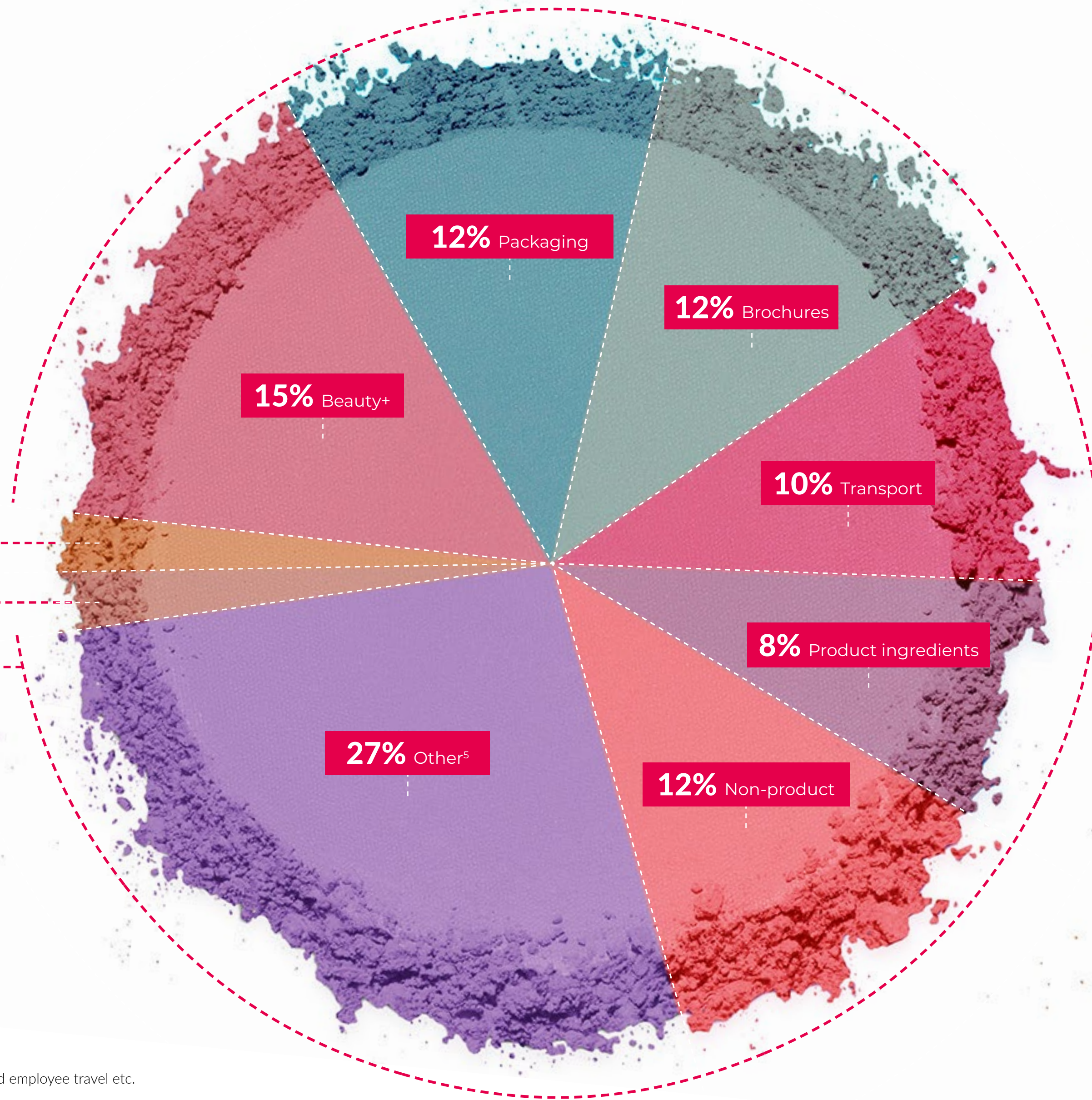
**Ultimately, we want to progress towards net zero carbon emissions in a responsible way.** [The Science-Based Targets Initiative \(SBTi\)](#) defines best practice in setting targets to help limit global warming to 1.5°C above pre-industrial levels. In 2022, Natura & Co submitted our science-based target to SBTi and we are now awaiting verification.

Across all three scopes, these plans will include full lifecycle assessments and ensure that improvements in one area have no unintended consequences in others. This includes making sure that we continue to make the world better for women in our workforce and supply chain.



**Main contributors to Avon International's carbon footprint, 2020 baseline**

**2%** Scope 1  
**2%** Scope 2  
**96%** Scope 3



**Less stuff, less far, less carbon intensive**

A key part of our plans is producing and transporting **less stuff, less far and being less carbon intensive**.

We're already producing **less stuff** by reducing the amount of packaging we use and streamlining our product portfolio. For example, we are discontinuing our kids, outerwear and footwear ranges, which will save around 1,695 tonnes of CO<sub>2</sub>e.

Our transition to more digital tools includes plans to reduce the number, size and length of our brochures, which will save an estimated 3,204 tonnes of paper and 7,214.97 tonnes of CO<sub>2</sub>e in the coming years.

We're progressing towards transporting goods and materials **less far** by looking into sourcing from local suppliers wherever possible, and conducting feasibility studies into relocating our distribution centres.

To be **less carbon intensive**, we're investigating switching cotton and polyester in our Beauty+ ranges to recycled or organic alternatives. We've already started this process for our innerwear, where we've identified an estimated 8-15 percent reduction in emissions.

<sup>5</sup> E.g. downstream transport, waste, business and employee travel etc.



# Our resource use

At Avon we endeavour to reduce our energy and water use, generate less waste, and increase our recycling rate throughout our operations. In 2022, we continued to make great progress in these areas, keeping us on track to meet our targets.

## Our waste production and water use

Performance indicator	2021 performance	2022 performance	Change [%]
Water use intensity [m3/1,000 units]	0.34	0.33	-1.2
Waste intensity [kg/1,000 units]	12.45	11.87	-3.8
Total waste to landfill [tonnes]	203.3	52.9	-74

## Saving energy

Our focus in 2022 was reducing our energy use and maximising energy efficiency across all our factories, distribution centres and offices. This included training and educating our associates to embed sustainability into their everyday working practices, changing the way we do things and investing in energy-saving machinery.

### Example energy-saving initiatives

- Our factories in Poland and Turkey adjusted shift patterns to produce the same volume of products in less time
- In Poland we halved the water temperature when emulsifying some of our products
- We reduced energy consumption in our South African office by 20 percent by installing solar panels and LED lighting





### Our Purpose Champions in action

In 2022, our Purpose Champion for Central and Eastern Europe, Jan de Groot, held awareness sessions with 184 Avon leaders in six countries. From marketing to warehouse teams, he helped colleagues understand how each team can contribute to our sustainability actions. Through monthly reporting on our resources used, waste generated and carbon emissions, Jan tracks our performance to drive improvements.

Our Asia-Pacific Purpose Champion, Brefelin Jamias-Robles, is also embedding cultural changes in her region:

“ When it’s break time or time to go, people automatically turn off the lights and aircon – they know they need to be part of our energy conservation. It has become part of the culture.

**Brefelin Jamias-Robles**  
Asia-Pacific Purpose Champion



### Saving water and reducing waste

**Our facilities reduced their water use intensity by 1.2 percent** compared with 2021. This was largely because our manufacturing site in Poland now uses water more efficiently when producing products by applying new protocols and better production sequencing.

**In 2022, we produced 3.8 percent less waste per unit** than in 2021, and reduced our operational landfill waste by 74 percent. This was driven by our manufacturing plant in Russia switching from using landfill to recycling, which helped to slightly increase our operational recycling to 97.8 percent, despite challenging new recycling regulations in Poland. In the Philippines and South Africa, we achieved zero waste to landfill.

### Example water-saving and waste reduction initiatives

- Every month, our manufacturing plant in Poland donates 70-100 tonnes of dried wastewater sludge to be used as soil fertiliser for planting in public areas such as along highways
- We’re saving over 2.1 million litres of water a year by using new approaches when making products
- We’re finding ways to reduce our excess product inventory, and donate any surplus to good causes



# Our beauty product packaging

We know that our beauty product packaging is a significant contributor to Avon's environmental footprint, so we have set ourselves demanding packaging sustainability goals.

By 2030, we want:

- 100 percent of our packaging to be recyclable, reusable or compostable
- 50 percent of the plastic we use to be recycled

Our Research and Development packaging team uses the Sustainable Packaging Initiative for Cosmetics (SPICE) [Life Cycle Assessment tool](#) to drive packaging innovation decisions during product development, and also contributes to working groups to strengthen the tool.

By 31 December 2022, **79.7 percent of our packaging was reusable, recyclable or compostable**, a slight increase on 2021. More of our packaging is technically recyclable but we only claim recyclability in countries where that is practically possible.

In 2022, we used 47.7 tonnes of post-consumer recycled (PCR) material in our packaging instead of virgin plastic. Overall, 0.6 percent of our plastic packaging material was PCR (see examples on the next page) and we have a road map to get to 50% by 2030. This involves extensive research, development and tests to ensure that PCR is suitable and safe to use in our product tubes and bottles.

In total, **we used 4,425 (36 percent) fewer tonnes of plastic packaging in 2022**, partly because of changes in our packaging and partly because of the mix and volume of product sales during the year.

We relaunched several product ranges with significantly less plastic packaging, using more recyclable forms of plastic and more PCR. Where possible, we also reduce the weight of our plastic packaging to reduce emissions from manufacturing and distribution.

Other packaging reduction initiatives include trialling refillable packaging prototypes, and some more concentrated product formulas among Representatives and customers in several countries.

“ I like the new, greener packaging of the Anew Hydrating Overnight Mask. It's pretty, and completely recyclable.

Beauty consumer in the UK





Examples of our sustainable packaging



Avon Care Bath & Body



Amount of plastic reduced, based on 2022 sales

**640 tonnes less**

Avon Essence



Amount of PCR plastic used, based on 2022 sales

**23 tonnes**

(bottles made from 98–98.5% PCR)

Planet Spa Pillow Mists



Amount of PCR plastic used, based on 2022 sales

**24 tonnes**

(bottles made from 98.5% PCR and pump from 65% PCR)

Advanced Techniques



Improved recyclability

**13.3 tonnes**

of black packaging can now be sorted and recycled by using new pigment

Packaging take-back schemes in the Philippines and the UK

The Philippines has a huge problem with plastic waste in the ocean. To help tackle this, in 2021–2022 we trialled a local take-back scheme for our plastic packaging, in partnership with [The Plastic Flamingo](#). This women-led social enterprise collects and sorts used packaging from 12 Avon locations, and turns it into eco-planks for construction.

In just three months, this scheme repurposed 2,000 pieces of Avon packaging, reducing waste and creating livelihoods for women. This initiative is having an impact beyond Avon.

We hope to expand this scheme to more Filipino islands. In 2022, we also trialled a packaging take-back scheme in the UK, in partnership with [Metrisk](#) and [My Waste](#).

We're active members of:

- [The SPICE Plastic Recyclability Taskforce](#)
- [RecyClass](#)



# Our Beauty+ products

In 2020, our [Beauty+](#) range of clothing, footwear and accessories was the biggest contributor to Avon's carbon footprint, accounting for 15 percent of it.

**We're exploring ways to dramatically reduce carbon emissions from our Beauty+ categories by 2030**, such as by focusing our ranges on more sustainable options and changing the materials and processes we use.



We made great progress against these targets in 2022. **100 percent of our Beauty+ packaging materials are now PVC-free.** We've stopped using laminated boxes and shrink-wrap, reduced our single-use packaging and have introduced more reusable, recyclable and compostable packaging.

Our next step is ensuring that all our packaging materials come from sustainable and responsible sources. For example, in Europe, the Middle East and Africa we now source cardboard and paper packaging materials certified by the Forest Stewardship Council. We're also reviewing potential recycled polyester options for our intimate apparel.

## Other Beauty+ initiatives to support our planet

- 100 percent of our home storage bags in South Africa are made from fabric from recycled plastic bottles
- We commissioned the women-owned Naledi factory in 2022 to supply us with jewellery gift sets, helping to provide an income for 31 women

To support people involved in our Beauty+ ranges, we ran a [project to reduce gender-based violence in South Asian factories.](#)





# Our product ingredients

At Avon, we've always developed high performance, great value products. Now, we also search for the most sustainable product ingredients.

By 2030, we want:

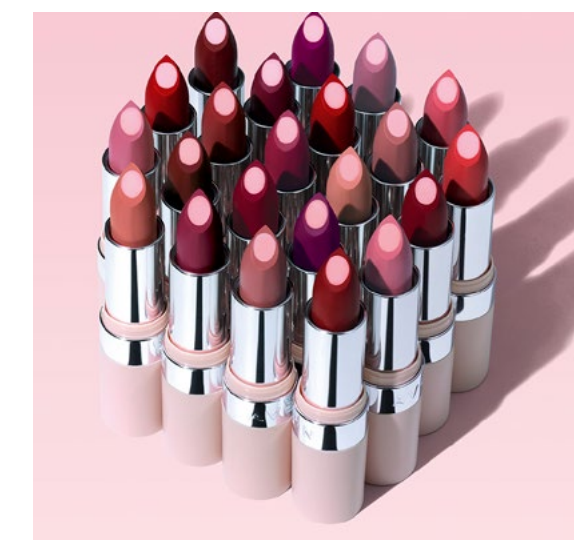
- 95+ percent biodegradable product formulas
- 100 percent of our new formulas having a lower lifecycle environmental impact than our previous versions



## Increasing our products' biodegradability in 2022

- Our new women's fragrance LOV|U a Touch contains Dreamwood™, a 100 percent renewable and biodegradable oil made from sugar cane
- Our 12 new Glimmerstick eyeliners average 98 percent biodegradability. Last year, we sold 6.8 million of these!
- We developed our new Hydramatic Matte Lipstick containing biofermented hyaluronic acid, created using a renewable biotech process

In phasing out non-biodegradable ingredients, we stay ahead of the curve. We pride ourselves on not just meeting regulatory deadlines, but striving to exceed them and lead by example.



In a real step change, we've pioneered measuring the full lifecycle analysis of our environmental footprint related to our product ingredients, based on how they're made, used and disposed.

Two product experts from our Research & Development team co-authored a paper in *Green Chemistry*, outlining a game-changing tool we developed with Quantis. This tool measures the full lifecycle environmental impact of product formulas, from ingredient sourcing right through to customer disposal. We now use this tool to inform our product development choices and processes at every stage.

We also improved the social and environmental sustainability of our ingredient sourcing. We developed and tested concentrated formulas to reduce emissions from packaging and transportation. And we found ways to use less energy and water and generate less waste in our factories.

### We're active members of:

- [EcoBeautyScore Consortium technical working groups](#)
- [The Cosmetic, Toiletry & Perfumery Association Sustainability Committee](#)



# Animal welfare

At Avon, **we don't test any of our products or ingredients on animals anywhere in the world.** We use other evidence-based ways to prove the safety of our products, such as using data, computer modelling and laboratory testing.

In fact, we've campaigned for alternatives to animal testing for more than 30 years, in partnership with the Fund for the Replacement of Animals in Medical Experiments ([FRAME](#)) and [Humane Society International](#).

We're also striving to incorporate more plant-based and synthetic ingredients into our products without having a negative impact on our planet and its resources.



AVON  
NO ANIMAL  
TESTING







# Appendix



# Materiality assessment – Avon International

In 2022, GlobeScan carried out a materiality assessment for Avon International, as part of a Holding level assessment across Natura &Co.

As a relationship-based group, concepts like proximity, engagement and dialogue are constant ongoing processes. Conducting a formal materiality assessment ensures that we prioritise the issues that have the biggest impact on our business and governance, communities and the environment, and those that matter most to our stakeholders.

This materiality assessment involved in-depth interviews with internal sustainability leaders in Natura &Co and Avon International, and an online survey for internal and external stakeholders – employees, suppliers, NGOs, investors, private sector and academic representatives – combining local and global perspectives. We also conducted in-depth interviews with internal and external stakeholders to test our initial prioritisation and get quality feedback.

Our material issues were assessed in relation to the environmental and social impacts of the company’s activities on the economy, environment and people (including impacts on their human rights), and the impact

of environmental and social issues on our business success, including our financial performance and company value.

The materiality matrix on the next page shows Avon International assessment results, with the position of each issue shown in relation to the degree of stakeholder interest in, and potential business impact of, that issue.

Climate action and circularity have been identified as top priorities for Avon International, which is similar for Natura &Co and its sister brands.

Social issues are important to show Avon’s contribution to its core purpose of helping to create a better world for women. This can be associated with a narrative of democratising beauty, and addressing gender equality and diversity and inclusion.

Social regeneration and value distribution topics, such as improving livelihoods, health and wellbeing, and human rights are high impact, and play a key role for the company both internally and externally.

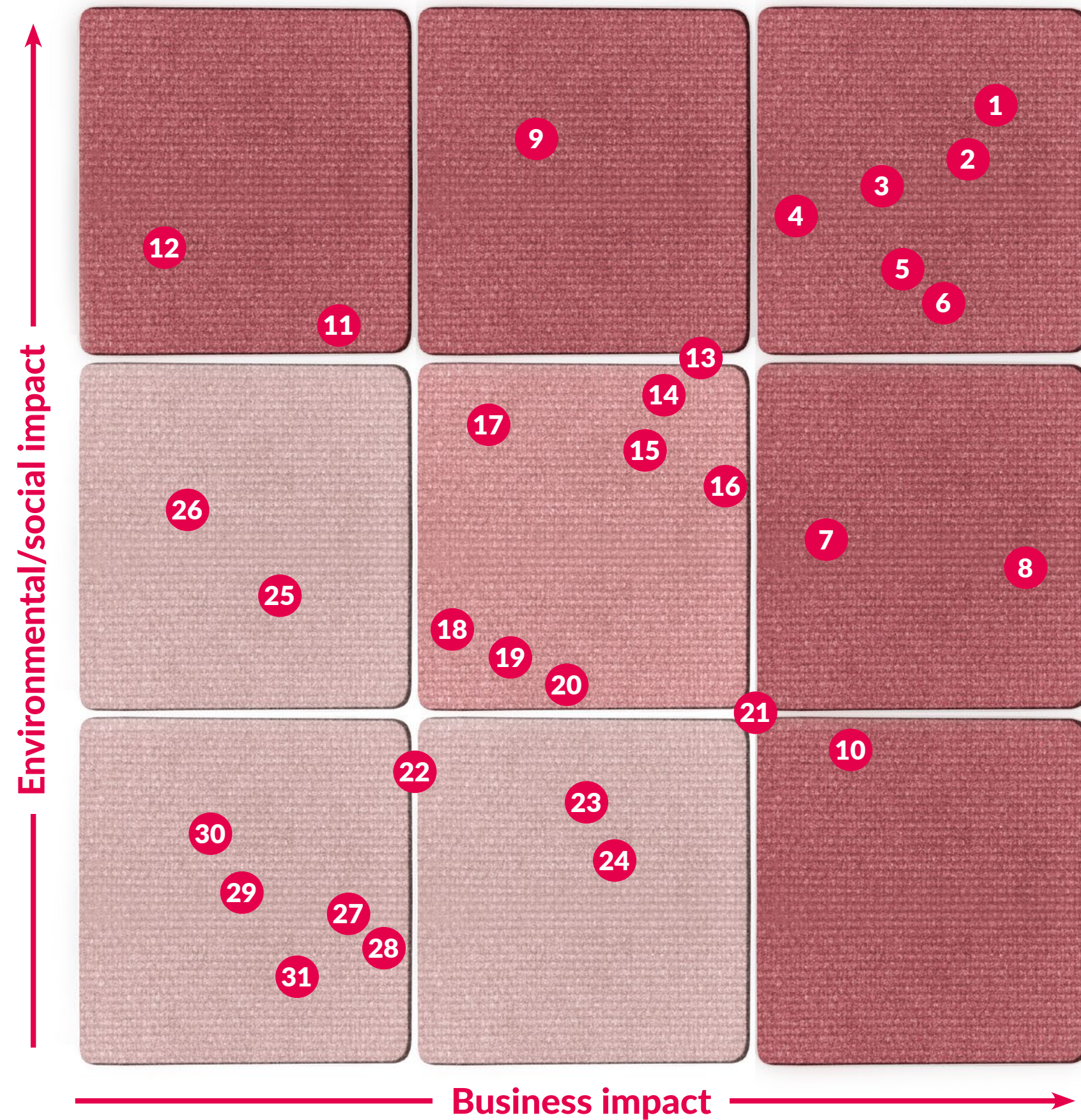
“ Avon’s business model has the power to activate women in a different way.”

External stakeholder





## Avon International's overall priority issues



### Climate action

- 1. Climate action

### Social regeneration

- 4. Improving livelihoods
- 5. Human Rights: (internal and in the supply chain)

### Nature regeneration

- 15. Biodiversity
- 16. Regeneration of nature/natural resource management/land use
- 21. Deforestation (impact through the value chain)

### Circularity

- 2. Circularity/packaging (recycling and alternative sourcing)
- 6. Water management
- 8. Product design and lifecycle management (including carbon footprint)
- 22. Single-use plastic
- 23. Innovation (all areas of businesses)

### Social impact

- 3. Employee health and wellbeing
- 11. Health and wellbeing for communities
- 14. Gender equality
- 17. Diversity and inclusion

### Other priority issues

- 7. Product quality and safety (including recall management)
- 9. Waste and effluent management (other than packaging)
- 10. Ethics and integrity (including bribery and anti-corruption)
- 12. Geopolitical impacts (socioeconomic effects of conflicts)
- 13. Sustainable sourcing (ingredients management)
- 19. Employee training and development
- 18. Customer stewardship (transparency)
- 20. Governance and accountability
- 24. Data security and privacy
- 25. Collaborating with NGOs and engaging with stakeholders
- 26. Public policy advocacy in sustainability
- 27. Tax transparency and economic contribution
- 28. Animal welfare (including animal testing)
- 29. Infectious disease management
- 30. Engaging consumers in sustainable lifestyles
- 31. Responsible marketing and advertising



# Commitment to Life:

## Avon International's<sup>6</sup> progress to date

Two years on from the launch of Commitment to Life, our sustainability vision aimed at addressing some of the world's most urgent and pressing challenges, we are making progress towards reaching some of our targets.

Here is an update on Avon International's progress. Some of the targets are tackled at the Holding level, so we have included a link to the Natura &Co Holdings report for those.



9 goals	Target no.	31 metrics & targets	Target timeline	Avon International 2022 update
Net zero greenhouse gas (GHG) emissions	1	Become net zero 20 years ahead of the UN net zero commitment	2030	Our total GHG emissions for 2021 are calculated at 635,542 tonnes of carbon dioxide equivalent (tCO <sub>2</sub> eq), without including the customer use phase, and 2,219 million tCO <sub>2</sub> eq including the use phase (both market-based figures). <sup>7</sup>
	2	Science Based Targets Initiative (SBTi) for all companies, scopes 1, 2 and 3	2022	We submitted our Science Based Target to SBTi as a Holding and are in the process of validating the submission. After verification, we will follow the pathway towards curbing our emissions in line with limiting global warming to 1.5°C above pre-industrial levels.
Protect the Amazon	3	Expand our influence on forest preservation from 1.8 million to 3 million hectares	2030	<a href="#">See Holding report</a>
	4	Expand our influence on forest preservation from 33 to 40 communities	2030	
	5	Increase revenue streams with 55 bio ingredients (from 38)	2030	
	6	Share at least R\$60 million in value with communities (from R\$33 million)	2030	
	7	Foster collective efforts towards zero deforestation by 2025	2025	
Biodiversity	8	Help create targets with a network of partnerships (the Union for Ethical Biobased Trade, Science Based Targets Network, Business for Nature, the World Economic Forum)	2025	<a href="#">See Holding report</a>
	9	Expand from Natura's 16 year payment of access and benefit sharing (ABS) to the Group by 2025 - as per UN Convention on Biological Diversity (CBD)/Nagoya Protocol	2025	<a href="#">See Holding report</a>

<sup>6</sup> This report focuses on Avon International, which covers our operations in Europe, the Middle East and Africa, and Asia Pacific. Natura &Co Latam reports on Avon's operations in Latin America.

<sup>7</sup> 2022 results are still being validated and will be updated here later in 2023.





9 goals	Target no.	31 metrics & targets	Target timeline	Avon International 2022 update	
Our people	10	Gender balance: 50% women on board/senior team by 2023	2023	51.70%	
	11	Equitable pay, closing the gender gap by 2023 <sup>8</sup>	2023	-0.79%	
	12 <sup>9</sup>	Work towards 30% inclusion, in management, of under-represented groups		2030	Our goal is to reflect the societies in which we operate for our workforce. As a large global organisation, this is not an easy task as it involves capturing sensitive personal data in accordance with data protection laws and anonymity requirements in all jurisdictions. However, we are committed to progress and so have partnered with external experts to conduct our first global diversity and inclusion study so we can track progress against our goals in this area.
		Diversity and inclusion survey global average response rate			33%
		Total respondents (sexual orientation)			1,370
		Sexual orientation – identify as gay; bisexual; queer; asexual; lesbian; pansexual and other			11.40%
		Total respondents (disability)			1,428
	Disability – have a physical, cognitive, sensory or other disability		3.00%		
	13	Living wage (or above) for all by 2023 <sup>10</sup>		2023	100% (living costs of one adult) 100% (living costs of two adults and two children)

<sup>8</sup> Our methodology is in line with Mercer’s global pay equity approach, whose reference for no gender pay gap is anything below -1%.

<sup>9</sup> Employee participation in the demographic data-sharing exercise was voluntary. Participating employees had the choice of answering all or only some of the questions.

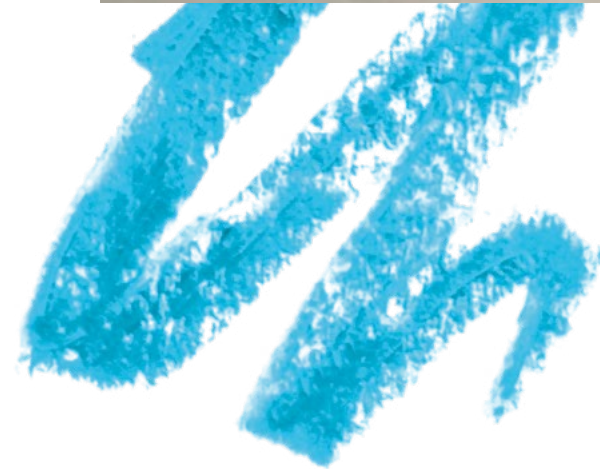
<sup>10</sup> There is no universal standard living wage and there is no specific convention or binding international law on this issue. The level at which the living wage is set is highly context driven, both in space and time, with rates varying between and even within countries. Our ambition is to achieve the recognised/accepted living wage where available based on the following (in descending order): Fair Wage Network; government rates/local living wage rates; Wage Indicator Foundation. This data only considers our 'active employee population', not third-party employees.





9 goals	Target no.	31 metrics & targets	Target timeline	Avon International 2022 update
Our wider network	14	Measurable gains for consultants/representatives and sourcing communities' earnings, education, health and digital inclusion	2030	In 2022 a pilot project using a third-party valuation methodology demonstrated the positive social impact generated by our Representatives' incomes. Since 1992 Avon has supported funding breast screening for 16.6 million women across the world. In 2022, our campaigns educated or supported 351,483 women, and enabled 59,717 to access free breast scans.
	15	Increase investments in key causes (mainly in communities, breast cancer awareness, domestic violence and education)	2030	In 2022 Avon donated US\$10.1million to key causes campaigns (2 percentage point increase vs 2021). US\$5 million was donated to breast cancer awareness campaigns, US\$4 million to ending gender-based violence campaigns and US\$1.1 million to other causes, mainly products donated to Ukrainian refugees.
	16	Promote our trusted and reliable model for the future of direct sales	2030	Avon supports the future of direct selling, notably as members of Direct Selling Associations (DSAs), including the European DSA Seldia. As part of Natura &Co we also play an active role with the World Federation of Direct Selling (WFDSA), in particular the Ethics Committee that aims to raise the WFDSA's and DSAs' self-regulatory standards and improve monitoring and enforcement mechanisms in order to make direct selling recognised as one of the most socially responsible industries in the world.





9 goals	Target no.	31 metrics & targets	Target timeline	Avon International 2022 update
Human rights	17	Full certification by 2025 - palm oil	2025	Traceability (mills) 91.7% Certification 57.5%
	18	Full traceability by 2025 - mica <sup>11</sup>	2025	Traceability 100%
	19	Full certification by 2025 - paper	2025	Certification 76.8%
	20	Full certification by 2025 - alcohol	2025	Traceability 100% Certification 0%
	21	Full certification by 2025 - soy	2025	Traceability 92.0% Certification 0%
	22	Full certification by 2025 - cotton	2025	Traceability 98.2% Certification 0%
	23	Adopt a robust human rights policy in line with UN Guiding Principles by 2023	2023	The Board of Directors approved the Natura &Co Human Rights statement in December 2021. In 2022, we began to roll this policy out across the organisation. We mapped our governance and accountability processes ready to update them in 2023. We also analysed our current ways of assessing human rights risks and internally raised the profile of the risks we have. We now have a prioritised list of recommended actions to create better internal risk assessments and be better able to address human rights.

<sup>11</sup> Currently there is no global certification standard available for mica.





9 goals	Target no.	31 metrics & targets	Target timeline	Avon International 2022 update
Packaging circularity	24	20% (or more) less packaging material (in weight)	2030	5.20%
	25	50% of all plastic used to be of recycled content (in weight)	2030	0.60%
	26	100% of all packaging material: top be reusable, recyclable or compostable	2030	79.70%
	27	Offset through 'collection and reuse' programmes to reach 100% responsible disposal where recycling infrastructure is not available	2030	Avon International has a packaging collection scheme in the Philippines and is trialling a take-back scheme in the UK. In 2022 we conducted consumer and Representative research to gain insights and feedback on refills, concentrates and take-back schemes.
Formula circularity	28	95%+ renewable or natural ingredients	2030	N/A for Avon International
	29	95%+ biodegradable formulas	2030	91.70%
	30	100% of new formulas will have lower environmental footprint, measured by life cycle analysis (LCA)	2030	The Natura &Co LCA Ecodesign Tool completed development in 2022, allowing the measurement of the ecological footprints of formulations based on state-of-the-art LCA methodology and data. In 2023, a pilot testing and evaluation phase is planned so that fine adjustments can be made to ensure that the tool successfully measures the real impact of our formulations.
Regeneration	31	Invest U\$100 million (or more) in developing regenerative solutions, such as biotechnology e.g. from waste to ingredients, plastics, etc.	2030	<a href="#">See Holding report</a>



# 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 (TCO<sup>2</sup>e).

The 2022 data will be published later this year following a quality assurance process.

Category	2020	2021	% change in emissions from 2020 baseline
<b>Scope 1</b>	<b>17,213</b>	<b>14,515</b>	<b>-15.7%</b>
<b>Scope 2 – location based</b>	<b>35,154</b>	<b>31,420</b>	<b>-10.6%</b>
<b>Scope 2 – market based<sup>12</sup></b>	<b>10,982</b>	<b>34,723</b>	<b>216.2%</b>
<b>Scope 3 categories:</b>			
1a: Purchased goods and services (product)	339,723	316,157	-6.9%
1b: Purchased goods and services (non-product)	81,077	51,735	-36.2%
2: Capital goods <sup>13</sup>	889	1,042	17.2%
3: Fuel- and energy-related activities	11,399	12,645	10.9%
4: Upstream transportation and distribution	69,911	67,074	-4.1%
5: Waste generated in operations	334	358	7.2%
6: Business travel	7,750	5,126	-33.9%
7: Employee commuting	5,763	4,689	-18.6%
8: Upstream leased assets	N/A	N/A	N/A
9: Downstream transportation and distribution	45,307	36,387	-19.7%
10: Processing of sold products	N/A	N/A	N/A
11a: Use of sold products (direct)	17,118	13,302	-22.3%
11b: Use of sold products (indirect)	1,681,645	1,587,341	-5.6%
12: End-of-life treatment of sold products	78,287	69,984	-10.6%
13: Downstream leased assets	N/A	N/A	N/A
14: Franchises <sup>14</sup>	5,689	7,805	37.2%
15: Investments	N/A	N/A	N/A
<b>TOTAL scope 3 (excl 11b)</b>	<b>663,247</b>	<b>586,304</b>	<b>-11.6%</b>
<b>TOTAL scope 3</b>	<b>2,344,892</b>	<b>2,173,645</b>	<b>-7.3%</b>
<b>TOTAL (location-based, excl 11b)</b>	<b>715,614</b>	<b>632,239</b>	<b>-11.7%</b>
<b>TOTAL (location-based)</b>	<b>2,397,259</b>	<b>2,219,580</b>	<b>-7.4%</b>
<b>TOTAL (market-based, excl 11b)</b>	<b>691,442</b>	<b>635,542</b>	<b>-8.1%</b>
<b>TOTAL (market-based)</b>	<b>2,373,087</b>	<b>2,222,883</b>	<b>-6.3%</b>

<sup>12</sup> Market-based emissions have increased significantly due to no Renewable Energy Guarantees of Origin (REGO) certificates being procured in 2021. We are instead using the funds to invest in internal carbon reduction initiatives.

<sup>13</sup> Emissions associated with capital goods are expected to fluctuate year on year due to investment in large items such as manufacturing equipment.

<sup>14</sup> Franchise emissions increased due to a rise in number of franchised stores.





[avonworldwide.com/responsible-business](http://avonworldwide.com/responsible-business)

A better world for women  
**is a better world for all**