

NOVA – TURNING AVON AROUND

EMPLOYEE ENGAGEMENT

Avon has a rich history dating back over a century. Our commitment to our customers, our stakeholders and our people is of paramount importance.

Our commitment to success, and our desire to constantly evolve the Group and the way in which it engages and motivates its people, led to NOVA ('turning AVON around') being launched in the second half of the financial year. Resulting from a combination of a recognition for greater brand awareness (both internally and externally) and development of a new set of core Group values, several significant changes have been made.

Employees

The Board recognises that our employees are fundamental to the growth and success of our business and has set the following two Group objectives:

- To attract, retain and develop high performing employees who can facilitate and participate in the Group's pursuit of its strategic aims and add value to the business and to our stakeholders; and
- To communicate with employees in a structured and open manner to include regular briefings and the dissemination of relevant information.

The Group performance management process links managers' remuneration to achievement of a range of performance targets. The Group seeks to encourage employee consultation, communication and involvement and to promote the development of employees' potential through relevant training.

The Group applies policies and procedures which are intended to further diversity in our workforce and ensure that no employee is disadvantaged as a result of discrimination including on grounds of sex, race, religion, disability or age.

CREED: AVON's new principles and values

Above all, trust and integrity are the foundation of AVON. Our values and culture guide our behaviour. CREED is our set of principles and values. These cultural values should be rigorously pursued and adhered to across our Group.



C understanding and delivering our **CUSTOMER** (internal or external) needs and expectations

R motivating our people through appropriate **RECOGNITION** and reward programmes

E providing responsibility through meaningful employee **EMPOWERMENT**

E ensuring a friendly and **ENGAGED** environment that embraces worthwhile communications where innovation is encouraged

D recognising the value of cultural **DIVERSITY** and talent across our businesses

Customer focus:

Annual customer and employee satisfaction surveys to take place to help define a customer service training program for every single employee. Customer delight is a way of life rather than just a statement.

Avon's brands:

A strengthening of the brand image of our businesses, not only externally but internally, to reinforce the importance of the customer and to instil an even greater product pride within our workforce. In support of the brand and CREED values we introduced Avon Brand Culture – 'The ABC' as a guide to understanding, using and communicating our brand identity and culture throughout the Group.

Employee performance measurement:

Avon's Performance Management Process (PMP) has been re-defined to reflect NOVA's desired behavioural competencies – CREED. Every employee will be assessed according to these five fundamental values.

Communication:

Regular local and group-wide communications programs have been launched to engage and inform our employees and also facilitate a forum for 360 degree feedback, cultivating openness and honesty across the company.

Recognition and reward:

A strengthening of our commitment for appropriate reward of a job well done, not only informally in our day to day operations but also through formal recognition such as Avon's 'CREED Heroes' program.

AVON can look back on a proud history. Our commitment to CREED, knowing who we are, what we're good at and with a clear vision of where we are going as a technologically innovative Group will ensure we will be a success.