



Strategy and investments

In 2024, Avon International continued with its journey of transformation. The voluntary Chapter 11 restructuring proceedings for Avon Products, Inc. (API) in the United States were essential for resolving the company's old debts and liabilities. At the end of the year, the bankruptcy court approved the terms of the agreement between API and its creditors, as well as the sale of Avon's operations outside the United States to Natura & Co.

Furthermore, Avon International reduced its personnel, simplified its operations, reduced its technology costs, and implemented strategic initiatives. This included the finalization of the transformation of R&D, outsourcing of the relationship center services, and standardizing of the size of the line throughout the business.

In a period of significant changes, the engagement of our employees remained stable in comparison with previous years, which proves the commitment and confidence of the teams. As part of the process, we focused on updating our talents, with a comprehensive evaluation of all members of the senior management, resulting in leadership changes in the principal markets and new hirings for retail.

A new set of expected behaviors was implemented to allow a culture of high performance, focused on keeping things simple to promote responsibility and ownership, whilst embracing intelligent risks and constructive challenges to the status quo. Over the course of the year, quarterly, global, online meetings, as well as local, in-person workshops, and training sessions, were held to help incorporate the components and reenergize our culture.

Omnichannel capabilities

In 2024, Avon developed its commercial strategy and priorities, modernizing the Relationship Selling, accelerating the omnichannel capabilities, and revitalizing the brand, to be able to focus more intensively on its principal markets.

With regard to Relationship Selling, the team made extensive visits to identify opportunities and analyze the commercial model, point by point. At the same time, the support for representatives was improved in different key areas for each market. Romania and Turkey were identified as the first countries that needed attention, with these markets presenting above-average challenges for the company in terms of revenue, whilst presenting encouraging channel KPIs.

The key takeaways from the experience in Turkey and Romania led to the drafting of a set of priority initiatives that will be implemented in all the 12 principal markets in waves, as of 2025, in South Africa, Philippines and Hungary. These initiatives include simplifying the commercial model and improving the value proposal and experience for the representatives, as a means of driving productivity and retention, including a new program paying extra attention to the new representatives.

Avon evolved in terms of its commercial priorities and invested in the modernization of Relationship Selling.



Other improvements are related to balancing the investments in prices with promotional actions, to boost gains and provide a satisfactory 360° experience, ranging from credit and taxes to education and training.

In general, Avon International's Relationship Selling performance in 2024 dropped, despite having improved in the second half of the year, due to better results in the productivity of the sales leaders. At the end of the year, Avon International had 1.7 million representatives, a drop of 16% in relation to the previous year, with gains in retention partially mitigating the impact of the reduced number of new participants.