

# PEOPLE

Our people pillar is about ensuring we attract and retain the very best employees. We have established three focus areas to work on which we have identified as important in the motivation and engagement of our employees.



## INTRODUCTION

Medium-term targets	How we measure	FY24 performance	Progress made against target
<b>Improve our employee engagement score by 2.5% year on year</b>	Change in EOS favourability score for engagement against prior year	<b>-7%</b>	<span style="color: red;">●</span>
	We anticipated a lower engagement score due to the high levels of restructuring that occurred around the EOS launch. We have refocused our CSR strategy on our people to help address this going into FY25.		
<b>Support local community causes</b>	Total charitable donations	<b>\$108.5k</b>	<span style="color: green;">●</span>
	During the year we supported local causes, nominated by employees, with the help of our employee-led committees.		
<b>Goal of zero harm</b>	Lost time incidents per 1,000 employees	<b>6</b>	<span style="color: green;">●</span>
	Safety has been reinforced with the introduction of the SQDIP daily management tool and improved reporting.		
<b>Undertake DEI activities aligned to our Group DEI programme</b>	Number of DEI activities	<b>2</b>	<span style="color: orange;">●</span>
	We completed two Company-wide webinars on DEI-related issues. Developing our DEI programme is a key focus area for next year.		

## 1 STAR ACADEMY

We believe our employees thrive when they can work on their personal development and enhance their skill set. We recognise it's important to provide a combination of on-the-job training, self-led learning and live training sessions.

Our Global Performance Management Process ensures employees' career aspirations and development needs are being discussed and reviewed quarterly. It also ensures all employees are working towards objectives and key results aligned with our strategy.

We offer early careers opportunities, giving those at the beginning of their career journey help and support that they need to establish a successful and fulfilling career through work experience, internships, placement years, apprenticeships and graduate programmes.

For individuals looking to take the next steps in their career we run an annual professional development programme.

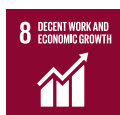
In 2023 our mentoring programme was developed following feedback that employees wanted to see more career development opportunities. The programme is open to all and ensures mentoring is taking place at all levels of the business.

In FY25 we plan on launching Star Academy a learning development programme that will help us teach people how to improve processes through CI.

### YEAR AHEAD FOCUS AREAS

- Launch STAR Academy, our new learning and development programme.
- Review our community programme to increase employee engagement and opportunities for strategic partnerships.
- Improve our employee engagement and channels for feedback.

### LINK TO UN SDGs



### WE RUN TWO FLAGSHIP YEAR-LONG DEVELOPMENT PROGRAMMES:

- The Professional Development Programme (PDP), which aims to identify and support the next generation of internal talent to contribute to the business beyond the scope of their current roles. Participants set personal development targets and work with a mentor from our leadership team, who is a source of advice during the year.
- The mentoring programme, which connects a mentee with a mentor, who can support their development and provide advice to work towards their career aims; this is open to all employees.

**16**  
employees on our PDP

**34**  
employees on our mentoring programme

## 2 CULTURE

### Values

Our core values are the things that are most important to us as a business and as individuals: the behaviours we want to encourage, the standards we hold ourselves to and the characteristics we display when we're at our best. In 2023 we launched our new vision, mission and FIERCE values which were developed with inputs from employee feedback.

### Health and safety

Our goal is zero harm and we actively promote a safety culture. We have mandatory training and policies in place for all production employees on workplace safety and provide safety and environmental training tailored to their specific roles.

In 2024, we relaunched new operational metrics linked to our vision. They recognise everyone's responsibility for SQDIP. The order of SQDIP is important because it is the order of our priorities, safety being number one.

We enhanced the reporting of safety and established key performance indicators which each site reports against monthly to allow greater insight and comparability of safety data across our business.

The table below shows the Group's observations, lost time incidents and lost time injury rate. We place importance on observation and near miss reporting to prevent accidents and encourage employees to report unsafe incidents. We use observation cards to report safety and environmental issues; these issues are then fixed (Find, It Fix It). During the year we implemented a barcode system at one site which enables observations to be reported via computers, mobiles and kiosks; this has proven to be a fast, easy way to collect feedback from employees in real time.

In 2024, there were no work-related employee or contractor fatalities and no major injuries (serious/life changing).

	2024
Observation/near miss <sup>1</sup>	934
Lost time incidents <sup>2</sup>	5

1. Observation/near miss – includes suggestions made by employees that are fixed or a work-related incident with no injury or illness occurs, but which has the potential to cause these.
2. Lost time incidents – an injury sustained by an employee that results in them being unable to perform their regular duties, leading to them missing at least one full day (or shift) of work following the day of the injury.

### Wellbeing

The health and wellbeing of our employees is important to us and throughout the year we share resources with them on how to look after their mental and physical wellbeing. This year we ran a menopause awareness campaign across the Group and launched the campaign with a Company-wide webinar, 'Let's talk about menopause', ran by a guest speaker.

Employee feedback is important to us as we continue to develop our wellbeing offering. We have an employee-led resource group focused on mental health wellness that makes recommendations and supports site activities to raise awareness. The Mental Health Ally Network is comprised of dedicated individuals from across all our sites. They are also trained employees who have volunteered to be available to anyone in the organisation who would like a confidential one-to-one conversation.

Mental Health Allies are familiar with policies and procedures and signpost those who need it to further resources within and outside our business.

### CASE STUDY

#### MENTAL HEALTH AWARENESS WEEK

This year the theme of mental health awareness week was 'movement', which helps raise awareness of the benefits of physical exercise and time outdoors on mental wellbeing and happiness.



In support of this, our colleagues in the UK had a selection of wellbeing activities to take part in during the week including the outdoor space hopper challenge, meditation, fresh fruit giveaways and origami. Activities encompassed the key pillars of mental health: nutrition, sleep, exercise, relaxation and connection.

### CASE STUDY

#### INTRODUCING A PRODUCTION BONUS TO DRIVE CONTINUOUS IMPROVEMENT AND RECOGNITION

During FY24, we introduced a new production bonus designed to reward production employees for their contributions to improving operational efficiency and reducing scrap. We believe that when our operations succeed, all employees should share in those achievements.

The production bonus was developed as part of our commitment to building a culture of recognition, excellence and continuous improvement. By aligning rewards with key business outcomes – such as waste reduction and productivity increases – we aim to empower every employee to contribute to the success of the Company and foster a sense of ownership and involvement in the Company's growth.

The bonus programme is designed to reward actions, ideas and initiatives that contribute to continuous improvement, particularly through methodologies like Kaizen. Every member of our production team can have a real impact on operational objectives, and will share in the success.

## Corporate Social Responsibility continued

### PEOPLE CONTINUED



**Above:** The Cleveland Corporate Challenge is an athletic competition promoting employee wellness; the winning teams get donations to their chosen local charity.

## 2 CULTURE CONTINUED

### Wellbeing continued

Employees also enjoy participating in sports activities and events supported by Avon. For example, this is the third year employees have taken part in the Cleveland Corporate Challenge. Through this they have entered numerous team events, such as softball, volleyball and races. We have also partnered with local sports facilities to offer employees crossfit, badminton, football and discounted gym membership.

### Diversity, equity and inclusion

We are committed to the fair treatment and full participation of all people and recognise diversity provides a better culture for all. The Group's Code of Conduct sets out our expected behaviours including our zero tolerance of harassment, bullying or discrimination in any form, our human rights policy and our processes for raising concerns. We conduct mandatory training on the Code of Conduct annually.

During 2024 we continued to make progress on addressing gender diversity, reaffirming our pledge to improve the balance of female to male employees. We relaunched our female leadership employee-led resource group (ERG) which provides a platform for female leaders within our organisation to discuss pertinent issues, network and foster personal and professional development.

This year we celebrated International Women's Day with a Company-wide presentation exploring the theme 'equality vs equity'. We were joined by guest speakers from Forces Wives Challenge, who took part in the 'Ride to Freedom' expedition, which we sponsored last year. One of the first speakers from the Forces Wives Challenge, Steph, was the first wheelchair user to horse ride across the Pyrenees. This helped to start conversations around disability awareness.

We recognise the opportunity to expand our focus beyond just gender and have been working with a DEI expert to assess our next steps. In 2025, we plan to launch a DEI programme and undertake further DEI activities.

Our US sites report equal employment opportunities data annually to the US Government and to the State of California under pay equity requirements. Affirmative action plans are also in place which outline goals for women and minorities, veterans and people with disabilities by establishment.

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, Avon publishes its Gender Pay Report. In 2024 we reported an increase in the gender pay gap for UK employees from 36.4% in 2023 to 45.9%. The primary driver behind the gender pay gap is the relatively small proportion of women among our senior employees.

### Gender pay gap: difference in hourly rate pay

Mean

45.9%

2024

Median

23.3%

2024

36.4%

2023

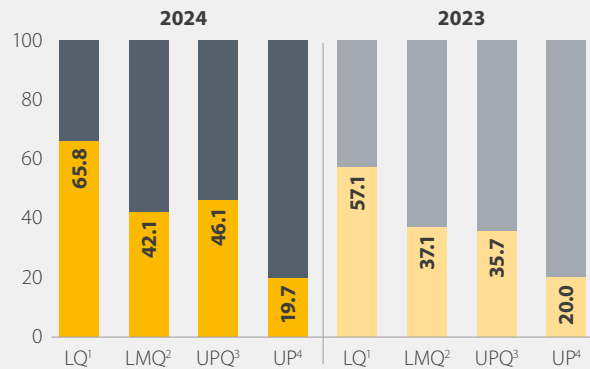
19.6%

2023

The table below shows the Group's Board, Executive Committee and operational management by gender. Across all employees, we have achieved a ratio of 44% female representation (401 female; 514 male). Female representation across our Executive Committee has improved with the appointment of three females. Female representation in direct reports is 27% which we are committed to improving in the future.

	Male	Female
All employees	56%	44%
Leadership team which reports directly to the Executive team	73%	27%
Executive team	63%	37%
Board	67%	33%

### Proportion of men and women within each quartile (by hourly rate)



1. Lower quartile.
2. Lower middle quartile.
3. Upper middle quartile.
4. Upper quartile.

■ Male ■ Female

▶ [Read more about our gender pay gap data on our website](#)

### Employee engagement

Maintaining high levels of communication with all employees is a focus across the Group. Throughout the year our Executive Committee has regularly visited all sites and hosted townhalls to provide an update on performance, strategy and future focus areas.

In 2024, 84% of employees took part in our annual Employee Opinion Survey (EOS), up 10% from 2023. The survey provides employees with the opportunity to provide anonymous feedback and suggest improvements on aspects such as leadership, communication, employee engagement, team culture and the work environment.



Results from these surveys are presented to the leadership teams to enable the teams to develop Group, SBU, department and site-level actions. Throughout the process we give feedback to employees.

The Group's overall engagement score was 60%, which was a decrease against last year's score of 67%. In response to this we have introduced Coffee Talks at low scoring sites as an opportunity to voice concerns and ask questions to our leadership in an informal setting. These encourage open dialogue to gather valuable employee feedback, to supplement our annual EOS to ensure we stay on track with implementing our actions.

### 3 COMMUNITY BENEFIT

Across our sites, our employees demonstrate incredible generosity and dedication to making an impact in our local communities. Throughout the year our employees have taken part in sporting fundraisers, organised community events, supported food collections and attended career days. We support employees who contribute to community initiatives and have a charitable giving programme in place through which employees can request donations or match funding. This programme enables us to provide donations to local causes that matter to our employees.

During the year we made a corporate donation to Team Forces Foundation, a charity that provides financial grants to help make sport and adventure more accessible to those who serve in the British Armed Forces and is endorsed by the MOD. As a bronze sponsor we support it in its mission to improve the lived experience for the armed forces community through the power of sport, challenge and adventure. In 2025 we plan on seeking further opportunities to partner with stakeholders for greater social value.

#### CASE STUDY

#### MELISSA NICHOLLS

During the year Avon Protection has been supporting Melissa Nicholls in her journey to the Paralympics.

Using Avon Protection's expertise in rubber compound, she has been able to develop specialised racing gloves that meet her unique requirements. We were also able to provide Mel with a donation, through our charitable giving programme, to go towards equipment in preparation for Paris.



## AMAZING EMPLOYEE ACHIEVEMENTS OVER THE YEAR!



# \$108.5k

Our total charitable giving programme and corporate donations in 2024

# 50+

Unique charities and community causes supported by our charitable giving programme

# 40%

Over 40% of our donations this year have gone to causes that support armed forces and veterans