
Section 1: SD (SD)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM SD SPECIALIZED DISCLOSURE REPORT

AVON PRODUCTS, INC.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation or organization)

1-4881

Commission file number

13-0544597

(IRS Employer Identification No.)

Building 6, Chiswick Park, London W4 5HR, UK

(Address of principal executive offices) (Zip Code)

Michael Watson +44 (0) 203 798 6071

(Name and telephone number, including area code, of the person to contact in connection with this report)

Check the appropriate box to indicate the rule pursuant to which this form is being filed, and provide the period to which the information in this form applies:

Rule 13p-1 under the Securities Exchange Act (17 CFR 240.13p-1) for the reporting period from January 1 to December 31, 2017.

INFORMATION TO BE INCLUDED IN THE REPORT

This report for the year ended on December 31, 2017 is presented to comply with Rule 13p-1 under the Securities Exchange Act of 1934 (the "Rule"). The Rule was adopted by the Securities and Exchange Commission to implement reporting and disclosure requirements related to "conflict minerals" pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

When used in this report, the terms "Avon," the "Company," "we," "our" or "us" mean, unless the context otherwise indicates, Avon Products, Inc. and its consolidated subsidiaries.

Section 1 - Conflict Minerals Disclosure

Item 1.01 Conflict Minerals Disclosure and Report

2017 Overview

Avon supports ending violence in the Democratic Republic of Congo and adjoining countries (each a "covered country" and collectively, the "covered countries") and has taken steps since 2014 to strengthen our supply chain due diligence capability and traceability with respect to certain "conflict minerals," which include cassiterite, columbite-tantalite (coltan), gold, and wolframite and their derivatives, tin, tantalum, and tungsten. Avon's conflict minerals position statement is available at <http://www.avoncompany.com/corporate-responsibility/about-cr/positions-policies/conflict-minerals/>

We are a global manufacturer and marketer of Beauty and Fashion & Home products. Beauty consists of skincare (which includes personal care), fragrance and color (cosmetics). Fashion & Home consists of fashion jewelry, watches, apparel, footwear, accessories, gift and decorative products, housewares, entertainment and leisure products, children's products and nutritional products. Both product categories contain products that include conflict minerals in their creation. For example, some of our raw ingredients used in the manufacture of certain color and skincare products in our Beauty category contained tin or gold. Other minerals may be used indirectly as a catalyst in the production of Beauty products. In addition, certain jewelry, electronic and other products within the Fashion & Home category also contain these minerals.

In accordance with the Rule, we have determined that conflict minerals are necessary to the functionality or production of certain products manufactured and/or contracted to be manufactured by us during the 2017 compliance period. We, therefore, conducted a Reasonable Country of Origin Inquiry ("RCOI") that was reasonably designed to determine whether any

conflict minerals originated in a covered country or are from recycled or scrap sources (as defined by paragraph (d)(6) of Item 1.01 of Form SD).

Description of RCOI

To the best of our knowledge, Avon did not source any minerals, including conflict minerals, directly from mines, smelters or refiners. Avon conducted supply chain diligence for the 2017 compliance period in order to engage with suppliers and acquire information regarding the potential use and source of conflict minerals in products that they provide to Avon.

Targeted Suppliers

We surveyed a broad-base of tier-one direct suppliers in our Beauty and Fashion & Home products as part of our review of our supply chain. We also surveyed contract manufacturers of Beauty products who may acquire and/or manufacture products at Avon's direction.

In line with our objective of enhancing supply chain traceability and transparency, and engaging suppliers, we determined that it would be appropriate to include in the RCOI direct suppliers of raw ingredients and Fashion and Home products, as well as contract manufacturers, who sold products to us during the 2017 compliance period, even if in certain instances it was unlikely that such suppliers provided us with products containing conflict minerals. We undertook a risk-based approach to identify active suppliers in 2017 by considering a number of factors based on available sourcing information maintained by the company.

In total, Avon targeted 403 suppliers to participate in the RCOI.

Supplier Engagement

We asked suppliers to complete an online conflict minerals survey using the Conflict Mineral Reporting Template developed by the Responsible Minerals Initiative (the "Survey"). The Survey includes questions regarding the use and origin of conflict minerals, along with seeking information with respect to a supplier's policies, processes, and due diligence efforts regarding conflict minerals, including engagement with its own direct suppliers.

To encourage awareness and to inform suppliers who may be unfamiliar with conflict minerals and the Rule, Avon provided background information on the Rule. In addition, we provided step-by-step instructions for accessing and responding to the Survey. Avon continued to manage a dedicated mailbox for supplier questions about the conflict minerals or for assistance in completing the Survey.

Non-responsive suppliers received up to five e-mail reminders to complete the Survey; an escalation letter was sent to suppliers that were still not responsive after the final survey submission deadline. Additionally, Avon employees responsible for maintaining supplier

relationships conducted periodic outreach to non-responsive suppliers to follow-up and drive Survey completion.

RCOI Results

Of the 403 suppliers targeted, 307 provided timely responses which represents a 76% response rate, in line with the prior year response rate.

In our survey results, 5 suppliers indicated potential sourcing of conflict minerals from the Covered Countries and specified smelters that are conformant to the Responsible Minerals Initiative's Responsible Minerals Assurance Program ("RMAP").

We are currently unable to determine specifics on the mine location and country of origin for the conflict minerals used in our products. As a result, we are unable to conclude with certainty that none of the conflict minerals in our products originated in a covered country.

The Company has, therefore, exercised due diligence on the source and chain of custody of these Conflict Minerals as described in Exhibit 1.01 (the "Conflict Minerals Report").

This Form SD and the Conflict Minerals Report are available at <http://www.avoncompany.com/corporate-responsibility/about-cr/positions-policies/conflict-minerals/>

Item 1.02 Exhibit

The Conflict Minerals Report required by Item 1.01 is filed as Exhibit 1.01 to this Form SD.

Section 2 - Exhibits

Item 2.01 Exhibits

[Exhibit 1.01 - Conflict Minerals Report](#)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the duly authorized undersigned.

Avon Products, Inc.

(Registrant)

/s/ Michael Watson

Name: Michael Watson

Title: Senior Vice President, Global Supply Chain

Date: May 30, 2018

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Section 2: EX-1.01 (EXHIBIT 1.01)

Exhibit 1.01 – Conflict Minerals Report

When used in this report, the terms "Avon," the "Company," "we," "our" or "us" mean, unless the context otherwise indicates, Avon Products, Inc. and its consolidated subsidiaries.

This Conflict Minerals Report is an exhibit to Avon's Form SD filed with the Securities and Exchange Commission on May 30, 2018 and should be read in conjunction with our Form SD. Capitalized terms used herein and not defined have the meaning set forth in our Form SD.

Summary

To the best of our knowledge, Avon did not source any minerals, including conflict minerals, directly from mines, smelters or refiners. Avon conducted supply chain diligence for the 2017 compliance period in order to engage with suppliers and acquire information regarding the potential use and source of conflict minerals in products that they provide to Avon.

After exercising due diligence as described below, we are currently unable to determine specifics on the mine location and country of origin for the conflict minerals used in our products. As a result, we are unable to conclude with certainty that none of the conflict minerals in our products originated in a covered country.

We are a global manufacturer and marketer of Beauty and Fashion & Home products. Beauty consists of skincare (which includes personal care), fragrance and color (cosmetics). Fashion & Home consists of fashion jewelry, watches, apparel,

footwear, accessories, gift and decorative products, housewares, entertainment and leisure products, children's products and nutritional products. Both product categories contain products that include conflict minerals in their creation. For example, some of our raw ingredients used in the manufacture of certain color and skincare products in our Beauty category contained tin or gold. Other minerals may be used indirectly as a catalyst in the production of Beauty products. In addition, certain jewelry, electronic and other products within the Fashion & Home category also contain these minerals.

In light of our conclusion and in line with the Rule, an independent private sector audit of this Conflict Mineral Report is not required.

Due Diligence Framework & Design

Avon designed its due diligence process based upon the internationally recognized due diligence framework set forth in the Organization for Economic Cooperation and Development *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* ("OECD Framework")(OECD 2016).

Due Diligence Steps Taken

In accordance with the OECD framework, Avon's due diligence measures included the following steps:

1) Establish strong company management systems

- Maintained a cross-functional team comprised of employees in key business functions (Sourcing, Research & Development, Finance and Legal) to design and implement our conflict minerals compliance efforts with executive-level support and oversight from the Senior Vice President Global Supply Chain and Associate General Counsel Global Supply Chain
- Continued providing background information and training on the Rule to employees involved in our conflict minerals compliance efforts
- Provided online training and support to suppliers involved in our conflict minerals compliance efforts
- Continued to maintain the conflict minerals position statement, which includes information on how to contact Avon for further information and/or report concerns. The Avon Conflict Minerals Position Statement is available on our website at <http://www.avoncompany.com/corporate-responsibility/about-cr/positions-policies/conflict-minerals/>
- Avon's Integrity Helpline (integrityhelpline.avon.com) is available 24 hours a day, seven days a week and also provides a way to ask questions or report any issues
- Enhanced supply chain transparency and strengthened engagement with suppliers by asking targeted suppliers to complete the Conflict Mineral Reporting Template developed by the Responsible Minerals Initiative and providing suppliers with background information on the Rule
- Improved our supplier and products records to better assess the potential use of conflict minerals by the Company, including implementing a standardized pre-screening program for new supplier relationships
- Required that relevant conflict minerals documentation is retained for at least 5 years pursuant to Avon's document retention policy

2) Identify and assess risks in the supply chain

Our supplier Surveys provided an opportunity for us to engage with targeted suppliers and acquire information regarding the potential use and source of conflict minerals in products that they provide to Avon. It also helped us to assess relevant supply chain information in our information systems. In particular, we:

- Developed a better understanding of our suppliers' processes and where there were potential gaps in information or understanding
- Reviewed Survey responses for "red flags," i.e., inconsistent and/or incomplete responses that indicated a potential risk
- Compared smelters and refiners identified by participating suppliers to the list of smelters that have been validated as conformant to the Responsible Minerals Initiative's RMAP.
- Identified areas of improvement for our information technology that could enhance, on an ongoing basis, the quality of direct supplier information to better assess the potential use of conflict minerals

3) Design and implement a strategy to respond to identified risks

Avon implemented a risk management plan designed to identify, monitor and mitigate identified risks. Key elements of the plan included:

- Providing regular updates to senior management in Sourcing, Research & Development, Finance and Legal, through Steering Committee meetings, as deemed necessary by the working group during the due diligence period
- Sending corrective action follow-up notices to suppliers who provided incomplete and/or inconsistent Survey responses. The corrective action notices requested follow-up information from suppliers, as needed, and directed suppliers to Avon's training materials regarding key regulatory requirements and to industry resources that may be useful to the suppliers
- Sending a corrective action notice to suppliers who did not complete a Survey in a timely manner, requesting that they begin gathering information regarding the potential use of conflict minerals in materials supplied to Avon during 2017 and also informing them that Avon will provide additional training as needed. Avon informed these suppliers that if they did not complete the survey and comply with our 2017 compliance efforts, Avon would evaluate its options, including but not limited to reassessment of the relationship between the supplier and Avon

4) Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain

To the best of our knowledge, Avon does not source any minerals, including conflict minerals, directly from mines, smelters or refiners and is several layers removed from these market activities. As a result, Avon does not conduct audits of smelters and refiners. As part of our due diligence process, we rely on cross-industry initiatives such as those led by the Responsible Business Alliance, GeSI and the Responsible Minerals Initiative.

5) Report on supply chain due diligence

This Report and Avon's Form SD are available at www.avoninvestor.com and <http://www.avoncompany.com/corporate-responsibility/about-cr/positions-policies/conflict-minerals/>

Outcomes of RCOI/Due Diligence

We have not been able to determine whether any of the products manufactured, or contracted to be manufactured, for Avon by our suppliers contain conflict minerals originating from one of the covered countries.

We received responses from 307(76%) of the 403 suppliers initially identified. Of the suppliers who did complete the survey, 269 responded that their products do not contain any conflict minerals. Based on survey responses, we identified 38 suppliers who manufactured, or contracted to manufacture, products that contained conflict minerals.

Of these 38 suppliers, 33 either (i) responded to our survey that they could not determine the country of origin of the conflict minerals or (ii) responded that the conflict minerals did not originate in a covered country. The remaining 5 suppliers indicated that their products contain conflict minerals that originated in one of the covered countries and specified smelters that were noted to be conformant to the Responsible Minerals Initiative's RMAP . As part of our ongoing due diligence, we are continuing to collect information from these suppliers.

Some of the 38 suppliers identified 287 smelters and/or refiners that may have been used to supply the conflict minerals used in their products. 232 smelters and/or refiners were identified as being conformant to the Responsible Minerals Initiative's RMAP . The suppliers reported the smelter and refiner information predominantly at a company level and not at a product level.

After exercising due diligence as described in this report, we are unable to conclude with certainty that none of the conflict minerals in our products originated in a covered country.

Independent audit

Pursuant to Rule 13p-1, Avon has determined that for 2017 an independent private sector audit is not required.

Ongoing Risk Mitigation Efforts

In line with our Conflict Minerals Position Statement, we are implementing an ongoing risk mitigation plan that is intended to strengthen our supply chain due diligence capability and traceability with respect to conflict minerals and reduce the risk that the sourcing of any conflict minerals benefits armed groups in the covered countries.

Avon has implemented the following for the 2017 compliance period:

- Further refined the applicability assessment to pursue a more targeted approach in identifying suppliers that could be providing products containing conflict minerals
- Improved the engagement of the internal Sourcing organization to increase accuracy in the applicability assessment and engage suppliers earlier in the process
- Increased communications and reminders to suppliers requested to complete the Survey as a means of driving response rates and quality of data collected
- Informed non-responsive suppliers that failure to support the 2017 compliance effort may cause Avon to evaluate its options including, but not limited to, reassessment of the relationship between the supplier and Avon
- Initiated a review to understand why suppliers may not respond to Avon's request to submit a CMRT
- Informed suppliers of the RMI smelter list and encouraged the utilization of conformant smelters

Key steps for 2018 will include:

- Continuing engagement with targeted suppliers in 2018, including current suppliers who were non-responsive to the 2017 RCOI or who were responsive, but did not provide sufficient information
- Continuing to identify and drive improvements to information technology systems that could enhance, on an ongoing basis, the quality of direct supplier information to better assess the potential use of conflict minerals and allow us to more efficiently perform applicability assessments for existing targeted suppliers in future years
- Finalizing and incorporating terms and conditions that will require suppliers to cooperate with Avon's conflict minerals compliance efforts
- Continuing to monitor the domestic and global conflict minerals regulatory environment to ensure updates to Avon's compliance program as needed to comply with relevant regulations

Forward-Looking Statements

Certain statements herein, including our ongoing risk mitigation efforts, may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks, uncertainties and other factors, which may cause the

actual results, levels of activity, performance or achievement of Avon to be materially different from any future results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, (1) the implementation of satisfactory traceability and other compliance measures by our direct and indirect suppliers on a timely basis or at all, (2) whether smelters and refiners and other market participants responsibly source conflict minerals and (3) political and regulatory developments, whether in the Democratic Republic of the Congo region, the United States or elsewhere. Any forward-looking statements speak only as of the date they are made. The Company does not undertake to update any such forward-looking statements.