



California Transparency in Supply Chains Act of 2010 disclosure and UK Modern Slavery Act Statement

COTY
SINCE 1904



DECEMBER 2024

THIS DOCUMENT IS INTENDED TO SERVE AS:

- (1) Annual statement required to be published for the purposes of the United Kingdom's Modern Slavery Act 2015.
- (2) The required disclosure for the purposes of the California Transparency in Supply Chains Act of 2010.

Consistent with Coty Inc.'s ("Coty" or "We" or "Our") longstanding commitment to excellence and corporate responsibility, including its commitment to employees and consumers throughout the world and to the communities and the environment in which Coty and its products are present, Coty confirms its dedication to ensuring that the supply chains it employs in the sourcing and manufacturing of its products do not include, utilize or tolerate human trafficking, slavery and forced or child labor.

Consistent with its assessment of the potential risks, and in accordance with the California Transparency in Supply Chains Act of 2010 and the UK Modern Slavery Act 2015 (the "Acts"), Coty describes below the efforts that it makes and has made over the past financial year (1 July 2023 - 30 June 2024, which we refer to in this statement as "FY2024" or "fiscal 2024") to ensure human trafficking, slavery and forced or child labor are not present in its operations or the operations of its contractors, subcontractors and suppliers (together "Business Partners").

ORGANIZATIONAL STRUCTURE AND SUPPLY CHAIN

Coty is one of the world's largest beauty companies with an iconic portfolio of brands across fragrance, color cosmetics, and skin and body care. In FY2024, Coty had approximately 11,791 full-time employees in over 36 countries. In addition, Coty typically employs a large number of seasonal contractors during our peak manufacturing and promotional season. Coty markets, sells and distributes products in approximately 121 countries and territories. Coty's organizational reporting structure is based on regional commercial business units (Americas, EMEA and Asia-Pacific). These business units focus on two categories:

- Consumer Beauty is primarily focused on mass color cosmetics, body care, fragrances and nail care products.
- Prestige is primarily focused on premium fragrances, skincare and cosmetics.

Our supply chain enables the production of our beauty products and daily business operations.

- **Beauty products:** We manufacture, market, sell and distribute a range of beauty products for consumers to enjoy. We manufacture and package approximately 79% of our products, primarily in facilities located in the United States, Brazil, China and various countries in Europe. We continue to utilize a network of third-party manufacturers (TPMs) on a global basis who produce approximately 21% of our finished products.
- **Raw materials:** The principal raw materials used in the manufacture of our products are primarily essential oils, fragrance oils, alcohols and specialty chemicals. The

essential and fragrance oils in our fragrance products are generally sourced from fragrance houses. We purchase raw materials from various third parties. We also purchase packaging components that are manufactured to our design specifications. We have identified raw materials where there is an increased risk of human and labor rights abuses – mica, palm oil and some of the natural ingredients within fragrance oils – and continue to work to mitigate this risk.

- **Licensors:** We have a diverse portfolio of brands. As of 30 June 2024, we maintained 24 brand licenses. We engage the licensors to ensure specific conditions are met, including the behavior of our suppliers, distributors and retailers.
- **Business operations:** As a large global organization, we have other supply chain activities which include offices, marketing, retail stores and websites.

BEAUTY THAT LASTS STRATEGY

In February 2020, we launched our dedicated sustainability strategy, *Beauty that Lasts*. It is guided by the United Nations Sustainable Development Goals (SDGs) to address the social, environmental and ethical impacts of our business. It is focused on: the Beauty of our Planet, our People, and Governed Beautifully, with the Beauty of our Products at the center. We have set time-bound targets to help us on our path to delivering a more sustainable and inclusive world.

“Beauty of our People” priorities include sourcing our ingredients with respect for human rights, supply chain transparency, and building a more diverse and inclusive business. “Governed Beautifully” is focused on the integration of responsible business practices across our company and value chain, including our expectations for employees and business partners on ethical behavior. Our “Planet” pillar sets out how we aim to minimize our environmental impact, including sustainable innovation, and packaging based on circular design. Our products are at the heart of everything we do and therefore a focus across each of these areas.

APPROACH TO HUMAN RIGHTS

We believe that everyone has the right to be treated with dignity and respect, and we are committed to respecting and promoting fundamental human rights throughout our own operations and extended supply chain. Our [Human Rights Policy](#) sets out this commitment. This includes a dedication to actively identify and address actual or potential human rights violations within our sourcing and manufacturing supply chains, and working to ensure that they do not include, utilize or tolerate human trafficking, slavery and forced or child labor and comply with all applicable laws.

Within our own business, we want to ensure that all our associates work in a safe environment that is based on equal opportunity and is free from discrimination or harassment.

Our policies in this area are guided by international standards including the UN Declaration of Human Rights, the fundamental rights set out in the International Labour Organization’s (ILO) Declaration on the Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. We have been a signatory to the UN Global Compact (UNGC) since 2015 and support the ten principles on human rights, labor,

environment and anti-corruption. In October 2023, Coty Brazil joined the UNGC Brazil Network, in addition to our ongoing corporate membership to the UNGC Netherlands Network. Being part of these networks helps us develop our understanding in identifying and managing sustainability topics, including risks related to human and labor rights.

We are also involved in a number of industry efforts and membership-based organizations related to respecting and advancing human rights in a non-competitive manner:

- The Responsible Mica Initiative (RMI), a multi-stakeholder action group aiming to establish a 100% responsible Indian mica supply chain by the end of 2030. For further information, see page 7.
- The Roundtable on Sustainable Palm Oil (RSPO) aims to reduce the impact of the palm oil supply chain on human rights as well as biodiversity and the environment. We are working towards the ambition for all our palm oil purchases to be RSPO-sourced.
- The Action for Sustainable Derivatives (ASD) is an industry-led collaboration that seeks to achieve the responsible production and sourcing of palm oil derivatives. We have partnered with ASD to map our palm oil derivatives supply chain.
- Fair Labor Association's Harvesting the Future works to improve rights and working conditions for seasonal agricultural workers and their families, see more on page 7.
- BSR is a global network of more than 300 companies dedicated to building better businesses through innovative sustainability solutions, see more on page 7.
- AIM-Progress aims to positively impact people's lives and ensure respect for human rights, while delivering value to members. The partnership promotes responsible sourcing practices by sharing best practices and building members' capability to develop and execute robust responsible sourcing programs. Coty takes part in the mutual recognition program, sharing audit information to avoid duplication or audit fatigue.
- The Responsible Beauty Initiative (RBI) is a beauty industry effort to improve sustainability across supply chains by sharing best practices. By leveraging a common pool of EcoVadis scorecards, the beauty sector collaborates to track, address and improve challenges including human and labor rights.
- Sedex, or Suppliers' Ethical Data Exchange, is an online portal for storing suppliers' self-assessment and audit documentation, focused on the pillars of Labor Standards; Health & Safety; Environment and Business Ethics. See more on page 6.

INTERNAL POLICIES AND TRAINING

Our associates are key to ensuring our business continues to operate to a high ethical standard and internal accountability is fostered. Our associate [Code of Conduct](#) sets out what our associates must do to ensure these high standards, and outlines the reporting process and protocol if they have any concerns. Associates are expected to adhere to our

Code of Conduct, which is available in 12 languages. Training is provided to new associates, with additional training throughout the years.

Our global compliance program, 'Behave Beautifully', is designed to detect and prevent violations of the law and promote a culture of ethical business practice. Our compliance program sets out our standards across a number of areas, including anti-bribery and corruption, competition law, data privacy, and prevention of harassment and discrimination. We aim for 95% of associates to complete compliance training annually by 2025. In FY2024, 91% of employees were trained in one or more compliance modules.

We continue to encourage employees and third parties to use the Ethics and Compliance Hotline to raise questions, concerns or grievances. The hotline is available through multiple channels and many languages. Reporting can be made anonymously, and each report is investigated. The issues received and investigated through the hotline are evaluated by the Compliance function to ensure a proper risk assessment of the concern or issue(s) raised.

We report complaints data and risk areas on a quarterly basis to the Audit and Finance Committee of our Board.

For our associates in our Procurement team who play a key role in upholding our Sustainable Sourcing Framework, we also offer more targeted training. Buyers within our procurement team receive training in sustainable sourcing using EcoVadis and Sedex.

SUPPLY CHAIN POLICIES

Our commitment to respecting human rights extends throughout our supply chain to our Business Partners. With a complex global supply chain, it is essential that we work closely with suppliers to manage any potential risks and help build a better, more sustainable business. Our new [Sustainable Sourcing Policy](#) outlines our approach to ensuring the integrity, sustainability, and ethical standards of our supply chain through sourcing practices.

We require suppliers to adhere to our [Code of Conduct for Business Partners](#) (CoC), which sets out our expectations for anti-corruption, data privacy and human and labor rights, among other practices. Compliance with the CoC, or agreed equivalent, is a requirement of working with us. We include the CoC when requesting quotes from suppliers and embed it within Terms & Conditions of purchase orders.

The Code of Conduct for Business Partners is based on international human and labor rights standards, and slavery and human trafficking in their own businesses and materials supply chains. As of June 2024, 1,454 business partners had signed the CoC or had contracts including a CoC clause.

Our sustainable sourcing program, which has been deployed among buyers, includes key indicators to monitor progress. Supplier performance is considered when: Assessing performance of existing suppliers, defining a supplier panel to be briefed, awarding business, and identifying potential new suppliers. Further, Coty has introduced a contractual addendum on sustainable sourcing to supplier contracts. This specifically outlines supplier responsibilities on risk and audit, traceability, and transparency, especially for high-risk ingredients.

Our compliance function also uses third-party due diligence tools and processes designed to evaluate whether our Business Partners are conducting their respective businesses

ethically and lawfully. In FY2024, all our new high-risk vendors and suppliers completed this due diligence program.

SUPPLIER ASSESSMENTS

We monitor supplier social and environmental performance through third-party assessments, including EcoVadis scorecards, Sedex self-assessments, and on-site audits. After signing the CoC, all sites undergo a risk assessment and receive a risk level. Low- and medium risk sites must demonstrate sustainability performance via Sedex or EcoVadis assessments. High-risk sites are audited against the four pillars of the SMETA protocol.

We use the Sedex radar risk assessment to determine high risk sites. This considers the country, sector and commodity risk. In FY2024, 8,838 risk assessments took place using this tool. 176 suppliers were then audited using the [SMETA](#) (Sedex members ethical trade audit) third-party audit. Audits are performed by independent auditors and can be semi-announced (with a three-to-four-week audit window) or unannounced. Where there is an audit already in place, we accept an announced audit but request all future audits to be semi-announced. These audits take place every two years. Suppliers can select an auditor from an approved list who are [Sedex affiliate audit companies](#) and members of the Association of Professional Social Compliance Auditors (APSCA). Audits cover the areas of:

- Labor and human rights (including modern slavery)
- Health and safety
- Environmental standards
- Business ethics

Our Sedex partnership continues to be key to our sustainable sourcing approach. We have an ethical trade coordinator dedicated to Coty from Sedex, who assists in the whole process and engages with our suppliers and buying teams to work together on compliance. We use both Sedex and EcoVadis to demonstrate and assess ongoing supplier performance. In FY24, a further 335¹ low or medium risk suppliers were assessed under the Sedex self-assessment questionnaire.

EcoVadis is also used to assess the environmental and social performance of our suppliers, based on supplier documentation related to the four key areas:

- Environment
- Labor and Human Rights
- Ethics
- Sustainable Procurement

EcoVadis analysts assess our suppliers' documentation related to these areas as well as analyze their performance through a thorough 360° process. With EcoVadis, both Coty and the supplier receive a report based on supporting documents from the supplier and 100,000 data points and references, including from governments, charities, trade associations and stakeholders. Using the EcoVadis platform, 792 suppliers were assessed in FY2024 scoring an average of 60, well above the overall EcoVadis average of 46.6.

¹ Includes the completion of the new self-assessment questionnaires (SAQs) from 183 suppliers.

We value our partnerships and want to help stakeholders improve their sustainability performance. When a risk is identified through Sedex or EcoVadis, they are supported to improve their practices through corrective action plans which set clear timelines for expected improvement. Coty will ultimately move business away from a partner if there is a lack of meaningful improvement over an agreed timeframe.

ADDRESSING RISKS

In addition to our supplier assessment process, we recognize the increased risks of human and labor rights abuses with certain raw materials and countries. In FY2024, we confirmed BSR as our expert human rights partner. Together with BSR we are conducting a new human rights risk mapping of all Coty's procurement functions against leading recognized indicators, which will allow us to better prioritize risks by country and type.

Mica is a key raw material used in many of our products to provide a pearlescent effect. Coty sources mica from different countries, including India. Within India, and specifically the Eastern States of Bihar and Jharkhand, there are known human and labor rights risks in mining communities. Coty is committed to sourcing mica responsibly. In 2017, we became a founding member of the multi-stakeholder effort, the Responsible Mica Initiative (RMI). As a member of the RMI, Coty is aligned to the RMI ambition to ensure 100% of our Indian Mica is responsibly sourced by 2030, with a focus on the RMI's three pillars: Responsible workplace standards, community empowerment programs, and legal frameworks for mica workers.

We participate in the annual RMI data collection campaign, sharing details of our mica sourcing, and are working towards full traceability of processing units and mines to gain further visibility. In FY2024, 99.96% of the mica we sourced from direct suppliers was purchased from RMI members. We can trace all the mica we source for our production sites to country level. We sourced 34% of our mica from India and 97% of this mica is traced to mine level. Our 2030 goal also incorporates our third-party manufacturing partners, and we are engaging these partners on their mica sourcing. Coty is also part of a partnership between the RMI and the supply chain traceability platform, Tilkal. This partnership was the first multi-stakeholder blockchain-based solution to improve traceability across mica supply chains.

Many of the natural ingredients used within our fragrances are sourced from agricultural supply chains and regions that face greater human rights risks. In FY2024, we updated our risk mapping of fragrances and achieved 100% traceability of our fragrance oil naturals to country level. We have begun programs on two natural ingredients through our partnership with the Fair Labor Association's Harvesting the Future project, which was extended to the fragrance sector in 2023. The project brings together various stakeholders, including government, civil society organizations, processors, producers, and companies in the beauty and fragrance sector.

Approved by the Board in December 2024

Signed by Sue Nabi

Chief Executive Officer, Coty