

## **COTY INC. GLOBAL TAX STRATEGY**

### **1. INTRODUCTION**

Coty Inc. serves as the parent entity of the Coty Group that engages in the manufacturing and marketing of women's and men's fragrances, color cosmetics, skin care and other personal care related products in many countries throughout the world. Through successful product developments, licensing agreements and acquisitions, the Coty Group has established itself as one of the world's leading beauty companies.

The Coty Group has operations in over 120 countries and a portfolio that includes 35 iconic brands.

Coty is publicly listed on the New York Stock Exchange under the ticker COTY.

### **2. TAX STRATEGY**

As an international company operating in several countries, Coty is subject to various tax regimes and regulations.

Coty firmly believes it is the right of governments to determine what a fair share of tax is and to draft tax laws accordingly.

We pay tax in accordance with all relevant laws and regulations in the countries in which we operate. This includes, amongst other taxes, corporate income tax and stamp duty, and we collect and pay, amongst others, employment taxes, customs and excise duties and value added tax.

Coty has a Head of Tax based in New York, with a Group Tax Department in New York, Amsterdam and Singapore. The Head of Tax reports to the CFO.

The Group Tax Department is organized in such a way that we ensure to have consistent tax policies, strategies and processes in place for the team to follow, and that we can invest in the team's continuing professional development. Our tax department must act in compliance with the Tax Management Policy.

Coty also works with professional external advisors.

Coty has a Code of Business Conduct, which defines how employees should conduct themselves as representatives and ambassadors of Coty. Our Tax Strategy is grounded in these values:

1. to respect the tax laws applicable in each country, and are committed to paying all the taxes that apply to our operations that we owe in accordance not only with the letter of the law but also the tax legislation's underlying intent;
2. not to use tax structures without commercial substance, or transfer value created to secrecy, tax-haven, or low-tax jurisdictions. The Company understands how and where group companies contribute to create value, ensure that each group company operates at "arm's-length", and apply our transfer pricing policies consistently across the Group and its various functions in Supply Chain, Finance, HR etc.
3. prepare and submit all tax returns timely in the form specified in the local countries;
4. prepare and retain the documentation required by local tax laws and any other documentation which may be needed to respond to tax auditors' questions;
5. wherever possible, maintain a collaborative working relationship with tax authorities;
6. employ appropriately qualified and trained tax professionals, and where appropriate engage external advisors, each with the right levels of tax expertise and understanding of Coty's business; and
7. endeavour to obtain certainty on material tax matters, where appropriate, by seeking advance confirmation with the relevant country's tax authorities, based on full disclosure of all relevant information.

### **3. TAX PLANNING**

Coty engages in reasonable tax planning that is aligned with the commercial and economic activity of the business, and ensures that the taxes paid are based on commercial and economic reality. Coty follows the terms of Double Taxation Treaties and relevant Organization for Economic Co-Operation and Development ("OECD") guidelines for international tax matters. Coty's Transfer Pricing Policy is based on the arm's length standard which prices intercompany transactions on a basis consistent with the way unrelated parties would have priced such transactions. We support our transfer prices with robust economic analysis and reports.

Incentives or other opportunities for tax efficiencies are utilized only when they are aligned with the intended objectives of the governments introducing them, and are aligned with Coty's business or operational objectives.

When considering tax initiatives, the overall decision-making and risk assessment process will include Coty's reputation, brands, corporate and social responsibilities as well as the applicable legal and fiduciary duties of directors and employees of the Coty Group. 3

In the pursuing of business or commercial objectives the law will always prevail, and not undermine our tax compliance obligations. Tax factors by themselves do not drive the business decision.

To the extent there is more than one legitimate option to meet a business goal or objective, our tax department generally recommends to proceed with the most tax efficient option.

#### **4. TAX COMPLIANCE**

Our tax returns are prepared in compliance with our Tax Management Policy and we seek to provide all relevant information transparently to allow stakeholders to properly appraise our tax position in all respective jurisdictions, as well as assess any transaction or arrangements.

Coty acknowledges that more than ever technology plays a central role in building a data-driven, digital-enabled tax function and is needed to quickly adapt to external changes and reforms. Coty seeks to embrace and implement the right tools and solutions to enhance real time tax compliance processes and to satisfy tax-related regulatory requirements linked to data-driven digital tax administration. Coty envisions a seamless digital transformation in taxation, akin to shifts in other corporate functions to adapt to new digital tax standards for the processing and issuance of invoices.

## **5. TAX RISK MANAGEMENT**

As a global business, we are subject to taxation and regulatory measures relating to ESG matters in each country in which we operate. The tax laws and regulations in these countries differ, are often complex and subject to interpretation, and are subject to change constantly.

Coty has established and continues to manage robust tax governance processes that ensures compliance with tax disclosure and filing obligations in the key jurisdictions in which it operates. Our tax professionals work with the business to provide clear and relevant advice on the tax consequences arising from any given transaction. Coty will continue to manage tax risks in such a way as to ensure that key risk areas are monitored, material risks minimized, and prevent unnecessary disputes, by:

1. An integrated approach with the business to stay up to date of the commercial and economic activity of the business, and early identify commercial developments that may impact Coty's tax compliance obligations;
2. Adopting technical tax positions that have a strong basis in the tax law;
3. Providing clear explanations of those positions to the relevant tax authorities;
4. Consulting with outside CPA firms and law firms on such tax positions;
5. Preparing thorough documentation, particularly relating to facts, justifying such tax positions;
6. Establishing and maintaining open and constructive relationships with tax authorities wherever possible; and
7. Ensuring accurate and complete tax returns through strong compliance procedures.

The more unusual and less-routine a transaction is, the greater the associated tax risks are likely to be. One-off, non-routine transactions, such as significant restructuring projects will generally bear greater tax risks than our routine everyday business.

Coty has procedures and systems in place for the processing of routine transactions. For any material tax planning or transaction undertaken, we utilize the assistance of external advisers and legal counsel. Our Group Tax Department has to act in accordance with our Tax Management Policy when engaging in any transaction.

The Tax Risk Framework further below sets out the mitigating actions that all Coty tax professionals are expected to take to manage and monitor key tax risks. There are 7 key risk areas covered by the Tax Risk Framework – policy, organization, people, governance, risk management, compliance and documentation and reporting.

## **6. TAX GOVERNANCE**

As per the Coty Code of Conduct and the internal rules on Delegated Authority, plans or transactions that are above a certain materiality threshold level must also be approved by the CFO, CEO and/or the Board of Directors (or the appropriate Committee thereof). Our management discusses the applicable accounting policy for income taxes and the effect of estimates with the Audit and Finance Committee of our Board of Directors.

Enclosure: **Coty Tax Risk Framework**

<b>Framework</b>	<b>Risk</b>	<b>Mitigating Action</b>
Policy	Transactions and behavior not in line with Coty's <i>Global Tax Policy</i>	Annual review of material transactions with auditors and management to ensure transactions are performed in compliance with our Tax Management Policy
Organization and Business Model (functionalities)	Absence of correct organizational structure and unapproved deviations from Business Model to execute in line with our Global Tax Strategy	Organizational structure reviewed quarterly with Group Controlling and Global Tax Department leaders  Business model changes reviewed periodically with Regional Controllers and Global Tax Department leaders
People	Insufficient tax skills and training	Regular educational and training seminars and webcasts, and individual development plans
Governance	Insufficient controls in place to monitor decision making within Coty	Identify, assess and manage tax risks, and account for them appropriately  Report periodically to management on how tax risks are managed, monitored and assessed as well as improvements (if any) being made
Risk Management	Insufficient compliance procedures in place	Periodically the Head of Tax reviews the procedures in place to ensure all decisions are taken at the appropriate level, supported with documentation that evidences the facts, conclusions and risks involved - getting comfort from third parties where required
Compliance, Tax Technology & Documentation	Failure to meet the statutory tax filing and disclosure obligations, including invoices	Compliance calendar and tracker monitored locally Confirmation of latest submissions, and update on  late submissions, and late payment penalties and interest, if any

Reporting

Tax positions not accurately reflected in reporting

Selection of the right tools and solutions to comply with (real time) tax compliance processes and satisfy tax-related regulatory requirements linked to a data-driven digital tax administration (incl. e-invoicing).

Online tool to collect and approve direct tax exposures and provisions  
Quarterly review of tax positions with management

Quarterly review of tax positions with external auditors

The following UK legal entities regard this publication as complying with the duty under Paragraphs 19(2), Schedule 19 of Finance Act 2016 for year ended 30 June 2026:

Coty UK&I Limited

Coty Manufacturing UK Limited

Coty Services UK Limited

HFC Prestige Manufacturing UK Limited

Coty UK Limited

Coty Holdings UK Limited

Coty Export UK Limited

Coty Brands Group Limited

Beauty International Limited (Dormant)

Lancaster Group Limited (Dormant)