

BEAUTY THAT LASTS

FY22 SUSTAINABILITY
REPORT



COTY
SINCE 1904

Contents

This disclosure marks Coty's third year of reporting on our dedicated sustainability strategy, Beauty That Lasts. Covering our 2022 financial year from July 2021 to June 2022 (FY22), this report outlines our progress towards achieving the targets set out in the strategy and shares plans for the year ahead.

The report also outlines our commitment and progress in line with the Ten Principles of the UN Global Compact. Selected data provided has been independently assured by KPMG; in this report, verified data is indicated with the symbol ✓.

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Letter from our CEO

Since 1904, Coty has pioneered innovation across the beauty industry. We have a reputation for breaking new ground and our brands have been empowering people to create their own vision of beauty. This legacy of self-expression and inclusivity is why we are here today.

This year, Coty united around our new purpose, vision, and values.

Our Purpose

Working hand-in-hand with our people, our partners and our consumers, together we unleash every vision of beauty.

We stand for the beauty of diversity and the diversity of beauty – celebrating and inspiring all the visions of beauty that exist and will exist.

My vision is a Coty that makes over the world of beauty, and in doing so, we will be guided by a set of values that unite us. These values are bound by the thread of fearless kindness. We are fearlessly kind to ourselves. We are fearlessly kind to others. And we are fearlessly kind to the planet.

Beauty That Lasts, our sustainability strategy, is bolstered by these values, reflecting the centrality of sustainability to Coty's business. Sustainability is one of our six strategic pillars because it is the business imperative of our time.

This report reiterates our Beauty That Lasts priorities and reports on our progress against them. We recognize that this is a long path— for Coty, the industry, and the world—and we are thrilled to report on this progress.

Inside, you'll find details on our new SBTi-aligned climate target. You'll see how we are manifesting our values in our people strategy, through measures such as our new gender-neutral Parental Leave Policy and the steps we are taking to embrace, include, and celebrate the entire kaleidoscope of humanity. And you'll see how sustainability powers innovation in our products and packaging.



This is the year in which we have crystallized both Coty's why—our reason for being in the world—and our how— the way we, together with our partners and customers, will make change happen. I could not be more proud of this journey. I hope you will feel the same way.

Sue Y. Nabi
Chief Executive Officer



Beauty That Lasts Strategy

Our sustainability strategy, Beauty That Lasts, is our path to delivering a more sustainable and inclusive world, with sustainability as our ultimate driver of innovation. Launched in February 2020, it is structured around three pillars: Product, Planet and People.

Through **Beauty That Lasts**, we develop and implement programs that will advance Coty's Environmental, Social and Governance (ESG) agenda and deliver on our strategic goal of becoming an industry leader in sustainability.

The table on pages 5 and 6 presents an update on our activities and identifies where more information is available within this report.



SDG

OUR TARGETS

OUR PROGRESS IN FY22

The Beauty of our Product

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



By 2030, achieve a 20% reduction in packaging against our calendar year 2019 baseline¹

New target set in FY22.

By 2025, ensure that 100% of our folding box boards are made with FFSC- or PEFC-certified material

New target set in FY22.

By 2030, increase our use of post-consumer recycled materials to at least 30%

New target set in FY22.

As of 2020, include sustainability criteria in the conception of all new products

In FY22, 88% of our new products went through our Beauty That Lasts Index, reflecting some complexities in our data collection systems².

As of 2020, share progress on our High Profile Ingredients and Materials management process annually

Coty shares updates on High Profile Ingredients and Materials program through yearly sustainability disclosures, including this report.

8 DECENT WORK AND ECONOMIC GROWTH



Improve responsible sourcing and transparency in our supply chains by:

Purchasing 100% mass balance-certified palm oil for our production sites by 2022 and our third-party manufacturers by 2025

In FY22, 68% of the palm oil purchases for our production sites were RSPO mass balance certified³. We are beginning our third-party manufacturer program.

Ensuring 100% of Indian mica is responsibly sourced by 2030

In FY22, all Coty's Indian mica was sourced from Responsible Mica Initiative members and 86% was traced to mine level.

The Beauty of our Planet

13 CLIMATE ACTION



Reduce absolute scopes 1 and 2 GHG emissions 50% from a calendar year 2019 base year⁴ by 2030

New targets set as of FY22. We have already achieved a 70.6% reduction in Scope 1 and 2 emissions against our baseline. Scope 3 now becomes a central focus.

Reduce absolute Scope 3⁵ GHG emissions 28% from a calendar year 2019 base year by 2030

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Increase annual sourcing of renewable electricity from 5% in calendar year 2019 to 100% by 2030

As of FY22, 91% of our electricity was sourced from renewable sources.

Reduce energy consumption by 20% by 2030 compared to our base year of calendar year 2019

As of FY22, we have achieved a 12.8% reduction in energy consumption against our baseline.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Send zero waste to landfill from Coty factories and distribution centers by 2030

In FY22, we achieved our target.

Recycle 80% of waste generated by Coty factories and distribution centers by 2030

In FY22, we achieved a 79.8% recycling rate.




¹ Across Coty, an average of a 20% reduction in packaging gram per milliliter of product manufactured.

² We principally excluded giftsets and joint venture SKUs from this data set.

³ We have estimated our percentage based on RSPO material certification status in June FY22, applied to our actual 12-month volumes, as opposed to actual orders and quantities of RSPO certified materials received. Given the complex nature of palm oil derivatives sourcing, for a small number of ingredients we have also estimated the percentage of palm oil derivatives within the ingredient.

⁴ **Scope 1 and 2 target boundary:** The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

⁵ **Scope 3 target base year:** The base year for the target excludes Category 11 – Use of sold products – from the target as we do not have direct emissions in that category. This exclusion was done as part of the SBTi validation process.

SDG	OUR TARGETS	OUR PROGRESS IN FY22
5 GENDER EQUALITY 	Achieve gender balance in leadership positions ⁶ by 2025	In FY22, women represented 45% ✓ of our leadership positions. Our Executive Committee is majority female, and our Board of Directors was evenly gender-split during FY22.
	Pay equitably for similar roles and performance, regardless of gender ⁷ , by 2022	In FY22, we achieved our gender pay equity ambition.
10 REDUCED INEQUALITIES 	Roll out diversity, equity and inclusion training for all associates by 2025	Our 'Change the Conversation' DE&I curriculum is available for all associates that have access to a laptop, via Coty Academy.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	95% of associates to complete annual compliance training by 2025	In FY22, 96%✓ in-scope ⁸ employees were trained in one or more compliance module.

⁶ A leadership position is defined as Senior Directors, VP and above.

⁷ Our pay equity methodology is set out on page 30. Our methodology was qualitatively reviewed by KPMG, who we engaged to provide limited assurance on selected data in this report.

⁸ The scope includes all active employees, excluding employees who are on paid or unpaid leave and those who don't have access to a private computer.

Beauty of our Product

Our products have an important role to play in building a sustainable future. To respond to evolving social and environmental challenges, sustainability is at the heart of our product creation, from design and development through to procurement of materials.

Innovating Sustainably

Responsible Sourcing



Innovating Sustainably

We are changing the way we design, formulate and manufacture, creating innovative products that also improve our sustainability performance.

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In January 2022 I joined Coty as Chief Scientific Officer and Sustainability leader, reflecting our belief in sustainability as the ultimate driver of product innovation. It has been a privilege to take on this role, which enables me to expand our best-in-class portfolio of products and accelerate our skincare offer, while ensuring sustainability is at the heart of every innovation.

As a mother of two Gen Z children with a sense of responsibility for future generations, the opportunity Coty presents to create real change at scale is enticing. But it's also deeply personal to me: being in nature and unplugging from the manic schedule is a profoundly important part of my life.

A crucial part of realizing Coty's Beauty That Lasts vision is having the right governance in place. Our renewed Sustainability Steering Committee is responsible for overseeing Coty's sustainability strategy, targets and process, led by me and reporting to the CEO. Our Board provides oversight including through its committees and by our Board member for ESG.

We have made significant progress in further strengthening our sustainability governance through revisiting and publicly sharing our internal ESG policies, and we are taking this further by embedding sustainability goals into the performance progress of all employees in 2023. We've also made great strides in our climate strategy by achieving approval from the Science Based Targets initiative for our new near-term science-based greenhouse gas emissions reduction targets.

My deepest passion is for creating forward-thinking beauty. Products that respond to the social and environmental challenges we face, and the ever-evolving needs of our diverse consumers across the world.

Our partnership with LanzaTech is a great example of this, enabling us to produce the world's first globally distributed fragrances to include carbon-captured ethanol. Our manufacturing facility in Granollers, Spain began production of these fragrances in January.

Targets

By 2030, achieve a 20% reduction in packaging against our calendar year 2019 baseline⁹

By 2025, ensure that 100% of our folding box boards are made with FSC- or PEFC-certified material

By 2030, increase our use of post-consumer recycled materials to at least 30%

As of 2020, include sustainability criteria in the conception of all new products

As of 2020, share progress on our High Profile Ingredients and Materials management process annually

You'll find more about the way we are making the shared Coty vision a reality in the pages that follow.

Dr. Shimei Fan,
Chief Scientific Officer

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⁹ Across Coty, an average of a 20% reduction in packaging gram per milliliter of product manufactured.

Eco-design and Strategy

The design of our products is a key lever to reducing our impact on the environment. Our approach puts sustainability at the core of our design process and strategy. As part of our approach, we evaluate the environmental and social profile of new products using our internal qualitative tool, the Beauty That Lasts Index. The Index integrates sustainability criteria into the packaging and formula development process, allowing us to track our progress.

In FY22, 88% of our new products went through our Beauty That Lasts Index¹⁰, reflecting some complexities in our data collection systems. We are continuing to improve the adherence to our defined process, while also investigating a more quantitative-based eco-design assessment tool, to enable our product developers to better assess the alignment of our products to our strategy. This will be in addition to our already-implemented tool for packaging (SPICE), enabling us to consider holistic product design throughout the product lifecycle.

¹⁰ We principally excluded giftsets and joint venture SKUs from this data set



PARTNERSHIP: EcoBeautyScore Consortium



Beyond our own operations, we are committed to collaborations that move our entire industry toward more sustainable innovation and greater transparency. That's why, this year Coty joined forces with other cosmetics and personal care companies in the EcoBeautyScore Consortium. This breakthrough initiative aims to develop an industry-wide environmental scoring system for cosmetics products, empowering consumers to make sustainable beauty choices. With a global scope, the Consortium aims to help the beauty sector meet growing consumer demand for more transparency about the environmental impact of formulations, packaging, and product usage.

CASE STUDY: D5 Silicone-free Technology

While we identify the best partners to support the evolution to a more quantitative assessment, we continue to look for more sustainable options for our ingredients. In FY22, we announced the development of an innovative technology for our deodorant portfolio as a substitute to D5 silicone (Cyclopentasiloxane), commonly used in beauty products but determined by regulators to have persistent and bioaccumulative properties.

The technology was developed over three years at Coty's Research and Development Center in Grande São Paulo, Brazil. The solution is a blend of synthetic and natural raw materials and is designed to lower the environmental impact of aerosol deodorants. A third-party life cycle assessment was performed on the product to confirm its reduced carbon impact.

Since June 2022, this technology has been used in the formulas of many of Coty's antiperspirant aerosol deodorants, notably Monange, Bozzano, and Très Marchand in Brazil (Coty's largest markets for aerosol deodorants).



Product Formulation

In developing our product formulas, our Research and Development (R&D) function strives to leverage the best that nature and science have to offer.

GREEN SCIENCE

Green Science utilizes the latest innovation and technology to minimize the pressure of our products on natural resources. We work together with our ingredient suppliers, integrating Green Science through key pillars: green chemistry, biotechnology and biomimicry, and green extraction.

Across our product formulations, we use several ingredients, including peptides and antioxidants, which are synthesized using the twelve principles of green chemistry.

Biotechnology harnesses biological processes and living organisms to transform, amplify and create molecules that deliver functional benefits within our products, such as some of our active ingredients. Through plant cell culture for example, some effective active ingredients can be produced using only a small portion of a plant with a reduced impact on nature. Both philosophy and Orveda brands widely use cell culture for their products; for instance, philosophy's newly launched 'purity made simple' pore serum uses active ingredient lilac cell culture (an extract of leaf cells from lilac).

At Coty, biomimicry also inspires our technology and innovation approach, enabling us to replicate the



functional benefits of natural processes or ingredients with minimal impact on nature – meaning we get the best out of nature without the need to harvest raw materials. Beyond its use in our fragrances, where biomimicry enables us to sample the olfactive signatures of nature in a non-destructive way, we are also applying biomimicry to skin and sun care. In 2022, Lancaster released a new range of sun-protection products called Sun Repair. The products contain a synthetic analogue (a compound similar to a naturally-occurring chemical compound) to mycosporine-like amino acids, which naturally exist in red algae cyanobacteria, and protect from ultraviolet light.

Green Science is one illustration of how sustainability drives product innovation. Looking forward, we will continue to engage with our partners to explore more innovative and sustainable science-based solutions.

CASE STUDY: Orveda

In FY22, Coty entered into a licensing agreement with the French, ultra-premium skincare brand, Orveda. Founded by Sue Y. Nabi, Orveda's ethos is to 'work with the skin, not against it'. The brand has strong roots in biotechnology, prioritizing its use to develop active ingredients. One of three signature ingredients present in most Orveda products is Kombucha extract (*Saccharomyces Xylinum Black Tea Ferment*), a fermented sugared black tea that is extremely effective. Kombucha extract is developed using biofermentation. By using microorganisms to transform a natural substance, this process delivers new benefits including radiance and freshness.





CLEAN BEAUTY

For Coty, clean beauty means developing efficient formulas that use the minimal ingredients necessary to deliver superior performance, without compromising on safety. We recognize that consumers want to know more about what is in their products, while also having the freedom to make product choices based on their ingredients. We respond to this demand through our clean program. Coty scientists monitor scientific literature, retailer clean programs and the wider consumer and regulatory landscapes to inform ingredient choices for our clean products. Our program is designed to be dynamic and updated as the expectations of our consumers and retailers evolve. The clean program goes above and beyond current regulatory requirements.

HPIM MANAGEMENT

Coty's High Profile Ingredient and Materials (HPIMs) Program is a proactive strategy to identify and manage emerging topics in the field of regulatory change management, as well as consumer concerns. We monitor ingredients that are under regulatory scrutiny and seek to address the associated concerns and, if necessary, coordinate any required reformulations to meet applicable regulatory deadlines.

CASE STUDY:

Rimmel Kind & Free

In FY22, Coty's Rimmel brand launched a new chapter; its first clean and vegan makeup range, Kind & Free. Kind & Free formulas are powered by natural origin ingredients; all products in the collection are made from a minimum of 70% natural origin ingredients. The formulas are also Leaping Bunny approved by Cruelty Free International, find out more here. As one of the largest global beauty brands with a presence in over 80 countries, Kind & Free represents Rimmel's journey to offer a better kind of beauty for all.



PACKAGING

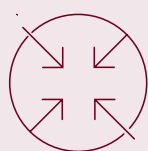
Our packaging is key to transporting our products, protecting our formulas, and engaging with and informing consumers at the point of sale. Importantly, it is also a significant contributor to our environmental footprint, accounting for approximately a third of our total carbon footprint. To minimize this impact, we aim

to use less and better packaging, focusing on four 'Rs': Reduce, Recycled, Recyclable, Reuse/Refill.

In FY22, we developed our new packaging strategy and associated targets, following our environmental footprint study completed in FY21, which is now being implemented across our business and brands.

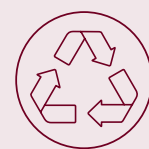


Our efforts are guided by the four 'R' pillars:



REDUCE our packaging weight

Reducing the amount of packaging we use across our portfolio is a major lever to lowering our environmental impact. Our target is to reduce our total packaging by 20% by 2030 against our calendar year 2019 baseline. We measure this across Coty, aiming for an average weight reduction of 20% in packaging gram per milliliter of product manufactured. This means making decisions on design and composition to decrease the weight of packaging and reduce unnecessary packaging as much as possible, whilst ensuring that safety and performance is not compromised.



Preserve resources, including increasing the proportion of RECYCLED content

As an industry, we have a responsibility to reduce our reliance on virgin materials and improve circularity of the sector. Within Coty, we are committed to increasing the amount of recycled content in our packaging and have set ourselves targets to increase our use of post-consumer recycled materials to at least 30% by 2030.

To further our resource preservation efforts, and in line with our responsible sourcing strategy, we have also set a target for 100% of our folding box boards to be FSC- or PEFC-certified by 2025.



Improve the RECYCLABILITY profile of our packaging

The recyclability profile of our products is a key consideration during the conception phase for all new projects. Our focus is on minimizing or eliminating the presence of disruptors and using existing recycling streams wherever possible. We are also working with the SPICE community to support the development of recyclability guidelines for the cosmetics industry.



Promote REUSABLE and REFILLABLE solutions

Reusable or refillable packaging is crucial for reducing our footprint across the entire product lifecycle. We strive to increase the proportion of reusable solutions versus single-use across our packaging portfolio. We are prioritizing the development of refillable options for our fragrance, body care and lip products, examples of which can be seen in the case studies in this section. We have the long-term ambition to develop reusable solutions for each product category.

CASE STUDY: Adidas Shower Gels

In FY22, Adidas relaunched its iconic body care range, starting with shower gels. We prioritized the use of post-consumer recycled content (PCR) for the relaunch – the refreshed bottle is made from 99.8% PCR, while the cap uses 48% PCR. Seeking to push further, Adidas also launched a new Active Skin & Mind range of shower gels, featuring Coty's first refillable body care solutions and more than 18% packaging weight reduction compared to the original baseline body care range before re-launch.



CASE STUDY: Chloé Naturelle Intense

The launch of Chloé Rose Naturelle Intense demonstrates another example of how we are putting our new packaging strategy into practice. The new fragrance, which is available in different markets, is the first refillable fragrance in Coty's portfolio. To confirm the improved sustainability profile, we independently assessed the product's life cycle, showing that the product presents multiple reduced environmental impacts, including reductions of more than 60% in GHG emissions, water consumption, energy consumption and mineral resources consumption. In addition, Chloé Rose Naturelle Intense also received the C2C Certified Material Health Certificate™ at the Silver Level. This certificate is a verification of the health and safety of a product's composition using the material health requirements of the Cradle to Cradle Certified® Product standard.

Chloé stands for beautiful, meaningful products for society and the planet, and Chloé Rose Naturelle Intense perfectly embodies these values, while contributing Coty's sustainability journey, Beauty That Lasts.



PARTNERSHIP: SPICE

As a member of the Sustainable Packaging Initiative for Cosmetics (SPICE), Coty is working with the world's cosmetics organizations to move the industry towards more sustainable packaging. Through harmonized definitions, methodologies, and sharing best practice, SPICE aims to collectively shape the future of sustainable packaging for the industry. Since 2020, Coty has deployed the SPICE Life Cycle Assessment Tool for embedding sustainability into the packaging design process. We continue to use the SPICE tool to support decision making by comparing different solutions, and as illustrated in case studies in the report, we have already begun to deliver better-performing products.



Responsible Sourcing

Our products are made with ingredients sourced from all over the world, so we recognize that our impact extends beyond our own operations. We aim to create, protect and grow long-term environmental, social and economic value for all stakeholders involved in bringing our products and services to market, while reducing any negative impacts from our sourcing practices.

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Sourcing is a vital part of Coty's business; but, equally important, it is an engine of growth for hundreds of communities around our world. As a global beauty powerhouse, we have a responsibility to the communities in which we work. This duty is a true privilege, and we have therefore made it our mission to ensure our supply chain is as transparent and responsible as possible.

I'm very proud to manage Coty's responsible sourcing team, a group of passionate and focused individuals who are executing our sustainability goals from the beginning of the product lifecycle. As a leader in beauty, we have the opportunity and responsibility to seek out cutting edge, sustainable innovation from our suppliers and introduce it to Coty.

Sustainability is integrated into each of our procurement category strategies, complementing our dedicated responsible sourcing strategy. Among many impactful examples is our comprehensive Responsible Sourcing Framework, which ensures our purchasing decisions are made through the lens of sustainability. Every element that is relevant to our external business partners and buyers is covered by the framework, including sourcing fundamentals such as risk assessment and audit, ingredients and traceability, and our approach to positively impacting the people in our supply chain and the planet we source from.



This year, I am especially proud of my team's dedication and drive as we continue to make great progress on this fundamentally important topic. Furthermore, from the industry forums I've joined this year, I'm pleased to see collective momentum behind solving the sourcing challenges the industry faces. No one business can solve these alone, so collaboration remains essential.

Stephane Delbos,

Chief Procurement Officer

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Targets

Improve responsible sourcing and transparency in our supply chains by:

Purchasing 100% mass balance-certified palm oil for our production sites by 2022, and our third-party manufacturers by 2025

Ensuring 100% of Indian mica is responsibly sourced by 2030

High Risk Ingredients & Traceability

Managing our supply chain responsibly means paying particular attention to those raw materials which present the greatest potential risk for harmful impacts.

PALM OIL

Recognizing the impact of the palm oil supply chain on human rights, biodiversity and the environment, Coty is a member of the Roundtable for Sustainable Palm Oil (RSPO) and committed to purchasing palm oil-based ingredients from RSPO certified sources.

Coty sourced approximately 3,000 metric tons of palm oil derivatives for our production sites in FY22. In FY22, we strengthened our processes to make progress in our RSPO sourcing, ensuring a robust cross-functional group is in place. This team led our multi-site RSPO certification and audit process, as well as our annual communications on progress (ACOP) to RSPO which reflected our FY21 progress.

At the end of FY22, **we estimate that 68% of the palm oil volumes for our factories were RSPO mass balance-certified¹¹**, an increase from 36% in FY21.

This year, we experienced shortages of RSPO certified mass balance palm oil derivatives, a trend identified in a [report](#) by the European Palm Oil Alliance (EPOA), the Sustainable Trade Initiative (IDH) and the Roundtable on Sustainable Palm Oil (RSPO), who acknowledge demand outstripping supply.

As a result, we have occasionally had to make exceptions in order to secure supply. We anticipate this supply disruption will continue, which will prevent us from achieving 100% in 2022. We continue to believe in the importance of RSPO-certified sourcing and will therefore continue our journey, reporting on our progress annually.

Last year, we also expanded our commitment to encompass our third-party manufacturing (TPM) partners. This project is a strong focus for us in 2023.

We are exploring new ways to better meet the challenge of sourcing sustainable palm oil derivatives and improve traceability. We continue to share our Tier 1 palm oil derivative suppliers list on our website, and update this list annually.

PARTNERSHIP: RSPO



Since 2017, Coty has been a member of RSPO, which works to improve sustainability standards in the palm oil supply chain. By sourcing palm oil derivatives through the RSPO scheme, we help channel investment towards growing methods that minimize the negative impact of palm plantations.

¹¹ RSPO calculation methodology: We have estimated our percentage based on RSPO material certification status in June FY22, applied to our actual 12-month volumes, as opposed to actual orders and quantities of RSPO certified materials received. Given the complex nature of palm oil derivatives sourcing, for a small number of ingredients we have also estimated the percentage of palm oil derivatives within the ingredient.

MICA

We use mica, a naturally occurring mineral, in many of our products to provide a pearlescent effect. Within our supply chain, mica is sourced from several countries, including India. In India's Eastern States of Bihar and Jharkhand, there are known risks of child labor in mining communities. As a member of the Responsible Mica Initiative (RMI), our target is aligned to RMI's ambition of ensuring that 100% of Indian mica is responsibly sourced by 2030. This target is delivered through and measured against the three pillars of the RMI framework:

Responsible Workplace Standards:

Working to ensure all Coty's mica sourcing from Jharkhand and Bihar is compliant with globally recognized responsible workplace standards that prohibit child labor.

Community Empowerment:

Working to ensure all mica-dependent communities we source from are covered by community empowerment programs, that include livelihood opportunities and education.

Legal Frameworks:

Advocating to have all mica workers in Bihar and Jharkhand operating under a clear legal framework.

Measuring progress against our 2030 commitment is reliant upon having traceability to mine level, as well as auditable data against the key pillars of the RMI framework. We therefore have continued to enhance our traceability mapping, and in 2021 joined a new partnership between the RMI and the supply chain traceability platform, Tilkal, which will enable this data. The RMI-Tilkal partnership is the first multi-stakeholder blockchain-based solution to improve traceability across mica supply chains and is now an RMI commitment for all its members. All our supplier data has now been uploaded onto the Tilkal platform.

In this first year, we do not yet have complete data visibility through the tool, and so in parallel we have conducted an offline traceability data collection exercise with our suppliers. In FY22, all the mica we sourced from direct suppliers was purchased from RMI members. We can trace all the mica we source to the country level.

We sourced 28% (36 metric tons) of our mica from India and 85% of this mica is traced to mine level.

Our 2030 goal also incorporates our third-party manufacturing partners' mica sourcing. In FY22, in partnership with RMI we conducted introductory webinars for our Tier 1 suppliers to onboard and engage them with our supplier commitment and the importance of traceability to mines. Moving forward, we will continue to engage on their sourcing of mica, providing helpful tools and reinforcing the importance of partnership and collaboration that is central to responsible sourcing.

PARTNERSHIP: RMI



We are a founding and Board member of the Responsible Mica Initiative, a multi-stakeholder action group aiming to establish a 100% sustainable Indian mica supply chain, free from unacceptable working conditions and child labor. 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.

IMPROVING TRACEABILITY

Traceability and greater transparency are critical to building a sustainable supply chain. Engaging and collaborating with key supply chain partners is essential to unlocking these principles. In FY22, we partnered with our strategic suppliers to introduce a Sustainable Sourcing Policy, including traceability and transparency requirements, into our contractual agreements.

In FY21, recognizing that many of the essential ingredients used within our fragrances are sourced from nature, we engaged with strategic suppliers to set traceability ambitions for 14 key high-volume natural raw materials. In FY22, working with our strategic suppliers, we have been able to trace 11 of these ingredients to a country and regional level, and for one of these materials the supply chain has been mapped to farm level.

Supplier Assessments

Our supplier compliance program underpins responsible sourcing at Coty. To ensure the integrity and sustainability of our value chain, 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 for working with us. We include the CoC when requesting quotes from suppliers and embed it within Terms and Conditions of purchase orders.

As of June 2022, 538✓ business partners have signed our CoC, with a further 33✓ suppliers having contracts including a CoC clause. In FY22, we also began the process of updating supplier contracts to introduce an additional Sustainable Sourcing Policy. This policy specifically outlines supplier responsibilities on risk assessment and audit, traceability and transparency, especially for high-risk ingredients, to further strengthen our supplier due diligence process.

We monitor supplier social and environmental performance through third party assessments, including EcoVadis scorecards, SEDEX self-assessment questionnaires and on-site audits. We have clear targets to measure supplier performance against these tools and a grievance process in place to sustain supplier performance. We continue to engage with all our suppliers to drive improvements.

After signing the CoC, all sites are run through an assessment process which assigns them a risk level based on the likelihood of non-compliance. Low- and medium-risk sites are required to provide evidence of their sustainability performance using either the SEDEX self-assessment questionnaire, or the EcoVadis 360° ESG assessment. For high-risk sites, suppliers are audited against the four pillars of the SMETA protocol.

Suppliers found to have poor performance through these screenings are supported to improve their practices through corrective action plans with clear timelines for expected improvement.

EcoVadis

Number of suppliers assessed: 487✓
scoring on average 29% higher than the overall EcoVadis average (57.5).

SEDEX

Number of suppliers assessed: 224✓
assessed through audit and 295✓ through self-assessment questionnaire. In addition, we have an automated risk tool linked to our vendors through which 11,502✓ sourcing scenarios have been assessed based country, sector and commodity risk.

We continue to evolve and build our program, and in FY23 published our [Human Rights Policy](#), [Green Procurement Policy](#), and [Deforestation Policy](#), which help make progress towards our responsible sourcing vision.

PARTNERSHIP: AIM-Progress



Since 2017, Coty has been a member of AIM-Progress, a network of FMCG businesses collaborating for positive social impact through responsible sourcing. We take part in AIM-Progress' annual benchmarking survey. Members benchmark company progress against their Responsible Sourcing Journey, which is a maturity assessment tool aligned to the UN Guiding Principles.

PARTNERSHIP: Responsible Beauty Initiative



Coty is a founding member of the Responsible Beauty Initiative (RBI), a beauty industry effort to improve sustainability across supply chains by sharing best practices. RBI members share a common pool of EcoVadis scorecards to track and improve sustainability performance of their suppliers and meet quarterly. Coty's Chief Procurement Officer attends these meetings bi-annually. In FY22, through RBI, Coty promoted the launch of the EcoVadis Academy supplier training platform. Sixteen courses were identified and shared with our supply base to complete, including those focused on Labor and Human Rights, Diversity and Inclusion and Anti-Corruption. The EcoVadis carbon scorecard is also now live for Coty, and future RBI webinars will cover this topic.

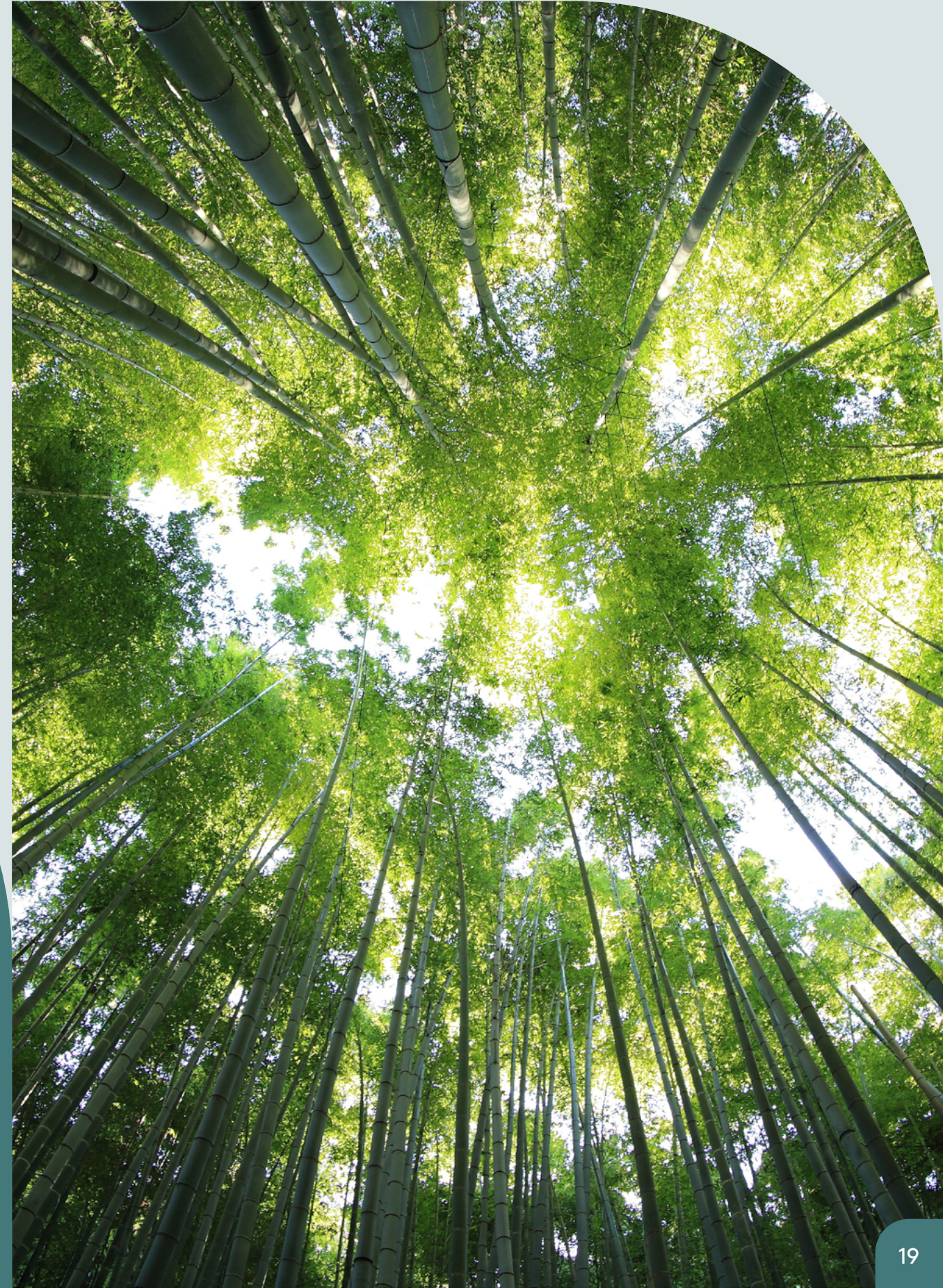
Beauty of our Planet

Conserving and protecting the natural environment is a vital part of our responsibility as a business.

Climate Action

Waste

Nature





My sustainability work at Coty goes far beyond my professional life—it is deeply rooted in my personal experiences. Seventeen years ago, I spent time with my young family in the Taman Negara rainforest in Malaysia; experiencing truly remote and pristine forests left a lasting impression on all of us.

As Coty’s new Chief Supply Chain Officer, I’ve joined the company at an exciting time. Coty has recently launched its new SBTi-aligned climate target and ensuring this target is met will be an important part of my role going forward. My background in supply chain and logistics has shown me first-hand the opportunities that can be found in taking action to minimize climate and environmental impacts. This has never been more important than now – both in terms of the urgency of the climate crisis and the ongoing disruption to global supply and transportation networks. My focus is on reducing our footprint while ensuring business continuity during these difficult times.

I’m looking forward to building on the work that Coty has already done to improve environmental efficiency within our operations – from minimizing the waste we produce to reducing the water we consume.



While of course, Coty alone won’t be able to halt or reverse climate change – I believe our company plays a vital part in showing the world that business can be an important player in preserving and protecting places like the Taman Negara rainforest for generations to come.

Graeme Carter,
Chief Supply Chain Officer



Targets

We are proud to share our new near-term science-based emissions reduction targets, approved by the Science Based Targets initiative (SBTi). By 2030, we have committed to:



- Reduce absolute scopes 1 and 2 GHG emissions 50% from calendar year 2019 base year*
- Increase annual sourcing of renewable electricity from 5% in calendar year 2019 to 100%
- Reduce absolute scope 3** GHG emissions 28%

**The target boundary includes biogenic emissions and removals from bioenergy feedstocks.*

***The base year for the target excludes Category 11 – Use of sold products from the target as we do not have direct emissions in that category. This exclusion was done as part of the SBTi validation process.*

In addition to these SBTi-approved targets, we have also committed to:

- Reduce energy consumption by 20% compared to our base year of calendar year 2019 by 2030

Climate Action

We recognize that urgent and concerted action is needed from all sectors to minimize global climate change and we are actively working to reduce the impact of our business.

Climate Strategy

We are proud to share our new near-term Greenhouse Gas emissions targets, which have been approved by the Science Based Target initiative. Our Scope 1 and 2 target of 50% reduction by 2030 follows a 1.5°C scenario compared to our calendar year 2019 baseline. Our Scope 3 target of 28% reduction by 2030 follows a 2°C scenario compared to our calendar year 2019 baseline.

We are now implementing our climate strategy focusing on three hotspots: our product impact, our transportation and the impact of our own operations.

Product Impact

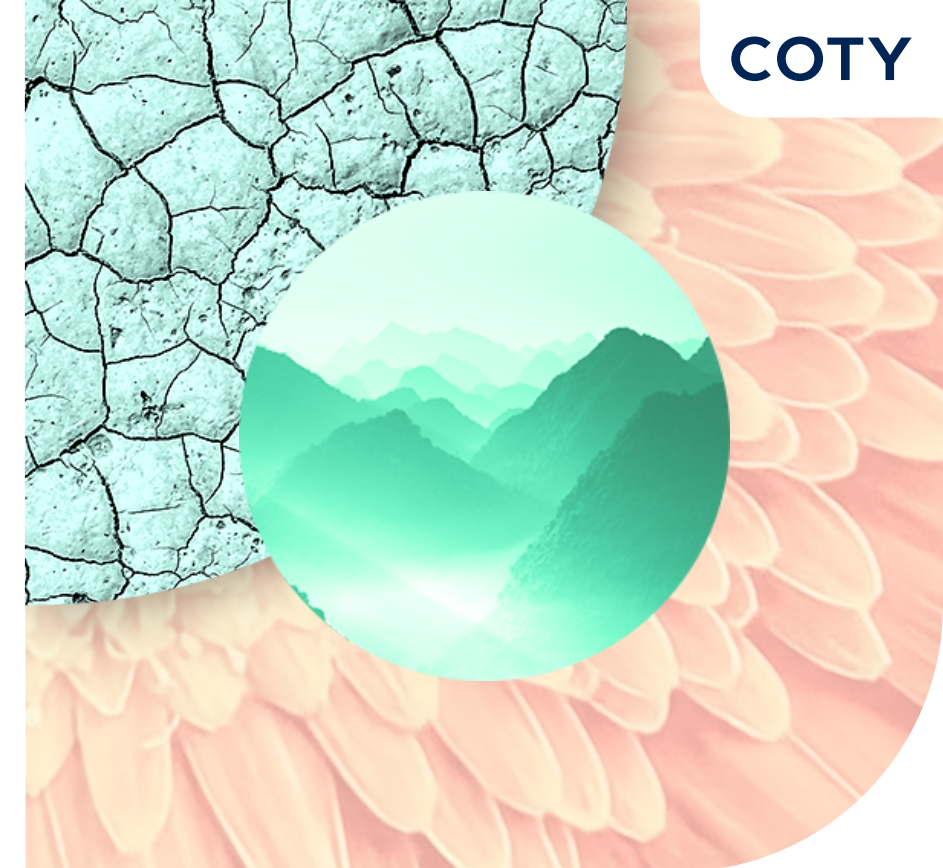
This hotspot focuses on reducing the carbon impact of our raw materials and packaging (Categories 1 and 12 of the GHG Protocol). We have introduced new packaging targets, which are presented in our Beauty of our Product pillar section. These are being implemented across our business and brands and will be key to achieving our climate targets. With regards to our formulas, our work around green science and eco-design, such as the replacement of D5 (cyclopentasiloxane), will be essential to reducing our environmental impact. We continue to explore other ingredient and formula options to reduce the impacts of our products.

Transportation

Our next biggest hotspot is the impact of our upstream and downstream transportation categories (Categories 4 and 9 of the GHG Protocol). We have visibility of our transportation as a result of the implementation of our EcoTransit tool. The tool enables us to monitor all the downstream transportation paid by Coty directly on a monthly basis. We continue to refine this methodology, in order to further our reporting. We have identified different actions to reduce our transportation impact, including the reduction of air freight, one of our most impactful actions.

Our Operations

This hotspot focuses on reducing the energy we consume in our own operations and transitioning to more renewable energy, as described below.



Greenhouse Gas Reporting

As part of our climate strategy, we are committed to participating in initiatives to better our reporting and improve transparency. We publicly report on our climate strategy and our response to climate change annually through the CDP. This includes an overview of climate-related risks which are relevant and material for our business, covering both physical and transition risks.

We continue to report our full carbon footprint in our CDP disclosure and are on a continuous journey to improve our carbon reporting. As an example, we have partnered with EcoVadis and are now using the Carbon Action Module, a new supplier assessment tool used to report greenhouse gas emissions and track progress towards Science Based Targets initiative-aligned emissions pathways. Within our sustainability report, we disclose a limited scope of emissions including our Scope 1 and 2 and some categories of our Scope 3. We will aim to disclose more categories in the future.

OUR OWN OPERATIONS AND ENERGY

Managing our energy consumption is a critical component of our climate strategy. We recognize that our climate impact extends across our value chain, but actions have to start within our own operations, and in particular our factories and distribution centers. Our supply chain function, which includes our Health, Safety and Environment and Engineering teams, is responsible for energy management. All our supply chain sites have roadmaps in place for reducing electricity and fuel and integrating further renewable energy.

In FY22, we set new energy reduction targets for the business to reduce energy consumption by 20% by 2030 compared to our base year (calendar year 2019). In FY22, we reduced our energy consumption by 12.8% compared to our CY19 baseline through initiatives such as automation and installation of energy-efficient fixtures at our factories. This includes automatic scheduling and weekend shutdowns across many of our factories as well as the installation of LED lights and motion sensors.

In addition to minimizing our consumption of energy, we are also working to make more sustainable choices in the energy we purchase. We have updated our renewable electricity target against our new baseline. This target has been approved by the Science-Based Targets initiative. We therefore aim to increase sourcing of renewable electricity from 5% (calendar year 2019) to 100% by 2030. Since FY21, all our Coty factories and distribution centers have been using renewable electricity from the grid or electricity purchased under Renewable Energy Certificates (RECs).

We currently source 91% of electricity, and over 56%✓ of our total energy consumption from renewable sources.

With the work completed to transition our supply chain sites to renewable electricity, we have achieved our commitment to reduce our combined scopes 1 and 2 emissions by 50% by 2030.

Whilst we are proud of this achievement, we recognize we need to now be more ambitious towards 2030 and will be evaluating our next steps.

We are also investigating alternative sources of energy, including the use of on-site solar panels and biomass boilers. Four of our sites have solar arrays installed to produce electricity, while another site uses solar energy for water heating. At our Senador Canedo factory we operate a biomass boiler fueled by wooden pallet waste.

PARTNERSHIP: RE100



Coty is a member of the RE100, a global initiative of over 300 influential organizations committed to 100% renewable electricity. Our membership to RE100 has been instrumental in transitioning our supply chain sites to renewable electricity and we are working with the group to extend this transition to the rest of our portfolio.

We have sustainability plans across all our supply chain sites. These three-year plans are reviewed and shared for good practices across our different sites. Some of the most impactful initiatives are shared here. As we continue our journey, we are focusing efforts on our R&D centers and key corporate offices, and will reapply our learnings from our supply sites where possible.

Total energy consumption (GWh)



CASE STUDY: Hunt Valley

Our Hunt Valley factory has achieved a 20% reduction in energy consumption against 2019 levels through measures such as automatic scheduling of Heating Ventilation Air Conditioning systems and weekend shutdowns of machinery. In October 2022, the factory completed their multi-year program to transition to 100% LED lighting for all occupied spaces and all exterior lights.

CASE STUDY: Bournemouth

At our distribution center in Bournemouth, we've achieved significant energy reductions by implementing automatic breaks in our conveyor system for picking and packing customer orders. By working with the equipment vendor to reprogram the 35,000 square foot system, which was originally designed to run continuously, we've managed to eliminate unnecessary operation time, thereby reducing energy consumption.



Guided by our new targets, we will continue to reduce our climate footprint across our hotspots, as well as our energy consumption over the next few years. Through action across our value chain, including our own operations and those of our suppliers, we will work to enhance monitoring and minimize our emissions.



Waste

It is essential that we effectively and responsibly manage the waste produced by our operations. This means both reducing the waste we generate as well as disposing of waste in a safe and environmentally responsible manner.



Reducing, reusing and recycling our waste is not only part of our environmental responsibility but it also offers important opportunities for the efficient use of resources. We are also committed through our Environmental Policy and Greenhouse Gas Program to dispose of waste appropriately, in particular hazardous waste, in accordance with applicable local legislations.

In FY22 we achieved our target of sending zero waste to landfill from our factories and distribution centers, and are ahead of schedule to meet our recycling target, achieving 79.8% against our 80% by 2030 target.

We are proud to share this progress and will continue to work to maintain this achievement. While we have achieved our target, due to different consolidation projects we have seen a slight increase in waste generation this year - 1.46% compared to FY21, with a total waste generation of 21 metric kilotons✓ in FY22, so reducing our waste generation also continues to be an important focus.

As part of our overall waste management strategy, hazardous waste management is a key focus. Solvents, such as ethanol are the biggest portion of our hazardous waste. Ethanol is a raw material used in products like our fragrances and is also used to clean our equipment. In our sites that manufacture fragrances, we collect the spent ethanol and recycle it for other industries through partnership with third-party vendors. In our nail lacquer production, we use other solvents, such as acetone, to clean our equipment. Through another third-party partnership, this spent solvent is re-blended into a fuel source thus reducing the need for fossil fuels.

Having come close to achieving our 2030 recycling target this year, we continue to look for the best waste treatment types. We have also increased our focus on our R&D centers and key corporate offices in the last few months and will continue to do so over the next year.

Targets

Send zero waste generated by our Coty factories and distribution centers to landfill by 2030

Recycle 80% of waste generated by our Coty factories and distribution centers by 2030

CASE STUDY: Hunt Valley

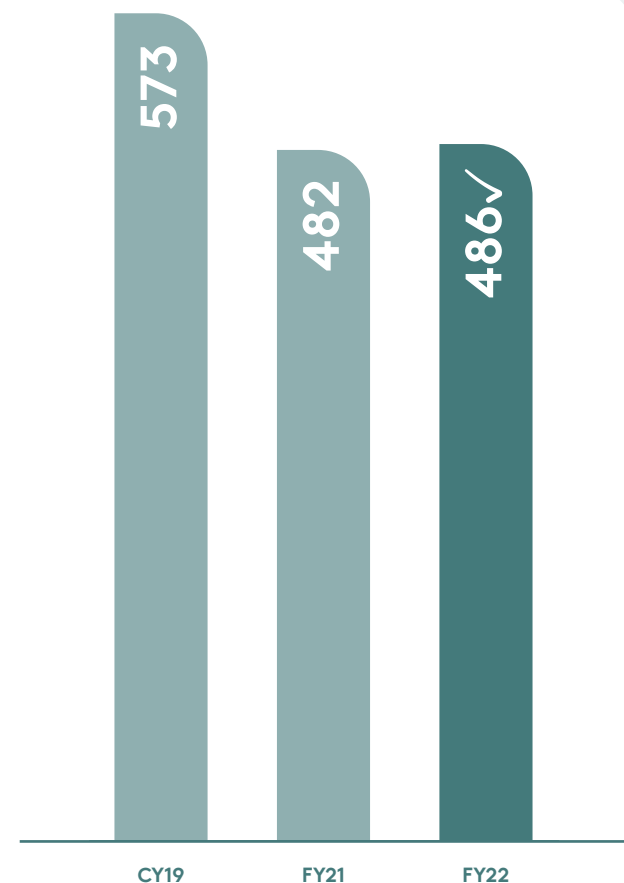
Across our facilities we are continuously looking for opportunities to reduce the waste we produce. This includes not only reducing wasted raw materials, but also eliminating unnecessary packaging. For example, at our Hunt Valley facility we've introduced new packaging methods for inbound materials that use bulk, rather than individual packaging. By replacing individual boxes and trays with bulk bags and boxes we are minimizing unnecessary plastic, cardboard and foam, with the potential to prevent approximately 45 metric tons of waste each year. At our Monaco facility we have also implemented interventions to reduce wastage of raw packaging materials through enhanced recycling.

Nature

Coty relies on the resources of the natural world to provide the essential ingredients which compose our products. We are working to reduce our impact on water and biodiversity.

Water

Across our global operations, and particularly within our factories, water consumption is an important area of focus. Through actions like on-site water recycling, equipment upgrades and internal engagement with our associates, we are reducing our water consumption and are becoming more efficient in our water use. For example, in our Granollers factory, we have amended the size of our water purification system to match our current and future anticipated production demands, enabling us to reduce our water consumption by over 60%. In FY22, overall water consumption remained fairly steady compared to FY21. We have decreased water consumption by 15% compared to our baseline of calendar year 2019.



Total water consumption
(m³, thousands)

CASE STUDY: Hunt Valley

In FY22, we studied the cleaning practices at our Hunt Valley factory to identify opportunities for efficiency. Based on the results of these studies we were able to adjust our cleaning practices, fine tuning the volume of water and chemicals used to develop a new process which will save over 1,500 cubic meters of water each year.

Biodiversity

In addition to minimizing our water impacts, we are also working to better understand and manage our impact on biodiversity. We know that our biggest impact on nature comes from the purchase of goods, particularly raw materials, such as ethanol, as well as paper or cardboard packaging. Therefore, as part of our revised packaging strategy, we have introduced a target on FSC or PEFC certification (see Product Pillar) to ensure the forest materials we use are sustainably sourced. We have also updated our [Deforestation Policy](#).

As we investigate new ingredients and raw materials, we aim to reduce their impacts on biodiversity. Biotechnology, in particular, aims to minimize the consumption of natural ingredients. Since January 2022, we have started the production of our first fragrance to include carbon-captured ethanol. This ingredient provides a strong water and biodiversity benefit compared to traditional ethanol.



At a local level, many of our teams are driving initiatives that preserve biodiversity locally:

CASE STUDY: Coty China

Last November, in partnership with China Green Foundation, Coty China pledged to plant two saxaul trees in the Alashan Plateau for each individual who visited Coty's booth at the China International Import Expo. A total of 6,000 ever-green, native trees were planted in this south-western portion of the Gobi Desert, where they will play an important role countering deforestation and improve sand fixation in this region.



Our Environmental Management Approach

Our Environmental Policy and Greenhouse Gas Program governs the way we manage our environmental impact. The policy sets out our commitments to comply with all applicable environmental legislation in the countries we operate in, monitoring and managing our environmental performance, and reporting on our progress annually. Our supply chain function, which includes our Health, Safety and Environment and Engineering teams, is responsible for energy consumption and related emissions, as well as implementing waste-reduction and recycling efforts, and reducing water consumption across our Coty-operated sites. The effort is company-wide, with managerial leadership driven by our Chief Scientific Officer and Sustainability Leader, who is supported by Coty's Executive Committee and Senior Leadership Team, especially the Chief Supply Chain Officer. Environmental objectives are further supported by our sustainability network, through which site leaders meet regularly to share their successes in sustainability, helping to drive collaboration between our facilities and team members.



CASE STUDY: Hunt Valley

Our Coty Hunt Valley site rests on a flood plain which cannot be developed. Seeking to ensure the site's natural resources are used to support biodiversity, the factory partnered with the University of Maryland's Bee Squad on its mission to improve honeybee health. In FY22, Coty Hunt Valley welcomed 60,000 worker bees to the facility, and planted flowers to encourage native bees. Pollinators such as bees provide important benefits for both food supplies and local farms. Today, the plant hosts two active bee colonies on its campus—supporting genetic diversity and long-term colony survival for the state's bee colonies.

Beauty of our People

We are committed to creating a more inclusive business and society. We want to create a culture in which our associates bring their true selves to work, in turn making Coty stronger. Our brands, who touch consumers around the world every day, also have an important role to play in society by challenging stereotypes and championing individuality and self-expression.

Our People & Culture

Stay Healthy & Well

Brands & Communities





My journey at Coty began when I joined to be the HR lead for Supply Chain in 2017. Today, I'm Coty's Chief Human Resources Officer. It's been an incredibly rewarding ride. Coty has given me and many others a space to grow professionally and to pursue our personal passions for creating a safe and inclusive workplace for our colleagues. It is incredible to see the progress we've made, together.

This year, we have revitalized our People strategy, bringing the necessary focus to drive us forward.

I am deeply delighted to announce that as of October 2022 we have achieved our pay equity commitment – thanks to the important steps we have taken to be a business that pays each person equitably regardless of gender.

Our leadership positions continue to be a place where female voices are heard and valued. Finally, and as a mother of three sons and therefore particularly rewarding to me, this October we announced our gender-neutral Parental Leave Policy – a crucial step in dismantling outdated gender stereotypes.

¹² A leadership position is defined as Senior Directors, VP and above.

As we prepare ourselves for the second half of our 2025 journey, our People strategy sets us on a pathway to embrace and celebrate the beauty of diversity and foster an inclusive workplace for all. I'm excited for the road ahead as we continue to make Coty the best place to work in the beauty industry – and beyond.

Anne Jaeckin,
Chief HR Officer



Coty US Team at Hunt Valley

Targets

Achieve gender balance in leadership positions by 2025¹²

Pay equitably for similar roles and performance, regardless of gender, by 2022

Roll out diversity, equity and inclusion training for all associates by 2025

As part of our revitalized People strategy, our focus has been the transition from qualitative to quantitative targets wherever possible, with two key evolutions in FY22:

- Our 2025 commitment to broaden the measurement and reduction of pay gaps has been retired in recognition that these efforts go hand-in-hand with our gender pay equity commitment, which is a quantitative, measurable target.
- Our support for the Charter for Change disability accessibility initiative, previously a corporate target, becomes an ongoing commitment in acknowledgement that it lacked the quantitative rigor necessary to measure impact. Our promise to make our business more accessible for people with disabilities remains a priority.

Our People & Culture

We celebrate diversity in all its forms and continue to work towards a more inclusive business. We are building a Coty anchored in the value of fearless kindness, starting with our people. We want to be a workplace where our associates bloom every day because they bring their true selves to work, grow through new skills, and are rewarded.



INTRODUCTION

BEAUTY OF
OUR PRODUCTBEAUTY OF
OUR PLANETBEAUTY OF
OUR PEOPLEFUNDAMENTALS OF
RESPONSIBILITY

OUR REPORTING

Diversity, Equity & Inclusion

Diversity, Equity & Inclusion (DE&I) has been a prominent part of Beauty That Lasts since its launch as part of the Beauty of our People pillar. Since then, we have accelerated our DE&I journey and established a fresh approach, with a focus on making systemic changes through policies and practices, building our diverse talent base, and changing conversations through engagement and education.



Diversity and Inclusion is formalized in our Board Remuneration and Nomination Committee Charter. The Committee is responsible for reviewing and assessing Coty's strategies and policies relating to company culture, human capital and talent management and diversity and inclusion. The Committee is also responsible for monitoring strategic initiatives associated with the Company's people and culture, and setting appropriate goals and our disclosures.

POLICIES & PRACTICES FOR SYSTEMIC CHANGE

We want Coty to be a place in which our associates are offered the support to achieve their full potential. Achieving this requires us to be brave enough to make systemic changes to our business.

Coty China workshops
our new Purpose, Vision
& Values

ACHIEVING GENDER PAY EQUITY

In March 2021, we set ourselves a commitment to gender pay equity, to be achieved by the end of calendar year 2022.

We are incredibly proud to share that we have achieved our gender pay equity commitment as of October 2022.

In October 2021, we reduced our pay equity gap to 2%. After closing the FY22 employee review cycle in October 2022, we have proudly gone further and **met our commitment by reducing the gap to below 2% in every level of our global management categories.** We recognize that the equity gap will fluctuate as the make-up of our business evolves, and therefore this is a continuous commitment. Ongoing monitoring takes place regularly and is reported to our CEO, and our formal reporting cycle follows our annual end of year review cycle in October.

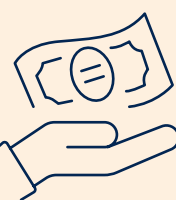
Pay Equity Methodology:

In setting this pay equity target, we recognized that no two individuals are the same and so, when analyzing a large people-centric data set, a statistical margin of error will always exist. We therefore evaluated that our pay equity commitment would be met when we achieved no more than a 2% gap. In our methodology, we included all full-time, salaried employees across our 30+ countries, apart from our Russian operations which Coty is winding down¹³, and our Executive Committee and Senior Leadership Team. We are proud to have strong female representation in our senior leadership – the majority of our Executive Committee are female – but we recognize that to truly integrate pay equity across Coty, we should exclude this category due to the disproportionate impact high female representation would have on our global data.



Our commitment to gender balance in leadership by 2025, and supporting initiatives designed to remove barriers to women's development, will support our gender pay equity commitment in the long-term.

At leadership level, our gender balance is 45%✓ female as of June 2022, up from 38% in June 2021.



COTY'S GENDER PAY EQUITY COMMITMENT:

Pay equitably for similar roles and performance, regardless of gender, by 2022

Female representation at Coty in FY22:

Total workforce:

62% ♀



Pay equity means compensating employees the same for similar job responsibilities, while recognizing that other factors such as experience may impact remuneration.

Gender pay equity difference across our management categories (October 2022):



¹³ In April 2022, we announced our Board's decision to wind down the operations of our Russian subsidiary as a result of the war and the related sanctions. We plan to liquidate our remaining inventory in Russia, in accordance with applicable sanctions, during the second half of calendar year 2022, as part of the wind down.

CASE STUDY:

Women in Leadership Mentoring

Recognizing that businesses often experience a drop in female voices within leadership positions, we launched our Women in Leadership Mentoring Program in October 2021, to prepare female employees at Director and Senior Director level for executive positions. Nominees identified as high potential for leadership positions take part in a comprehensive 12-month program featuring regular check-ins, learning sessions and networking opportunities. The program is sponsored by Coty's Chief Legal Officer and Chief Commercial Officer, Prestige. Sponsors share their knowledge and experience with mentees through specific sessions throughout the year. The 2022 cohort provided overwhelmingly positive feedback, and so the program will be renewed and expanded in FY23.



Coty China workshops our new Purpose, Vision & Values

Gender-Neutral Parental Leave

In line with our new Purpose, Vision and Values, we recently launched a new gender-neutral Parental Leave Policy. **From 1 November 2022, all employees, regardless of gender, have access to the same number of fully paid weeks of parental leave offered in their local region when starting or extending a family.** This applies to all types of family situations, including adoption and surrogacy, supporting all employees to start a family in a way that is right for them.

Through this policy, we also aim to remove barriers to career progression and tackle common stereotypes associated with parental leave, which can especially hinder women's development. By giving everyone an equal choice on which parent should take a career break, this initiative should also help reduce gender pay gaps within Coty.

Further recognizing the barrier that the demands of parenthood can be to success in the workplace, Coty markets provide localized policies and support systems. In the UK and Ireland, Coty has expanded its partnership with Peppy, an app connecting associates to trusted information and experts providing free and personalized support on fertility, menopause, men's health, and parenthood.

Charter for Change

We continue to support the Charter for Change initiative and our commitment to making our business more accessible to people with disabilities is an ongoing priority. To support colleagues living with a disability and visitors to our sites, we have conducted site accessibility assessments in our Headquarters in Amsterdam and in our Geneva office. From these assessments, we have identified priority actions; in Amsterdam we will be piloting initiatives to ensure ramp access to the building and our reception desks are fully accessible.



Benchmarking our Practices

Advancing LGBTQIA+ equality has long been a priority for Coty. Over the past two years we have taken part in the Corporate Equality Index, which is the foremost benchmarking survey and report of corporate policies and practices related to LGBTQIA+ workplace equality in the U.S. In January 2022, we achieved a 95/100 score, a 10-point increase versus January 2021. The 10-point uplift reflects Coty's continuous work to promote LGBTQIA+-friendly workplace policies, such as our Workplace Transition Guidelines. Additionally, in recognition of the action taken across Coty's global locations, in FY22 we were awarded Bronze in the Stonewall Global Workplace Equality Index.

DIVERSE TALENT & RECRUITMENT

We believe a more diverse Coty is a stronger Coty. That's why we are committed to hiring and developing talent of all genders, ethnicities, abilities, backgrounds, gender identities, and sexual orientations.

In FY22, we expanded our diverse recruitment program through local partnerships with organizations around the world to help Coty attract a more diverse talent pool, including:

- **Coty UK and Ireland** partnered with People Plus to welcome two employees on the autism spectrum in our Ashford production site. Coty UK and Ireland also now advertises all intern positions on Diversifying, a purpose-led careers platform reaching diverse communities.
- **Coty France** has partnered with Vox Populi, a French charity focused on youth employability for people from disadvantaged and rural areas, to diversify our intern talent. After a recruitment period in early FY23, we welcomed four interns and aim to expand further.
- **Coty Monaco** collaborated with AMAPEI (Princess Stephanie Activities Center), which gives assistance to people with mental disabilities and their families. The first project was a short assignment for four workers with disabilities.

We have also commenced confidential and anonymous candidate self-identification, which enables employees to share more about themselves, starting in four countries: the United States, the United Kingdom, France, and Netherlands, our largest employee markets. We aim to extend this self-identification process to enable us to better track our workforce diversity and tailor initiatives to meet our associates' needs.



CHANGING THE CONVERSATION

Our new Purpose is a promise to unleash every possible vision of beauty. To deliver this promise, we work hard internally to embrace and celebrate the kaleidoscope of humanity, to ensure that all voices and visions are heard.

DE&I Training

Our 'Change the Conversation' curriculum, developed in FY21, is available via our Coty Academy platform, including sessions on 'DE&I Fundamentals' and 'Unconscious Bias'. In FY22, 1,646 associates took part in training from this curriculum. The program was initially presented as face-to-face training with recordings available to all Coty associates who have access to a laptop, via Coty Academy. In FY23, we are introducing the training into the onboarding process.



Coty UK&I celebrate London Pride 2022

Celebrating Diversity

We celebrate the diversity of our workforce with four key DE&I moments - Women's History Month, World Day for Cultural Diversity for Dialogue and Development, PRIDE month and International Day of People with Disabilities. Coty UK and Ireland celebrated the 50th anniversary of Pride at the London Pride Parade 2022. Led by Coty's LGBTQIA+ Employee Resource Group, OUT +, Coty associates took to the streets to call on the UK government to ban conversion therapy for all LGBTQIA+ individuals.

Locally, our offices celebrate their own diverse cultures, such as our US offices who mark Juneteenth, and our associates in South Africa who celebrate Mandela Day. This year, our Hunt Valley plant in the US introduced a Diversity Hall, a permanent celebration of associates' nationalities.

We know that a truly inclusive business ensures voices from all different cultures and ethnicities are heard, which is essential to fostering understanding. This year, we continued to develop our global speaker series titled 'Shades of Beauty', which provides a platform that gives a voice to our employees. Two episodes from the series this year featured employees from diverse ethnic, geographic and cultural backgrounds, and provided them with the opportunity to share their unique and powerful stories.



Employee Resource Groups

In FY21, we introduced Employee Resource Groups (ERGs) – voluntary, employee-led spaces for supporting and empowering employees of all different backgrounds. In the same year, our US operations established five ERGs: African Ancestry; Asian Ancestry; Hispanic and LatinX; Women's Leadership Network; and Out+. The groups carried out a number of initiatives throughout the year, including lunch and learn sessions to educate other associates about their community, mentorship programs, and cultural celebrations. The response to the ERGs from our associates has been incredibly positive, and in FY22, we expanded the OUT+ ERG to our UK and Asia-Pacific operations, in addition to the US.

Nurturing & Developing our Talent

We recognize that our success depends on our ability to identify, hire, train and retain our employees. We strive to attract and retain the best talent by creating opportunities for our associates to develop skills and advance their careers. We provide further details of the risks associated with failing to act on this in our Annual Report.

PERFORMANCE

Our associates undergo an annual performance review process, working with their manager to build customized development plans. This ensures each employee has an agreed progression path for their career.

At the beginning of the fiscal year, employees set goals with their manager for the next three months, six months or full fiscal year. During the year, employees meet regularly with their manager to discuss their progress. A formalized mid-year review is the opportunity for our employees to celebrate the achievements of the past few months, reflect, and take the learnings for the future. We also leverage this mid-year check-in to focus on development conversations. Employees discuss with their manager their strengths, opportunities and how to make their career aspirations come to life. They then set development plans featuring up to two key development actions. Finally, at the end of the year, each employee completes a year-end self-assessment, reflecting on their learnings and progress against goals.

LEARNING & DEVELOPMENT

In FY22, we launched a new learning offer delivered through our refreshed learning platform, Coty Academy, and our community of trainers. We rebuilt our learning offer to focus on essential skills for all Coty employees and business strategic priorities. The learning offer is built around four core topics:

- **Personal Effectiveness**, with training such as Effective Business Writing or Presenting with Impact.
- **Business Strategic Priorities**, starting with Skincare Curriculum and Digital Upskilling Program.
- **Management and Leadership**, with our Quality Development Conversations or Feedback Fundamentals.
- **Beauty of our People**, with our DE&I 'Change the Conversation' curriculum.

In FY22, the average number of training hours per employee recorded on Coty Academy via both e-learning and face-to-face was over five and a half hours✓.

As not all face-to-face training is currently captured, this reflects a minimum.



Stay Healthy & Well

Our employee safety is our number one priority. At Coty, we strive to provide a working environment which fosters safety and wellbeing, both at home and across our corporate sites.

Associate Health and Safety

Our global Health and Safety Policy governs the management of work-related health and safety risks across all sites, including manufacturing, distribution, and corporate offices. The policy sets out the principles that guide our approach to Health, Safety and Environment (HSE), as well as outlining our responsibilities to our employees and the communities where we operate. It is complemented by our Code of Conduct and Code of Conduct for Business Partners.

In FY22, keeping our associates safe and well throughout the ongoing Covid-19 pandemic remained a priority globally. Where local regulatory guidance required it, remote working practices were maintained for our office-based associates. We continued to support those associates who were required to work on-site by tracking cases and adapting to local trends and guidance. Where short-term site closures were mandated, we implemented checklists and work plans for the safe turn to workplaces.

In markets where we were able to return to work, we embedded a global 'Omni-Working' Policy, giving our associates the freedom to choose what works for their individual circumstances. Omni-Working is a hybrid workplace flexibility model that provides the option to work up to 50% of the week remotely. After consultation with our associates, we believe this flexibility will reduce stress for everyone.



HEALTH & SAFETY ACROSS OUR SITES

Globally, we measure the overall success of our health and safety management approach based on Total recordable Incident Rate (TIR)¹⁴. In FY22, we recorded a TIR of 0.22✓. We recognize that some of our biggest safety risks lie in our supply chain sites – in our factories and distribution centers. To that end, we continuously strengthen our risk assessment procedures and closely monitor and report incidents with the continuous ambition to achieve zero incidents.

At our supply chain sites, we mitigate the risk of accidents by continuously improving our Safety Policies, Standard Operating Procedures, guidelines and training on the 6 Key Elements (6 KEA) HSE Management Program. Under the program, all supply chain sites are required to complete an annual internal audit and set out an action plan for improvement against the 6 KEA Management Program. A risk assessment program is implemented at all supply sites, and completed regularly, covering both working areas and tasks. The outcome of the risk assessment is used to define and implement control measures to prevent accidents. We track action plan completions and site risk assessment completions and report progress to top management monthly, through the Supply Health, Safety and Environment Scorecard. All supply sites also complete Legal Compliance internal audits on a yearly basis, and implementation of the findings action plan is tracked, which can include governmental inspections.

We have an established process for investigating and monitoring all recordable incidents, and ensure they are investigated to identify root causes. We also monitor to ensure that corrective actions are defined and implemented to prevent future reoccurrence. The results of investigations are distributed to all sites to ensure improvements are implemented where applicable, which is tracked monthly.

In FY22, we expanded our HSE auditing process by introducing an external ENHESA HSE Legal Compliance expert audit. The external audit has been completed at four supply sites. From FY23, we will implement a three-year rotating schedule for this external audit.

This year, the HSE team has mainly focused on two key safety systems to update and review processes: implementation of the Materials Handling Equipment Standard and the Construction Safety Standard, because of consolidation projects. All supply sites have implemented effective Emergency Preparedness Procedures including yearly evacuation drills.

Our R&D sites continued to build on their existing HSE Program in FY22, led by their local HSE and Wellbeing leaders, who connect monthly to share learnings and benchmark progress. Coty's R&D sites track HSE performance via a monthly scorecard, which is shared with the whole R&D function via a monthly HSE newsletter. The scorecard encompasses performance against the core elements of the R&D HSE Program,

including 6 KEA, compliance with our Behavioral Observation System, Total recordable Incident Rate (TIR), training completion rate, and audit completion and performance. Each R&D site also has a local risk assessment program in place, with remedial action taken as necessary, and a supporting localized training program with regular training shared on key themes, aligned to local need. Our R&D centers complete ENHESA audits or ensure local regulatory compliance via an internal audit and monitoring programs.

In our corporate sites, our focus is on training our associates and equipping them for a safe office environment. Our targeted Coty Academy training module on "Work from Home Safety", developed in FY21, is available to all associates. We also have a dedicated Health, Safety and Wellbeing group on our corporate digital channel, Workplace, which shares HSE information and regular updates about our program. Each of our sites is responsible for ensuring risk assessments and emergency protocols are in place. In FY22, many sites updated these protocols to ensure our offices remained safe places to work as associates returned to the office.



¹⁴ Recorded incidents x 2000,000/total no. working hours on a 1-year rolling average

WORKPLACE WELLBEING

In FY22, we re-energized our focus on mental health and wellbeing across our operations, through targeted education, awareness raising and the provision of support and guidance.

This year, we launched a monthly Health and Wellbeing newsletter shared via our Workplace group, providing associates guidance, resources and events relating to mental health. In providing educational resources such as this, we aim to reduce the stigma associated with mental health and empower our employees to achieve positive physical health and mental well-being.

Both global and local action is needed to empower our colleagues to better their health and wellbeing. At a local level, Coty UK has appointed Mental Health First Aiders across the workforce to be a point of contact for any employee who is experiencing a mental health issue or emotional distress. Mental Health First Aiders are also valuable in providing early intervention help for someone who may be developing a mental health issue. In FY22, Coty South Africa tested a new initiative with potential to be scaled in the future; the launch of a new wellbeing program called Wise and Well. The program contains a calendar of wellbeing themes and communications with associates for the year.

In FY23, we will continue working to launch health, safety and wellbeing programs that are suited to both corporate and field-based associates, using local customization and execution to ensure we reach everyone in the right way.



Brands & Communities

Coty and our brands have a role to play to add value in the communities we operate in.

Brand Societal Action

Coty's brands empower people to express themselves and create their own visions of beauty. **It is a legacy we are proud to grow.**

Our brand marketing efforts are guided by our Responsible Marketing Policy, which is complemented by a comprehensive set of guidelines that set out a playbook for diversity and inclusion in advertising and product creation.

PARTNERSHIP: Cruelty Free International

Our brands bring Coty's values to life for our consumers. In FY22, we worked behind the scenes to grow Coty's Cruelty Free International partnership, which started in 2018 with COVERGIRL. As a result, we started FY23 with Brazil's number one nail polish brand, Risqué, being approved under the Cruelty Free International Leaping Bunny Programme. Cruelty Free International's Leaping Bunny Programme is the globally recognizable gold standard for cruelty free cosmetics, personal care, household, and cleaning products with requirements that go above and beyond legal requirements restricting animal testing. In September 2022, we further expanded to achieve Leaping Bunny approval for Coty powerhouse brands Rimmel and Manhattan, adding impressive scale to Coty's cruelty free assured beauty offering.



Coty Brands Acting with **P R I D E**

CASE STUDY: Marc Jacobs

Marc Jacobs Fragrances continued its advocacy for the LGBTQIA+ community in FY22. This Pride marked the second year of support for US-based NGO The Lesbian, Gay, Bisexual and Transgender Community Center (The Center), and the launch of a new partnership with UK-based charity akt.

The Center is a non-profit organization in New York City that advocates for and supports the LGBTQIA+ community of all ages by providing programs for health and wellness, community connection, arts and culture, and economic advancement. akt is the national LGBTQ+ youth homelessness charity in the UK, which supports young people aged 16-25 who are experiencing homelessness or living in a hostile environment by finding them safe homes and employment, education, or training. Marc Jacobs Fragrances is committed to continuing its support for both non-profit organizations in June 2023.

In addition to financial support, during Pride the brand supported the two organizations with Pride-focused TikTok campaigns. In the UK, TikTok creator partners enabled in-app donations for akt.



color with

COTY



CASE STUDY: Sally Hansen X GLAAD

This year, Sally Hansen US and UK continued their LGBTQIA+ advocacy and expanded their long-standing partnership with GLAAD, pledging all-year-round support. In October 2021, Sally Hansen and GLAAD turned the Empire State Building purple in a unified stand against bullying, in honor of Spirit Day. The world's most photographed building shone bright purple throughout the evening in a visible show of support for LGBTQIA+ youth. As Official Sponsor of Spirit Day 2021, Sally Hansen aimed to empower and encourage consumers to fully express themselves without feeling ashamed of who they are and to give them a voice and platform.

COVERGIRL joined Sally Hansen to create a bigger, multi-branded 'Paint with Pride' program in 2022, with in-store displays and additional support for GLAAD and the LGBTQIA+ community. Sally Hansen and COVERGIRL teams also attended the 2022 GLAAD Media Awards in Los Angeles.

Sally Hansen launched a new Insta-Dri x Pride collection during Pride, featuring 11 shades, expanded to include colors from the Progress Pride and Transgender Pride flags. Sally Hansen aims for its platform to be a place where everyone feels they have a place to be seen, heard, and represented.

Community Activities

We look to support initiatives where Coty can create societal value through our expertise and product offering. Since 2021, our Monaco plant has been working with Agence du Don en Nature (ADN). ADN collects new non-food items (unsold and obsolete products) from partners and distributors, to redistribute them to a large network of non-profit organizations across France fighting exclusion and poverty. In FY22, Coty donated over 100,000 products, including fragrances, shower gels and moisturizers, reaching 137 charities in total.

In FY22, Coty Australia proudly supported Dress for Success Sydney at the Sydney Job Fair, volunteering time to work on the Dress for Success stand, sharing makeup tutorials with the participants using a range of Coty products. Dress for Success is a not-for-profit, volunteer organization that helps thousands of unemployed women achieve employment and financial independence by providing professional clothing, a network of support, coaching and career development tools – free of charge.

We also want Coty to be a place where employees can support causes that matter locally. Last winter, our Amsterdam headquarters, Schiphol and Brussels offices ran a winter clothing drive, donating winter clothes and accessories to the Salvation Army to support communities through winter. The initiative will return in FY23.

30 YEARS DKMS SUPPORT

FY22 marked 30 years of Coty support as a corporate founding partner for DKMS, an international non-profit fighting blood cancer and blood disorders.

This year, Coty leaders, with special guests from our brands, gathered in New York City and London to support DKMS gala events, with ticket sales and donations helping fund the registration of potential blood stem cell donors for patients in need of transplants. To further honor the partnership's 30th anniversary, Coty US developed a special Coty x DKMS bundle of COVERGIRL and Sally Hansen favorites, available for purchase on AmazonSmile in the US. When you select DKMS as your charity of choice, a portion of product sales goes to DKMS to support the fight against blood cancer.

Over the last three decades, Coty has raised funds to support the cause and encouraged our audience to join the donor registry, including 2,200 Coty associates worldwide, some of which have gone on to be donors.



UKRAINE RELIEF EFFORTS

Coty stands firmly with the millions of people impacted by the war in Ukraine. As the situation in Ukraine escalated, our top priority in FY22 was the safety and well-being of our teams. While we do not have Coty associates in Ukraine, we know that many have family members and loved ones in the country.

Globally, Coty supported the International Committee of the Red Cross (ICRC) and UN High Commissioner for Refugees (UNHCR) with financial donations via an employee match donation scheme.

Our local teams in Poland and Germany mobilized to support humanitarian relief campaigns by donating personal hygiene products and emergency support items to refugees. Other Coty teams around the world worked to broaden the monetary donations to ICRC and UNHCR through in-market initiatives.

Looking ahead, our new company purpose, vision and values will guide us as we continue our efforts to support the communities we operate in and serve.

Fundamentals of Responsibility

We recognize that to achieve our targets, sustainable and responsible business practices need to be integrated across our business and led from the top. Conducting our business ethically and responsibly, ensuring the integrity of our products and providing a safe and supportive working environment are fundamental to this.

Behave Beautifully

Product Safety

Responsible Governance

Stakeholder Engagement



Behave Beautifully

At Coty, we are committed to acting in compliance with the highest standards of ethical behavior, as well as all applicable local, national and international laws. In doing so, we build trust among our associates, consumers and society.

Our global compliance program, 'Behave Beautifully', is designed to detect and prevent unlawful behavior and promote a culture of ethical business practice. With the support of our senior leaders, 'Behave Beautifully' sets out our standards across a number of areas, including, but not limited to, anti-bribery and corruption, competition law, data privacy, preventing workplace harassment and discrimination.

Targets

95% of associates to complete annual compliance training by 2025

Our associate Code of Conduct highlights the importance of ethics and compliance, and protocols to follow should employees have any issues and sets out what our associates must do to meet our high standards. Our associates are expected to adhere to our Code of Conduct. Training on the Code of Conduct is provided to new associates, with additional training throughout the years.

Our Code of Conduct is supported by our global Anti-Bribery and Anti-Corruption Policy and procedures and provides clear guidelines that explicitly prohibit the corruption and bribery of both public and private officials. In addition, the Code of Conduct also covers areas such as Compliance with Laws, Regulations and Company Policies; Discrimination, Harassment and Bullying; Health and Safety; Safeguarding of Employee Information and Information Security; Conflicts of Interest; Gifts and Entertainment; and Fair Dealing & Compliance with Anti-Trust Laws, among others.

The Code also highlights the availability of a dedicated Coty Ethics and Compliance 'hotline' and good faith reporting approach. Coty encourages employees and people within our supply chain to raise any potential concerns or suspected violations of the Code. The hotline is available through multiple channels and in many languages. Reporting can be made anonymously, and each report is investigated.

Coty does not tolerate retaliation against anyone who makes a good faith report of known, or suspected ethical or legal misconduct. In line with global best practices, 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 Board and Audit and Finance Committee. And across key markets, Coty regularly runs local training sessions to ensure investigations operate effectively and in accordance with best practice.

In FY22, conducted face-to-face training in Brazil and China to maximize exposure to 'Behave Beautifully', while globally we rolled out our annual campaign to encourage all associates to complete the compliance training modules. This year, the campaign was focused on a mandatory '20-day compliance challenge', featuring all our compliance modules updated for FY22. This enables us to deliver on our target. In FY22, 96%✓ in-scope¹⁵ employees were trained in one or more compliance module delivered through Coty Academy.

Beyond our own operations, we use third-party due diligence tools and processes to ensure partners are conducting their business ethically and lawfully. In FY22, 80%✓ relevant business partners have completed the due diligence program, which covers all our high-risk vendors, suppliers and distributors.

¹⁵ The scope includes all active employees, excluding employees who are on paid or unpaid leave or those who don't have access to a private computer.

Product Safety

Consumer safety is Coty's top priority, and every product is researched to ensure it is safe when used as directed.

Coty's product development process is overseen by our R&D function, which is led by our Chief Scientific Officer, Dr. Shimei Fan. Our Global Safety Process determines the workflow for our product risk and safety assessments through each stage of the product development process.

These assessments are conducted by our qualified safety experts, starting at the earliest stages of pre-conception and development, all the way through to production and market surveillance. Various forms of quality control, such as toxicology reviews, microbiological testing and dosage analysis, are conducted in real time throughout this entire process under accelerated conditions to ensure product stability over its shelf life.

In compliance with the Organization for Economic Co-operation's (OECD) Principles of Good Labor Practice, our Product Integrity team has formalized training on testing and evaluation,

ensuring their ability to produce expected results under a standard defined protocol with supervision of a referenced expert. Certificates of compliance are delivered and captured in a training dossier for each individual.

All our products are developed, manufactured and packaged in compliance with the laws and regulations applicable in each country in which they are sold. As part of this process, our in vitro testing laboratories in Monaco are Good Laboratory Practices (GLP) compliant and undergo a compliance renewal every two years from local authorities, in alignment with local regulation.

Once products have received global safety approval and are on the market, we monitor the human safety of our products through consumer feedback, with our Consumer Affairs group managing queries relating to our products, classifying any complaints by severity, and monitoring for trends.

All adverse health events are dealt with through our Cosmetovigilance processes. We have Standard Operating Principles in place for emergencies, including incident investigation with the implementation of corrective action plans and, if needed, a recall program. The responsibility of Cosmetovigilance and product recall is shared between our Global Quality team and Product Safety team. Our global Cosmetovigilance group produces expert assessments, trend analysis and feedback for product development, takes any necessary action, and reports to authorities. We monitor and report these cases internally and the team have targets set on a yearly basis to ensure continued performance.

ANIMAL TESTING

At Coty, we do not test our products on animals and we are fully committed to ending animal testing across the beauty industry. For more than 25 years, Coty has been developing methods that provide a clear alternative to animal testing, including sharing existing data with other companies and industries. For example, Coty now uses innovative predictive assessment tools including artificial intelligence, such as in vitro, in silico models and molecular modelling systems which deliver realistic testing conditions. Of course, ensuring the safety of our products is a top priority. Every Coty product has been developed, tested, manufactured, and packaged in compliance with the laws, regulations and guidelines that are applicable in each country in which we sell them. Today, some governments and agencies still require the testing of certain products on animals, in accordance with their local legal and regulatory requirements. Our [Animal Testing Policy](#) sets out our belief that the way forward lies in alternatives to animal testing.



Responsible Governance

In FY22, we strengthened our ESG governance by welcoming a new sustainability leader, Coty's Chief Scientific Officer. A renewed Sustainability Steering Committee is responsible for overseeing Coty's sustainability strategy, targets and process, led by our Chief Scientific Officer and reporting to the CEO. Our Board provides oversight including through its committees and by our Board member for ESG.



The Steering Committee meets quarterly and is made up of relevant Executive and functional leaders for each of the three pillars of our Beauty That Lasts strategy. It is supported by a formalized Sustainability Champions organization, which is made up of functional Sustainability Champions across our three pillars, brand divisions, and transversal leaders such as our Sustainability team. The Champions organization meets monthly to review action, progress, and to identify and plan for future needs. The Sustainability team works hand-in-hand with these functional leads as well as Coty's brands and external partners to implement, evolve and communicate the Beauty That Lasts strategy.

Additionally, in FY22, we welcomed our new Chief Supply Chain Officer, who sits on Coty's Sustainability Steering Committee and works closely with our Chief Scientific Officer on reducing Coty's overall environmental impact.

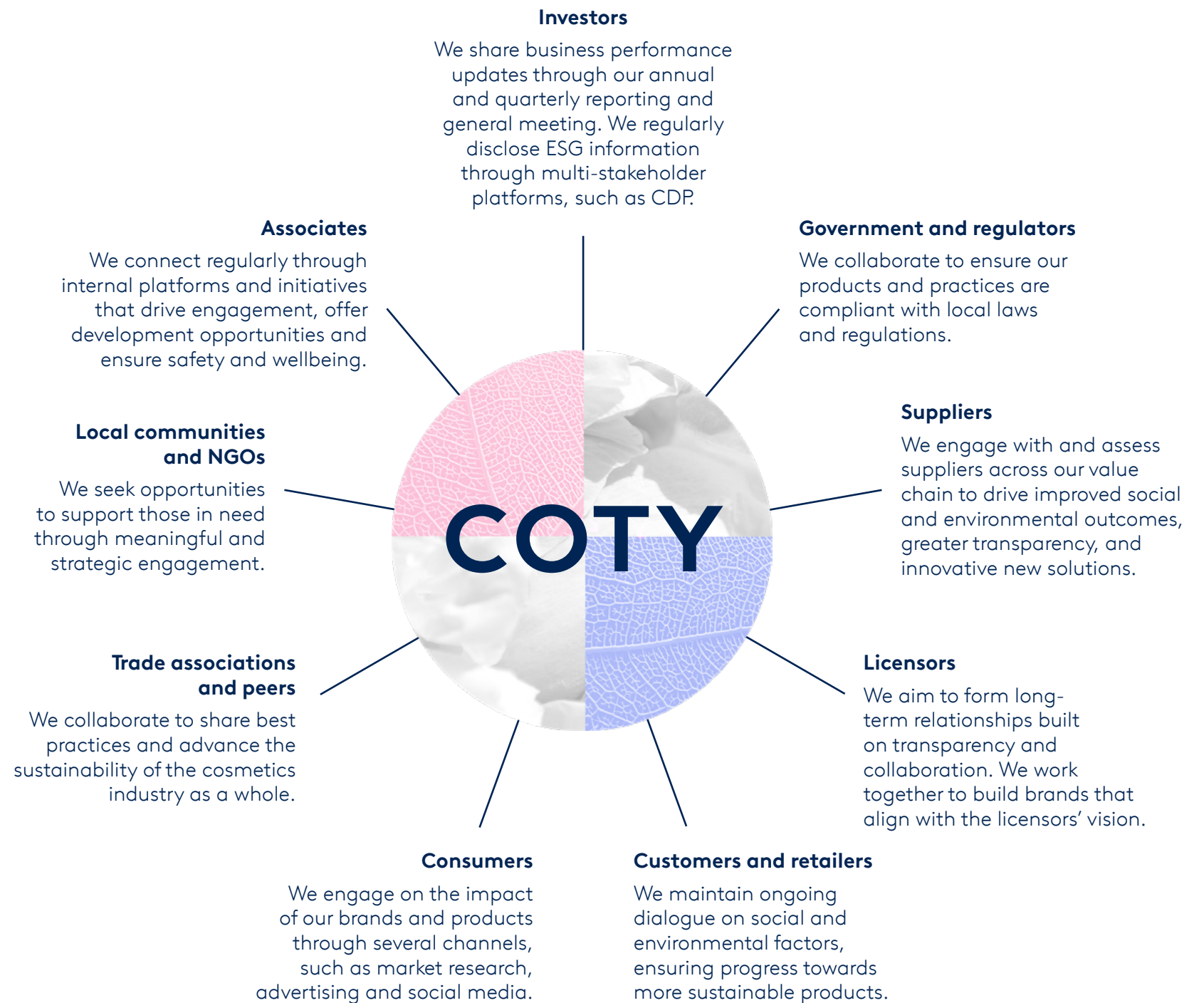
Our Principles of Corporate Governance at Board level reflect Coty's deep commitment to strive for diversity of representation among its members, and we have formalized diversity and inclusion within our Remuneration and Nomination Committee Charter. ESG-related risks are fully incorporated in our Enterprise Risk Assessment process, with interview questions focusing on ESG. These are then reported to the Board.

POLICIES

As part of our revised Purpose, Vision and Values, this year, we formalized a number of Coty policies related to ESG topics. These policies, covering topics such as human rights, deforestation, and animal testing, among others, are available via [Coty's website](#).

Stakeholder Engagement

Our Beauty That Lasts strategy is informed by the needs of our stakeholders, with whom we maintain ongoing dialogue through a number of channels. The perspectives we capture through these engagements help to shape and strengthen our approach to sustainability, while reinforcing our relationships with those who impact and are impacted by our business.



Partnerships

To support our sustainability strategy and commitments, we are engaged in a number of corporate partnerships and initiatives. These help to deepen our knowledge, while partnering on topics that require collective action. For more information on our partners, please click on the relevant link:



Our Reporting

This is our third annual standalone sustainability report under our Beauty That Lasts strategy. The content covers our Fiscal Year 2022, spanning from July 1st 2021 to June 30th 2022. It covers the parts of our business in which we have operational control during the period, and does not include joint ventures or outsourced operations, except where noted. This report also serves as our annual communication on progress towards the UN Global Compact (UNGC), which we have been signatory to since 2015. Our past UNGC disclosures are available [here](#).

For additional information on Coty, including our Annual Report on Form 10-K and governance documents, please visit our [website](#). Our past sustainability disclosures are available [here](#).

TARGETS & COMMITMENTS

Where we have set target or commitment deadlines, these are always against calendar year, unless otherwise stated.

ASSURANCE

We engaged KPMG to provide limited assurance on selected data in this report, using the International Standard on Assurance Engagement (ISAE) 3000. Data assured in FY22 is indicated with the symbol ✓. See previous sustainability reports for information on the scope of audit in previous years.



METHODOLOGIES AND STANDARDS

We are committed, and adhere, to numerous international standards relevant to sustainability and ethical business conduct, including:

- The United Nations' Universal Declaration of Human Rights
- The fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work
- The OECD Guidelines for Multinational Enterprises

Our reporting on greenhouse gas emissions follows the GHG Reporting Protocol. The emissions declared in this report are linked to our direct operations over which we have control. This covers our factories, distribution centers managed by Coty and our corporate offices (nine factories, six distribution centers, and 40+ offices and R&D centers). The same scope is covered for our energy and water consumption. The scope for our waste reporting is our nine factories and six distribution centers.

Our reporting for Scope 1 relates to the combustion of fuels from controlled sources and fugitive gases. Our reporting for Scope 2 relates to emissions from the generation of purchased electricity or heat. Scope 2 emissions factors are extracted from the International Energy Agency for location-based emissions and used as a default if we do not have supplier-specific data. We have updated the methodology this year to include residual emissions factors for market-based Scope 2 emissions (RE-DISS and AIB European Residual Mixes 2020). Our baseline-year was calculated using residual emissions factors, to ensure comparability.

As part of this report, Scope 3 emissions data is limited to indirect emissions from:

- **Category 3** (Fuel- and Energy-related activities)
- **Category 5** (Waste from our factories and distribution centers)
- **Category 6** (Business travel)
- Selected emissions from water purchases in **Category 1** (Purchased goods and services)

Our remaining Scope 3 emissions are reported through the CDP.

Our sourcing data reported for mica and palm oil relates to direct sourcing for nine Coty factories, and excludes materials sourced by our third-party manufacturers.

Employee-related disclosures are based on Coty's global headcount data, which covers all full-time employees within the parts of the business in which we had operational control during the period. However, in some instances noted in footnotes, data within this data set has been excluded because it is not relevant to the indicator, or data is unavailable.

For the "Average training hours per associate on Coty Academy" training indicator, we have refined the scope in FY22 to exclude compliance training modules. We noted the need for improved tracking against this indicator, and work is in progress to improve next year. Training data, including compliance training, is not comparable year-on-year due to updates made to the methodology, as outlined in the footnotes.



Performance Data

Beauty of our Product

Performance Indicator	FY20 ¹⁶	FY21	FY22
Product impact			
New products for which sustainability criteria is included in product conception (%) ¹⁷	N/A	-	88%
Supplier Assessments			
Number of suppliers that have signed the Code of Conduct for Business Partners or have contracts including a CoC clause (total number, cumulative)	187	459	571✓
Number of risk assessments under SEDEX (total number, cumulative) ¹⁸	350	697	11,502✓
Number of supplier self-assessments and audits via SEDEX (total number, cumulative)	98	311	519✓
Number of supplier sites assessed under EcoVadis (total number, cumulative)	198	274	487✓
Average supplier EcoVadis score	56.9	56	57.5✓
Materials and Traceability			
Mass balance-certified palm oil for our production sites as proportion of palm oil purchases (%) ¹⁹	30%	36%	68%
Indian Mica sourced through RMI members (%)	100%	100%	100%
Indian Mica traced to mine level (%)	-	-	85%

¹⁶ Figures reported for FY20 include the Wella Company.

¹⁷ We principally excluded gift sets and joint venture SKUs from this data set. We have not reported FY21 data due to refinements in reporting methodology.

¹⁸ FY20 and FY21 data looks at the number of sites manually assessed. In FY22, we implemented an automated risk assessment tool which is linked to our vendors and that assessed each sourcing scenario based on country, sector and commodity risk. Therefore, the data is not comparable year-on-year.

¹⁹ In FY22, we have estimated our percentage based on RSPO material certification status in June FY22, applied to our actual 12-month volumes, as opposed to actual orders and quantities of RSPO certified materials received. Given the complex nature of palm oil derivatives sourcing, for a small number of ingredients we have also estimated the percentage of palm oil derivatives within the ingredient.

Beauty of our Planet

Performance Indicator	CY2019 ²⁰	FY21	FY22
Greenhouse Gas Emissions			
Scope 1 (tCO ₂ e)	20,860 ²¹	16,074	13,912 ²² ✓
Scope 2 Market-based (tCO ₂ e)	36,936	3,192 ²³	3,108 ²³ ✓
Scope 2 Location-based (tCO ₂ e)	32,584	28,091	25,054✓
Total Scope 1 & 2 emissions – Market-based (tCO ₂ e)	57,796	19,266	17,020✓
Category 3 of Scope 3 (tCO ₂ e) - (Fuel- and Energy-related activities)	11,195	7,134	9,439
Category 5 of Scope 3 (tCO ₂ e) - (Waste)	7,152	561	552
Category 6 of Scope 3 (tCO ₂ e) - (Business travel)	13,706	433	3,301✓
Selected emissions from water purchases in Category 1 of Scope 3 (tCO ₂ e) - (Purchased goods and services)	392	304	125
Total Scope 3 Reported (tCO ₂ e) ²⁴	32,445	8,432	13,417
Energy			
Total energy consumption (GWh)	170.117 ²¹	151.404	148.27✓
Waste disposal method for waste generated in Coty factories and distribution centers			
Waste Landfill (% and Metric Tons)	115.69 (0.49%)	62.92 (0.30%)	0.00 (0.0%)✓
Waste Incinerated (% and Metric Tons)	6,169.59 (26.39%)	5,125.37 (24.55%)	4,277.76 (30.2%)✓
Waste Composted (% and Metric Tons)	732.66 (3.13%)	710.40 (3.40%)	658.65 (3.11%) ✓
Waste Recycled (% and Metric Tons)	15,201.58 (65.03%)	13,658.28 (65.43%)	14,703.8 (69.42%)✓
Waste Reused (% and Metric Tons)	1,156.53 (4.95%)	1,317.86 (6.31%)	1,539.31 (7.27%)✓
Total Solid Waste (Metric Tons)	23,376.05	20,874.83	21,179.53✓
Hazardous Waste (Metric Tons)	3,144.42	3,204.48	2,965.38✓
Recycling rate (Metric Tons)	73.11%	74.89%	79.80%
Water consumption			
Total Water Consumption (m ³ , 000's)	572.801	481.969	486.264✓

²⁰ Figures reported for 2019 were rebaselined and do not include the Wella Company.

²¹ Figures for Scope 1 and energy for the baseline (calendar year 2019) were updated following a mistake in one site. The updated value has been taken into account in our SBTi submission.

²² Our Scope 1 emissions cover emissions from fuel combustion on sites and emissions from our car fleet (long-term rentals). For the first year the scope of cars also included Brazil. It is not significant (less than 1%) compared to the total Scope 1 emissions.

²³ Scope 2 Market-based emissions have been updated to include residual emissions as was done in our baseline. There is further detail in 'Our Reporting'.

²⁴ Scope 3 data includes the following categories identified by the GHG Protocol: Category 3 (Fuel- and Energy-related activities); Category 5 (Waste for our distribution centers and factories); Category 6 (Business travel); as well as selected emissions from water purchases in Category 1 (Purchased goods and services).

Beauty of our People

Performance Indicator	FY20 ²⁵	FY21	FY22
Total Workforce	-	11,645	11,012✓
Male Associates	-	4,450	3,980✓
Female Associates	-	7,189	6,494✓
Chosen not to self-identify	-	-	6✓
Female Representation²⁶			
Total workforce	60%	62%	62%✓
Managers ²⁷	51%	56%	57%✓
Leadership ²⁸	40%	38%	45%✓
Executive Committee	0%	60%	60%
Board of Directors	42%	50%	50%
Associate training and development			
Average training hours per associate on Coty Academy ²⁹	-	-	5 hours 44 minutes✓
Associate health and wellbeing			
Coty Global TIR ³⁰	0.32	0.18	0.22✓

²⁵ Figures reported for FY20 include the Wella Company.

²⁶ For some employees, such as our community of Beauty Advisors, data was not available and therefore was excluded from calculations.

²⁷ A manager is defined as "having at least one direct report within Coty's global headcount", which excludes interns.

²⁸ A leadership position is defined as Senior Directors, VP and above.

²⁹ We have refined the scope in FY22 to exclude compliance training modules. We noted the need for improved tracking against this indicator, and work is in progress to improve next year.

³⁰ Recorded incidents x 2000,000/total no. working hours on a 1-year rolling average.

Fundamentals of Responsibility

Performance Indicator	FY20 ³¹	FY21	FY22
Ethical Behavior			
Employees trained in one or more compliance module (total number) ³²	10,743	4,818	5,355✓
Employees trained in one or more compliance module (%) ³²	73%	98%	96%✓
Third parties (business partners) who have completed due diligence program (total number)	276	131	80✓
In scope ³³ third parties who have completed due diligence program (%)	-	100%	100%✓

³¹ Figures reported for FY20 include the Wella Company.

³² Data since FY21 includes all active employees, excluding employees who are on paid or unpaid leave or those who don't have access to a private computer. The scope of the trainings assured is different year to year. Therefore, the data is not comparable from year-on-year, for instance in FY22 all compliance training was integrated into a 20-Day Challenge.

³³ Scope covers new business partners.

Alignment with the UNGC

Area	Principles	Aligned action
Human rights	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: make sure they are not complicit in human rights abuses</p>	
Labor	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labor;</p> <p>Principle 5: the effective abolition of child labor; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>	<p>Responsible Sourcing: pages 15-18</p> <p>Our People & Culture: pages 29-33</p> <p>Stay Healthy & Well: pages 35-37</p>
Environment	<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Climate Action: pages 21-23</p> <p>Waste: page 24</p> <p>Nature: pages 25-26</p>
Anti-Corruption	<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Supplier Assessments: page 18</p> <p>Behave Beautifully: page 42</p>

CAUTIONARY NOTE REGARDING DIVERSITY AND SUSTAINABILITY INFORMATION

This Beauty that Lasts Sustainability Report and our website “Coty.com” contain information about our social impact and sustainability goals, targets, initiatives, commitments, and activities. These efforts involve certain risks and uncertainties, such as changes in our business (e.g., acquisitions, divestitures, or new manufacturing or distribution locations), the standards by which achievement is measured, the assumptions underlying a particular goal or matter, and our ability to accurately report particular information. Actual results could differ materially from our stated goals or the results we expect. Changing circumstances, including evolving expectations for social impact and sustainability generally or to specific focus areas or changes in standards or the way progress or achievement is measured, may lead to adjustments in, or the discontinuation of, our pursuit of, certain goals, commitments, or initiatives. Moreover, the standards by which social impact and sustainability efforts and related matters are measured are developing and evolving, and certain areas are based on assumptions. The standards and assumptions could change over time. The selection by management of alternative acceptable measurements could have resulted in materially different amounts or sustainability metrics reported by the Company. In addition, statements made about our company, business, or efforts may not apply to all business units (e.g., ones that were more recently acquired) or joint ventures and strategic partnerships.

Our disclosure concerning these matters, including this Beauty that Lasts Sustainability Report and other disclosures on these topics, may use certain terms that third parties refer to as “material” in connection with certain social impact and sustainability matters. Used in the context of our disclosure and our Beauty

that Lasts Sustainability Report, however, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by, or construed in accordance with, securities or other laws and regulations. Therefore, matters considered to be material for purposes of our Beauty that Lasts Sustainability Report may not be considered material in the context of our financial statements, reports with the U.S. Securities and Exchange Commission (“SEC”), or our other public statements, and the inclusion of information on our website or in our Beauty that Lasts Sustainability Report is not an indication that such information is necessarily material to the Company in those contexts.

Our disclosure concerning these matters, including our Beauty that Lasts Sustainability Report, includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our social impact and sustainability goals, targets, initiatives, commitments, and activities, as well as our future operations and long-term strategy.

Although we believe that our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, we cannot assure that actual results or outcomes will not differ materially from any future results or outcomes expressed or implied by such forward-looking statements relating to sustainability. Forward-looking statements relating to sustainability include all statements that do not relate solely to historical or current facts and involve a number of known and unknown risks, uncertainties, and other important factors such as those described under the heading “Risk Factors” and “Management’s Discussion and

Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K and other periodic reports we have filed and may file with the SEC from time to time

These forward-looking statements relating to sustainability are made only as of the date of this document, and we do not undertake any obligation, other than as may be required by applicable law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise. In addition, we assume no responsibility to update the information contained on our website or in our Beauty that Lasts Sustainability Report or to continue to report any information.

AVAILABILITY OF INFORMATION

We use our website as a channel for routine distribution of important information, including news releases, presentations, and financial information. We have also posted on our website our: (i) Principles of Corporate Governance; (ii) Code of Conduct (and any amendments or waivers); (iii) Code of Conduct for Business Partners; (iv) Charters for the Audit and Finance Committee and Remuneration and Nomination Committee; and (vi) sustainability information, including information on our sustainability strategy, Beauty That Lasts, our diversity, equity and inclusion strategy, and certain Company policies. The information on our website is not, and will not be deemed to be, a part of or incorporated into this Beauty that Lasts Sustainability Report.

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