



# Green Procurement Policy & Supplier Environmental Programs

**COTY**  
SINCE 1904



## Coty's Green Procurement Policy

At Coty, we are committed to protecting and conserving natural resources to achieve a healthy, clean, and safe environment. We recognize that our impact extends beyond our own operations. An important aspect of our Responsible Sourcing Program is to create, protect and grow long-term environmental, social economic value for all stakeholders involved in bringing our products and services to market.

We actively manage the environmental impact of our supply chain; this policy sets out the environmental considerations that we measure supplier CSR performance on. It applies to Coty's procurement of products and services (office products).

We comply with all applicable legal requirements with regard to environmental protection in each country we operate in and source from, and require our business partners to do the same.

At Coty, we strive to:

- Consider supplier environmental performance via CSR platform score during supplier performance assessment and in tender processes.
- Ensure all suppliers sign and comply with our [Code of Conduct for Business Partners](#) (CoC) or agreed equivalent, which sets out our minimum requirements of suppliers regarding protection of the environment.
- Drive supplier compliance with our CoC and environmental expectations through mandatory requirements within legally binding contracts.
- Proactively risk assess all suppliers based on nature of production and location, against up-to-date risk indicators.
- Monitor supplier environmental performance through third party assessments, including EcoVadis scorecards, SEDEX self-assessment questionnaires & on-site audits.
  - [EcoVadis](#) environmental criteria include: energy consumption, water, biodiversity, local & accidental pollution, materials, chemicals & waste, product use, product end of life, customer health & safety, environmental services & advocacy.
- We audit against [SEDEX's SMETA](#) 4 pillar protocol, including the in-depth environmental assessment. Including review of environmental standards in place, supplier environmental policies, impact of the site with tracking, continuous improvement of environmental performance.
- Engage and partner with all our suppliers on improvement plans and monitor performance. We understand that improvement is continuous and work collaboratively with our partners to ensure strong partnerships.
- Request additional carbon related data on emissions, targets & progress using carbon scorecards via EcoVadis.

- Request supplier environmental certifications within our third-party assessments, which are taken into consideration for the supplier score. For the procurement of materials that face the highest environmental risk, we actively strive to purchase goods from certified sources.
  - We request ISO 14001 data through EcoVadis.
  - We have joined the Roundtable for Sustainable Palm Oil (RSPO) and are working towards RSPO Mass Balance certification for 100% of our palm oil and palm kernel oil derivatives used in our factories by the end of 2022, and our third-party manufacturers by 2025
  - We request Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) data from suppliers and, for paper and wood-based packaging, we strive to work with suppliers who are FSC or PEFC certified.
- Manage supplier non-compliance via a grievance policy, which prioritises supporting to improve their practices through corrective action plans but can ultimately result in restricting business allocation or moving business away from that partner if lack of meaningful improvement over an agreed time frame.
- Engage with NGOs and industry peers through relevant multi-stakeholder industry initiatives to further drive environmental improvements within certain supply chains. For instance, Coty is a member of the [Responsible Beauty Initiative](#) (RBI) – a beauty industry initiative through which members share a common pool of EcoVadis scorecards to collectively drive positive change.
- Set and achieve internal time bound KPIs and external targets where appropriate, in order to track and constantly improve Coty's performance.
- Report on our environmental targets, ambitions and challenges in our annual sustainability report.

### **Grievance Mechanisms**

We encourage associates and third parties to use the Ethics and Compliance Hotline to raise questions or concerns. The hotline is available through multiple channels and many languages. Reporting can be made anonymously, and each report is investigated.

## **Governance**

The responsibility of delivering our ambition is company-wide, however driven by Procurement and led by our Chief Procurement Officer, supported by Coty's Executive Committee and Senior Leadership Team, especially the Chief Scientific & Sustainability Officer, Chief Supply Chain Officer, Chief Corporate Affairs Officer and the Chief Legal Officer.

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by 'D' and 'B' in a cursive script, with a long horizontal line extending to the right.

Stéphane Delbos

Chief Procurement Officer

2 August 2022