

**SUMMARY OF  
CLIMATE RISKS**  
*and*  
**OPPORTUNITIES  
ASSESSMENT**

FY24

COTY

## INTRODUCTION

At Coty, we are committed to Beauty that Lasts. Our strategic framework sets out our path to deliver a more sustainable and inclusive world. Our Beauty that Lasts sustainability strategy includes a key pillar, Beauty of our Planet, which encompasses our climate action initiatives, supported by time-bound targets. Through Beauty that Lasts, we develop and implement programs that advance Coty's overall ESG agenda.

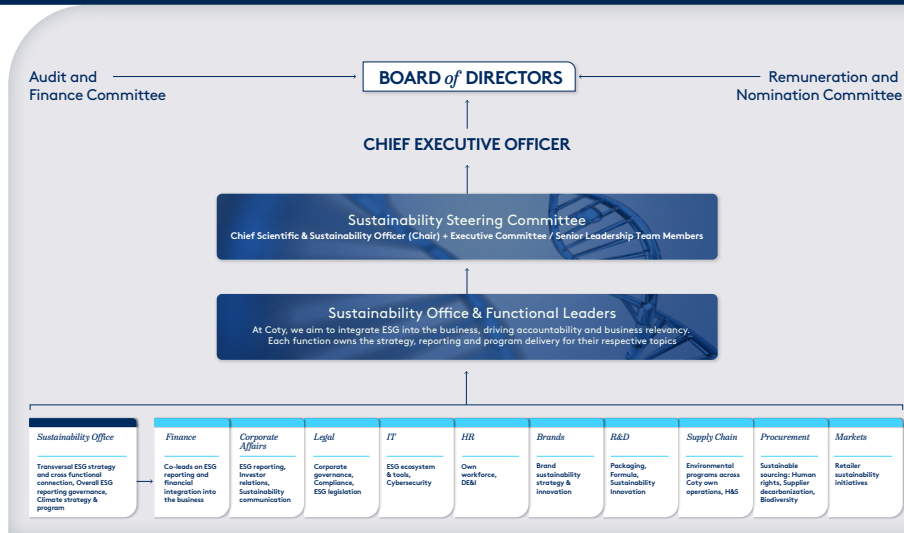
Recognizing the importance of understanding climate-related risks and their impact on our operations and value chain, this year we conducted our first climate risk assessment in accordance with the Taskforce on Climate-related Financial Disclosures (TCFD) framework. This summary sets out our climate-related risks and opportunities, our process for assessing these, and our plans and targets to mitigate risks and realize opportunities under the following four thematic areas:

- Governance
- Risk Management
- Strategy
- Metrics and Targets

In FY25, we will disclose our climate risks in line with the EU CSRD requirements which are also aligned with the TCFD framework. For more information about our Beauty that Lasts sustainability framework, please see our annual sustainability report [here](#).

## GOVERNANCE

Coty's Beauty that Lasts sustainability strategy includes our approach to managing, mitigating and responding to the risks and opportunities posed by climate change. Progress against all sustainability targets, including climate-related targets, is regularly reviewed through governance structures that oversee our Beauty that Lasts agenda.



## GOVERNANCE STRUCTURE AND RESPONSIBILITIES

At Coty, we believe that sustainability needs to be integrated into the business and owned by all our functional teams. Our dedicated Sustainability Office is responsible for the development of Coty's transversal sustainability strategy, reporting under the oversight of the Chief Scientific & Sustainability Officer and supported by Coty's Executive Committee and Senior Leadership Team. Functional leaders

are responsible for strategy and progress within their respective material topics. The Sustainability Office provides formal updates to both the Executive Committee and the Board at least once a year. Our Board provides oversight of our sustainability agenda, including climate-related risks, directly and through its committees. The reporting lines and details of relevant roles and responsibilities are outlined above.

Committee	Responsibilities	Frequency of meetings relating to climate-related risk
Board of Directors	Setting the overarching business' strategy, including sustainability and climate change-related activities. Our Chief Executive Officer (CEO) is accountable to the Board and reports on Coty's progress on sustainability.	Once annually
Executive Committee, chaired by the CEO.	Overseeing all environmental issues, setting the strategy and allocating resources to drive progress against our targets, including climate-related targets.	Twice annually
Sustainability Steering Committee (SSC), chaired by the Chief Scientific & Sustainability Officer.	Overseeing Coty's sustainability strategy and progress against targets, and reports directly to the CEO. The SSC is comprised of other C-Suite members and cross-functional colleagues.	Quarterly
Audit and Finance Committee	Overseeing Coty's Enterprise Risk Management (ERM) process, which includes climate change issues.	Annually
Sustainability Office	Assessing climate risk and opportunity, developing a climate transition plan, and monitoring progress against our environmental targets. The Sustainability Office reports directly to the Chief Scientific & Sustainability Officer, who holds the most senior-level position with responsibility for sustainability, and the Executive Committee. Our Sustainability Office also works closely with Coty's brands and external partners to implement, evolve and communicate our sustainability strategy.	The Sustainability Office provides formal updates to both the Executive Committee and the Board at least once per year .
Business leaders	Managing day-to-day operations and drive strategic updates. Orchestrated by the Sustainability Office, business leaders meet monthly to review progress and plan for future needs.	Monthly

## INFLUENCE OF RISK ON BUSINESS STRATEGY

Our Board oversees, with Coty's Executive Committee and Senior Leadership team, the various risks we face. Our Board and management consider risks in all facets of the Company, our business strategy and our overall business.

Our Board dedicates a portion of one meeting each year to evaluating and discussing risk, mitigation strategies and the Company's internal control environment. At this meeting, our Board considers an Enterprise Risk Management analysis. Topics examined in the Enterprise Risk Management analysis include, but are not limited to, strategic, operational, financial and compliance risks, as well as exposures related to sustainability and environmental, social and governance (ESG) topics. Our Board's oversight also includes a comprehensive annual review of our strategic plan which includes exposure and mitigation methods. Mitigation of exposures that are identified is an ongoing process and inherent in our strategic decisions, therefore our Board also receives input from senior management and considers risk at other times where relevant.

## CLIMATE INCENTIVES, EXPERIENCE AND TRAINING

Since FY24, all employees eligible for Coty's Equity Long-Term Incentive Plan, including senior leaders and our CEO, receive performance-based equity awards with 10% contingent on progress against our ESG performance over a cumulative three-year period. Our ESG Ratings Improvement metric is a comprehensive and objective target designed to measure our company's resilience to long-term risks material to the beauty industry, encompassing topics such as carbon reduction targets, responsible sourcing targets and other ESG metrics, and evaluates exposure to and management of these ESG risks.

In terms of sustainability expertise, our CEO is an environmental engineer, and four board members have specific experience in ESG.

Training on our Beauty that Lasts strategy, which includes our Beauty of our Planet strategy, is incorporated into our employee training modules within our internal online learning platform and through the regular Beauty that Lasts updates to the Executive Committee and Senior Leadership team.

## SUPPORTING POLICIES

Our environmental sustainability strategy and response to climate change is supported by our Environmental Policy. This policy defines how we assess, mitigate and monitor our environmental impacts, and how we implement environmental policy within Coty. It applies to Coty's global operations including all consolidated Coty entities, owned operations and value chain activities.

Other policies that support our strategy include our Deforestation Policy, Sustainable Sourcing Policy and Code of Conduct for Business Partners, which set out the environmental considerations that we measure suppliers' sustainability performance on.

More information on our policies can be found on our [website](#).



## RISK MANAGEMENT

Climate change is identified as a risk to our business at an enterprise level. Our Enterprise Risk Management (ERM) processes are managed by our Head of Internal Audit, with an annual cycle of activities: Identification; Assessment; Evaluation; Monitor/Control. The cycle begins with an annual risk questionnaire with key stakeholders within Coty, including internal risk specialists. Our Internal Audit team conducts interviews with stakeholders and gathers results into an ERM risk register. This register also comprises current and planned activities to mitigate risks. The Internal Audit team updates the Board of Directors and Executive Committee annually to allow for prioritization of mitigation plans and budgeting accordingly.

We regularly review climate risk as part of the ERM cycle, and we continuously assess and monitor our existing and potential property assets to ensure Coty's operations are protected through appropriate insurances across our operations.

As part of our commitment to disclosing our climate-related risks and opportunities annually, we have completed an in-depth climate risk assessment and scenario analysis exercise. Further details can be found in Strategy.

## STRATEGY

In FY24, we engaged with independent consultants to support in conducting a detailed scenario analysis for our climate-related risks and opportunities. This will help to ensure our business model is resilient to the potential impacts of climate change across various future outcomes.

### CLIMATE RISK IDENTIFICATION

We continuously monitor climate-related risks as part of our risk management approach. In addition to this, we have performed an in-depth climate risk assessment to identify the climate-related risks and opportunities relevant to our value chain and assessed qualitatively their materiality for our business. We will continue to improve the assessment of the financial impact of these risks with more granular data.

Climate risks can be categorized as physical or transition risks. Physical risks can be further characterized as acute (such as extreme weather events, droughts and floods) and chronic (such as rising sea levels). Coty-operated sites including offices, manufacturing facilities, distribution centers and laboratories were assessed against 17 physical hazards of climate change to identify chronic risks and acute hazards.

Transition risks are those that may arise from the global efforts to mitigate climate change, and can be further characterized as market, regulatory, technology and reputational risks. We identified 12 transition risks relevant to Fast Moving Consumer Goods (FMCG) and Beauty industries and specified those relevant to Coty through a workshop and interviews with internal subject matter experts.

Opportunities arising from the physical and transition impacts of climate change were assessed within a workshop under four categories: resource efficiency, products and services, low carbon markets and resilience. This created a comprehensive list, from which three key opportunities were identified based on magnitude and likelihood.



## SCENARIO ANALYSIS METHODOLOGY

To build our understanding and enable us to prepare for how climate-related risks may impact our business, we performed scenario analysis against the potential risks. We evaluated Coty's exposure to each risk under different temperature scenarios and across different time horizons. This allowed us to identify the most material risks for our business. The selected scenarios align with IPCC Representative Concentration Pathways (RCP), IEA and Shared Social Pathways (SSP), with core assumptions further detailed below:

### 1.5°C Warming Scenario: SSP 1- RCP 1.9 (equivalent to IEA NZE scenario)

Projected global increase of 1–1.5°C by 2100. Simulates a level of development that is compatible with limiting global warming to below 1.5°C and assumes the implementation of strong and efficient climate mitigation measures, low material growth and low resource and energy consumption.

### 3°C Warming Scenario: SSP 2 - RCP 4.5

Projected global increase of 2–3°C by 2100. Represents the medium pathway of future greenhouse gas emissions and assumes the implementation of climate mitigation measures but no drastic shift in social, economic and technological trends.

### 4°C Warming Scenario: SSP 5 – RCP 8.5

Projected global increase of 3–5°C by 2100. Weak environmental and climate policies, high reliance on fossil fuel resources and resource-intensive lifestyles, resulting in a surge in GHG emissions.

Severe and frequent climate events including heat waves, droughts and natural disasters are likely, and high environmental degradation.

## SCENARIO ANALYSIS FINDINGS

We evaluated the potential impact of transition risks within the 1.5°C pathway, as this is where significant regulatory and market changes would materially impact our business. The materiality of each risk was assessed based on its potential financial impact to the business and the likelihood of occurring. Risks with a medium-to-high materiality are treated as high priority and are disclosed in detail in the table below. Alongside regulatory and market changes, reputational and technological risks were evaluated and considered not to be a high priority so have not been included in the table below. However, we will continue to monitor them going forward.

We assessed the impact of physical climate risks on our business in three scenarios: present day, 2030, 2050 and beyond. Physical risks were assessed based on:

- **Geolocation:** to identify present risk and how this may change in the future.
- **Site-specific surveys:** to determine exposure<sup>1</sup> and vulnerability<sup>2</sup> of specific assets.

Physical risks were prioritized and those deemed material were identified. Physical risks which were not deemed material have not been included in the table below but will continue to be monitored going forward.

Following this assessment, we have started the process of identifying actions and measures to mitigate the risks and help ensure the business is resilient to the impacts of climate change.

As our scenario analysis process evolves, we have chosen to qualitatively disclose our financial impacts. We have conducted quantitative analysis for specific individual risks and we are working to roll this out to the full risk portfolio in line with CSRD requirements.



<sup>1</sup> Source of data for physical risks assessment: Global Climate Models (GCM), Regional Climate Models (CORDEX), SRI Fluvial Flood zones and Swiss Re Natural Hazard data

<sup>2</sup> Vulnerability to risk considers existing Coty mitigation actions which help to mitigate the risk to the point it is not considered a current priority

## CLIMATE RISKS AND OPPORTUNITIES

### PHYSICAL RISKS

Water stress	
Description of risk	Water stress and pressure on water resources as a result of increased periods of prolonged drought and changes in precipitation may increase costs associated with Coty's operations and reduce yields of commodities where water is deemed essential.
Risk category	Physical (acute)
Timeframe <sup>1</sup>	Medium to long-term
Potential impact <sup>2</sup>	Moderate to very high
Explanation	An increase in the frequency of droughts could lead to operational disruptions and higher costs due to limited water access, affecting office spaces, manufacturing sites, and retail locations. Additionally, reduced water availability may lead to lower yields of key natural commodities.
Coty response to risk	Across our manufacturing plants, we have implemented water reduction measures to include monitoring and reducing water use where possible, as well as working with suppliers to minimize water use and implement water-saving technologies. Please see <a href="#">Metrics and Targets</a> for information about our target to reduce water stress.
Heat waves	
Description of risk	Changes in extreme temperatures and their impact on the frequency and duration of heatwaves.
Risk category	Physical (acute)
Timeframe	Medium to long-term
Potential impact	Moderate to very high
Explanation	Several manufacturing, warehousing, and distribution sites have been identified as having high or very high exposure to heat waves. These extreme temperatures could disrupt both upstream and direct operations by affecting transport and distribution and creating unsafe working conditions, potentially leading to production losses. High temperatures may also reduce yields of key natural commodities, potentially causing product shortages. Additionally, heat waves pose a risk of spoilage for temperature-sensitive goods during transport and distribution.
Coty response to risk	We are working on upgrading facilities with thermal insulation, advanced cooling and reflective roofing, as well as optimizing employees' work schedules to work during cooler times of the day. To prevent damage or deterioration to heat-sensitive goods, we have implemented temperature-controlled storage and cold chain logistics for use during heat waves. Additionally, to help mitigate risks to crop yields, we will work closely with our suppliers to minimize the impact on their production, and ensure we have a diversified sourcing strategy to minimize disruption to our operations.

1. Timeframe: Short-term: 0–1 years; Medium-term: 2–5 years; Long-term: Over 5 years (consistent across risks and opportunities).

2. Potential impact of physical risks is defined by the magnitude of climate hazard, likelihood of occurrence and specific vulnerability of each asset (such as factories, distribution centers, offices and labs). The potential impact is different for each asset and ranges between moderate and high physical risk.

## TRANSITION RISKS

Material and product related regulations	
Description of risk	Incoming and proposed regulations related to packaging, circularity and deforestation may require us to redesign and reformulate products to meet regional regulations, impact the way we package and label our products and prevent cross-border trade.
Risk category	Transition (regulatory)
Timeframe	Medium-term
Likelihood	Highly likely
Potential impact <sup>1</sup>	Medium to high
Explanation	Changing regulation may introduce new tax implications, impact new supplier contracts, and require Coty to hire new skilled employees. Additionally, they may require product redesigns or impact international trade, leading to higher costs. If products are stopped at the border, this would result in further expenses to Coty, and failing to redesign products that are compliant with such regulation could further increase costs due to national or regional trade restrictions.
Coty response to risk	We are actively monitoring new regulations, such as within our Ingredient Policy which monitors restricted or banned ingredients. We also participate in industry forums, communicate with regulatory bodies and collaborate with suppliers on data collection to ensure we are well informed.
Carbon pricing	
Description of risk	Increased pricing of GHG emissions, including a rise in carbon taxes and anticipation of new emission trading schemes in countries where Coty operates.
Risk category	Transition (regulatory)
Timeframe	Medium-term
Likelihood	Very likely
Potential impact	Medium
Explanation	Rising emissions costs could lead to higher operating expenses and reduced profits. If these costs are passed on to consumers, there may be a decrease in demand for products that rely on carbon-intensive materials.
Coty response to risk	To mitigate this risk, Coty has set science-based 2030 targets for scope 1, 2 and 3 emissions and has committed to becoming Net-Zero by 2050. Coty has reduced its scope 1 and 2 emissions by 82% versus its 2019 baseline, exceeding its 2030 target of 50% reduction. Moreover, Coty has reached 100% renewable electricity for all factories and distribution centers. We have also implemented a strategy to prioritize reduction of scope 3 emissions hotspots such as packaging, formula and transport. By 2030, Coty aims to reach a reduction of 28% of our scope 3 emissions versus the 2019 baseline.

1. Potential impact of transition risks are calculated following our double-materiality assessment methodology and is based on the magnitude of impact and the likelihood of risk for specific products and categories. Risks are assigned a qualitative score according to a 5-point scale, with any score above 3 considered material.

Decreased availability of raw materials	
Description of risk	A shortage of raw materials, especially natural and bio-based ones, could force Coty to source alternatives or compete with other buyers. The use of alternative ingredients could damage Coty's market share, for instance with environmentally-conscious consumers.
Risk category	Transition (market)
Timeframe	Medium to long-term
Likelihood	Very likely
Potential impact	Medium to high
Explanation	The depletion of natural resources, coupled with stricter regulations on ecosystem services, may lead to higher costs and reduced availability of key ingredients. This could force Coty to seek alternative materials and limit our ability to produce current or future product lines. This may negatively impact Coty's appeal to environmentally-conscious consumers, potentially resulting in a loss of brand value and market share.
Coty response to risk	We are investing in research and development to identify viable alternatives for carbon intensive, regulated and scarce materials. Additionally, we are investing in biotech solutions as alternatives to natural ingredients. Finally, we are working on establishing long-term partnerships with suppliers by upskilling and providing benefits to secure prices and supply.





## OPPORTUNITIES

Eco-design	
Description of opportunity	Prioritize the use of low impact materials and processes and integrate eco-design practices to save costs and reduce reliance on scarce resources.
Opportunity type	Resource efficiency
Timeframe	Short-term
Explanation of potential impact	Incorporating eco-design principles could help reduce our dependence on scarce resources while enhancing our reputation for sustainability.
Coty response	As part of our product sustainability strategy, we are exploring sustainable alternatives to natural ingredients by focusing on ingredients developed using Green Science principles.
Increase market share through emerging markets	
Description of opportunity	Tailor product offerings to capture new sustainability-focused markets, while maintaining alignment with current market expectations.
Opportunity type	Products and services
Timeframe	Medium-term
Explanation of potential impact	By integrating new offerings with our existing portfolio, we can meet stakeholders' expectations while expanding into new markets.
Coty response	Coty is striving to reformulate products and incorporate circularity in markets with strong demand, while also offering cost-effective, sustainable options to boost demand and enhance the accessibility of our brands.
Use industry partnerships to build resilience in our supply chain	
Description of opportunity	Leverage industry partnerships and collectively invest in supply chain engagement programs to drive resilience.
Opportunity type	Resilience
Timeframe	Medium-term
Explanation of potential impact	Collaborating and shared investments in research and development would reduce individual exposure, helping to mitigate risks and strengthen overall resilience.
Coty response	Coty aims to establish long term partnerships with suppliers by upskilling and providing benefits to secure prices and supply stability. This proactive approach will help mitigate the impact of regulatory changes and extreme weather events.

## OUR SUSTAINABILITY STRATEGY: **BEAUTY *that* LASTS**

Conserving and protecting the natural environment is our responsibility as a business. We recognize that Coty needs to play a role in taking urgent action to combat global climate change and help keep the global temperature rise to 1.5°C, in line with the Paris Agreement.

Our Beauty that Lasts “Planet” pillar lays out our plan to achieve our targets, both within our own operations and across the value chain. Many of our efforts are already responding to the risks and opportunities identified in our climate risk assessment (indicated in the [Metrics and Targets table](#)), but we will continue to review how to strengthen our strategy to respond to the risks over the next year. For further information on how Coty is taking action to mitigate and adapt to the risks of climate change, please see our Sustainability Report on our website.



## METRICS AND TARGETS

Our climate action is driven by three main areas: our operations, our value chain, and our products. To address the impact of our operations, we have set targets that include increasing our use of renewable electricity, decreasing our water withdrawal, and improving waste management. In our value chain, our priorities include supplier decarbonization and transportation. Finally, we are addressing our product impact, with a focus on supplier engagement, reducing air freight, and sustainable packaging. We also recognize the critical link between climate, nature and people in our sustainability efforts. Many of our climate-related targets have been set with nature, biodiversity and human rights in mind as part of our approach to responsible sourcing.

### TARGETS

In FY23, we set SBTi-approved near-term emissions reduction targets for Scopes 1, 2, and 3, and we aim to validate our long-term net-zero targets within the next year in line with the SBTi Net-Zero Standard. We have a number of targets which help monitor how effectively we are mitigating climate-related risks and opportunities and realizing climate-related opportunities. In the table below, we have outlined our priority risks and opportunities and corresponding targets, as well as key actions taken within the reporting year to achieve them.

### BEAUTY *of our* PLANET

	RISK/OPPORTUNITY ALIGNMENT	TARGET	OUR PROGRESS IN FY24
Our Operations	Risk: Carbon pricing	Reduce absolute Scopes 1 and 2 GHG emissions by 50% from calendar year 2019 base year by 2030 (SBTi-approved target). <sup>1</sup>	We continued to surpass our target, achieving an 82% reduction in Scope 1 and 2 emissions against our baseline.
		Increase annual sourcing of renewable electricity from 5% in calendar year 2019 to 100% by 2030 (SBTi-approved target).	95%✓ of our electricity was sourced from renewable resources.
	Risk: Water-stress	Reduce energy consumption by 20% by 2030 compared to our base year of calendar year 2019.	We achieved a 32% reduction in energy consumption against our baseline.
		Reduce water withdrawal by 25% by 2030 against a base year of calendar year 2019. <sup>2</sup>	We are setting a company wide target on water withdrawal reduction and will start tracking performance against this target starting FY25.
Risk: Material and product related regulations	Send zero waste to landfill from Coty factories and distribution centers by 2030.	We continued to send zero waste to landfill ✓ from our factories and distribution centers.	
	Recycle 80% of waste generated by Coty factories and distribution centers by 2030.	We continued to surpass our target, achieving a recycling rate of 85%✓.	

We engaged KPMG to provide limited assurance on selected data in Beauty that Lasts - FY2024 Sustainability Report, using the International Standard on Assurance Engagement (ISAE) 3000. Data assured in FY24 is indicated with the symbol ✓ in this summary.

BEAUTY *of our* PLANET

	RISK/OPPORTUNITY ALIGNMENT	TARGET	OUR PROGRESS IN FY24
Our Value Chain	Risk: Carbon pricing	Reduce absolute Scope 3 GHG emissions by 28% from a calendar year 2019 base year by 2030 (SBTi-approved target). <sup>3</sup>	We achieved a 23% reduction in Scope 3 emissions against our baseline. <sup>4</sup>
	Risk: Increased cost and decreased availability of raw materials	Purchasing 100% RSPO-certified palm oil for our production sites by 2024 and our third-party manufacturers by 2025.	100% of palm oil for our production sites was RSPO sourced (96% RSPO Mass Balance and 4% Independent Smallholder Credits)
Our Products	Opportunity: Eco design	As of 2020, include sustainability criteria in the conception of all new products.	91% of our new products went through our Beauty That Lasts Index, with giftsets now included in the index. <sup>5</sup>
		By 2030, achieve a 20% reduction in packaging against our calendar year 2019 baseline.	We exceeded this target with a 26% reduction in packaging compared to the baseline. <sup>6</sup>
		By 2030, increase our use of post-consumer recycled materials to at least 30%. <sup>7</sup>	We used 7.7% post-consumer recycled materials.
	Risk: Material and product related regulations	By 2030, reduce virgin plastic by 60% from 2019 baseline.	New target.
		By 2025, ensure that 100% of our folding box boards are made with FSC- or PEFC-certified <sup>7</sup> material.	65% of our product folding board boxes were made with FSC or PEFC-certified material.
	By 2030, ensure that 90% of all fiber-based materials come from certified sources by 2030 <sup>8</sup>	New target.	

- The target boundary includes biogenic emissions and removals from bioenergy feedstocks.
- This target applies to Coty operated factories, distribution centers, offices and laboratories.
- 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.
- The majority of this reduction is a result of volume decline. As we anticipate growth towards 2030, this target continues to be a key focus.
- This data set excludes joint venture inventory and has been expanded in FY24 to include giftsets.
- The result is mainly driven by reduced product volumes in the Consumer Beauty business and thus fewer material inputs since 2019. Coty does not consider this target achieved and will continue to drive purposeful action to reduce weight of packaging materials.
- Scope of the targets includes all packaging materials required to take products to the customer (primary, secondary & tertiary) but excludes tertiary packaging materials used for last mile distribution. Due to data limitations in our systems, the calculation for FY24 does not include packaging materials from products where Coty acts as a Third-party manufacturer.
- Fiber-based materials include paper, paper pulp, wood, cotton, or cork origin.

We are proud that our energy strategy has ensured we continue to overachieve our operational emissions reduction target. In FY24, we maintained an 82% reduction of Scope 1 and 2 emissions against our baseline, well above our 50% reduction target.

In FY24, we have decreased our scope 3 emissions by 23% compared to our 2019 baseline largely due to Consumer Beauty volume decline versus 2019. Our Scope 3 strategy focuses on reducing emissions from priority areas: Packaging, Formula, Transport as well as Merchandise and Media.

For further information on our progress against reducing GHG emissions, please see our annual Sustainability Report.

## PERFORMANCE DATA

### Our PLANET

#### Climate

PERFORMANCE DATA	CY2019	FY22	FY23*	FY24
Scope 1 emissions (tCO2e)	20,860	13,912	8,037	8,825 ✓
Scope 2 market-based (tCO2e)	36,936	3,108	2,316	1,597 ✓
Scope 2 location-based (tCO2e)	32,584	25,054	20,557	18,550 ✓
Total Scope 1 & 2 emissions - market-based (tCO2e)**	57,796	17,020	10,353	10,422 ✓
Scope 3 reported (tCO2e)***	1,043,467****	13,417	16,365	801,548 ✓
<b>SCOPE 3 SPECIFICATION:</b>				
<b>UPSTREAM SCOPE 3 EMISSIONS</b>				
Category 1 of Scope 3 (Purchased goods and services) (tCO2e)	760,062****			605,197
Category 2 of Scope 3 (Capital goods) (tCO2e)	39,036****			31,082
Category 3 of Scope 3 (Fuel- and Energy-related activities) (tCO2e)	11,195	9,439	7,861	6,887
Category 4 of Scope 3 (Upstream transportation and distribution) (tCO2e)	103,232****			63,406
Category 5 of Scope 3 (Waste) (tCO2e)	7,152	552	574	468
Category 6 of Scope 3 (Business travel) (tCO2e)	13,706	3,301	7,778	9,038
Category 7 of Scope 3 (Employee commuting) (tCO2e)	20,343****			14,811
<b>DOWNSTREAM SCOPE 3 EMISSIONS</b>				
Category 9 of Scope 3 (Downstream transportation and distribution) (tCO2e)	55,847****			44,468
Category 11 of Scope 3 (Use of sold products) (tCO2e)	7,251			5,774
Category 12 of Scope 3 (End-of-life treatment of sold products) (tCO2e)	25,642			20,417
<b>Carbon offset (tCO2e)</b>			<b>754</b>	<b>920</b>

\*Some FY23 office data was estimated. See Coty's FY23 Sustainability Report for the methodology.

\*\*Coty is using a market-based accounting approach to track progress against this target, in line with SBTi criteria.

\*\*\* Categories 1, 2, 9, 11 and 12 are calculated by monetary extrapolation of the baseline. Scope 3 calculation excludes emissions from joint ventures with minority shareholding in both the baseline CY19 and actuals FY24.

\*\*\*\*In previous reports we did not disclose full CY19 baseline but only selected categories of Scope 3.

Emissions are calculated in line with the latest GHG protocol using an operational approach to consolidation. Emissions factor sources include: EPA, IEA, Defra, Ecoinvent, and Exiobase.

#### Energy

PERFORMANCE DATA	CY2019	FY22	FY23*	FY24
Total energy consumption (GWh)	170.117	148.27	131.41	115.47 ✓
% of total energy consumption sourced from renewable sources		56%	62%	69% ✓
% of electricity sourced from renewable sources		91%	94%	95% ✓

\*Some FY23 office data was estimated. See Coty's FY23 Sustainability Report for the methodology.

#### Waste

PERFORMANCE DATA*	CY2019	FY22	FY23	FY24
Waste landfill (% and metric tons)	115.69 (0.49%)	0.00 (0.0%)	0.00 (0.0%)	0.00 ✓ (0.0%)
Waste incinerated (% and metric tons)	6,169.59 (26.39%)	4,277.76 (20.2%)	3,483.79 (16.22%)	3,174.92 ✓ (14.97%)
Waste composted (% and metric tons)	732.66 (3.13%)	658.65 (3.11%)	805.11 (3.75%)	809.83 ✓ (3.82%)
Waste recycled (% and metric tons)	15,201.58 (65.03%)	14,703.80 (69.42%)	15,162.81 (70.58%)	15,390.83 ✓ (72.57%)
Waste reused (% and metric tons)	1,156.53 (4.95%)	1,539.31 (7.27%)	2,031.31 (9.46%)	1,833.50 ✓ (8.64%)
Total solid waste (metric tons)	23,376.05	21,179.53	21,483.07	21,209.1 ✓
Hazardous waste (metric tons)	3,144.42	2,965.38	2,688.86	2,677.48 ✓
Recycling rate (%)	73.11%	79.80%	84%	85% ✓

\*Performance data refers to Coty supply chain sites - factories and distribution centers managed by Coty.

#### Water

PERFORMANCE DATA	CY2019	FY22	FY23*	FY24
Total water consumption** (m3, 000s)	572.801	486.264	466.31	463.34 ✓

\*Some FY23 office data was estimated. See Coty's FY23 Sustainability Report for the methodology.

\*\*Water consumption, as defined here by Coty, refers to intake of water by the business.

## FORWARD-LOOKING STATEMENTS

Certain statements in this proxy statement are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified by the use of words such as “anticipate”, “are going to”, “estimate”, “plan”, “project”, “expect”, “believe”, “intend”, “foresee”, “forecast”, “will”, “may”, “should”, “outlook”, “continue”, “temporary”, “target”, “aim”, “potential”, “goal” and similar words or phrases. In particular, forward-looking statements include, but are not limited to, statements we make about our expectations for our operations and business and our social impact and sustainability progress, plans, and goals (including environmental and human capital matters). Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These statements are based on the current expectations of our management, are not predictions of actual performance, and actual results may differ materially. The inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in the Company’s filings with the SEC. Forward-looking statements are subject to a number of risks and uncertainties, including the factors disclosed in our Annual Report on Form 10-K and subsequent filings with the SEC. We are under no obligation to update, modify or withdraw any forward-looking statements, except as required by applicable law.

## 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).

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, other periodic or current 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 (v) sustainability information, including information on our sustainability strategy, Beauty that Lasts, our diversity, equity and inclusion strategy, and certain Company policies.

# COTY

For our comprehensive FY24 Sustainability Report,  
ESG policies and progress data, see our [Reporting Hub](#).