



Last Reviewed: September 2025

Sustainable Sourcing Policy

Objective of this policy

This Sustainable Sourcing Policy Statement (the “Sustainable Sourcing Policy”) formalizes Coty’s commitment to working with our suppliers in ways that protect and conserve natural resources and promote safety and wellbeing, recognizing that our impact extends beyond our own operations. Coty is committed to compliance with all applicable legislation in the countries we operate in and source from and require our business partners to do the same.

Coty aims to drive positive impact across its value chain and uphold high standards of human rights, environmental stewardship, and sustainable business practices. We monitor and manage our impacts and report on our progress annually. Partnerships based on sustainable sourcing strengthen our supply chain and related businesses. These partnerships help us build trust among consumers and stakeholders, protecting us from risk to our reputation, supply chain and business.

This Sustainable Sourcing Policy outlines our approach to managing the integrity, sustainability, and ethical standards of our supply chain through sustainable sourcing practices.

This Sustainable Sourcing Policy should be read in conjunction with our other related policies you can find in our ESG reporting hub.

Scope and applicability of this policy

This Sustainable Sourcing Policy covers the sourcing of all products and services. It applies to all employees sourcing from suppliers. It covers supplier relationships and purchasing practices such as supplier selection criteria, supplier compliance, collaboration and continuous improvements. We are committed to including environmental and social criteria throughout our business decisions.

SOURCING FOUNDATIONS

- [Code of Conduct for Business Partners](#)

Our business partners must sign the Coty [Code of Conduct for Business Partners \(the “Code”](#)

[or "CoC"](#)) (or agreed equivalent¹) which sets out the standards to be followed in all business activities conducted for or on behalf of Coty. These mandatory requirements are included in our written contracts and/or Coty's Terms and Conditions. The CoC sets out minimum standards for areas including human rights and labor rights, protection of the environment, lawful and ethical business practices, confidential information and data protection, and product safety. It also sets out the process for the implementation of the CoC, including the right to immediate termination of business and any remaining services in the event of a serious breach or repeated minor breaches.

- Risk Assessment

To better understand the risks in our supply chain, we assess which of our suppliers are at a higher risk of non-compliance with the CoC. Our Sustainable Sourcing Team uses a risk assessment tool to conduct this risk assessment based on country, sector and commodity. The Suppliers' services and/or manufacturing sites are subject to risk assessment and risk classification. Suppliers are required to proactively disclose all sites that are used for production, co-production for and on behalf of Coty. Suppliers that are considered higher risk are prioritized for further compliance verification.

- Sustainability Performance Assessment

All Suppliers must demonstrate their sustainability standards through a third-party assessment process using Ecovadis² and/or Sedex³. We require suppliers to maintain valid and active memberships to Ecovadis and/or Sedex, providing Coty with access to their rating score (valid scorecard/assessment) each calendar year. For real estate suppliers, the GRESB Assessment is accepted as an alternative to Sedex or Ecovadis.

For low or medium-risk suppliers, the sustainability assessment can be done through either Ecovadis or Sedex. For high-risk suppliers, a four-pillar unannounced or semi-announced SMETA audit⁴ (3-to-4-week window), or equivalent, is required. Alternatives accepted include a full BSCI audit, SA 8000 certification, ISO 8000 certification or equivalent.

- High-risk suppliers must achieve low or medium criticality on the SMETA audit (or equivalent) to be compliant with a two-year validity period.
- Suppliers should acknowledge Coty's requirements and be aware that the minimum Ecovadis rating acceptable to Coty is 45/100, with a target of 65/100.
- Suppliers should acknowledge Coty's requirements and be aware that the minimum Sedex rating acceptable to Coty is 2.5 from the Self-Assessment Questionnaire (100% completed, management control score of 2.5 and above), with no more than two major non-compliance issues in the Sedex SMETA audit report.

- Non-compliance and corrective action

Any supplier who fails to provide sustainability performance information through one of the

¹ There are three compliance possibilities: a) Sign the Code of Conduct as it is, b) Minor amendments to the Code of Conduct approved by legal and compliance teams, c) Separate Code of Conduct that is equivalent to Coty's Code of Conduct in its requirements

² Ecovadis ESG assessment

³ Sedex self-assessment questionnaire (SAQ)

⁴ High-risk vendors are audited on site against the four pillars (Health and Safety, Business Ethics, Environment and Labor Standards) of the SMETA protocol. A semi-announced audit means the site is aware that the audit will take place during a given time period, but the actual date of audit is not communicated until 48 to 24 hours before the actual date.

platforms described above is non-compliant.

For low and medium risk suppliers, non-compliance is defined as an Ecovadis score of less than 45, or a Sedex Self-Assessment Questionnaire⁵ (SAQ) Management controls score of less than 2.5. If scores are below the requirement on Ecovadis, suppliers must upload a Corrective Action Plan and submit it for review on the platform. If scores are below the requirement via the Sedex SAQ, Coty will highlight improvement areas, and the supplier will be required to submit evidence of their progress on the platform.

For high-risk suppliers, non-compliance is defined as an audit with a critical incident of non-compliance or more than two major incidents of non-compliance. If scores are below requirements, Corrective Action Plan must be uploaded into Sedex and a desktop audit or follow up site audit must be conducted to close the incidents of non-compliance. For SMETA equivalent audits, Corrective Action Plans must be sent to Coty directly. High risk vendors have a six-month window to book an audit and to remediate incidents of non-compliance

- Incidents of non-compliance

We monitor ethical practices through bi-weekly meetings with our category buyers. During these meetings all actions are agreed and monitored. We have monthly meetings with the procurement leadership team to review performance and any necessary escalations.

Suppliers are expected to take all reasonable steps to ensure compliance with the Code. Without waiving any contractual rights, including, but not limited to, the right to termination for violations of the Code, Coty is committed to working with suppliers to deliver effective actions for change where Suppliers proactively request assistance. Where applicable, we work together with suppliers to develop and follow up on priority actions toward compliance, through a Corrective Action Plan ("CAP"). The CAP is expected to set out a clear time frame for achieving improvement before a re-assessment is undertaken and followed by category buyers with the support of our Sustainable Sourcing Team.

A lack of meaningful improvement as detailed in the CAP over 6-12 months, will result in the supplier not being briefed on new tenders. If after 12-18 months there are no meaningful improvements, we would actively move business away from that supplier, any exceptions to be approved by our Chief Procurement Officer.

- Moving forward together

We are committed to engaging regularly with our suppliers to collaborate on mutual benefits related to sustainability goals, including through sharing access to training platforms and specific programs of engagement on focus issues, including decarbonization.

We monitor performance and meet regularly for supplier reviews which include feedback from both sides. We also run specific supplier engagement events as we understand that working

⁵ The Sedex Self-Assessment Questionnaire (SAQ) requires a completion rate of 100%

collaboratively enables strong partnerships.

We engage with NGOs and industry peers through relevant multi-stakeholder industry initiatives to further drive sustainability improvements within certain supply chains. Among others, Coty is a member of the Responsible Beauty Initiative (RBI), a beauty industry initiative focused on Sustainable Procurement coordinated by Ecovadis.

- Data Management

We use an Ethical Trade Tracker to manage and store data related to our sustainable sourcing activities and to monitor supplier compliance and performance.

SENSITIVE VALUE CHAINS & TRACEABILITY

We are committed to respecting and upholding internationally recognized human rights and labor standards across our operations and our broader value chain. This commitment includes all internationally recognized human rights, as defined by the International Bill of Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. We are guided by international frameworks, including the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. As a signatory to the UN Global Compact, we are committed to its Ten Principles, including those related to human rights and labor. We also align with the UN Women's Empowerment Principles.

We commit to the following ILO Core Conventions at a minimum:

- Conventions No. 87 and No. 98: on freedom of association and the effective recognition of the right to collective bargaining.
- Conventions No. 29 and No. 105: on the elimination of all forms of forced or compulsory labor, including modern slavery and human trafficking.
- Conventions No. 138 and No. 182: on the effective abolition of child labor, including the eradication of its worst forms.

We have a standalone Human Rights Policy, and we report on certain human rights topics in our annual sustainability report, available on Coty's [ESG Reporting Hub](#)

- Traceability & Transparency:

Coty uses robust third-party assessments to map and categorize ingredients and raw materials, to identify those which present greater potential risks of harmful environmental and/or social impacts. We strive to develop dedicated action plans for these sensitive value chains with greater transparency and traceability.

We have active programs in place on palm oil, mica and certain fragrance oil naturals. We provide an overview of our approach to these below. More information on our approach, the networks and alliances we are part of, and progress against our targets can be found in our annual sustainability report. These ingredients also fall under our Human Rights Policy.

Palm Oil

We recognize the impact of the palm oil supply chain on human rights, biodiversity and the environment. We joined the Roundtable for Sustainable Palm Oil (RSPO) in 2017. We are committed to purchasing palm oil-based ingredients from RSPO-certified sources for both our production sites and third-party manufacturing sites.

We are also part of Action for Sustainable Derivatives (ASD), an industry-led collaboration that seeks to achieve the responsible production and sourcing of palm oil derivatives. As a member of ASD, we are working with other palm oil users to increase the transparency of the global derivatives supply chain and collectively monitor risks and activities along the supply chain

Mica

We recognize the potential risks associated with sourcing mica from certain regions, particularly regarding working conditions and human rights. We are committed to sourcing mica in a manner that is ethical and socially sustainable in line with the three pillars of the Responsible Mica Initiative framework, which includes responsible workplace standards, community empowerment programs, and legal frameworks for mica workers.

We are a founding member of the Responsible Mica Initiative (RMI): a multi-stakeholder action group committed to establishing fair, responsible and sustainable mica supply chains.

Fragrance Naturals

We have identified the natural materials used in our fragrance oils as a key area of focus, recognizing that agricultural practices in some countries may be linked to potential human rights risks.

We engage with our upstream and downstream Suppliers including fragrance houses through coalition and supplier events. Our approach focuses on traceability, local field and desk studies to build an accurate view of the issues and develop tailored action plans. We are a member of Fair Labor Association's 'Harvesting the Future – Fragrances' and support field initiatives under this program.

ENVIRONMENT

At Coty, we are committed to protecting the planet, conserving natural resources and developing products with a circular economy in mind. We recognize that our impact extends beyond our own operations into our value chain, where our suppliers play a key role. We strive to manage the environmental impact of our supply chain and are committed to working with our Suppliers to help them manage their impact on climate, nature, biodiversity and ecosystems. Biodiversity, climate and nature are key pillars in our Ecovadis and Sedex assessments, and Coty actively seeks to identify climate and nature risks within the value chain.

Our Procurement team plays an active role in engaging with suppliers to co-build environmental strategies and agree to joint ambitions to reduce our environmental impact. This includes improving practices on identified risks and ongoing support with training and knowledge-sharing to help achieve our joint ambitions.

We require supplier environmental certifications within our third-party assessments, which are

taken into consideration for the supplier performance scores as part of business reviews (including RSPO). We request Forest Stewardship Council (FSC) or Program for the Endorsement of Forest Certification (PEFC) data from suppliers for all fiber-based packaging to track our progress against our packaging targets. We also request ISO 14001 data through Ecovadis.

Scope 3 purchased goods and services represent the most significant portion of our emissions. As part of our Supplier Decarbonization Program 'Becoming Carbon Kind Together', we engage regularly with key contributing suppliers, set requirements around carbon maturity, reduction progress, use of renewable energy & sustainable innovation. We partner with suppliers to help assess their performance and take steps to reduce their own emissions. This program also covers the collection of primary supplier data to improve accuracy of carbon reporting.

- Packaging

We are committed to reducing the environmental impact of our packaging. We aim to use less and better packaging and promote circular solutions. We work with our suppliers to secure packaging solutions and capabilities with reduced impact and to encourage data sharing. We constantly assess desirability, profitability and sustainability, striving to balance these priorities.

Our packaging sustainability strategy focuses on four 'Rs':

- Reduce the weight of packaging;
- Incorporate use of Recycled materials;
- Improve the Recyclability of packaging; and
- Promote Reuse and Refill.

As part of our approach, we monitor packaging material type, including glass, plastic, metal, and paper and weight and use third party tools and guidance to help assess their relative impact.

We have data systems in place to record and track purchase of each of our packaging components, from the material of construction down to the specific impact on the consumer product, which helps us optimize use and guide our strategies.

GOVERNANCE

Coty has a dedicated Sustainability Office responsible for the development and implementation of Coty's sustainability strategy. The Sustainability Office reports, at least annually, to the Executive Committee ("EC") and the Board. Our dedicated Sustainable Sourcing Team sits within our procurement function and reports to the Chief Procurement Officer. Sustainability is integrated into our procurement category strategies to maximize impact. Buyers within our procurement team receive training in sustainable sourcing.

We set and work to achieve internal KPIs and external targets, where appropriate to track and

continue to improve Coty's performance. We report on our sustainable sourcing targets, and challenges in our annual sustainability report.

This Sustainable Sourcing Policy is reviewed regularly and as necessary in response to significant internal or external events. Oversight and approval of the Sustainable Sourcing Policy is the responsibility of the Executive Committee and ownership of the Sustainable Sourcing Policy's content, implementation and revision is the responsibility of the Sustainability Office and the Sustainable Sourcing Team.

We have a dedicated sustainable sourcing policy for business partners available on our supplier portal ensuring suppliers adhere to the outlined requirements.