



September 2025

Sustainable Sourcing Policy for Business Partners

Objectives of this policy

- Share our practices, values and commitments to ethical, social, and environmental standards with our suppliers.
- Set expectations and mandatory requirements for our suppliers related to our purchasing practices and the process we use to monitor compliance with these requirements.
- Clarify the action we take in cases of non-compliance.

Scope and applicability of this policy

This Policy covers the sourcing of all products and services. It applies to all Coty suppliers: raw material, packaging, third party manufacturers, service providers, transport services, and marketing material manufacturers. Some sections of this policy may not be applicable depending on the category supplied to Coty. Service providers can consider sections on sourcing of ingredients & packaging as non-applicable.

SOURCING FOUNDATIONS

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

Our suppliers must sign the Coty [Code of Conduct for Business Partners \(CoC\)](#) (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 Code sets out minimum standards for areas including human 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 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 our suppliers and assign them a risk level, reflecting whether they are at a low, medium or high risk of non-compliance with the Code of Conduct for Business Partners. Our Sustainable Sourcing Team uses a risk assessment tool to conduct this assessment based on the country, sector and commodity.

Each of our suppliers' services and/or manufacturing sites shall be subject to this review.

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

Suppliers are required to proactively disclose all sites that are used for production and 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 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

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.

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

- Incidents of Non-Compliance

Suppliers are expected to take all reasonable steps to ensure compliance with the CoC. Without waiving any of its contractual rights, including but not limited to the right to terminate for violations of the CoC, 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 towards 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. Progress is 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 still no meaningful improvements, we would look to actively move business away from that supplier. Any exceptions need to be approved by our Chief Procurement Officer.

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 and Transparency

Coty expects all suppliers to maintain detailed and accurate records of all activities related to the product or service lifecycle. Upon request suppliers must provide full details of ingredients and activities. All distributors and agents working with manufacturers on behalf of Coty are obliged to disclose the manufacturing sites and their due diligence assessment. We are actively working on traceability of our value chains. Collaboration and details on traceability should be proactively disclosed to Coty along with links to traceability platforms or coalitions.

- Management of Sensitive Value Chains

We use third-party assessments with robust methodologies and criteria to map and categorize ingredients and raw materials. This enables us to identify those which present greater potential risks of harmful social and/or environmental impacts. We then develop dedicated action plans for these identified sensitive value chains and expect our suppliers to provide end-to-end traceability.

Palm Oil

Coty 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 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. We expect our suppliers to disclose their end-to-end palm traceability up to plantation level as part of this coalition.

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 expect these standards to be upheld by our suppliers all the way to mine 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, including India. We expect our suppliers to share end-to-end mica traceability up to mine level, with audits in line with RMI practices. All suppliers concerned should be sharing bi-annually traceability disclosure results on their sourcing practices.

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 expect traceability to country level of all fragrance naturals that is shared on annual base. With third-party experts we have conducted a human rights risk mapping considering the natural and country of harvest. This mapping allows us to prioritize risks by country and type. Within prioritized value chains we engage with our upstream partners, through coalitions and supplier events. Our approach focuses on traceability and third-party assessments (desk and field), to build an accurate view of the issues and development of tailored action plans. We expect suppliers to conduct robust due diligence on all their upstream activities related to Coty and proactively share with us their findings. Suppliers must play an active role in all collective actions plans.

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 thus supplier collaboration is paramount.

- What we do:

We have Science Based Targets initiative (SBTi)-approved greenhouse gas (GHG) emissions reduction targets for our Scope 1, 2 and 3 emissions. Our Scope 3 purchased goods and services contribute the most significant portion of these emissions hence we have an active Supplier decarbonization program, **Becoming Carbon Kind Together**. To support our program and track performance, we perform supplier assessments through Ecovadis and/or Sedex which includes sections on climate, biodiversity and nature.

Eco-design and circular economy principles are key elements of our sustainability strategy, helping reduce our environmental impact whilst focusing on optimizing resource use. For our packaging, we focus on 4Rs: Reduce, Recycle, Reuse, and Recyclable. We have clear timebound packaging targets in our sustainability report that will only be achievable through co-creation and engagement with our suppliers.

- What we expect:

Within the requirements listed below, we ask for suppliers to partner with us to enable more circular design, both for our sellable products and in-store marketing materials, aligned with the 4Rs. Importantly we expect our Suppliers to consider both a cost- and carbon-conscious approach that equally regards sustainability, profitability & desirability.

1. Our Supplier Decarbonization Program: Becoming Carbon Kind Together

As part of this program we ask for joint commitment and partnership to conserve and manage the impact we have on our planet's natural resources. Our expectations of suppliers are as follows:

- To be actively focused on reducing carbon emissions and sharing progress through regular business reviews.
- SBTi approved near-term targets or equivalent.
- Ecovadis Carbon Module at an Advanced or Leader level and CDP Climate rating towards an A or B score.
- Switching to renewable energy sources is a key priority for suppliers performing energy-intensive activities or part of energy-intensive industries.
- Sustainable innovation proposals including carbon reduction suggestions and emissions data to support the improvement.

2. Primary carbon data submission

Together with expert partners, we expect primary carbon data from our suppliers, allowing for activity-based carbon reporting considering supplier specific decarbonization activities at site level and product carbon footprints in line with industry standard methodologies.

3. Fiber based packaging: FSC / PEFC

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

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

4. Deforestation-free

We are focused on working together to prevent deforestation within our joint value chains. As legislation dictates, we expect our suppliers to ensure readiness and meet full compliance with all legal and regulatory requirements including European Union Deforestation Regulation

GOVERNANCE

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

The Policy is made available externally on our supplier portal and hyperlinked in our supplier contracts. We engage regularly with our suppliers to gain input into how the policy works in practice and to help us continually improve it.

Suppliers are required to comply with all topics levels to their activities within this policy.