



COTY AUSTRALIA HOLDINGS PTY LTD
AND ITS SUBSIDIARY COMPANIES

MODERN SLAVERY STATEMENT
2023

This Modern Slavery Statement (“Statement”) has been prepared as a joint statement in accordance with The Modern Slavery Act 2018 (Cth) (“the Act”) by Coty Australia Holdings Pty Ltd ACN 626 169 711 (the “Company”) and its wholly-owned subsidiary Coty Australia Pty Ltd ACN 000 303 391 (collectively referred to as “Coty Australia” or “We” or “Our”), for the financial year ending 30 June 2023.

Coty Australia Holdings Pty Ltd is a reporting entity for the purpose of the Act, incorporated on 13 June 2018. The Company is an immediate parent to Coty Australia Pty Ltd incorporated on 3 March 1960, operating in Australia and is a reporting entity for the purpose of the Act. Coty Australia Pty Ltd maintains 100 percent ownership in Gresham Cosmetics Pty Ltd (ACN 052 404 985), which is a non-trading entity incorporated in Australia and is a non-reporting entity for the purpose of the Act.

The Company is also an immediate parent of the following Australian entities that are non-trading as at 30 June 2023: Coty Australia Legacy Pty Ltd (ACN 058 696 549); HFC Prestige International Australia Pty Ltd (ACN 608 686 773), both are non-reporting entities for the purpose of the Act.

As at 30 June 2023, the immediate parent entity of the Company is Coty UK Limited, a company incorporated under the laws of the United Kingdom.

ORGANIZATIONAL STRUCTURE AND SUPPLY CHAIN

Coty Inc. Structure

Coty Australia is ultimately owned by Coty Inc., a company incorporated under the laws of the United States of America.

Coty Inc. is one of the world’s largest beauty companies with an iconic portfolio of brands across fragrance, color cosmetics, skin and body care. Coty Inc. and its affiliates worldwide (collectively referred to as “Coty”) engage in the manufacturing and marketing of women’s and men’s fragrances, color cosmetics, skin care and other personal care related products in many countries throughout the world. Through successful product developments, licensing agreements and acquisitions, Coty has established itself as one of the world’s leading beauty companies. In FY2023, Coty had approximately 11,350 full-time employees in over 36 countries. In addition, Coty typically employs a large number of seasonal contractors during our peak manufacturing and promotional season. Coty markets, sells and distributes products in approximately 126 countries and territories.

Coty’s organizational reporting structure is based on regional commercial business units (Americas, EMEA and Asia-Pacific). These business units focus on two categories:

- Consumer Beauty is primarily focused on mass color cosmetics, body care, fragrances and nail care products.
- Prestige is primarily focused on premium fragrances, skincare and cosmetics.

Coty’s supply chain enables the production of our beauty products and daily business operations.

Coty Australia Structure

Coty Australia's registered office and its principal place of business are as follows:

<u>Registered office</u>	<u>Principal place of business</u>
Level 31 1 Market Street Sydney, NSW 2000	Level 31 1 Market Street Sydney, NSW 2000

As of June 2023, Coty Australia had 124 employees (excluding casuals), out of which 81% are engaged in sales, marketing, and trade category activities. The remaining employees perform admin, finance, IT, human resources, and supply chain functions.

Operations

The principal activities of Coty Australia in the course of the financial year ended 30 June 2023 were the importation, marketing and distribution of fragrances, toiletries, cosmetics, and skin care products in the Australian and New Zealand market.

Coty Australia imports products purchased predominantly from related party suppliers, with over 99% of Coty Australia's products manufactured and packaged by related party and third-party manufacturers in the facilities located in the United States and various countries in Europe.

Coty Australia engages with predominantly Australian third-party providers of marketing services on short-term contracts to execute Coty's brand strategy. In addition, Coty Australia may engage cleaning and maintenance service providers for the corporate office.

Coty Australia distributes products through various distribution channels, including distributions to department stores, supermarkets, specialized beauty stores, pharmacies, and e-commerce channels.

Supply Chain

Coty Australia manufactures less than 1% of its products in Australia through a third-party manufacturer. Coty Australia engages a local third-party re-packaging company to rework approximately 26% of its products in Australia to meet local customer labelling and packaging requirements. These third-party providers are members of SEDEX Australia and are audited to comply with their membership requirements.

The remaining products sold by Coty Australia are manufactured by related party and third-party manufacturers in countries in Europe and the U.S. The products manufactured in each of the countries are shipped to related party distribution centres. From there, these products are sent to be warehoused in Australia.

As at 30 June 2023, all products sold by Coty Australia were warehoused in a distribution center in Australia via third-party logistics contract with Linfox Australia Pty Ltd ("Linfox").

RISKS OF MODERN SLAVERY PRACTICES IN THE OPERATIONS AND SUPPLY CHAIN

Coty Australia along with Coty has a strict 'Code of Conduct' in place. The Code of Conduct sets out Coty's policies and ethical standards that must be understood and followed by everyone who acts on behalf of Coty. This includes contractors and employees of Coty subsidiaries and joint venture companies. In addition, the Code of Conduct specifies Coty's expectation that third parties including consultants, agents, suppliers, and business partners, adhere to Coty's ethical standards.

It is a condition of every employee's employment with Coty Australia, including directors, officers, and employees that the Code of Conduct must be complied with. Violations of the Coty Code of Conduct are not tolerated and subject to disciplinary measures including termination of employment.

Under the Code of Conduct, Coty Australia insists that all of its business be conducted in compliance with all applicable laws, rules, and regulations. It is the responsibility of every director, officer, employee, and contractor to comply with all applicable governmental laws and regulations at any level in the states and countries in which Coty operates. Failure to obey all applicable laws and regulations violates the Code of Conduct. Any illegal action will be dealt with swiftly, and violations will be reported to the proper authorities.

Coty Australia along with Coty seek to maintain their reputation as an outstanding company that ensures high levels of employee motivation and commitment, and strives to provide employees with an equitable, safe, and healthy work environment. Coty Australia is committed to providing equal employment opportunities to employees and applicants regardless of race, color, religion, age, gender, sexual orientation, disability, national origin, citizenship, marital status, veteran status, or any other characteristic that is protected by the laws and regulations to which Coty Australia is subject to. In addition, Coty Australia fully complies with workplace safety and health rules and regulations.

Coty Australia's employment and remuneration practices comply with the Fair Work Act 2009. All new employees are provided with the 'Fair Work Information Statement' setting out their statutory entitlements. Coty Australia has equitable workplace policies and procedures in place that apply to, recruiting, hiring, training and development, promotion, transfer, compensation, termination, and benefits. As such, Coty Australia believes that the risk of modern slavery in its directly employed workforce is low.

Some of the countries of packaging and manufacturing Coty's products may have higher inherent geographic risk rating (based on Global Slavery Index) of modern slavery due to socio economic factors (such as poverty) as well as a generally high risk of modern slavery associated with the cosmetics industry due to variety of raw materials required for the production, resulting in the following modern slavery risk for Coty Australia:

- Reliance on third-party suppliers of raw materials for the production by related party and third-party manufacturers in countries in Europe and the U.S. of finished products ultimately distributed in Australia.

Whereas Coty Australia has no direct control, influence or oversight over the terms and conditions of work of the employees performing the duties for the third-party suppliers and service providers engaged in our operations and supply chain, Coty Australia does acknowledge that there could be some risks of exploitative labour practices. As a result, modern slavery risks identified as follows:

- Reliance on third-party providers of marketing, cleaning, and maintenance services in Australia;
- Reliance on third-party logistics contracts for local distribution centers.
- Reliance on third-party outsourced service providers based in India, Philippines and Malaysia to support certain finance and HR functions.

INTERNAL POLICIES AND TRAINING

Coty Australia fully complies with the Fair Work Act 2019 and all relevant workplace health and safety and equal employment opportunity laws and regulations to mitigate the risk of modern slavery in its directly employed workforce. In addition, Coty Australia has a number of employment policies in place on workplace matters including Personal Grievance Handling, and Anti-discrimination, Bullying, Harassment & EEO policies. These policies are accessed via Coty's internal web platform. The Coty Code of Conduct is issued to all new employees as part of the employment induction process and relevant policies and procedures are available on the ANZ SharePoint for all employees to access. New employees must sign an acknowledgment that they have read and understood the Coty Code of Conduct. A copy of the signed acknowledgment is retained on each employee's personal file. The Coty Code of Conduct is also readily available to download via internal web platform.

In addition, Coty continued to implement the global compliance program, "Behave Beautifully", designed to detect and prevent violations of the law and promote a culture of ethical business practices. The compliance training sets out Coty's standards across a number of areas, including anti-bribery and corruption, competition law, data privacy, and prevention of harassment and discrimination. In FY2021, to ensure that the policies remain accessible and meaningful, Coty updated all policies (including the Code of Conduct). A series of additional guidance documents related to specific issues were created, which Coty employees must adhere to, such as workplace harassment, charitable contributions, preventing workplace discrimination and others. We aim for 95% of associates to complete compliance training annually. In FY2023, 97% of Coty Inc. active employees with computer access were trained in one or more compliance modules.

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

Coty Australia along with Coty actively uphold non-retaliation policy so that individuals are free to report their concerns safely. Any reports directly to HR will also be thoroughly investigated and reported to the local leadership team and escalated further, if required.

Coty Inc. report complaints data and risk areas on a quarterly basis to the Audit and Finance Committee of our Board.

SUPPLY CHAIN POLICIES AND TRAINING

Third-party suppliers of raw materials for the production by related party and third-party manufacturers

Coty requires 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 of working with us. We include the CoC when requesting quotes from suppliers and embed it within Terms & Conditions of purchase orders.

In FY2023, Coty continued deployment of our responsible sourcing framework among buyers, which includes key indicators to monitor progress. Supplier performance against the framework is considered when: Assessing performance of existing suppliers, defining a supplier panel to be briefed, awarding business, and identifying potential new suppliers.

Coty Human Rights policy set out the commitment to actively identify and address actual or potential human rights violations within our sourcing and manufacturing supply chains, and working to ensure that they do not include, utilize or tolerate human trafficking, slavery and forced or child labor and comply with all applicable laws.

Traceability and greater transparency are critical to ensuring labor rights are protected across supply chains, hence, Coty is partnering with the strategic suppliers to introduce a Sustainable Sourcing Policy, including traceability and transparency requirements, into Coty's contractual agreements.

Our compliance function also uses third-party due diligence tools and processes designed to evaluate whether our Business Partners are conducting their respective businesses ethically and lawfully. In FY2022, all our new high-risk vendors and suppliers completed this due diligence program.

Coty value our partnerships and want to help stakeholders improve their sustainability performance. When a risk is identified through SEDEX or EcoVadis, they are supported to improve their practices through corrective action plans which set clear timelines for expected improvement. Where Coty see no meaningful improvement or in the event of serious breach or repeat minor breaches, Coty has a grievance policy in place which can result in moving business away from that partner over 12-18 months.

For our associates in our Procurement team who play a key role in upholding our Responsible Sourcing Framework, we also offer more targeted training. In FY23, we hosted internal training sessions on SEDEX, EcoVadis and Compliance, which was offered to all category buyers. We also offer access to EcoVadis Academy, which includes courses on Human Rights, Diversity and Inclusion and Anti-Corruption, for select buyers where applicable for their role.

Local third-party suppliers and service providers

Coty Australia has partnered with the national industry association Accord representing manufacturers and suppliers of hygiene, personal care, and specialty products to further understand the risks of modern slavery via Accord provided trainings, seminars, and sector-specific conferences, as well as to assist with strengthening approach to assessing human rights risks and advocacy within the industry.

Australian third-party manufacturers and logistics providers are enrolled with EcoVadis, providing a framework for compliance monitoring and risk prevention.

SUPPLIER ASSESSMENTS

Third-party suppliers of raw materials for the production by related party and third-party manufacturers

Coty's Global Procurement is responsible for selecting suppliers of raw materials and any third-party manufacturers of the finished goods.

Coty has ongoing compliance verification on those suppliers who are considered at the highest risk of non-compliance to the Code of Conduct for Business Partners. Using the Suppliers' Ethical Data Exchange (SEDEX radar risk assessment) to determine which sites are high risk. This considers the country, sector and commodity risk (material or service being purchased and the geographical region it is provided from). In FY2023, 9,097 sourcing scenarios were assessed using this tool.

Once the sourcing scenarios are assessed then a selection of high-risk suppliers are audited using the SMETA (SEDEX members ethical trade audit, a third party audit). These audits are either announced or semi announced (with a three to four week audit window) and performed by independent auditors. Suppliers can select an auditor from an approved list who are SEDEX affiliate audit companies and members of the Association of Professional Social Compliance Auditors (APSCA). In FY2023, 233 high-risk suppliers were then audited using the SMETA (SEDEX members ethical trade audit) third-party audit.

Audits cover the areas of:

- Labor and human rights (including modern slavery)
- Health and safety
- Environmental standards
- Business ethics

Coty's SEDEX partnership continues to be key to our responsible sourcing approach. We have an ethical trade coordinator dedicated to Coty from SEDEX, who assists in the whole process and engages with our suppliers and buying teams to work together on compliance.

Coty use both SEDEX and EcoVadis to demonstrate and assess ongoing supplier performance. In FY23, a further 339 low or medium risk suppliers were assessed under the SEDEX self-assessment questionnaire.

Coty uses the EcoVadis 360° ESG assessments for suppliers within indirect spend Categories, including service and labour providers.

EcoVadis is used to assess the environmental and social performance of the suppliers, based on supplier documentation related to the four key areas:

- Environment
- Labor and Human Rights
- Ethics
- Sustainable Procurement

EcoVadis analysts assess Coty suppliers' documentation related to these areas as well as analyze their performance through a thorough 360° process. Both Coty and the supplier receive a report based on supporting documents from the supplier and 100,000 data points and references including from governments, charities, trade associations and stakeholders. If areas of high risk are identified, a time-bound corrective action plan is put in place and a reassessment timeframe agreed by both parties.

Using the EcoVadis platform, 581 suppliers were assessed in FY2023, scoring on average 14% higher than the overall EcoVadis average.

APPROACH TO HUMAN RIGHTS

The Responsible Beauty Initiative (RBI) is a beauty industry effort to improve sustainability across supply chains by sharing best practices. By leveraging a common pool of EcoVadis scorecards, the beauty sector collaborates to track, address and improve challenges including human and labor rights.

The Responsible Mica Initiative (RMI), a multi-stakeholder action group aiming to establish a 100% responsible Indian mica supply chain by the end of 2030. For further information, see page 9.

The Roundtable on Sustainable Palm Oil (RSPO) aims to reduce the impact of the palm oil supply chain on human rights as well as biodiversity and the environment. We are working towards the ambition for all our palm oil purchases to be RSPO-certified.

The Action for Sustainable Derivatives (ASD) is an industry-led collaboration that seeks to achieve the responsible production and sourcing of palm oil derivatives. We have partnered with ASD to map our palm oil derivatives supply chain.

AIM-Progress aims to positively impact people's lives and ensure respect for human rights, while delivering value to members. The partnership promotes responsible sourcing practices by sharing best practices and building members' capability to develop and execute robust responsible sourcing programs. Coty takes part in the mutual recognition program, sharing audit information to avoid duplication or audit fatigue.

SEDEX, or Suppliers' Ethical Data Exchange, is an online portal for storing suppliers' self-assessment and audit documentation, focused on the pillars of Labor Standards; Health & Safety; Environment and Business Ethics. We risk map suppliers; those identified as high-risk undergo a SEDEX ethical audit, and we then use the SEDEX platform to manage the data from these audits.

Within Coty business, we want to ensure that all our associates work in a safe environment that is based on equal opportunity and is free from discrimination or harassment. Our policies in this area are guided by international standards including the UN Declaration of Human Rights, the fundamental rights set out in the International Labour Organization's (ILO) Declaration on the Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. We have been a signatory to the UN Global Compact (UNGC) since 2015 and support the ten principles on human rights, labor, environment and anti-corruption.

Hybrid Working Arrangements

During Covid 19 pandemic following Coty's global flexible working program Coty Australia has introduced Omni working arrangements to the employees which is built on workplace health and safety and work/ life balance. Coty has retained Omni working policy as a permanent feature, which enables Coty to respond with agility in the event of any similar public health and safety emergency.

Local third-party suppliers and service providers

Coty's and Coty Australia's commitment to respecting human rights of the employees, associates, manufacturers and raw material suppliers also extends to our third-party suppliers and service providers. Coty Australia's terms and conditions for local suppliers include a clause where the suppliers acknowledge and comply with the Code of Conduct for Business Partners ("the Code"), a copy of which is readily available via online Coty Supplier web site. The Code is based on international human and labour rights standards, including slavery and human trafficking.

Coty Australia fosters accountability and therefore take any incidents of non-compliance seriously. These would be escalated to appropriate senior leadership and recorded accordingly to ensure we monitor and address as required.

In FY2023, Coty continued to deploy the responsible sourcing framework covering all elements relevant to the business partners, including Coty Australia's local third-party suppliers and service providers, with key indicators to monitor progress. Supplier performance against the framework is considered when: Assessing performance of existing suppliers, defining a supplier panel to be briefed, awarding business, and identifying potential new suppliers.

ADDRESSING RISKS

In addition to Coty's supplier compliance process, the increased risks of human and labour rights abuses with certain raw materials is recognised.

Mica is a key raw material used in many of Coty's products to provide a pearlescent effect. Coty sources mica from different countries, including India. Within India, and specifically the Eastern States of Bihar and Jharkhand, there are known human and labor rights risks in mining communities.

Coty is committed to sourcing mica responsibly, and traceability is critical to building a sustainable supply chain. In 2017, Coty became a founding member of the multi-stakeholder effort, the Responsible Mica Initiative (RMI). As a member of the RMI, Coty is

aligned to the RMI ambition to ensure 100% of our Indian Mica is responsibly sourced by 2030, with a focus on the RMI's three pillars:

This target is delivered through three new 2030 pillars, aligned to the RMI framework:

- Working to ensure all Coty's mica sourcing from Jharkhand and Bihar is compliant with globally recognized **responsible workplace standards** that prohibit child labor.
- Working to ensure all mica-dependent communities we source from are covered by **community empowerment programs**, that include livelihood opportunities and education.

Advocating to have all mica workers in Bihar and Jharkhand operating under a clear **legal framework**. Coty participates in the annual RMI data collection campaign, sharing details of the mica sourcing, and working towards full traceability of processing units and mines to gain further visibility.

In FY2023, 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% of our mica from India and 88% of this mica is traced to mine level.

Our 2030 goal also incorporates our third-party manufacturing partners, and we are engaging these partners on their mica sourcing. Coty is also part of a partnership between the RMI and the supply chain traceability platform, Tilkal. This partnership was the first multi-stakeholder blockchain-based solution to improve traceability across mica supply chains.

Further, recognizing that many of the essential ingredients used within our fragrances are sourced from farming communities where potential human rights risks are higher, we participate in multi-stakeholder efforts to advance human rights due diligence systems and are engaging with our suppliers to strengthen visibility of these supply chains.

In FY23, Coty engaged all of our fragrance suppliers in the design of our fragrance naturals due diligence program. For each natural raw material, we have asked our suppliers to provide an assessment of the associated risks, as well as the country of origin. We are using this information to drive improvements and identify appropriate sourcing strategies.

BEAUTY THAT LASTS STRATEGY

In February 2020, Coty launched our dedicated sustainability strategy, **Beauty That Lasts**. It is guided by the United Nations Sustainable Development Goals (SDGs) to address the social, environmental and ethical impacts of our business. It is structured around three pillars: Beauty of Our Planet, Product and People. We have set time-bound targets to help us on our path to delivering a more sustainable and inclusive world.

Our "Product" pillar priorities include responsibly sourced ingredients, supply chain transparency, sustainable innovation, and packaging based on circular design. Our "People" ambitions encompass our ethical business activity throughout our value chain and building a more inclusive business. This includes a focus on diversity, equity and inclusion, at a leadership level and throughout our whole organization – including diversity of gender,

ethnicity, ability, background, gender identity and sexual orientation. Finally, our “Planet” pillar sets out how we aim to minimize our environmental impact.

STAKEHOLDER ENGAGEMENT AND CONSULTATION

The modern slavery statement is made by the Company in consultation with its reporting subsidiary, where both operate and are managed as an integrated group with comprehensive policies, systems and processes that are consistently applied. The process of consultation involved engagement key departments that collaborate to deliver modern slavery risk identification, assessment and management processes for the direct operations and supply chain.

In addition, Coty Australia has consulted with Coty in creating this statement.

The relevant directors of Coty Australia were also consulted and provided with an opportunity to review the statement and provide their input accordingly prior to its approval.

The statement has been approved by the board of directors of Coty Australia Holdings Pty Ltd on 22 December 2023.



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Elena Zhelnina

CFO/ Director

