



COTY AUSTRALIA HOLDINGS PTY LTD
AND ITS SUBSIDIARY COMPANIES

MODERN SLAVERY STATEMENT
2024

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 2024.

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 2024: 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 2024, 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, colour 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, colour 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 FY2024, Coty had approximately 11,791 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 121 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 2024, Coty Australia had 132 employees (excluding casuals), out of which 80% 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 2024 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 2024, 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, colour, 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, Malaysia and Singapore to support certain Finance and HR functions.

INTERNAL POLICIES AND TRAINING

Coty Australia fully complies with the Fair Work Act 2009 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 program includes mandatory compliance training that 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. Employees are required to complete online compliance training annually and as and when policies are updated with completion rates tracked regularly to ensure all employees are trained. Coty aim for 95% of associates to complete compliance training annually by 2025. In FY2024, 91% of employees were trained in one or more compliance modules.

Coty's compliance policies (including the Code of Conduct) and associated guidance documents are regularly updated to ensure that they remain relevant, clear and meaningful. Guidance documents provide detailed instructions on specific issues which Coty employees must adhere to, such as workplace harassment, charitable contributions, gifts policy preventing workplace discrimination and others.

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.

For Coty's associates in our Procurement team who play a key role in upholding our Sustainable Sourcing Framework, we also offer more targeted training. Buyers within our procurement team receive training in sustainable sourcing using EcoVadis and Sedex.

SUPPLY CHAIN POLICIES

Coty's commitment to respecting human rights extends throughout our supply chain to our Business Partners. With a complex global supply chain, it is essential that we work closely with suppliers to manage any potential risks and help build a better, more sustainable business. Coty's new Sustainable Sourcing Policy outlines our approach to ensuring the integrity, sustainability, and ethical standards of our supply chain through sourcing practices.

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

The Code of Conduct for Business Partners is based on international human and labor rights standards, and slavery and human trafficking in their own businesses and materials supply chains. As of June 2024, 1,454 business partners had signed the CoC or had contracts including a CoC clause.

Coty's sustainable sourcing program, which has been deployed among buyers, includes key indicators to monitor progress. Supplier performance is considered when: Assessing performance of existing suppliers, defining a supplier panel to be briefed, awarding business, and identifying potential new suppliers. Further, Coty has introduced a contractual addendum on sustainable sourcing to supplier contracts. This specifically outlines supplier responsibilities on risk and audit, traceability, and transparency, especially for high-risk ingredients.

Coty's 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 FY2024, all our new high-risk vendors and suppliers completed this due diligence program.

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

Coty monitors supplier social and environmental performance through third-party assessments, including EcoVadis scorecards, Sedex self-assessments, and on-site audits. After signing the CoC, all sites undergo a risk assessment and receive a risk level. Low- and medium risk sites must demonstrate sustainability performance via Sedex or EcoVadis assessments. High-risk sites are audited against the four pillars of the SMETA protocol.

Coty uses the Sedex radar risk assessment to determine high risk sites. This considers the country, sector and commodity risk. In FY2024, 8,838 risk assessments took place using this tool. 176 suppliers were then audited using the SMETA (Sedex members ethical trade audit) third-party audit. Audits are performed by independent auditors and can be semi-announced (with a three-to-four-week audit window) or unannounced. Where there is an audit already in place, we accept an announced audit but request all future audits to be semi-announced. These audits take place every two years. 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). 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 sustainable 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. We use both Sedex and EcoVadis to demonstrate and assess ongoing supplier performance. In FY2024, a further 335¹ low or medium risk suppliers were assessed under the Sedex self-assessment questionnaire.

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

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

¹ Includes the completion of the new self-assessment questionnaires (SAQs) from 183 suppliers.

EcoVadis analysts assess our suppliers' documentation related to these areas as well as analyze their performance through a thorough 360° process. With EcoVadis, 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. Using the EcoVadis platform, 792 suppliers were assessed in FY2024 scoring an average of 60, well above the overall EcoVadis average of 46.6.

Coty values its partnerships and wants 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. Coty will ultimately move business away from a partner if there is a lack of meaningful improvement over an agreed timeframe.

APPROACH TO HUMAN RIGHTS

Coty believes that everyone has the right to be treated with dignity and respect, and we are committed to respecting and promoting fundamental human rights throughout our own operations and extended supply chain. Our Human Rights Policy sets out this commitment. This includes a dedication 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.

We are also involved in a number of industry efforts and membership-based organizations related to respecting and advancing human rights in a non-competitive manner:

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.

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.

Fair Labor Association's Harvesting the Future works to improve rights and working conditions for seasonal agricultural workers and their families.

BSR is a global network of more than 300 companies dedicated to building better businesses through innovative sustainability solutions.

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 (refer to page 6 for more details).

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

Coty Australia provides hybrid working arrangements known as Omni-Working to eligible employees with the objective of creating an environment where teams can thrive, balancing work and wellness for success and fulfilment. Coty's omni working policy gives employees the option to work either in the office, remotely or through a combination of both based on their job responsibilities and personal circumstances. The policy enables employees to focus on their wellbeing by eliminating the stress associated with rigid work practices; while ensuring they maintain a sense of productivity and accomplishment. Employees are empowered to tailor their work arrangements to suit their unique circumstances, promoting autonomy and enabling them to achieve their potential whilst delivering their work outcomes.

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.

ADDRESSING RISKS

In addition to our supplier assessment process, we recognize the increased risks of human and labour rights abuses with certain raw materials and countries. In FY2024, we confirmed BSR as our expert human rights partner. Together with BSR we are conducting a new human rights risk mapping of all Coty's procurement functions against leading recognized indicators, which will allow us to better prioritize risks by country and type.

Mica is a key raw material used in many of our 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. In 2017, we 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: Responsible workplace standards, community empowerment programs, and legal frameworks for mica workers.

We participate in the annual RMI data collection campaign, sharing details of our mica sourcing, and are working towards full traceability of processing units and mines to gain further visibility. In FY2024, 99.96% of the mica we sourced from direct suppliers was purchased from RMI members. We can trace all the mica we source for our production sites to country level. We sourced 34% of our mica from India and 97% 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.

Many of the natural ingredients used within our fragrances are sourced from agricultural supply chains and regions that face greater human rights risks. In FY2024, we updated our risk mapping of fragrances and achieved 100% traceability of our fragrance oil naturals to country level. We have begun programs on two natural ingredients through our partnership with the Fair Labor Association's Harvesting the Future project, which was extended to the fragrance sector in 2023. The project brings together various stakeholders, including government, civil society organizations, processors, producers, and companies in the beauty and fragrance sector.

BEAUTY THAT LASTS STRATEGY

In February 2020, we 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 focused on: the Beauty of our Planet, our People, and Governed Beautifully, with the Beauty of our Products at the center. We have set time-bound targets to help us on our path to delivering a more sustainable and inclusive world.

“Beauty of our People” priorities include sourcing our ingredients with respect for human rights, supply chain transparency, and building a more diverse and inclusive business. “Governed Beautifully” is focused on the integration of responsible business practices across our company and value chain, including our expectations for employees and business partners on ethical behavior. Our “Planet” pillar sets out how we aim to minimize our environmental impact, including sustainable innovation, and packaging based on circular design. Our products are at the heart of everything we do and therefore a focus across each of these areas.

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 20th December 2024.



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Craig Mardon

CFO/ Director

