

COTY



California Transparency in Supply
Chains Act of 2010 disclosure
-and-
UK Modern Slavery Act Statement

June 2017

THIS DOCUMENT IS INTENDED TO SERVE AS:

(1) the required disclosure for the purposes of the California Transparency in Supply Chains Act of 2010;

And

(2) the annual statement required to be published for the purposes of the United Kingdom's Modern Slavery Act 2015.

Consistent with Coty Inc.'s longstanding commitment to excellence and corporate responsibility, including its commitment to employees and consumers throughout the world and to the communities and the environment in which Coty and its products are present, Coty confirms its commitment to ensuring that the supply chains it employs in the sourcing and manufacturing of its products do not include, utilize or tolerate human trafficking, slavery and forced or child labor.

Consistent with its assessment of the potential risks, and in accordance with the California Transparency in Supply Chains Act of 2010 and the UK Modern Slavery Act 2015 (the "Acts"), Coty Inc. describes below the efforts that it makes and has made over the past financial year to ensure human trafficking, slavery and forced or child labor are not present in the operation of its, or its contractors, subcontractors and suppliers (together "Business Partners") supply chains:

SUPPLY CHAIN CODE OF CONDUCT

Coty requires its Business Partners comply with its Code of Conduct for Business Partners (the "Code"). The Code prescribes the legal and ethical standards Coty expects of its Business Partners and includes specific prohibitions against engaging in or benefiting from the use of forced labor or child labor. Coty requires all Coty Business Partners to acknowledge and agree to provisions of the Code as a condition of doing business with Coty, including, specifically with regards to the eradication of slavery and human trafficking in their own businesses and in their own supply chains in accordance with the Acts.

SUPPLY CHAIN ASSESSMENT

Coty currently assesses, through a third party service called EcoVadis, a portion of its supply chain to evaluate, specifically, the risks of human trafficking and slavery/forced labor within them.

The assessed portion of Coty's supply chains relates to packaging, raw materials, merchandising and gifts with purchase, and some logistics categories. This assessment covers four (4) key areas:

- Environmental Management
- Labor and Human Rights
- Sustainable Supply Chains
- Fair Business Practices

The assessment consists of [EcoVadis](#) Corporate Social Responsibility analysts assessing the Business Partners' documentation related to the four (4) key areas listed above, and analyzing their performance through a thorough 360° process which includes over 800 data points and external references from governments, NGO's, trade associations and stakeholder feedback. The assessment is then scored, described in a written report made available by [EcoVadis](#) to Coty and the Business Partner and, depending on the score, includes a Corrective Action Plan (CAP) to be put in place by the Business Partner and reassessment timeframes.

SUPPLY CHAIN AUDITING

Coty currently undertakes ethical audits of its Business Partners within its gift with purchase supply chain, given that many of these Business Partners operate in countries with a higher risk profile. These audits are performed on-site by independent auditors and cover the areas of labor and human rights, health and safety, environmental standards and business integrity. Coty is in the process of extending this program to include on-site ethical audits of other materials categories and also assessing and engaging Business Partners with a higher risk of non-compliance with [the Code](#).

SUPPLY CHAIN RISK ASSESSMENT

Due to Coty's recent acquisition of several businesses resulting in an increase of Business Partners, Coty is undertaking a thorough risk assessment of its Business Partners. This risk assessment is pending completion. This risk assessment takes into account the country of manufacture, the labor and environmental risks of the material category, and size of spend. Coty plans to expand its auditing program and engage more Business Partners in ethical audits to be prioritized based on the risk level identified by the assessment, beginning with those Business Partners at a higher risk of non-compliance.

In terms of understanding supply chain risk, there are well known reported instances in child labor and unacceptable working practices in the mica supply chain in India. Recognizing the extremely complex nature of these issues, Coty has joined the Responsible Mica Initiative along with our suppliers and competitors to collaboratively address these complex issues and aims to achieve a responsible mica supply chain over the next five (5) years.

Coty has and maintains internal accountability standards and procedures for both its employees and its Business Partners with respect to the conduct of Coty's and its Business Partners' businesses as stated in both its Code of Conduct applicable to all directors, officers and employees of Coty and each of its subsidiaries and joint venture companies throughout the world, and [the Code](#). Such standards and procedures include, with specific reference in each of the above-noted documents, all applicable law, rules and regulations in each such country regarding forced or child labor, slavery and/or human trafficking.

TRAINING

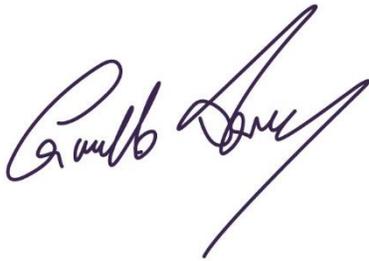
For the portion of its supply chains referred to in the Supply Chain Assessment section above, Coty has trained its employees who have direct responsibility for those supply chains and who are involved in negotiating and contracting with Business Partners on the [EcoVadis](#) supply chain verification tool. Such employees lead the Business Partners' engagement in the [EcoVadis](#) program, and depending on the results, ensure the CAPs are addressed.

In addition, Coty requires such employees and management to confirm completion of a mandatory review of the Code of Conduct for employees which reiterates that Coty Business Partners are forbidden, and inferentially that Coty itself is forbidden, from employing forced or child labor or engaging directly or indirectly in human trafficking and slavery.

For further information regarding Coty's efforts to eradicate human trafficking and slavery/forced labor from its supply chains, you may contact Coty through our online [contact form](#).

Approved by the Board on May 26 2017

Signed by Camillo Pane
Chief Executive Officer, COTY

A handwritten signature in black ink, appearing to read "Camillo Pane", with a long, sweeping flourish extending from the end of the name.