

# UK TAX STRATEGY

## General

As an international company operating in several countries, Coty Inc. ("**Coty**") is subject to various tax regimes and regulations and takes into account any changes in tax law. Coty is specifically vigilant about the changes that could result in higher tax expenses and payments, higher compliance costs or that may affect Coty's tax liability, return on investments and business operations.

Coty firmly believes it is the right of governments to determine what a fair share of tax is and to draft tax laws accordingly. It is not the role of business to form views on what level of taxation is fair. Accordingly, we expect to pay tax on income in the country where activities take place with the caveat that double taxation of the same activity by different jurisdictions should be avoided.

Coty has a global SVP Tax who heads a Group Tax Department ("**Group Tax**") based in New York, United States, a regional Senior International Tax Director, UK and European finance teams and professional external advisors, that work together to ensure that UK tax regulations are well understood and that Coty is in full compliance with the UK tax legislation.

## Our Tax Strategy

Under UK tax law, Coty Inc. is required to publish annually its UK tax strategy on the internet. The tax strategy must be made available to the public free of charge. The publication contained below is Coty Inc.'s response to this legal requirement for the year ended 30 June 2021.

In order to comply with both the letter and the spirit of tax laws, Coty's tax strategy comprises the following key principles:

### *1. Effective risk management and governance*

Coty has established and continues to manage robust tax governance processes that ensure full compliance with tax disclosure and filing obligations in the key jurisdictions in which it operates, including the UK.

Coty will continue to manage tax risks in such a way as to ensure that key risk areas are monitored and material risks minimized.

# UK TAX STRATEGY (CONTINUED)

## *2. Responsible tax planning*

Coty engages in reasonable tax planning that is aligned with the commercial and economic activity of the business.

Coty follows the terms of UK's Double Taxation Treaties and relevant Organization for Economic Co-Operation and Development ("OECD") guidelines for international tax matters.

Tax incentives or opportunities for obtaining tax efficiencies will be utilized when these incentives or opportunities do not carry significant reputational risk or significant risk of damaging our relationship with HM Revenue & Customs (or any other tax authorities), are aligned with the intended policy objectives of the governments which introduced the incentives, do not have a material adverse impact on our business results, and are aligned with business or operational objectives.

## *3. Risk appetite*

Coty aims for certainty on the tax positions that it adopts, but where tax law is unclear or subject to interpretation, written advice or confirmation will be sought as appropriate from professional external advisors to ensure that our position would, more likely than not, be settled in line with the filling position adopted in the tax return.

Coty applies diligent professional care and judgment to arrive at well-reasoned conclusions by, in part, consulting with top tier law and accounting firms to obtain expert, objective advice and opinion on tax matters.

## *4. Open engagement with HMRC*

Coty maintains an open and transparent relationship with HM Revenue & Customs (and other tax authorities) by working in a collaborative, transparent and proactive way. We strongly support the view of the OECD that both taxpayers and tax authorities benefit from increased disclosure and transparency. Improved relationships mean tax authorities can make more effective risk assessments that are open, impartial, proportionate, responsive and grounded on an understanding of our commercial environment, while taxpayers can better manage tax risks and reduce compliance costs.

This tax strategy is applicable for the year ending 30 June 2021 and has been collectively approved and owned by the Senior Vice President of Global Tax, the Senior International Tax Director, the Global Director Indirect Tax Director, the Senior Director of Tax Planning, the Senior Director of Transfer Pricing and the UK Financial Controller.

# UK TAX STRATEGY (CONTINUED)

The following legal entities regard this publication as complying with the duty under Paragraphs 19(2), Schedule 19 of Finance Act 2016:

- Coty UK Limited
- Coty Export UK Limited
- Coty Services UK Limited
- Coty Manufacturing UK Limited
- Coty Brands Group Limited
- Del Laboratories U.K. Limited
- Beauty International Limited
- Rimmel International Limited
- Lancaster Group Limited
- Bourjois Limited
- Coty UK&I Limited
- Coty Holdings UK Limited
- HFC Prestige Manufacturing UK Limited
- HFC Prestige Products Limited
- HFC Prestige Service UK Limited
- Beamly Limited
- Quest Beauty Limited
- Lion/Gloria Topco Limited
- Waves UK Divestco Limited & #
- Jemella Ltd #
- GHD Group Holdings Limited #
- Lion/Gloria MidCo Limited #
- Lion/Gloria MidCo. 2 Limited #
- Lion/Gloria MidCo. 3 Limited #
- Lion/Gloria Holdco Limited #
- Lion/Gloria BidCo Limited #
- Jemella Group Limited #
- GHD Bondco PLC #
- GHD Holdings Limited #
- GHD Group Limited #
- Jemella Group (Holdings) Limited #
- GHD EBT Company Limited \*
- Power Promotions Limited \*
- Power Wizards Limited \*
- Wonderful Life UK Limited \*
- Wonderful Life Limited \*
- Wella UK Holdings Limited + #
- Wella UK Limited + #
- Wella Treasury Limited + #

\* Company dissolved in December 2019

& Company incorporated in May 2020

+ Company incorporated in September 2020

# Company left the Group in November 2020