

Particulars

About Your Organisation

1.1 Name of your organisation

Coty Inc.

1.2 What is/are the primary activity(ies) or product(s) of your organisation?

- Palm Oil Grower
- Processor and/or Trader
- Consumer Goods Manufacturer
- Retailer
- Bank and/or Investor
- Social and/or Development NGO
- Environmental and/or Conservation NGO
- Affiliate

1.3 Membership number

4-0981-17-000-00

1.4 Membership category

Consumer Goods Manufacturers

1.5 Membership sector

Ordinary

Consumer Goods Manufacturers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- Food Good Manufacturer - own brand
- Food Good Manufacturer - third-party brand
- Home & Personal Care Good Manufacturer - own brand
- Home & Personal Care Good Manufacturer - third-party brand
- Ingredient Manufacturers
- Biofuels
- Other

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil and palm oil products consumed, to enable the RSPO to accurately calculate uptake on a member, sector and total level. ACOP reports without reported volume data will be considered incomplete and will not be accepted.

2.1 Please list down all operations and subsidiaries using palm oil that are owned and/or managed by the member, including those under Group Membership

13 factories fully owned (100%): Ashford, UK; Rothenkirchen, Germany; Cologne, Germany; Chartres, France; Granollers, Spain; Capella, Russia; Monaco, Monaco; Sanford, US; Hunt Valley, US; Wujiang, China; Mariscalá, Mexico; Senador Canedo, Brazil; Bangkok, Thailand

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

Applies globally

2.2.5 Total volume of all palm oil and palm oil products (palm-content only) used in your company's own-brand products and in products produced by your company for third-party brands in the year:

Description	Tonnes
Total volume of crude/refined palm oil (tonnes)	0.0
Total volume of crude/refined palm kernel oil (tonnes)	0.0
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of palm oil/palm kernel oil derivatives and fractions (tonnes)	9009.0
Total	9009.0

2.2.6 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2.4) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	40.0
Palm kernel oil-based derivatives and fractions	60.0

2.3 Volume of RSPO-certified palm oil and palm oil products used in your company's own brand products and in products produced by your company for third-party brands in the year (tonnes):

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	0.0	0.0	0.0	0.0
RSPO Credits from Independent Smallholder	0.0	0.0	0.0	0.0
Mass Balance (MB)	0.0	0.0	0.0	2218.0
Segregated (SG)	0.0	0.0	0.0	0.0
Identity Preserved (IP)	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	2218.0

2.3.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.3) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Certified Palm oil-based derivatives and fractions	30.0
Certified Palm kernel oil-based derivatives and fractions	70.0

2.4 According to the volume information you have provided in Question 2.2 and Question 2.3, your company's certified palm oil and palm oil products uptake is:

24.62%

2.4.1 If your company has not reached 100% usage of sustainable palm oil through the four supply chain models (RSPO Credits, MB, SG or IP), do you have any plans to cover the gap using RSPO Credits?

Yes

2.5 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question CG.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	100.0
North America	0.0
Malaysia	0.0
Indonesia	0.0
China	0.0
India	0.0
Latin America	0.0
Africa	0.0
Rest of World	0.0

3. TimeBound Plan

3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?

2019

3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2018

3.2.1 If the previous target year for CG.3.2 has not been met, please explain why.

Coty began to purchase RSPO certified MB product in 2018 with a view to achieving 100% MB certified usage in its own factories by the end of the Coty financial year 2022. By the end of calendar year 2019, we achieved 25%, which is on track to the plan.

3.3 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2022

3.3.1 If the previous target year for CG.3.3 has not been met, please explain why.

Coty began to purchase RSPO certified MB product in 2018 with a view to achieving 100% MB certified usage in its own factories by the end of the Coty financial year 2022. By the end of calendar year 2019, we achieved 25%, which is on track to the plan.

3.4 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2022

3.4.1 If the previous target year for CG.3.4 has not been met, please explain why.

Coty began to purchase RSPO certified MB product in 2018 with a view to achieving 100% MB certified usage in its own factories by the end of the Coty financial year 2022. By the end of calendar year 2019, we achieved 25%, which is on track to the plan.

3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

The TimeBound Plan above covers all owned factories.

4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Others

This is a subject under discussion at Coty in the coming year. Currently the use of RSPO certified MB materials is a corporate approach rather than a brand approach.

5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

Coty Inc joined RSPO in December 2017 and its cross-functional team continues to work on implementing the necessary internal infrastructure to be able use Mass Balance certified palm-oil and PKO derived raw materials, and claim accordingly. In the coming year (2020), we will continue to communicate to, and engage with, our supplier base to ensure they are ready to support our ambitions to increase from 20% MB purchases to 30% and beyond. Obviously there has been major disruption in the supply chain caused by the Coronavirus pandemic, which has meant closures to factories, a drop in consumer demand versus forecast and general supply disruption. At the point of reporting it is impossible to confirm whether our targets for FY20 will be met due to this, or what the total impact on our future timebound plan will be. However we will continue to keep to our targets and timings as far as possible. From July 2020 we plan to engage a further three Coty factories, based in China, Monaco and the US, and plan to undertake the necessary training and awareness with those factory teams to enable them to manage the Mass Balance processes according to the RSPO Standard. However, this may be affected by the knock-on effect of the virus issues, and we don't yet know the full impact, but we will endeavor to keep this disruption to a minimum as much as we can. Our financial year runs from July to June, and it is our intention to increase the purchase of RSPO certified product, using the Mass Balance chain of custody, so that by the end of our FY20 (June 2020) we target to be using 30% MB certified materials in our production sites, although as stated this may be affected by the pandemic. Our ambition for the following Financial Year, from July 2020 (FY21), is still under review, but due to an impending company restructure, which may change the number of factories in scope through divestiture, it is likely that our absolute volume of palm oil derivatives and PKO derivatives will reduce, but our percentage target ambition for the FY will increase significantly. At time of writing, this % target is still to be confirmed. Also, the full supply chain impact of the Coronavirus on our palm oil purchase and use is unknown, so cannot yet be quantified. Coty has now externally communicated its "Beauty That Lasts" sustainability program, which includes its RSPO palm oil ambitions, and will continue to communicate progress as it happens. Issues regarding the disruption caused by the pandemic on our corporate targets will be communicated when necessary.

6. Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil (RSPO) approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

6.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

6.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

6.1.2 Has your company previously uploaded or linked its Labour & Labour Rights policy in previous ACOP reporting cycles?

Yes

Ethical Conduct & Human Rights

6.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

6.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

6.2.2 Has your company previously uploaded or linked its Ethical Conduct & Human Rights policy in previous ACOP reporting cycles?

Yes

Land Use

6.3 Does your company have a publicly-available Policy covering Land Use?

No

Occupational Health & Safety**6.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?**

Yes

6.4.1 Has your company previously uploaded or linked its Occupational Health & Safety policy in previous ACOP reporting cycles?

Yes

Climate Change & Greenhouse Gas (GHG)**6.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?**

Yes

6.5.1 Does the policy cover:

- Identification and assessment of GHG
- Public reporting of GHG footprint
- Monitored implementation plan to reduce or minimise GHG emissions

6.5.2 Has your company previously uploaded or linked its Climate Change & Greenhouse Gas policy or report in previous ACOP reporting cycles?

Yes

Complaints & Grievances**6.6 Does your company have a Complaints & Grievances Mechanism?**

Yes

6.6.1 Is your Complaints & Grievances mechanism in line with the RSPO's grievance mechanism? For details of the RSPO's grievance mechanism, please go to <https://askrspo.force.com/Complaint/s/>

Yes

Smallholders**6.7 Does your company support oil palm independent smallholder groups?**

No

6.7.3 Do you have any future plans to support oil palm Independent Smallholders?

Yes

7. Challenges

7.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

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7.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

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7.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

Coty is committed to purchasing 100% of the palm oil derivatives and PKO derivatives it consumes in its own factories to the RSPO MB chain of custody system by the end of the financial year (FY) 2022. This is a key program in its "Beauty That Lasts" sustainability strategy. However, clearly the impact of the Coronavirus pandemic may affect our ability to meet our targets, but this will be detailed in future communications and our ACOP reports going forward. Please find links here: <https://www.coty.com/in-the-news/press-release/coty-inc-announces-updated-sustainability-platform-beauty-lasts-includes> and <https://www.coty.com/sustainability>