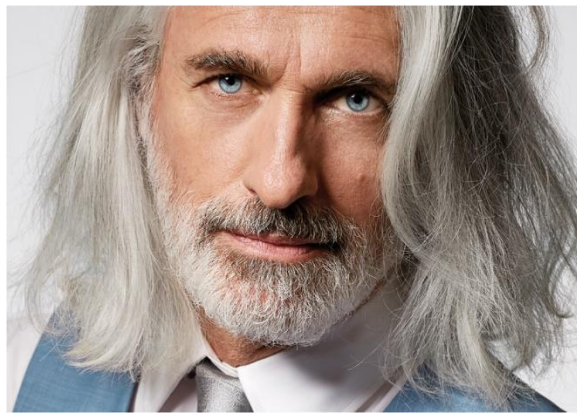


COTY

BEAUTY, LIBERATED



THE COTY CODE OF CONDUCT FOR BUSINESS PARTNERS (SUPPLIERS, CONTRACTORS AND CONSULTANTS)

2017

OUR COMMITMENT

It is Coty's belief that how we operate as a company, and as individuals, is based on the principle of doing the right thing for our consumers, customers, employees, shareholders, business partners and the environment. We operate within the spirit and letter of the law, maintaining high ethical standards wherever we conduct business. We expect our partners to share our values and promote the application of these high standards both within their organization and throughout their business network. Coty supports the United Nations Universal Declaration of Human Rights and is signatory to the United Nations Global Compact, which means that we support principles in four important areas: human rights, labor rights, protection of the environment and the fight against corruption.

This Code of Conduct for Business Partners (hereafter the "Code") outlines the global standards to be followed in your daily business activities on behalf of Coty.

OUR COMPLIANCE DEFINITION

This Code applies to all Coty external business partners, suppliers, contractors and consultants (hereafter "the supplier" or "suppliers"). Compliance with the Code is in addition to any agreement or contract between Coty and our suppliers. Coty will only do business with suppliers that comply with all applicable legal and regulatory requirements in the countries in which they do business. Coty reserves the right to conduct audits to assure compliance, which may include assessing and scoring its suppliers using third party platforms. Compliance with this Code is assessed in our business award decision. Any breach of this Code will be considered a material breach of the applicable framework agreement or contract.

The provisions of this Code extend to all workers of our suppliers, including workers who are engaged informally, on short-term contracts, or on a part-time basis. It is the responsibility of suppliers to ensure that their subcontractors uphold the standards of this Code. Suppliers are expected to communicate the content of this Code to their workers and subcontractors and ensure that all measures are implemented accordingly.

In today's challenging environment where there is growing regulation and enforcement activity, Coty requires its suppliers to be knowledgeable about and compliant with all applicable regulations and be committed to a high level of regulatory compliance. Suppliers doing business with Coty are also expected to comply with their contractual obligations under any purchase order or agreement with Coty.

Coty reserves the right to update and amend this Code, and to inform suppliers of any such amendments, in a timely manner.



THE COTY CODE OF CONDUCT
FOR BUSINESS PARTNERS
Table of Contents

1. HUMAN RIGHTS & LABOR RIGHTS	4
2. PROTECTION OF THE ENVIRONMENT	7
3. FIGHT AGAINST CORRUPTION	9
4. FAIR BUSINESS PRACTICES	11
5. THE COTY WORLDWIDE BUSINESS CONDUCT HOTLINE	13
6. IMPLEMENTATION OF THE COTY CODE OF CONDUCT FOR BUSINESS PARTNERS	16
7. LINKS	19

SECTION ONE

HUMAN RIGHTS & LABOR RIGHTS

Discrimination

Child Labor

Forced Labor & Human Trafficking

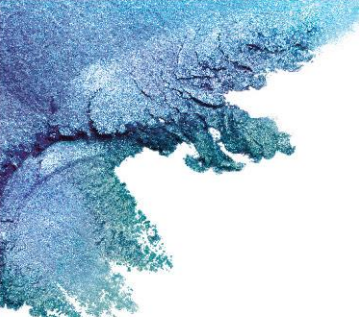
Harassment

Employee Benefits & Compensation

Freedom of Association & Collective Bargaining

Conflict Minerals

Reporting Systems



THE COTY CODE OF CONDUCT FOR BUSINESS PARTNERS

Human Rights & Labor Rights

Coty supports the International Labour Organization (ILO) declaration on the Fundamental Principles and rights at work. 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, and comply with all applicable laws.

Everyone deserves to be treated with dignity and respect, and we must all work to create a positive and professional workplace. Coty is committed to providing equal employment opportunities and prohibits any form of unlawful employee discrimination or harassment by its suppliers.

Discrimination

Suppliers shall not discriminate with regard to race, color, gender, language, religion, union membership, political opinion, caste, national origin, birth, union affiliation, sexual orientation, health status, age, disability, marital status or other characteristics protected by law.

Any employment-related decisions, from hiring and access to training, to termination and retirement, shall be based only on relevant and objective criteria such as merit, attitude, work ethic, skills and work experience.

Child Labor

Suppliers shall not engage in or benefit from the use of child labor. The minimum age for full-time employment shall be as recommended by ILO or permitted by the law of the local country, whichever is higher. Some examples of the ILO convention are below:

- A child is defined as a person under 18 years old. The minimum age for employment is defined as the local legal minimum age for employment or the age for completing compulsory education. For Coty suppliers, the minimum age for employment will be in no case lower than 15 years old.

- Child labor is defined as work that is harmful to children i.e., work which is exploitative, prevents children from getting an education or jeopardizes their physical, mental or moral well-being.
- Suppliers will comply with ILO standards on child labor.
- There shall be no new recruitment of child labor.
- Children under 18 shall not be employed at night or in hazardous conditions.

Forced Labor & Human Trafficking

Suppliers shall not participate in or benefit from any form of forced labor, including bonded labor, indentured labor, involuntary prison labor, slave labor or human trafficking. Workers shall be allowed to move around freely, leave their place of work when their shift ends and be free to leave their employer after reasonable notice.

Suppliers will prohibit corporal punishments, threats of violence, the use of monetary fines and any other form of mental or physical abuse, coercion or intimidation. Suppliers shall not retain employees' original identity papers or any other original official documentation, or request employees to pay a deposit as part of their conditions of employment.

Harassment

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

**THE COTY CODE OF CONDUCT
FOR BUSINESS PARTNERS**
Human Rights & Labor Rights

Employee Benefits & Compensation

Suppliers shall adhere to all applicable national laws or industry standards relating to wages, working hours, overtime and benefits. Employees shall be entitled to at least one day off in seven and shall be given reasonable breaks while working and sufficient rest periods between shifts. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Suppliers shall grant all employees labor rights as provided by national legislation.

Employment of temporary workers must comply with relevant national employment laws.

Freedom of Association & Collective Bargaining

Suppliers shall respect the right of employees to form and join trade unions and to negotiate collectively. Suppliers shall not attempt to influence employees to be members of a particular trade union, and shall not dismiss employees solely because of their affiliation to a trade union.

Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, the supplier should not hinder the development of parallel means for independent and free association and bargaining.

Conflict Minerals

Coty is committed to ensuring that we do not source tantalum, tin, tungsten, and gold that directly or indirectly fund armed groups in the Democratic Republic of the Congo or any adjoining country ("conflict regions"). The countries adjoining the DRC are Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia. To enable Coty to comply with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Coty requires that its suppliers exercise due diligence on the source and chain of custody of these minerals if any of these four minerals are necessary to the functionality or to the production of a product or product component manufactured for Coty. Suppliers must routinely conduct a country of origin inquiry to determine whether any of these minerals originate from conflict countries and, if so, to report to Coty. Suppliers must also assist Coty upon request in responding to follow-up questions about these four minerals and their origin.

Reporting Systems

Coty expects suppliers to have systems in place to detect and resolve any noncompliant treatment of workers, including any treatment that would violate any provision of this Code. Coty expects recruitment agencies that work in the Coty supply chain to train their employees who are assigned to work on the Coty account to ensure they understand all the requirements of this Code.

SECTION TWO

PROTECTION OF THE ENVIRONMENT

Health & Safety

Environment



**THE COTY CODE OF CONDUCT
FOR BUSINESS PARTNERS**
Employment Policies & Practices

Health & Safety

Suppliers must comply with all applicable health and safety laws, rules, regulations and industry standards, and ensure that their workers are offered a safe and healthy working environment, including, but not limited to, protection against fire, accidents and toxic substances. We expect our suppliers and partners to take all reasonable and necessary precautions to prevent accidents and injuries, analyze and minimize health and safety risk exposure, protect their physical assets, ensure business continuity and engender public trust. A supplier must ensure that:

- A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- Access to clean toilet facilities and to potable (drinking) water and, if appropriate, sanitary facilities for food storage shall be provided.
- Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- A health and safety policy is in place.

Environment

Suppliers must be committed to full compliance with the environmental laws and regulations applicable to our business through their administration of a comprehensive environmental management system.

Suppliers shall comply with all relevant and applicable national or regional environmental legislation (including, but not limited to, EU REACH Directive and California Proposition 65). Suppliers shall maintain awareness of current environmental legislative requirements relevant to the environmental impacts of their activities, products and services. They must ensure legal compliance through training, awareness, operational control and monitoring.

Suppliers shall work systematically to prevent, minimize and remedy adverse environmental impacts, such as air, noise, ground and water pollution, from their activities, products and services by means of a proactive approach and management of their environmental responsibilities.

SECTION THREE

FIGHT AGAINST CORRUPTION

Corruption, Gifts & Entertainment



THE COTY CODE OF CONDUCT FOR BUSINESS PARTNERS Fight Against Corruption

Suppliers must conduct business with honesty and integrity and demonstrate the highest standards of business ethics. Suppliers must not engage in bribery, corruption or other unethical or illegal practices, whether in dealing with government officials, political parties or others, including individuals in the private sector. Suppliers shall have appropriate internal controls to safeguard against these practices. Suppliers shall comply with all applicable anticorruption statutes (including: US FCPA, UK Anti-Bribery Act) and shall maintain accurate financial books and records in accordance with all applicable legal and regulatory requirements and accepted accounting practices.

In addition, suppliers must ensure that:

- Suppliers do not enter into any agreements or understandings with competitors or others that restrict competition, fix prices, rig bids, allocate markets or limit sales.
- To prevent financial fraud and money laundering, any payment by Coty to a vendor, supplier or other third party must be made to an onshore bank account titled in the name of the contracted vendor, supplier or other third party.
- Suppliers have a policy and procedure in place to ensure employees avoid a situation where a conflict of interest arises.

Corruption, Gifts & Entertainment

Suppliers shall not engage in any form of bribery, corruption, extortion or embezzlement, or otherwise seek to unjustly influence private individuals, public officials and/or the judiciary in order to obtain any improper benefit or advantage. Suppliers shall abide by all applicable anti-corruption law and regulations including commercial bribery in all countries in which they operate. Suppliers shall only provide gifts that are not extravagant and any travel or entertainment provided by suppliers shall be reasonable and appropriate. Any gifts, travel and entertainment shall not be for the purposes of corruptly influencing any public official in their duties or to secure an unfair business advantage. Suppliers will not offer any funding, donations, gifts and entertainment to any Coty employees.

SECTION FOUR

FAIR BUSINESS PRACTICES

Employee & Data Privacy
Confidentiality



THE COTY CODE OF CONDUCT FOR BUSINESS PARTNERS Governmental & Political Activities

Employee & Data Privacy

Suppliers shall respect the privacy of their employees as well as those whose personal data Coty entrusts with them to provide products or services. We expect them to properly protect and use personal information. Our suppliers must not trade in, sell or lease any personal information.

Confidentiality

Coty respects the confidential information of others and expects that suppliers will not seek to obtain or disclose the confidential information of Coty or other companies or persons. Confidential information includes, for example, customer lists, product information, sales and marketing plans, company business plans and any other sensitive or proprietary information.

SECTION FIVE

THE COTY WORLDWIDE
BUSINESS CONDUCT HOTLINE

Hotline

Acknowledgement Form



**THE COTY CODE OF CONDUCT
FOR BUSINESS PARTNERS**
The Coty Worldwide Business Conduct Hotline

We require our external business partners and employees of external business partners working on Coty's business to report any violations of Coty policy or the law.

Coty has a private and confidential 'Hotline' phone service for this purpose. This is run by an independent external organization. You may raise any concern¹ with them, anonymously, if you so wish.

1 800 390 4504 (English)
1 888 323 7881 (Spanish)
1 800 390 2159 (French)
1 800 569 9120 (German)

¹ In France - solely for violations in the field of accounting, finance, banking and anti-corruption, or matters relating to Section 301(4) of the Sarbanes-Oxley Act or to anti-competitive practices.

**THE COTY CODE OF CONDUCT
FOR BUSINESS PARTNERS**
Acknowledgement Form

As the supplier's authorized representative, I hereby acknowledge and agree, on behalf of the supplier, that I have received and read a copy of the Coty Inc. Code of Conduct for Business Partners. I understand, and the supplier understands, what the supplier's obligations under the Code are, and I confirm, on behalf of the supplier, that the supplier will comply with the Code and the laws, rules and regulations and principles referred to in the Code.

By signing this Acknowledgement Form, I also agree, on behalf of the supplier, that Coty may commission ethical audits to evaluate the supplier's compliance with the Code and applicable laws, including laws regarding slavery, human trafficking and other human and labor rights, protection of the environment and the fight against corruption, to be carried out, with or without notice, by Coty or by authorized, independent third-parties.

Name of Company:

Your Name:

Your Job Title:

Your Main Coty Contact(s):

Date:

Signature:

Company Stamp:

SECTION SIX

IMPLEMENTATION
OF THE COTY CODE
OF CONDUCT FOR
BUSINESS PARTNERS

THE COTY CODE OF CONDUCT FOR BUSINESS PARTNERS Implementation

New suppliers receive a copy of our Code of Conduct for Business Partners and existing suppliers receive updates when they are published. Members of the Coty Procurement function (e.g. Buyers, Managers and Global Category Leaders) explain the elements within the Code and our expectations to all suppliers as part of the supplier relationship management process. Any questions or clarifications should be sought in the first instance from your Coty Procurement contact.

Achieving continual and measurable improvement in sustainable procurement is integral to Coty's business strategy. We recognize that, within our supply chains, there are many different national cultures with their own laws, norms and traditions which we must acknowledge and respect. Some suppliers will face more complex issues than others in implementing and meeting our Code. In these areas, Coty is committed to working with suppliers and relevant bodies to deliver effective action plans for change.

1. Screening

We risk assess suppliers for their likely ability to comply with the Code. We consider the country of manufacture and material category amongst other criteria in the risk assessment. Suppliers who we believe are at higher risk of finding compliance challenging are prioritized for assessment and support through our Sustainable Procurement Program.

2. Assessment process, including ECOVADIS

Suppliers engaged in our screening process will be advised of the appropriate course of action to follow. Some suppliers will be asked to join ECOVADIS and undertake their assessment process. This assessment covers the areas of environmental management, human rights and labor practices, sustainable supply chain and fair business practices. These areas are completely in line with our Code, and suppliers should strive to provide as much information as possible.

For some suppliers we may not deem it practical or appropriate for them to join ECOVADIS due to, for example, risk level or low spend level. Where we agree this is the case, suppliers will be consulted and engaged in another management process. This may include engaging in another on-line platform, or completing a Coty Self-Assessment Questionnaire (hereafter "SAQ"), with the follow up to be managed by Coty Procurement.

The results of the ECOVADIS assessment will be scored and published. This will be reviewed by the relevant Coty Procurement manager who may request further information or a follow-up meeting or to clarify responses. At such a meeting a supplier may be asked to show further evidence for a response by sharing a policy or procedure. All suppliers who have been asked to complete the Coty SAQ will be asked to update it every one or two years to ensure the responses are current. For suppliers who have undertaken the ECOVADIS assessment, the frequency for reassessment will be determined by the supplier's score and will be communicated to the supplier at the time.

Suppliers who are asked to join ECOVADIS will be expected to undertake the assessment within one month.

3. Audit process

Depending on the category or materials supplied, some suppliers will be requested to undergo a third party ethical audit as a matter of course. In other cases suppliers will be asked to undergo an audit if they have been unable to provide sufficient information to demonstrate compliance through either the ECOVADIS assessment or similar platform, the Coty SAQ, or if Coty believes there may be gaps in their ability to comply with one or more of the standards.



THE COTY CODE OF CONDUCT FOR BUSINESS PARTNERS Implementation

Coty expects suppliers who are asked to undergo an audit to do this within one to two months of the request. All audits should be carried out by recognized third party audit companies who will need to be ratified by Coty. The supplier is responsible for commissioning an audit that is aligned with an appropriate audit protocol to be defined by Coty. Depending on the situation, most audits will either be announced (i.e. an agreed date) or semi-announced (within an agreed two or three week window). On some occasions Coty may order an unannounced audit, but this will be explained to the supplier in each situation.

Suppliers will also be expected to pay for their audits. This is so that the suppliers can own the data and be responsible for sharing the results with multiple customers to avoid duplicate audits being requested, thus saving the suppliers time and money. Under most circumstances, where a supplier has undergone an appropriate audit within the last two years and this is shared with Coty, this will be accepted as a current audit and a new audit will not be needed. Coty encourages its suppliers engaged in on-line platforms such as ECOVADIS to share their audits with us via those platforms as this also enables the suppliers to share their audits with other customers when requested.

Any major or critical non-conformances identified through the audit are expected to be addressed within six months of the audit. Coty will meet with suppliers who have major or critical non-conformances to understand any challenges or barriers to addressing these and will endeavor to provide appropriate support in implementing corrective actions. Coty also reserves the right to commission third party organizations to manage or support in the remediation of non-compliances resulting from suppliers' audits.

4. Right to Termination

Where serious breaches of the Code persist, and Coty believes the supplier is not committed to resolving them, we will consider termination of the business relationship with the supplier. Also, where suppliers are unwilling or consistently unable to share information relating to their management processes through the Coty Sustainable Procurement Program we will also consider termination of the business relationship with those suppliers.

SECTION SEVEN

LINKS

THE COTY CODE OF CONDUCT FOR BUSINESS PARTNERS

Links



The Coty Code of Conduct for Business Partners is based on the following international principles:

The Ethical Trading Initiative (ETI) Base Code <http://www.ethicaltrade.org/>

The United Nations Universal Declaration of Human Rights www.unhcr.ch/udhr/

The Fundamental Conventions of the International Labor Organization www.ilo.org (ILO) on labor standards covering:

- Freedom of Association
- The Abolition of forced labor
- Equality
- The Elimination of child labor

UN Global Compact Principles www.unglobalcompact.org (of which COTY is a signatory) covering:

- Human rights
- Labor standards
- Environment
- Anti-Corruption

UN Convention on Biological Diversity www.biodiv.org

UN Guiding Principles for Business & Human Rights (Ruggie Framework) https://www.unglobalcompact.org/issues/human_rights/The_UN_SRSG_and_the_UN_Global_Compact.html

UK Modern Slavery Act 2015 <http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>

UK Bribery Act 2010 <https://www.gov.uk/anti-bribery-policy>

US FCPA <https://www.sec.gov/spotlight/fcpa/fcpa-resource-guide.pdf>

DODD-FRANK ACT <http://www.cftc.gov/LawRegulation/DoddFrankAct/index.htm>

COTY is an active member of:
ECOVADIS <https://www.ecovadis.com>