

## Particulars

### About Your Organisation

#### 1.1 Name of your organization

Coty Inc.

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

- Grower
  - Processor and/or Trader
  - Consumer Goods Manufacturer
  - Retailer and/or Wholesaler
  - Bank and/or Investor
  - Social and/or Development NGO
  - Environmental and/or Conservation NGO
  - Supply Chain Associate
  - Affiliate
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#### 1.3 Membership number

4-0981-17-000-00

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#### 1.4 Membership category

Consumer Goods Manufacturers

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#### 1.5 Membership sector

Ordinary

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## Consumer Goods Manufacturer

### 1. Operational Profile

1.1 Please state your main activity(ies) within the palm oil supply chain. Please select the option(s) that apply to you

- End-product manufacturer
- Food goods manufacturer
- Ingredient manufacturer
- Home & personal care goods manufacturer
- Own-brand manufacturer
- Manufacturing on behalf of other third-party brands
- Biofuels manufacturer
- Other

Other:

### 2. Palm Oil and Certified Sustainable Palm Oil Use

2.1 Please include details of all operations using palm oil, owned and/or managed by the member and/or all entities that belong to the group.

Fully owned (100%)

2.1.1 In which markets do you manufacture goods with palm oil and oil palm products?

Applies globally

2.1.2 In the market(s)/country(ies) where you operate, do you calculate how much palm oil and oil palm product there is in the goods you manufacture?

Yes

2.2 Volumes of palm oil and oil palm products purchased

2.2.1 Total volume of crude and refined palm oil used in the year (tonnes)

0.00

2.2.2 Total volume of crude and refined palm kernel oil used in the year (tonnes)

0.00

2.2.3 Total volume of palm kernel expeller used in the year (tonnes)

0.00

2.2.4 Total volume of other palm-based derivatives and fractions used in the year (tonnes)

9,552.00

**2.2.5 Total volume of all palm oil and oil palm products used in the year (tonnes)**

9,552.00

**2.3 Volume of palm oil and oil palm products used in the year in your own brand products that are RSPO-certified (in tonnes):**

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.3.1 Book and Claim from Mill / Crusher	-	-	-	-
2.3.2 Book and Claim from Independent Smallholder	-	-	-	-
2.3.3 Mass Balance	-	-	-	996
2.3.4 Segregated	-	-	-	-
2.3.5 Identity Preserved	-	-	-	-
2.3.6 Total volume	-	-	-	996

**2.4 Volume of RSPO-certified palm oil and oil palm products sold to 3rd party RSPO certified companies (in tonnes)**

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.4.1 Book and Claim from Mill / Crusher	-	-	-	-
2.4.2 Book and Claim from Independent Smallholder	-	-	-	-
2.4.3 Mass Balance	-	-	-	-
2.4.4 Segregated	-	-	-	-
2.4.5 Identity Preserved	-	-	-	-
2.4.6 Total volume	-	-	-	-

**2.5 According to the information you have provided in this questionnaire, your company has not reached 100% sustainable palm yet by using the four supply chain models (Book and Claim, MB, SG, IP). Do you have plans to immediately cover the gap by using RSPO Credits?**

No

**2.5.1 When do you plan to cover the gap by using RSPO Credits?**

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**2.5.2 Please explain why**

In 2017, Coty made the decision to move straight to purchasing MB certified products without the Book and Claim step so that we could contribute directly to improving the physical palm oil supply chain from the start of the journey.

As we set an ambitious target to purchase 100% MB certified in our production sites by the end of 2022, we decided to focus solely on MB certification.

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**2.6 What is the percentage of RSPO Certified Sustainable Palm Oil in the total palm oil used by your company in the following regions:****2.6.1 Africa**

0%

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**2.6.2 Oceania**

0%

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**2.6.3 Europe**

10.5%

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**2.6.4 North America**

0%

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**2.6.5 Latin America**

0%

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**2.6.6 Middle East**

0%

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**2.6.7 China**

0%

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**2.6.8 India**

0%

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**2.6.9 Indonesia**

0%

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**2.6.10 Malaysia**

0%

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**2.6.11 Rest of Asia**

0%

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**3. Time-Bound Plan**

**3.1 Year of first supply chain certification (planned or achieved)**

2019

**3.2 Year expected to/or started to use any RSPO-certified sustainable palm oil and oil palm products in your own brand products**

2018

**3.2.1 If target has not been met, please explain why.**

The 10% stated in this report is due to the fact that Coty began purchasing and using MB certified product in July 2018, so half way through the RSPO reporting timeline.

Coty's financial year runs from July to June, and this is the timing by which we have set our annual RSPO targets. Coty's target for our first year of activity is to purchase 20% MB certified and we are on target to meet that by the end of June 2019.

Therefore, the 10% stated in this report is on only 6 months of measured activity for Coty, but covering the whole of 2018 for the purposes of the ACOP report.

Coty undertook our first RSPO audits in January 2019 in the two European-based factories currently using MB certified products. We are working on the multi-site audit system, so we also had an RSPO audit in our Head Office in Geneva. At the time of writing we are waiting to discover if we have achieved supply chain certification.

**3.3 Year expected to be using 100% RSPO-certified sustainable palm oil and oil palm products from any supply chain option in your own brand products.**

2022

**3.3.1 If target has not been met, please explain why.**

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**3.4 Year expected to be using 100% RSPO-certified sustainable palm oil and oil palm products from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) in your own brand products.**

2022

**3.4.1 If target has not been met, please explain why.**

The plan is in progress and on target.

**3.4.2 Which markets do these commitments cover?**

Applies globally

**3.5 Does your company use RSPO-certified sustainable palm oil and oil palm products in goods you manufacture on behalf of other companies?**

No

**3.6 Does your company have a Time-Bound Plan to only use RSPO-certified sustainable palm oil and oil palm products in the goods you manufacture on behalf of other companies?**

No

**3.7 When do you expect all products you manufacture to only contain RSPO-certified sustainable palm oil and oil palm products?**

2022

**4. Trademark Use**

**4.1 Do you use or plan to use the RSPO Trademark on your own brand products?**

No

**4.2 Please select the countries where you use or intend to apply the Trademark.**

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**4.2.1 Please state the year that you started using the RSPO Trademark or the year you plan to start using the RSPO Trademark.**

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**4.3 Please explain why**

- 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

**Other:**

Coty uses palm oil derivatives and PKO derivatives and is focused on the MB chain of custody. Therefore we do not have a short-term plan to use the RSPO Trademark on our product packaging.

**4.4 Have you uploaded information and images of products using the RSPO Trademark to the RSPO mobile app?****5. Actions for Next Reporting Period****5.1 Outline actions that you will take in the coming year to promote the use of RSPO-certified sustainable palm oil and oil palm products along the supply chain.**

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, as we progress on our journey, we will continue to communicate to and engage with our supplier base to ensure they are ready to support our ambitions.

At the same time we will be engaging another Coty factory, based in Central America, in 2019, and will undertake the necessary training and awareness with that team to enable them to manage the Mass Balance processes according to the RSPO Standard.

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, by another 10%, so that by the end of our FY20 (June 2020) we will be using 30% MB certified products in our production sites.

Our first year ambition (FY19) is to have 20% of our global palm-oil derived raw materials usage RSPO certified through the Mass Balance Chain of Custody and we are on target to meet that by the end of June 2019.

We will also be communicating our progress and achievements internally to the Coty team, as well as to selected customers and external stakeholders in the next year.

**6. Non-Disclosure of Information**

6.1 Information in the sections above are mandatory declarations in your ACOP. For confidentiality purposes, members may choose not to display volume data in Section 2 publicly; however, RSPO reserves the right to utilise the member's data on an aggregate basis for sectoral and total analysis. Please check this box if the member chooses to have the data in Section 2 displayed publicly.

Yes - Display Publicly

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## 7. Application of Principles & Criteria for all member sectors

7.1 Related to company's procurement or operations, do you have organisational policies that are in line with the RSPO P&C? Select all relevant options.

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### 7.1.A Water, land, energy and carbon footprints

File: --

Link: <https://www.coty.com/responsible-growth/environment>

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### 7.1.B Land use rights

File: --

Link: --

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### 7.1.C Ethical conduct and human rights

File: [Coty CoC for Business Partners v5\\_FINAL \(002\).pdf](#)

Link: <https://www.coty.com/responsible-growth/partnerships-collaboration>

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### 7.1.D Labour rights

File: --

Link: [https://www.coty.com/sites/default/files/California\\_Transparency\\_in\\_Supply\\_Chains\\_Act\\_of\\_2010\\_disclosure\\_and\\_United\\_Kingdom\\_Modern](https://www.coty.com/sites/default/files/California_Transparency_in_Supply_Chains_Act_of_2010_disclosure_and_United_Kingdom_Modern)

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### 7.1.E Stakeholder engagement

File: --

Link: Please see our Code of Conduct for Business Partners

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### 7.1.F None of the above. Please explain why.

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7.2 What best practice guidelines or information has your organisation provided in the past year to facilitate the uptake of RSPO-certified sustainable palm oil and oil palm products? What languages are these guidelines available in?

Following a period of planning and preparation, Coty began to purchase MB certified raw materials in July 2018 at two of its factories in Europe.

In order to do this we undertook external training and internal quality process development, following the RSPO supply chain standards for the MB chain of custody.

We upgraded some of our SAP functionality to enable our factories to separate RSPO and non-RSPO certified product, and issued work instructions relevant to these steps to stakeholders.

We have also issued a master standard operating procedure (SOP) which is integrated into the Coty Global Quality System and which will be used as a guideline to all factories that become integrated into our RSPO program. Currently these guidelines are in English, however translation options are being considered.

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## 8. Greenhouse Gas (GHG) Footprint

**8.1 Are you currently reporting any GHG footprint?**

Yes

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**8.1.1 Please upload your publicly available GHG report**

File: --

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**8.1.1.1 OR please insert the URL to the GHG section of your corporate website.**

Link: [https://s3-us-west-2.amazonaws.com/ungc-production/attachments/cop\\_2019/473723/original/UNGC\\_Communication\\_on\\_Progress\\_FY2019.pdf](https://s3-us-west-2.amazonaws.com/ungc-production/attachments/cop_2019/473723/original/UNGC_Communication_on_Progress_FY2019.pdf)

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**8.2 Please explain and justify why you are not calculating your GHG footprint. Please include any future plans you may have to calculate your GHG footprint.**

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**8.3 What methodology are you using to calculate your GHG footprint?**

GHG Protocol

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**9. Support for Oil Palm Smallholders**

**9.1 Are you currently supporting any oil palm Independent Smallholder groups?**

No

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**9.2 How are you supporting them?**

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

No

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**9.2.2 When do you plan to start your support for oil palm Independent Smallholders?**

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**10. Challenges**



**10.1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?**

- 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
- Others

**Other:**

We have ensured the RSPO MB premium impact is communicated internally in advance and included in all relevant operational budgets.

**10.2 In addition to the actions already reported in this ACOP, how has your organisation supported the vision of RSPO to transform the market for sustainable palm oil in other ways?**

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues eg trade workshops industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- Others

**Other:**

We are in the process of building our external RSPO comms platform. We have also been in regular dialogue with our supplier partners to inform them of our ambitions so that they are in a good position to support us to achieve our targets.

**10.3 Please attach or add links to any other information from your organisation on your palm oil policies and activities (e.g.: sustainability reports, policies, other public information)**

Already attached previously in this report.