



WHEREAS: The growing plastic pollution crisis poses increasing risks to Coty Inc. Corporations could face an annual financial risk of approximately \$100 billion should governments require them to cover the waste management costs of the packaging they produce.¹ New laws to this effect were recently passed in Maine, Oregon, Colorado, and California,² while the European Union has enacted a \$1 per kilogram tax on all non-recycled plastic packaging waste.³

The Pew Charitable Trusts' groundbreaking *Breaking the Plastic Wave* report ("Pew Report") concludes that improved recycling is insufficient; at least one-third of overall plastic use must be eliminated to stem the global plastic pollution crisis. It finds that plastic use reduction is the most viable solution from environmental, economic, and social perspectives. Without immediate and sustained new commitments, annual flows of plastics into oceans could nearly triple by 2040.⁴

Coty has fallen behind its peers in plastic packaging reductions, earning an "F" in a 2021 Corporate Plastic Pollution Scorecard.⁵ Coty is also notably absent from the Ellen MacArthur Foundation's Global Commitment to reduce plastic pollution. Signatories have committed to reduce their virgin plastic use by an average of 20% by 2025.⁶ While our Company has some packaging sustainability goals, none focus directly on plastic and its specific risks.⁷

Competitors L'Oreal and L'Occitane are Global Commitment signatories and have set goals to reduce virgin plastic packaging use by 33% and 15%, respectively.⁸ At least sixty other consumer goods and retail companies have adopted goals to reduce use of virgin plastic packaging, and the majority have already reduced their use of plastic packaging over a 2018 baseline.⁹

¹ https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf

² <https://www.packworld.com/news/sustainability/article/22419036/four-states-enact-packaging-epr-laws>

³ https://commission.europa.eu/strategy-and-policy/eu-budget/long-term-eu-budget/2021-2027/revenue/own-resources/plastics-own-resource_en

⁴ https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf

⁵ <https://www.asyousow.org/report-page/plastic-pollution-scorecard-2021/>

⁶ <https://emf.thirdlight.com/link/f6oxost9xeso-nsjoqe/@/#id=>

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https://assets.contentstack.io/v3/assets/blted39bd312054daca/blt3750dde78a818f79/637374c32f1aba10d25a6552/COTY-SustainabilityReport_FY22-Final.pdf

⁸ <https://gc->

[22.emf.org/ppu/?_gl=1*1dfyllj*_ga*MzM0M0MDA1MDE0LjE2Nzk0MzIxNTk.*_ga_V32N675KJX*MTY4MzgxNjU2Mi45LjAuMTY4MzgxNjU2Mi42MC4wLjA.](https://emf.thirdlight.com/link/f6oxost9xeso-nsjoqe/@/#id=22.emf.org/ppu/?_gl=1*1dfyllj*_ga*MzM0M0MDA1MDE0LjE2Nzk0MzIxNTk.*_ga_V32N675KJX*MTY4MzgxNjU2Mi45LjAuMTY4MzgxNjU2Mi42MC4wLjA)

⁹ <https://emf.thirdlight.com/link/f6oxost9xeso-nsjoqe/@/#id=2>



Further, all Global Commitment signatories have committed to move towards reusable packaging. L'Occitane uses more than 16% reusable packaging and will implement reuse models at 95% of its retail stores by 2025.¹⁰ Coty does not have a quantifiable, timebound goal to substitute its single-use packages for reusables, nor a plastic reduction goal.

Coty could avoid regulatory, environmental, and financial risks by undertaking new commitments to reduce its plastic use.

BE IT RESOLVED: Shareholders request that the Board issue a report, at reasonable expense and excluding proprietary information, describing how the Company could reduce its plastics use in alignment with the one-third reduction findings of the Pew Report, or other authoritative sources, to reduce its contribution to ocean plastic pollution.

SUPPORTING STATEMENT: The report should, at Board discretion:

- Assess the reputational, financial, and operational risks associated with continuing to use substantial amounts of single-use plastic packaging while plastic pollution grows;
- Evaluate dramatically reducing the amount of plastic used in our packaging through transitioning to reusables; and
- Describe how the Company can further reduce single-use packaging, including any planned reduction strategies or goals, materials redesign, substitution, or reductions in virgin plastic use.

¹⁰ <https://gc-22.emf.org/detail-ppu?cid=L%27OCCITANE+Group>