

WHISTLEBLOWING POLICY

January 2024

Compliance with the law is the basis of all our activities, and we see honest, ethical, and compliant behaviour as the foundation of our corporate success. To this end, we have set up certain internal policies in which we specify rules of conduct for specific areas (e.g., our Code of Conduct). We expect all employees to adhere to our high standards and all employees are also committed to these standards accordingly.

Nevertheless, there is a risk for every organization that something will go wrong from time to time, or that employees will unknowingly or knowingly engage in unethical or illegal behaviour. A culture of openness and accountability is essential to prevent such situations or to manage them if they do occur.

For us to live up to this claim, it is important to learn about potential misconduct and to put a stop to it. Accordingly, it is very important to us to receive information about potential misconduct and to encourage people to report potential misconduct without fear of sanctions or discrimination.

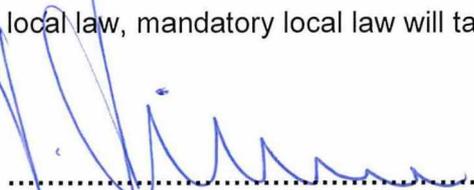
The central message of this Policy is:

Whistle-blowers are protected from sanctions, reports are treated confidentially, and the identity of whistle-blowers is not disclosed if they wish to do so, and it is legally possible. All plausible reports will be investigated, and action will be taken as appropriate.

This Policy applies to all employees, trainees, interns, board members, managers, and other employees, as well as all freelancers (hereinafter uniformly referred to as "employees").

In addition, this Policy applies mutatis mutandis to all other parties entitled to report, namely applicants, former employees, all business partners such as suppliers, service providers and customers, shareholders, sales representatives, intermediaries, and all other relevant stakeholders who have knowledge of misconduct within the Company.

Mandatory local law stays unaffected by this Policy. If this Policy conflicts with mandatory local law, mandatory local law will take precedence.



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Lutz Hübner

CEO, ADA Cosmetics

Table of Contents

I.	How can Potential Misconduct be Reported?	3
II.	Who Can Report Potential Misconduct?	6
III.	What Can and Should be Reported?	6
IV.	What Happens After a Report or How are Reports Processed?	7
V.	How are Whistle-blowers Protected?	9
VI.	How are Reported Persons Protected?	10
VII.	Data Protection.....	11
VIII.	Consequences of Violations	12
IX.	Effectiveness of the whistleblowing system	12



I. How can Potential Misconduct be Reported?

Internal reports:

Potential misconduct can be reported internally. Questions can also simply be asked, or concerns communicated on the legal compliance or ethical compatibility of certain corporate activities.

External Reports:

However, information on potential misconduct can also be supplied externally to the responsible authorities.

We welcome whistle-blowers to make an internal report first to allow us to quickly investigate and remedy potential misconduct internally, but whistle-blowers are not required to make an internal report first before contacting the proper authorities with an external report. In the case of an external report, the whistle-blower must ensure that the possible negative consequences of the external report for the Company and for the persons involved are kept to a minimum.

A. Company Internal Reports

- **Supervisor:**

Potential misconduct can be reported in the traditional manner to the responsible supervisor. Whistle-blowers may contact the supervisor in person or put the matter in writing. A personal meeting may also be held if the whistle-blower so desires. It may be possible to find a solution quickly and effectively.

- **Compliance Officer:**

Whistle-blowers may also contact the Compliance Officer at any time if they wish to report potential misconduct or have questions or concerns about the legal compliance or ethical compatibility of certain corporate activities.

The Compliance Officers may be contacted as follows:

For Germany:

Wolf Stahl

Email: wolf.stahl@ada-cosmetics.com

Phone: +49 7853 898 327

For Czech Republic:

Michaela Nováková

Email: michaela.novakova@ada-cosmetics.com

Phone: +420 466 251 032

For Malaysia:

Siew Kim Loh

Email: sk.loh@ada-cosmetics.com

Phone: +60 33167 6989 202



For UK:
Carol Ann Sleap
Email: carol-ann.sleap@ada-cosmetics.com
Phone: +44 1234 33 9442

For APAC and Thailand:
Sharon Ng
Email: Sharon.ng@ada-cosmetics.com
Phone: +852 3915 1015

For Middle East:
Clare Pritchard
Email: Clare.pritchard@ada-cosmetics.com
Phone: +971 4341 8920

For USA/ Canada:
Jim Dispensa
Email: jim.dispensa@ada-cosmetics.com
Phone: +1 773 831 4819

There should also be a face-to-face meeting if the whistle-blower so desires.

- **COMPLIANCE.ONE Whistleblowing System:**

Whistle-blowers can also report potential misconduct through our whistleblowing system COMPLIANCE.ONE. Reports can be made as follows:

- Online via our website for reports: <https://ada-cosmetics.compliance.one>
- By telephone via our hotline for reports:
 - o +498914379852
 - o +442030068820
 - o +12245071765
 - o +420910921021

The website for reports and the hotline for reports are provided by our external service provider COMPLIANCE.ONE.

Potential whistle-blowers should be able to find the whistleblowing system easily. The link to the whistleblowing system is therefore published in all relevant places (in offices, on our website and in communications with suppliers/service providers, as well to clients).

In case of a report via the website for reports, one of the following options can be chosen:

- **Anonymous:**

No data on the identity of the whistle-blower is recorded, but the status of the processing of the report can still be tracked anonymously at any time via a QR code or a link. In this way, further supplementary information on the facts of the case can also be supplied anonymously.



- **Confidential:**

Whistle-blowers can supply contact details, e.g., their e-mail address, and are then kept up to date on the status of their report and the employee managing the report can ask queries about the facts, which can simplify and speed up the clarification of the matter.

In the case of a confidential report, the contact data, and the information on the identity of the whistle-blower are processed exclusively by the provider of the whistleblowing system COMPLIANCE.ONE and are not forwarded to the employee handling the report. This is clearly contractually agreed with COMPLIANCE.ONE which is not allowed to send this information to the Company. COMPLIANCE.ONE acts as an anonymization level between the whistle-blower and Company and the employee managing the report in the Company.

- **Transparent:**

In the case of a transparent whistleblowing, the contact data or information on the identity of the whistle-blower is passed on by the provider of the whistleblowing system COMPLIANCE.ONE to the employee managing the report and direct communication can take place between the whistle-blowers and the employee managing the report in the Company.

B. External Reports to the Competent Authorities

You can also always contact the relevant authorities in case of potential misconduct.

C. Anonymous Reports

The Company will also investigate anonymous reports, even if there may be no legal obligation to do so.

The Company expressly does not encourage anonymous reports, as a proper investigation may be more difficult or impossible if no further supplementary information on the respective facts can be obtained from the whistle-blower. It may also be more difficult to decide whether a report is credible and plausible in the case of anonymous reports.

The whistleblowing system COMPLIANCE.ONE provides the possibility to give confidential information without revealing the identity of the whistle-blowers to the employee handling the report in the Company, since the identity of the whistle-blowers in the case of a confidential information is only known to the provider of the whistleblowing system COMPLIANCE.ONE and COMPLIANCE.ONE will not and may not reveal the identity of the whistle-blowers to the Company.

A confidential report thus combines the advantages of anonymity with the possibility of communication between the whistle-blower and the Company.

D. Reports via Telephone and Personal Meeting

Reports via telephone or reports given during a personal conversation are recorded with the consent of the person supplying the report or the conversation is recorded. The person providing the report will then be provided with the call log for review and correction, and he/she can confirm the log by signing it.

II. Who Can Report Potential Misconduct?

All current and former employees of our Company, and all applicants, business partners such as suppliers, service providers and customers, shareholders, sales representatives, intermediaries, and all other relevant stakeholders who have knowledge of misconduct in the Company are entitled to report.

III. What Can and Should be Reported?

A. All Potential Grievances

All grievances within the Company, any misconduct by employees, all potential violations of applicable law and/or Company guidelines, etc., including the respective suspicion, can and should be reported. This includes, but is by no means limited to, the following areas:

- Fraud and misconduct relating to accounting or internal accounting controls,
- Corruption, bribery, and venality,
- Banking and financial crime,
- Auditing offenses,
- Money laundering, financing of terrorist activities,
- Prohibited Insider Trading,
- Violations of antitrust law, competition law and/or data protection law,
- Betrayal of secrets, breaches of confidentiality obligations,
- Falsification of contracts, reports, or records,
- Misuse of company assets, theft, or embezzlement,
- Environmental hazards, common hazards, hazards to the health or safety of our employees, and similar cases.

Violations or suspected violations by any employee, including the Company's executive bodies and managers, can and should be reported. The same applies if a third party commits an act that is directed against our Company (for example, attempted bribery by service providers and suppliers).

B. Reasonable Suspicion

All cases where there is a reasonable suspicion that an incident relevant under this Policy has occurred should be reported.

Not in all cases will it be clear to the whistle-blower whether a particular action or behaviour constitutes wrongdoing or a violation of law and/or Company policy. The whistle-blower should carefully consider this before making a report. However, it is clearly in the company's interest for a suspected case to be reported, even if whistle-blowers are not 100 percent certain that it is indeed a case of maladministration where the Company must intervene. It is better to report once too often than to conceal a grievance.

In case of doubt, the potential whistle-blower can discuss the case or his/her suspicion in abstract terms with the compliance officer or his/her supervisor without naming names and agree whether it is a relevant case to be reported.



C. Concrete and Conclusive

Each report should be as specific as possible. The whistle-blower should supply as detailed information as possible about the facts to be reported, so that the person managing the case can assess the matter correctly. In this context, the background, the course of events and the reason for the report as well as names, dates, places, and other information should be provided. Documents should be supplied if available. Subjective experiences, possible prejudices or subjective opinions should be identified as such. In principle, the whistle-blower is not bound to conduct his own investigations; an exception may apply if he is bound to do so under his employment contract.

D. Good Faith or Abuse of the Whistleblowing System

Every report should be made in good faith. If a review of the report reveals, for example, that there is no reasonable suspicion or that the facts are insufficient to substantiate a suspicion, whistle-blowers who give a report in good faith will not be subject to disciplinary action.

The situation is different for whistle-blowers who deliberately misuse the whistleblowing system to send false reports; such whistle-blowers must expect disciplinary action. Impairment of the whistleblowing system through, for example, manipulation, cover-up, or breach of agreements regarding confidentiality may also result in disciplinary measures. Measures that can be considered are, for example, warnings or dismissals. In addition, this may have consequences under civil or criminal law.

E. Obligation to Report

If employees have reason to believe that a matter relating to the Company constitutes a criminal offense or is likely to result in severe damage to the Company or third parties, they have a duty to inform the Company. This duty to inform does not apply if the facts are already known to the Company or if there is no duty to testify under the Code of Criminal Procedure.

IV. What Happens After a Report or How are Reports Processed?

A. Confirmation of Receipt

The whistle-blower will receive confirmation of receipt within seven days of receipt of his/her report, unless he/she has given the report anonymously.

When using our whistle-blower system COMPLIANCE.ONE, the confirmation of receipt and the status of processing can be retrieved via the QR code or link to the respective report, even in the case of an anonymous report.

B. Processing of the Report

Any report will be treated confidentially and following the applicable data protection laws. An impartial reporting officer and a deputy reporting officer have been appointed within the Company to process the reports.

Once a report has been received, the reporting officer conducts a first check of the plausibility and relevance of the report. If the reporting officer is of the opinion that further investigations should be conducted, he/she documents this and sends the information to the unit(s) within the Company responsible for the further investigation. These then conduct the internal investigations. The name of the whistle-blower will only be communicated and disclosed within the Company if the whistle-blower has given his or her express approval.

All employees are obliged to support the unit(s) responsible for the investigation in its inquiries and to cooperate to the best of their ability in clarifying the suspicion. They are bound to keep confidentiality. The information obtained is documented, with only the necessary data being collected and processed. The investigation will be conducted as quickly as reasonably possible. The unit(s) responsible for internal investigations shall keep the reporting officer informed of the progress of the investigation.

The whistle-blower will be informed by the reporting officer about the progress of the procedure and will receive feedback on the processing status or the measures taken in connection with the report within a suitable period, at the latest within three months of receipt of the report.

C. Conclusion of the Investigations and Measures

The unit(s) responsible for internal investigations shall inform the relevant decision-makers after the investigation has been completed if a report proves to be correct and relevant. The relevant decision-makers are persons who have the power to act within the Company to remedy, prosecute, punish, etc. grievances. As a rule, this will be the managing director(s). The relevant decision-makers then decide on the measures necessary in the interests of the Company, based on the facts found.

As far as necessary based on the results determined, the competent governmental authorities are informed and involved, and the relevant information is transmitted to them.

If a report turns out to be false or cannot be sufficiently substantiated with facts, this is documented accordingly, and the procedure is stopped at once. There must be no consequences for the employees concerned; in particular, the matter is not documented in the personnel file.

The Company will also endeavour to use the results and suggestions of any investigation to correct any misconduct to the extent possible under existing circumstances.

D. Complaint About the Way the Report was handled

The Company attaches great importance to ensuring that all reports are comprehensively processed and appreciated, and that they are always dealt with fairly and appropriately.

If whistle-blowers are not satisfied with the way a report has been managed, they can contact their supervisor, the Compliance Officer, or the management directly (depending on who was involved in the handling of the report).

V. How are Whistle-blowers Protected?

A. Confidentiality and Secrecy

The protection of whistle-blowers is ensured by the confidential treatment of their identity. Confidentiality also applies to all other information from which the identity of the whistle-blower can be directly or indirectly deduced. In principle, the name of a whistle-blower will not be disclosed; the identity of the whistle-blower may be disclosed if the whistle-blower allows disclosure or if a corresponding legal obligation exists.

Whistle-blowers shall be informed before their identity is disclosed unless such information would jeopardize the relevant investigation. The same applies to confidentiality on whistle-blowers as to persons who have helped in the clarification of a suspicion.

B. Protection Against Reprisals

Any person who makes a good faith report or cooperates in the investigation of a suspected report shall not be subject to adverse action or reprisal, or an attempt to take adverse action or reprisal, because of the report or cooperation.

This may not apply if the person is involved in the incident to be investigated.

If a whistle-blower or a person involved in the investigation of a suspicion believes that he/she has been subjected to reprisals as a result, he/she must report this to his or her respective superior or, if the superior is or took part in the potential reprisal, to the Compliance Officer. It shall be presumed that a whistle-blower or a person who has cooperated in the clarification of a suspicion, who has suffered a reprisal, has suffered this reprisal due to the whistleblowing or cooperation. It is up to the person who took the adverse action to prove that this action was based on sufficiently justified reasons and does not constitute a reprisal due to the report or cooperation.

The Company will not tolerate any discrimination, harassment or similar treatment of whistle-blowers or persons involved in the investigation. The Company will consider the circumstances of each case and may take temporary or permanent measures to protect the whistle-blower(s) or cooperating persons and to protect the interests of the Company.

Any employee or supervisor who dismisses, demotes, harasses, or discriminates against a whistle-blower or any person who cooperates in the investigation of a related allegation because of the whistle-blower's or person's cooperation or similar action will be subject to disciplinary action, which in the most extreme case may result in dismissal.

Protection from reprisal also extends to third parties associated with a whistle-blower who could suffer reprisal in a professional context, such as colleagues or relatives of the whistle-blower, legal entities owned or worked for by a whistle-blower, or with whom the whistle-blower is otherwise associated in a professional context.

VI. How are Reported Persons Protected?

A. Information of the Reported Person

Any person affected by a report shall be notified of the suspicions directed against him/her at the proper time, considering the requirements of data protection law, unless such notification would significantly impede the progress of the proceedings to set up the facts. The notification shall be made at the latest after the investigation has been completed.

The notification usually holds the following information:

- the details of the given report,
- the purposes of the processing,
- the legal basis for the processing and the legitimate interests of the Company underlying the processing,
- the categories of personal data that are processed,
- the departments informed about the notification and the persons authorized to access the data,
- the recipients or categories of recipients,
- the intention to transfer the data to a recipient located in an insecure third country and the legal basis for the transfer,
- information on the identity of the whistle-blower or the source, as far as the whistle-blower has consented to the disclosure of his/her identity or this is necessary to protect the interests of the data subject,
- the duration of the storage of the data or the criteria for determining the duration,
- the rights of the data subject to information, correction, blocking or deletion or any rights of objection,
- rights of appeal to the supervisory authority.

B. Right to Comment

The person concerned shall be heard by the unit(s) responsible for internal investigations before conclusions are drawn at the end of the procedure explained above. If a hearing is not possible for objective reasons, the unit(s) responsible for internal investigations shall request the person concerned to formulate his or her arguments in writing.

C. Right to Delete the Data

If the suspicion asserted in the notification is not confirmed, the data subject shall have the right to have his/her data stored by the Company in this context deleted.

D. Right to Complain to the Works Council

The reported person may make use of his/her right of appeal following Sections 84, 85 of the Works Council Constitution Act (BetrVG) and involve the works council.

VII. Data Protection

A. Legal Compliance and Legal Basis

Personal data provided by whistle-blowers or collected during internal investigations are processed in compliance with data protection regulations.

The data collected is used exclusively for the purposes described in this Policy. The data is supplied to ensure the Company's legal obligations or compliance within the Company. The data is processed based on Section 26 (1) of the German Federal Data Protection Act (BDSG) for the fulfilment of contractual obligations or based on the overriding legitimate interests of the Company following Art. 6 (1) lit. f) GDPR. These legitimate interests are ensuring compliance in the Company, in particular the detection and clarification of wrongdoing in the Company, of conduct harmful to the Company, of white-collar crime, etc., as well as the protection of employees, business partners, customers and other stakeholders.

B. Information and Access

Whistle-blowers are provided with the necessary information on data processing and data protection when the data is collected.

All persons whose data is processed by the Company in the course of the procedure (e.g., whistle-blowers, reported persons or persons assisting in the clarification) have the right, pursuant to Art. 15 GDPR, to receive information from the Company about the data stored about them by the Company and further information, such as the processing purposes or the recipients of the data.

C. Retention and Deletion

Reports will not be kept longer than is necessary and proportionate to meet the requirements in this Policy and/or statutory retention periods.

The data collected is generally deleted within two months of the conclusion of the internal investigation. If criminal, disciplinary, or civil court proceedings are initiated because of misconduct within the meaning of this Policy or misuse of the whistleblowing system, the storage period may be extended until the respective proceedings have been legally concluded.

Personal data that is obviously not relevant for the processing of a specific report will not be collected or will be removed at once if it was collected unintentionally.

D. Technical and Organizational Measures

The data collected and processed because of a report is stored separately from the other data processed in the Company. Appropriate authorization systems and proper technical and organizational measures ensure that only the persons responsible in each case have access to this data.

E. Transfer to Third Countries

The data is processed exclusively within the EU or the EEA. Only in the case of non-European circumstances may a transfer to unsafe third countries be necessary. In this case, proper safeguards are provided following Art. 46 et seq. GDPR.



F. Data Subject Rights

All persons whose data is processed by the Company within the scope of the procedure have the right to have their incorrect data corrected, the right to have their data completed, the right to have their data blocked or to have their data deleted, provided that the requirements pursuant to Art. 16 et seq. GDPR are met. A request for deletion is justified, for example, if the data has been processed unlawfully or the data is no longer needed for the purposes for which it was collected.

G. Rights of Objection

If data is processed based on legitimate interests of the Company, the person concerned by such processing may object to the processing of his or her data by the Company at any time on grounds relating to his or her situation. The Company will then either show overriding legitimate grounds allowing the processing or it will no longer process the data. For the period of this review, the data will be blocked for these purposes.

H. Data Protection Officer

Persons involved in the procedure, including the whistle-blowers themselves, may contact the Company's Data Protection Officer at any time to have it checked whether the rights existing based on the relevant applicable provisions have been observed.

I. Right of Appeal to the Data Protection Supervisory Authority

If a data subject believes that the Company is not processing the data following applicable data protection law, a complaint may be filed with the competent data protection supervisory authority.

VIII. Consequences of Violations

Violation of this Policy may result in measures under employment law, including termination of employment without notice or, in the case of freelancers, termination of the cooperation without notice. Criminal sanctions and civil law consequences such as compensation for damages are also possible.

IX. Effectiveness of the whistleblowing system

ADA Cosmetics will be reviewing the effectiveness of the mechanism on a yearly basis, to find potential improvements.

The number of complaints and the type of complaints received will be analysed and we will be able to adapt our communication towards this grievance mechanism. We want to make sure stakeholders trust in this external tool and understand they can report safely, without fear of retaliation.

