

Modern Slavery & Human Trafficking Statement 2023

**Introduction by Lutz Hübner,
CEO of ADA Cosmetics International**

Since the ADA Group is present in many countries, we are committed to respecting and promoting all internationally recognized standards of human rights for those that work for us as well as those that are part of our supply chains all over the world, while generally aiming to keep up social standards.

By way of an introduced due diligence process, we follow the recommendations of the OECD-Guidelines which can help us identify, prevent, and mitigate adverse impacts related to work human rights, the environment, bribery, and consumers, and we observe corporate governance principles that may be associated with our operations, supply chains and other business relationships.

ADA Cosmetics also supports the Ten Principles of the United Nations Global Compact (UNGC) on human rights, labour, environment, and anti-corruption. We are committed to making the UN Global Compact and its principles part of the strategy, culture, and day-to-day operations of our Company, and to engage in collaborative projects advancing the broader development goals of the United Nations, particularly those promoting Sustainable Development.

We attach great importance to fair, attractive working conditions and to open interaction that is characterised by respect and appreciation along our entire supply chain. ADA firmly rejects child labour, corruption, and modern slavery. Our Group Code of Conduct was already updated in 2023 to include all fundamental human rights, and our goal is that all ADA employees will be trained on this Code of Conduct by the end of 2024.

Some employees were trained on modern slavery in 2023, and we aim for further employees to attend this training, as well as the anti-corruption training, during 2024.

Organisational Structure & Supply Chain

We are a manufacturer and supplier in the hotel cosmetics sector. Our Group has over 580 employees throughout the world and our group companies sell in over 106 countries.

The Group has a global annual turnover of more than 119 million EUR.

Our business is organised into 5 primary business units that serve markets in:

- Europe
- UK
- Africa and the Middle East
- Asia and the Pacific
- North America

Our internal manufacturing plants are in:

- Germany
- Czech Republic
- Malaysia

We operate in an excellent and safe environment for both our internal and contracted staff.

Our supply chains are headed by our Chief Financial Officer based in Germany. Our supply chain offices are in the UK, USA, Asia and Czech Republic, these offices manage the Global Supply Chain function working and co-ordinating alongside our German office.

Our Policies on Slavery & Human trafficking

To give effect to our ethical beliefs, we have strong Policies & Procedures which set out the ethical considerations our staff will constantly have in mind when making decisions to enter business relationships with third parties.

All our employees are employed under sound employment contracts. We will observe the principles of all relevant local laws. This means that no type of child labour, forced labour or exploitation is tolerated anywhere within the group. The ADA group has zero tolerance for human rights violations.



577+ Suppliers



580+ Employees



3 Internal Factories



23 Sourcing Countries

How have we improved in 2023?

- We have continued to develop our **'Responsible Sourcing Policy'**, every new project at ADA being assessed for compliance by way of our responsible sourcing policy and for its responsibility towards the people and the planet.

Aside from more responsibly chosen raw materials, we also seek to improve our purchasing practices within our value chain. Therefore, we conducted Impact, Risk and Opportunity assessments at our three production sites, and Human Rights Risk assessments taking our Tier 1 suppliers' countries and our industry into consideration. This assessment will be presented to our Leadership Team in 2024.

- By creating a **'Supplier Onboarding Process'** and working closely with our Responsible Sourcing Policy and its practices we continue to bring our suppliers alongside our sustainability journey to ensure they are committed to the same high values.
- We have created a **Sustainability Committee** around the group, made up of our Sustainability Manager, Local Compliance Officers, and the Head of Compliance.
- We have started to create further awareness and are learning all about our CSR policies via our new **'ADA Academy'**. Employees around the world can access training material to further develop their skills and awareness.
- **Modern Slavery Risk Assessments** have been completed for our internal factories and offices and we will further roll out these assessments to our third-party manufacturers during 2024.
- We joined the **United Nations Global Compact (UNGC)** in 2023, to re-affirm our will to put Human rights at the centre of our strategy. We will need to show progress year after year in relation to these 10 principles of the UNGC.
- We became a **SEDEX Member** by December 2023. This enables us to assess our supply chain's risks on Human rights and to decide where to prioritize our actions in order to mitigate our risks.
- **Modern Slavery Training & Awareness Posters**

The poster features the ADA Cosmetics logo at the top left with the tagline 'CONSCIOUS CHOICES TRIP BY TRIP'. Below the logo, it says 'APRIL 2023'. The main headline reads 'BREAK THE CHAINS & END HUMAN SLAVERY'. The central image shows a person in a grey hoodie sitting on the ground, looking away from the camera, with a background of warm, out-of-focus lights. A text box on the right defines modern slavery: 'MODERN SLAVERY IS WHEN AN INDIVIDUAL IS EXPLOITED BY OTHERS, FOR PERSONAL OR COMMERCIAL GAIN. WHETHER TRICKED, COERCED, OR FORCED, THEY LOSE THEIR FREEDOM.' At the bottom, a call to action states: 'At ADA, we want to raise awareness of Modern Human Slavery. If you think your human rights have been breached or know someone who needs help, get some specialist advice about the issues as early as possible!'

- If an employee or any stakeholder reports wrongdoing believing this to be in the public interest, he or she will be performing what is called “**whistleblowing**”.

Whistleblowing can be about criminal activity, such as theft, or about unethical or unjust behaviour in the workplace, including racist, sexist, or homophobic behaviour, or any other non-compliance issues, following our Code of Conduct, our Anti-Corruption-Guidelines and all human rights expectations as laid out in our Human Rights Policy.

To comply with the Whistleblower Protection Act, ADA Cosmetics allows any person wanting to report a wrongdoing to use a special online platform called:

COMPLIANCE.ONE: <https://ada-cosmetics.compliance.one>

- Our partners and third parties can also **report any concerns** through this external platform as the link is available on our website or via email: compliance@ada-cosmetics.com

ADA Policy Statements can be found on our website:

www.ada-cosmetics.com/en/sustainability/transparency/

On behalf of ADA Cosmetics International

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for our financial year which ended on 31st December 2023.

Date:

24th of June of 2024



Lutz Hübner

CEO ADA Cosmetics International