

DIVERSITY, EQUITY, AND INCLUSION POLICY

September 2024

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I. Declaration

A. Our Commitment

At ADA Cosmetics, we are committed to the principle of 'Conscious Choices, trip by trip' by promoting diversity, equality, and inclusion, (DEI) and to embedding it into everything we do.

DEI are integral to our work, brand, reputation, success, sustainability, and impact. These values ensure that what we say is aligned with what we do, and how we do it.

Our vision is that everyone can achieve their full potential. To make this a reality, our work must reflect the realities of the society we live in.

As an employer, we believe that DEI are about recognizing people's differences and treating everyone fairly. We value difference as part of a healthy and effective organisation. We have made a commitment to creating an inclusive workplace where everyone feels valued and respected because of their differences: a place where every member of staff can be the whole and best version of themselves, so they can reach their own potential and help us to achieve our overall goals.

We, the leaders of ADA Cosmetics, are committed to ensuring equality for all persons in the workplace by:

Workforce Diversity: Committing to a diverse workforce across all levels of the organization. This includes ensuring representation from various gender, racial, ethnic, religion, sexual orientation, and disability groups.

Inclusive Recruitment Practices: Developing hiring practices that reduce bias and open opportunities to a diverse range of candidates.

Equitable Compensation and Benefits: Ensuring that all employees have access to fair compensation and benefits, regardless of their background.

Professional Development and Advancement: Providing equal opportunities for career advancement, including mentorship programs, training, and promotions.

Workplace Culture and Environment: Creating an inclusive culture that respects and values differences. This can include employee resource groups, diversity training, and policies that support work-life balance and respect different cultural practices.

Supplier Diversity: Committing to diversity in supply chain practices, including working with minority-owned, women-owned, and other diverse suppliers.



Community Engagement and Social Responsibility: Actively engaging in and supporting the local community, particularly under-represented groups, through volunteering, sponsorships, and partnerships.

Accessible Work Environments: Ensuring physical and digital accessibility for people with disabilities, where possible for us to do so.

Gender Equality: Addressing gender disparities in the workplace, including support for gender-transitioning employees and policies against gender discrimination.

LGBTQ+ Inclusivity: Creating a safe and welcoming environment for LGBTQ+ employees, including support for same-sex partners and non-discriminatory policies.

Mental Health Awareness: Promoting mental health and well-being in the workplace, including support programs and awareness training.

Anti-Discrimination Policies and Training: Implementing and enforcing policies against discrimination and harassment and providing regular training on these topics.

Board and Leadership Diversity: Ensuring diversity in leadership positions and on the company's board.

Global Diversity Understanding: For multinational companies, understanding and respecting the diversity of cultures and practices in different countries.

B. Why we have a DEI Policy

The purpose of the DEI policy is to ensure that everyone is treated fairly and to create a working environment where every individual feels safe, a sense of belonging and is empowered to achieve their full potential. This policy helps to communicate ADA's support for equality, diversity, and inclusion. It also helps to set expectations for behavior and makes everyone aware of discrimination and the law.

C. Alignment of the policy with international frameworks

Our organisation recognizes the importance of aligning our DEI principles with globally recognized standards. To this end, we commit to:

1. Adhering to the United Nations Global Compact principles, particularly those focusing on human rights, labor, environment, and anti-corruption. Our DEI strategies are developed in harmony with these principles, ensuring global relevance and ethical integrity.
2. Incorporating the Sustainable Development Goals (**SDGs**) as outlined by the United Nations, with a special focus on goals related to gender equality, reduced inequalities, and decent work and economic growth.



3. Following the standards set forth by the International Labour Organization (ILO), ensuring fair labour practices and equitable treatment of all employees regardless of their background.

4. Abiding by the OECD Guidelines for Multinational Enterprises, which provide guidance on responsible business conduct in areas such as employment, human rights, and environmental stewardship.

5. Upholding the United Nations Guiding Principles on Business and Human Rights, ensuring respect for human rights and the implementation of appropriate due diligence processes.

II. Definitions

Diversity refers to the representation of a wide range of traits and attributes in a workforce. These attributes include, but are not limited to, race, ethnicity, gender, age, religion, disability, sexual orientation, education, national origin, and other aspects of personal identity.

In the workplace, diversity means that the organization employs a mix of individuals with varying backgrounds and experiences. It is not limited to hiring people from different demographic groups but extends to ensuring their representation at all levels, from entry-level to leadership positions.

The focus is on valuing and harnessing the different perspectives and skills that come from different life experiences. This diversity can drive innovation and contribute to a more dynamic organizational culture.

Equity in the workplace involves ensuring that all employees have access to the same opportunities and resources. It recognizes that due to systemic inequalities and individual circumstances, different people may require different levels of support to have equal opportunities.

Equity aims to address and balance these disparities by implementing policies and practices that are fair and just. This includes equitable pay, fair workload distribution, equal access to promotions and professional development, and fair treatment in organizational processes.

The goal of equity is to create a level playing field where individuals are evaluated and rewarded based on their abilities, effort, and performance, rather than their background or personal characteristics.

Inclusion refers to creating a work environment where all individuals feel valued, respected, and supported. It is about actively inviting the contribution and participation of all employees.

An inclusive workplace is one where diverse employee can thrive, not just because they are present, but because the culture actively embraces, celebrates, and integrates their differences. This includes fostering open communication, encouraging diverse perspectives in decision-making, and recognizing and valuing the unique contributions of each employee.

Inclusion is about ensuring that everyone, regardless of their background or identity, feels they belong and can perform to their best ability. This involves not only acceptance but active support from leadership and peers, creating an environment of psychological safety where everyone feels comfortable sharing their views and ideas.

Discrimination means treating a person unfairly because of who they are or because they possess certain characteristics.

Harassment comprises of unwanted behavior that makes another person feel offended, humiliated, or intimidated. Unwanted behavior could include physical gestures, abuse, jokes, spoken or written words or offensive emails and expressions.

The UNGP provide a framework for businesses to meet their responsibility to respect human rights, which includes addressing issues related to harassment.

III. Scope & Coverage

The scope of our DEI policy applies to, but not only:

- **Hiring practices:** we make sure we follow a strict procedure to hire our candidates. We follow our onboarding process and practices as recognized by all our hiring managers.
- We have created an **Equal Employment Opportunities Statement (EEO)** which highlights our commitments.
- **DEI questionnaire** to understand how we can continue to improve further and to support every colleague fairly and without any form of discrimination.

This policy covers all employees at ADA Cosmetics, regardless of their role and level. This includes full-time and part-time employees, contractors, interns, volunteers and even customers and partners.

A. Employee Responsibilities:

We are all responsible for DEI; it requires considered action on every topic, our employees are trained on DEI and are responsible for:

- Respecting the dignity and diversity of each other.
- Creating an inclusive environment that is free from discrimination, harassment, and bullying.
- Enhancing their awareness of potential unconscious bias and how that might hinder our ability to be more inclusive and collaborative with one another.



B. Management, Stakeholders & Company Leaders Responsibilities:

Management and Company leaders are accountable for specific DEI responsibilities and for achieving DEI outcomes as part of their job performance. These responsibilities are included but not limited to:

- Ensuring diversity among employees through discrimination-free decisions and individual DEI goals
- Promoting equity through conscious inclusion and unconscious bias mitigation in talent practices.
- Recruiting from a diverse talent pool to fully realize everyone's potential.
- Providing reasonable accommodations for qualified individuals with a disability and for those who needs related to their religious observance or practices of personal religious expression. A reasonable accommodation depends on the facts and circumstances and is addressed case by case.

This includes:

- Ensuring a discrimination-free work environment, promoting inclusive leadership and role modelling respectful behavior.
- Promoting open dialogue, constructive feedback, and respect for diverse opinions.
- Fostering a culture that respects all employees, customers, vendors, contractors, and applicable laws.
- Appropriately addressing any behavior not consistent with this or other policies or with applicable laws relating to equal opportunity, diversity, equity, or inclusion.

This policy is communicated to all employees and stakeholders, as it is available publicly online at this address: <https://ada-cosmetics.com/sustainability/transparency/>

IV. Reporting Mechanisms

A. Reporting Inappropriate Conduct

If an employee of ADA Cosmetics believes that they or another individual has been subjected to conduct prohibited by this Policy, the employee is urged and expected to report the relevant facts promptly.

Whistleblowing Platform

At ADA Cosmetics, we have chosen to engage in a Whistleblowing Platform called "Compliance One" that will enable any wrongdoings to be reported, by all our stakeholders. These will then be dealt through our international compliance officers to ensure all matters are successfully investigated and corrected. The Compliance One Integrity Line is available 24 hours a day, 7 days a week, and in 21 languages. It is independent, secure, and confidential, offering a safe mechanism for anonymous reporting (where permitted by local law) of suspected concerns or potential violations of our policies or the law.

All reported incidents will be investigated with an effort to keep the source of the report confidential, with the disclosure of information as appropriate to facilitate the investigation or resolution of the matter. ADA Cosmetics encourages employees to report in good faith any possible violation of this Policy.

Any wrongdoing can be reported:

- Online via our website for reports: <https://ada-cosmetics.compliance.one>
- By telephone via our hotline for reports:
 - +442030068820 (English: for Europe)
 - +498914379852 (German)
 - +12245071765 (English: for Americas)
 - +420910921021 (Czech)

To get more information on our Whistleblowing system, please read our Whistleblowing policy, available at: <https://ada-cosmetics.com/sustainability/transparency/>

B. Enforcement of the Policy

Prohibition of Retaliation:

ADA Cosmetics will not tolerate threats or acts of retaliation of any kind against any individuals because they report conduct reasonably believed to violate this Policy, or in good faith provide information in connection with a report or investigation of any such conduct.

Consequences:

Employees of ADA Cosmetics who do not comply with this Policy and/or are found to have engaged in discrimination, harassment, or bullying, will be subject to appropriate disciplinary action, up to and including termination of employment.

Considerations:

ADA Cosmetics and all related companies comply with the laws of each country in which we do business. It is the responsibility of each company's management and employees to be familiar and comply with the local equal opportunity laws and regulations.

V. Measures (present and future)

Measuring the proportion of females in management

EEO Statement for all recruitments

Accommodating disabled staff where possible

Increasing cooperation with students & universities

Promoting exchange students working in various countries

Ensuring that employees belong to as many different age groups as possible

Training

Workers Council

We at ADA Cosmetics have a worker's council in Germany that is here to protect our employees and make sure their working conditions are always considered for any corporate decisions made by management.

We will be analyzing the Gender pay gap in 2024 to see where ADA is on this topic with the goal to adjust any pay differences.

Equality Act

The Equality Act 2010 (UK) highlights 9 protected characteristics:

1. Age
2. Gender
3. Race
4. Disability
5. Religion
6. Pregnancy and maternity
7. Sexual orientation
8. Gender reassignment
9. Marriage and civil partnership

Discrimination that occurs because of one or more of the above characteristics is unlawful under the Equality Act. Considering every person has at least some of these characteristics such as age, race or gender, the Act protects every person from being discriminated against.

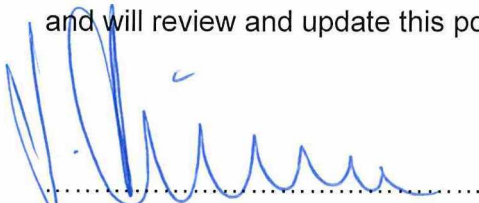
Diversity training

Completing diversity training is crucial to enhance knowledge and awareness of this topic and the importance of our values. Therefore, all employees will be trained in this new Policy by the end of 2024, and each 'new' employee will receive training within the first 3 months of employment, as part of our New Employee Onboarding Process.

VI. Document History

This policy was first published in September 2024.

Our Leadership team is committed to upholding the principles of diversity, equity and inclusion and will review and update this policy on a yearly basis.



Lutz Hübner
CEO