

GLOBAL ENVIRONMENTAL POLICY

March 2025

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I. Introduction

This global environmental policy's goal is to address our strategy related to the Environment and Society on a group level.

We expect every partner to conduct its business in an environmentally responsible manner and to work towards following the same principles as ADA Cosmetics.

II. Our Strategy

We use the 5R Strategy to manage waste, and promote sustainability by prioritizing actions to reduce environmental impact:

- **Refuse:** In all new product development, we prioritize the elimination of unnecessary packaging and the exclusion of non-essential hazardous ingredients in our formulations.

- **Reduce:** When the use of a hazardous ingredient is necessary, we prioritize minimizing its usage to the lowest feasible level. Similarly, we are committed to reducing packaging materials to essential amounts only, consistently seeking opportunities to decrease material weight and environmental impact. Our approach also emphasizes reducing plastic usage by implementing alternative materials wherever possible. For instance, we have transitioned our accessory packaging from plastic to FSC®-certified recycled paper whenever appropriate, reflecting our dedication to sustainable practices and responsible sourcing.

- **Reuse:** We consistently prioritize reusability in our purchasing practices. For instance, we return empty cardboard sticker rolls to our suppliers for reuse, promoting a circular approach. This commitment extends to our packaging, where we focus on developing reusable, refillable products to minimize waste and enhance sustainability.

- **Repurpose:** Wherever possible, we seek to extend the lifecycle of our products and materials by repurposing them for alternative uses beyond their original intent.

- **Recycle:** We ensure that all materials suitable for reprocessing are properly sorted and processed for integration into new products. This approach encompasses not only our raw materials but also the paper, glass, metal, and plastic we consume. Eco-design principles are embedded in our product development process, enabling recyclability at end-of-life through a focus on mono-materials, ease of disassembly, and recyclable components. We also prioritize incorporating recycled content in our packaging to reduce emissions and repurpose existing waste effectively.



At ADA Cosmetics, we embed the 5R strategy into every aspect of our operations, allowing circularity principles to naturally guide our products and processes. This commitment to sustainability has become a core element of our business strategy, reflecting our awareness of our impact on society and the environment.

We take full responsibility for this impact, setting ambitious targets to continually reduce our environmental footprint and enhance our positive contributions to society.

III. Our commitments

A. Commitments related to climate change and water

- Aligned with our commitment to a circular economy, our goal is to adhere to eco-design principles that prioritize sustainability. This includes increasing recycled content in our packaging, developing mono-material packaging to facilitate recycling, reducing packaging weight wherever possible, expanding refillable solutions, and minimizing the use of virgin plastics. We are also dedicated to investing in innovative approaches that further reduce our environmental impact.
- In our commitment to reducing both our Corporate and Product Carbon Footprints, we conduct annual calculations of our Corporate Carbon Footprint to track progress toward our science-based targets. These targets are aligned with a 1.5°C pathway in accordance with the Paris Agreement. Specifically, we aim to achieve a 42% absolute reduction in our combined Scope 1 and Scope 2 emissions as well as for our Scope 3 emissions by 2030. We aim for net zero emissions by 2050.
- We commit to source 100% renewable energy by end of 2025 (all ADA entities) in order to protect the environment and prevent air pollution.
- We commit to not fund climate-denial or lobby against climate regulations.
- We go beyond regulatory compliance in our environmental efforts by achieving Cradle to Cradle Certified® Silver for our portfolio, demonstrating our commitment to sustainable product design and circularity principles. Within this certification, we address:
 - o **Material health:** we commit to phase out any controversial ingredients and ban all nasties from our formulations. Our Raw Material Requirement List gives a full view on the banned ingredients in our formulations. Furthermore, we comply with Cradle to Cradle Certified banned ingredients and materials on Silver level. Our formulations are mineral oil free. This document is reviewed at least once a year.
 - o **Biodegradability of our ingredients:** we commit to have a high percentage of biodegradability in our formulations.



- **Clean air and climate protection:** we commit to reduce our energy consumption, invest in more renewable energy, and offset our unavoidable remaining emissions.
- **Water stewardship:** we commit to reduce our water consumption through improvement of processes and investments of new technologies. We also commit to ensure good quality of our wastewater to avoid any potential water contamination.
- **Packaging:** we commit to have no harmful components and strive for a high recyclability rate in our portfolio, a maximum of recycled content and refillable solutions.
- **Social fairness:** we adopt the UN International Labour Organization principles, we commit to respect internationally recognized human rights, to promote gender equality and women's empowerment, to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities. We also run social SMETA audits (4pillars) every 2 years in our 3 production sites, but also at our third-party manufacturers'.

B. Commitments related to Forests and Biodiversity:

- We have committed to Pack4Good and CanopyStyle initiatives launched by the NGO Canopy, whose mission is to save Ancient and Endangered forests. Since end of 2022, we buy recycled paper-based material rather than conventional paper and ask our suppliers for FSC® (Forest Stewardship Council) certified paper whenever possible. Our goal is to only buy all our paper-based material with a minimum of 25% recycled paper by end of 2026.
- We are a RSPO (Round table for Sustainable Palm Oil) member since 2019 and all our production sites are RSPO certified. We continually increase the share of RSPO-certified palm oil in our palm oil-based ingredients, reaching almost 91% in 2024 with a goal to achieve 100% by end of 2027.

C. We are compliant with regulations:

- Complying with standards required by the applicable environmental law, such as: EU Regulations of cosmetics products (EC no 1223/2009), EU REACH Regulation (EC no 1907/2006), Commission Regulation on Claims in cosmetics products (EC no 655/2013) and California Proposition 65.



- Ensuring products are free from substances that are listed in the Candidate List of Substances of Very High Concern for Authorization (published in accordance with Article 59 (10) of the REACH Regulation).

D. Commitments to continuous improvement

We have a strong and effective environmental management system in place: we are living up to our ecological responsibility and go beyond legal compliance by having ISO 14001 certification at site level (Germany and Czech Republic). We commit to have all 3 production sites ISO 14001 certified by 2027.

ADA is committed to continuously improving its processes by implementing corrective and preventive actions when risks, nonconformities, or adverse impacts are identified.

Employees but also auditors or complainants can identify and report risks, incidents or nonconformities. Once the compliance team identifies and assess the risks and non-conformities, they document these. To address existing issues, a corrective action plan is defined to address the root cause. Actions are specific, measurable and time bound.

To mitigate future risks, we develop strategies to reduce or eliminate risks, such as training programs, or internal audits. Once the preventive measures are implemented across relevant departments, we regularly assess the effectiveness of preventive actions.

As part of continuous improvement, we also commit to:

- Setting and reviewing environmental objectives
- Reducing and preventing pollution where possible
- Minimizing emission of pollutants
- Enhancing environmental awareness of colleagues and suppliers
- Effectively communicating our environmental performance to stakeholders
- Decreasing the weight of our packaging to reduce Greenhouse gas emissions and waste
- Minimizing the environmental costs associated with transportation and packaging
- Substituting hazardous chemicals in the production process with less harmful alternatives
- Restricting the use of environmentally hazardous raw material especially for perfumes
- Minimizing travelling by prioritizing video meetings and conferences
- Continuing to develop more local for local solutions
- Continuing to sort out all waste and opt for recycling wherever possible
- Avoiding a maximum the destruction of goods through recycling and donations
- Engaging with suppliers to collect more data on their environmental practices and target reduction measures
- Prioritizing suppliers who are calculating their yearly Carbon footprint and who have clear reduction targets and a decarbonization strategy in place
- Prioritizing all products from suppliers that have a lower Product Carbon Footprint



IV. Communication

ADA Cosmetics is responsible for communicating and implementing this Policy and ensures that:

-We raise the awareness of environmental issues amongst all our business suppliers by sharing this Environmental Policy. We favor the use of suppliers who are committed to environmental good practice.

- We share this policy with all employees and provide training on what it concretely means within our operations. The goal is to enable them to contribute towards achieving the company's environmental objectives and to enhance their own knowledge and awareness of current environmental concerns.

- If you want to report any non-compliance with this environmental policy and raise or address any other greenwashing concern, feel free to use this external channel, where you can choose to report anonymously. All our stakeholders can also use our external Whistleblowing platform, available also on our website <https://ada-cosmetics.com/sustainability/transparency/> or here:

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

Several hotlines are also available:

+442030068820 (English: for Europe)

+498914379852 (German)

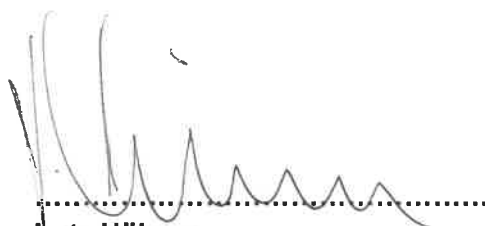
+12245071765 (English: for Americas)

+420910921021 (Czech)

The person with overall responsibility for the Company's Environmental Policy is our Head of Global Quality Health Safety Environment who will ensure that the policy is implemented.

This policy has been approved by the CEO and will be continually improved and updated regarding its environmental impacts and targets. This policy is released on our company website and accessible publicly at: <https://ada-cosmetics.com/sustainability/transparency/>

Date: March 31st, 2025



Lutz Hübner
CEO, ADA Cosmetics