

# HUMAN RIGHTS POLICY STATEMENT

January 2024

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## **I. Commitment**

ADA Cosmetics aims to keep a standard of excellence (which follows our mission statement: Mission, Vision & Values - ADA Cosmetics International ([ada-cosmetics.com](http://ada-cosmetics.com))) in every aspect of the business, including legal, ethical and responsible conduct in all its operations.

ADA Cosmetics expects these commitments to be shared by its employees and all direct and indirect business partners. Therefore, ADA Cosmetics requires its business partners to circulate and apply the principles listed in these codes and policies within the business partner's organization and their supply chain.

## **II. International framework**

In line with the United Nations Guiding Principles on Business and Human Rights, we commit ourselves to upholding the principles of the following internationally recognized human rights frameworks and standards:

- The basic principles of human rights, as laid down in the International Bill of Human Rights (The United Nations Universal Declaration of Human Rights, The United Nations International Covenant on Economic, Social and Cultural Rights, The United Nations International Covenant on Civil and Political Rights)
- The conventions and recommendations of the International Labour Organization (ILO) for labour and social standards
- The International Labour Organization Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)
- The Guiding Principles on Business and Human Rights (UNGPR)
- The OECD Guidelines for Multinational Enterprises (OECD Guidelines)

ADA Cosmetics is also supporting 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 engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

### **III. Roles and responsibilities within the company**

Human rights commitments start at the Leadership team and are part of all strategic decisions. Accountability for the implementation of this policy is overseen by the Chief Executive Officer.

Day-to-day leadership and oversight of the human rights policy rests with the Sustainability department. It coordinates activities, sets priorities, and leads ADA Cosmetics' company-wide efforts to respect human rights. Implementation responsibility rests with the Head of Human Resources of each entity who ensures integration of this policy in the respective country.

### **IV. Responsible sourcing**

ADA Cosmetics recognizes the connection between its own purchasing practices and the implementation of its policies. Therefore, ADA Cosmetics commits to improving its own purchasing practices to ease the implementation of these policies.

Our purchasing department is in direct contact with the suppliers to reiterate the importance we place on ethical, social, and environmental standards. Our biggest suppliers at very high risk will need to provide 3rd party social audits starting 2024, and in case of non-compliance with our standards, we will work with suppliers to ensure the proper corrective action plan is implemented.

### **V. Raising awareness within the company**

We want to raise Human Rights awareness among our employees and have started trainings on our Code of Conduct & Anti-corruption & Bribery Guideline, as well as Modern Slavery & Human Trafficking. We plan to provide training to all our employees concerning our policies in place, starting 2023.

Factual posters are being designed for each location to give help line details for internal and external aid.

### **VI. Strategy**

ADA Cosmetics follows recommendations of the OECD Guidelines which can help us identify, prevent, mitigate adverse impacts related to workers, human rights, the environment, bribery, consumers, and corporate governance that may be associated with our operations, supply chains and other business relationships. By following a due diligence process, we aim to identify, prevent, and mitigate human rights, climate-related and environmental and governance risks.

1. We first embed responsible business conduct in our company through policies and management systems.

ADA Cosmetics International GmbH wrote the following documents to express its understanding of ethical and responsible business conduct (available at:

<https://ada-cosmetics.com/sustainability/transparency/>)

- General Code of Conduct
- Human Rights Policy Statement
- Supplier Code of Conduct and Ethics
- Anti-Corruption & Bribery Guidelines
- Modern Slavery and Human Trafficking Statement
- Product Ingredients Policy (Raw Material Requirements for New Developments, Policy on Responsible and Sustainable Sourcing of Palm Oils, Non-Animal Testing Policy)
- Environmental Policy

The acknowledgement of these documents is a prerequisite for entering into a business relationship with ADA Cosmetics.

2. Then we identify and assess our risks annually or whenever we source from a new country or develop a new product. ADA Cosmetics conducts climate-related and environmental risk assessment and will conduct a human rights risk assessment beginning 2023. This will enable us to take the perspective of the (potentially) affected individuals as our goal is to see how our business operations and all associated processes impact human rights, climate-related and environmental and governance risks.
3. This risk assessment will enable us to define, assess and prioritize our net risks and elaborate a roadmap with timebound targets, to prevent or mitigate our salient issues based on their severity and likelihood (salient issues meaning those human rights that are at risk of the most severe negative impacts through a company's activities or business relationships).
4. We will monitor and track our progress on these risks. We have defined KPIs that we will track and report annually to check which measures need to be put in place.
5. And will communicate on how impacts are addressed on a regular basis: externally, to clients and suppliers, through our sustainability report, and internally through verbal communication to the townhall, through our compliance committee, and to our employees through newsletters.

If it is decided that there is a risk of adverse human rights and/or environmental impact caused, contributed by, or linked to our business operations, we have a procedure in place to ensure the activity is assessed, changed, stopped and/or remediated (due diligence process).

## **VII. Grievance mechanism**

We encourage our employees to address suspected violations of this Policy Statement through the established accessible grievance mechanism or dispute resolution channels including local management, responsible Human Resources departments or the Local Compliance officer, who will be communicating in any required language.

Our partners and third parties can report potential violations of this Policy Statement via email at [compliance@ada-cosmetics.com](mailto:compliance@ada-cosmetics.com) or by using our whistleblowing platform:

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

Several hotlines are also offered:

- +442030068820 (English: for Europe)
- +498914379852 (German)
- +12245071765 (English: for Americas)
- +420910921021 (Czech)

The whistle-blower will fundamentally be protected against any reprisals within the company, also by ensuring that the reporting procedure is anonymous from the outset. The reports will be sent this way so that the whistle-blower is not revealed and follows national data protection legislation. Our compliance officers will be answering any complaints received and respecting the deadline defined by national law.

Our stakeholders can get more information on our whistleblowing procedure through our Whistleblowing policy, available at: <https://ada-cosmetics.com/sustainability/transparency/>

This Whistleblowing system is not a substitute for existing judicial or arbitration procedures or a substitute for resources provided through collective agreements.

## **VIII. Internal and external communication**

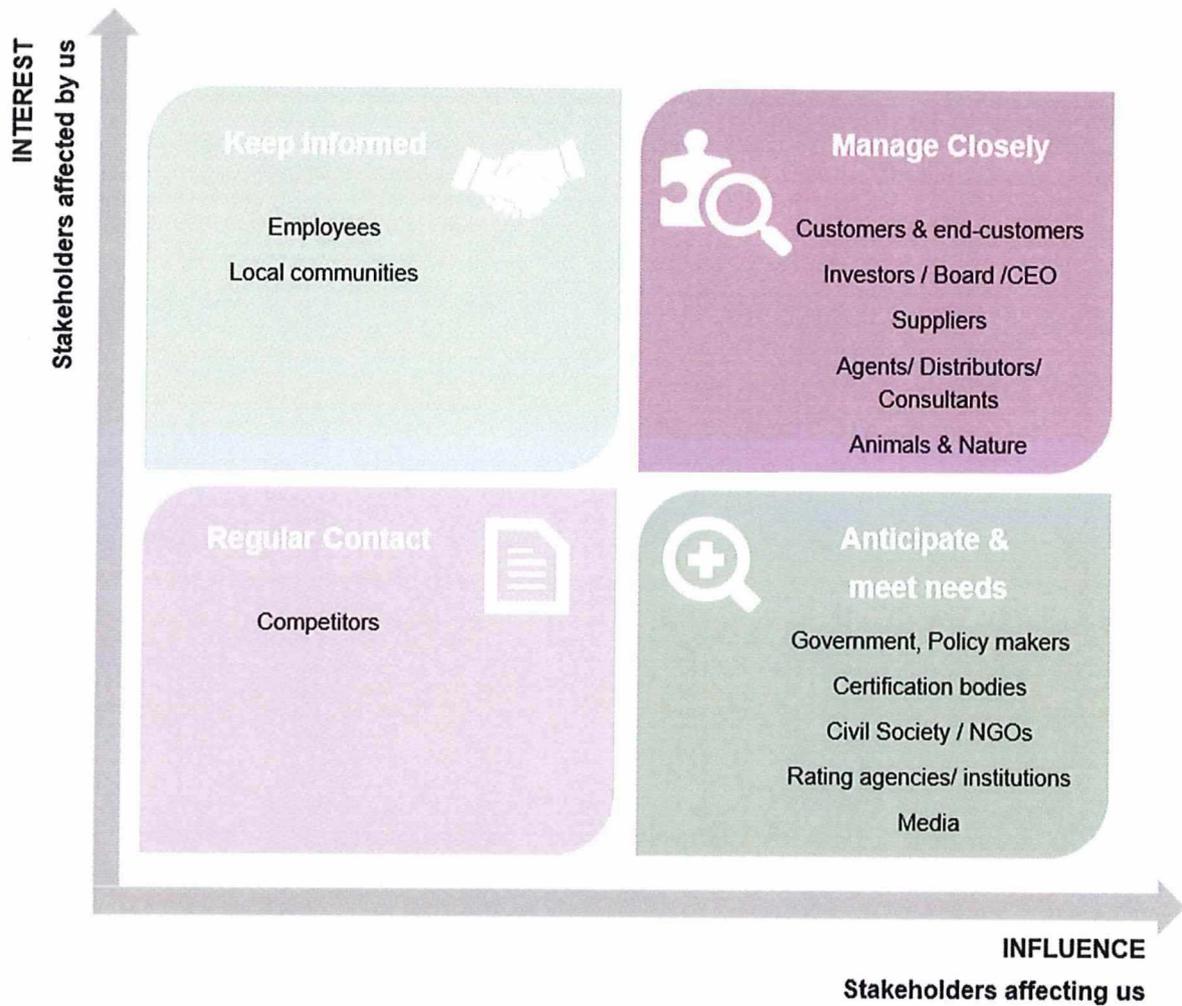
We communicate this policy to all our stakeholders (by showing this policy on our website) and make sure all our employees get updates on this policy.

We will ensure that all our suppliers are aware of this policy and will require from our raw material, packaging and finished products suppliers to sign the acknowledgement page of our Responsible Sourcing Policy making sure they follow all the policies it holds.

All our policies are publicly available as well, under ADA Cosmetics' website, at this link: <https://ada-cosmetics.com/sustainability/transparency/>.

## IX. Stakeholders

### Key stakeholder map



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