

SUSTAINABILITY REPORT 2021–2022

ADA
COSMETICS



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Foreword

We are measured not by our words, but by our actions

The creation of a company's sustainability report makes time stand still for a moment. It draws a line between the events of the past, and the requirements of the future – a future that offers unlimited possibilities.

Our world is changing rapidly, sometimes dramatically. Following the global coronavirus pandemic, the unimaginable came to pass – the return of war to Europe, with unforeseeable consequences. And the final Synthesis Report from the United Nations Intergovernmental Panel on Climate Change, presented on March 20, 2023, confirmed that climate change is proceeding far more quickly and with greater consequences than previously thought.

So how will we respond to this existential challenge to our wonderful planet? We at ADA Cosmetics stand by our responsibility as a significant industry participant and player. **As a market leader, we have an obligation.** Not only towards our customers and business partners, but also towards our employees and society at large.

We are committed to the principle of **“Conscious choices – trip by trip”**. We are convinced that, together with our partners, we can make the accommodation industry and thus travel more sustainable! As a partner of hoteliers and hosts around the world, we reach travelers every day and contribute towards a livable future – guest by guest, hotel by hotel, trip by trip. By offering eco-efficient product and service solutions, we support guests and hoteliers in making their stay or their business more sustainable.

For us at ADA, our commitment to sustainability and safety goes well beyond words. Our ambition is to be the industry leader in such topics, taking concrete steps and setting an example for others to follow. In order for this to happen, we must be completely transparent about our actions. We have set ourselves concrete sustainability goals, and track our progress towards them on an ongoing basis.

This report is just the first step in sharing our approach, our learnings, and our progress. We strive to further improve every day. We are continually optimizing our entire value creation and production process. We employ our raw materials with the utmost care, are selective in our choice of suppliers, always ensure that our machinery is at the cutting edge of technology, and invest in



environmental and waste management to holistically reduce the environmental footprint of our products. We are proud that **ADA is the first company to offer hotel cosmetics that are Cradle to Cradle Certified® Silver.**

We are also making changes to our everyday behavior, as we reflect on what each of us can do to contribute towards positive change. We have made ADA a plastic bottle-free zone worldwide, with water dispensers and steel bottles available to employees. We encourage our employees to commute by bike, or to form car-pools. We strongly believe that, taken together, all these individual, small steps make a significant impact.

This report also details additional aspects of our social responsibility – recognizing that our success and our progress depend largely on our employees. As such, we seek to create an open working environment defined by respect and appreciation, where everyone feels welcome, and discrimination of any kind is firmly rejected.

Sustainability is an ever-changing and multi-faceted topic that brings with it both opportunities and challenges. We at ADA are excited about current developments, and look forward to continuing on this journey together with our partners and employees.

Kind regards
Lutz Hübner
CEO, ADA Cosmetics



About us

The company

ADA Cosmetics International GmbH is one of the world's leading manufacturers of hotel cosmetics and accessories. For over 40 years, we have been redefining industry standards by manufacturing and distributing high-quality personal care products and innovative dispenser systems for hotels and their discerning guests.

Our purpose is to **put beauty into travel**, surprising our customers with sustainable and unique products. Our portfolio revolves around luxury and design brands, state-of-the-art dispenser systems, and accessories. ADA Cosmetics products can be found in hotels, cruise ships, and airlines throughout the world.



The ADA lobby in our headquarters in Kehl, Germany.

Our worldwide presence

We employ 622 people (full-time equivalents) across 16 locations around the world. The availability of our products in more than 116 countries, and a total of more than 32,700 active customers, including online sales, enabled us to achieve a turnover exceeding EUR 116 million in the 2022 financial year.

40 years

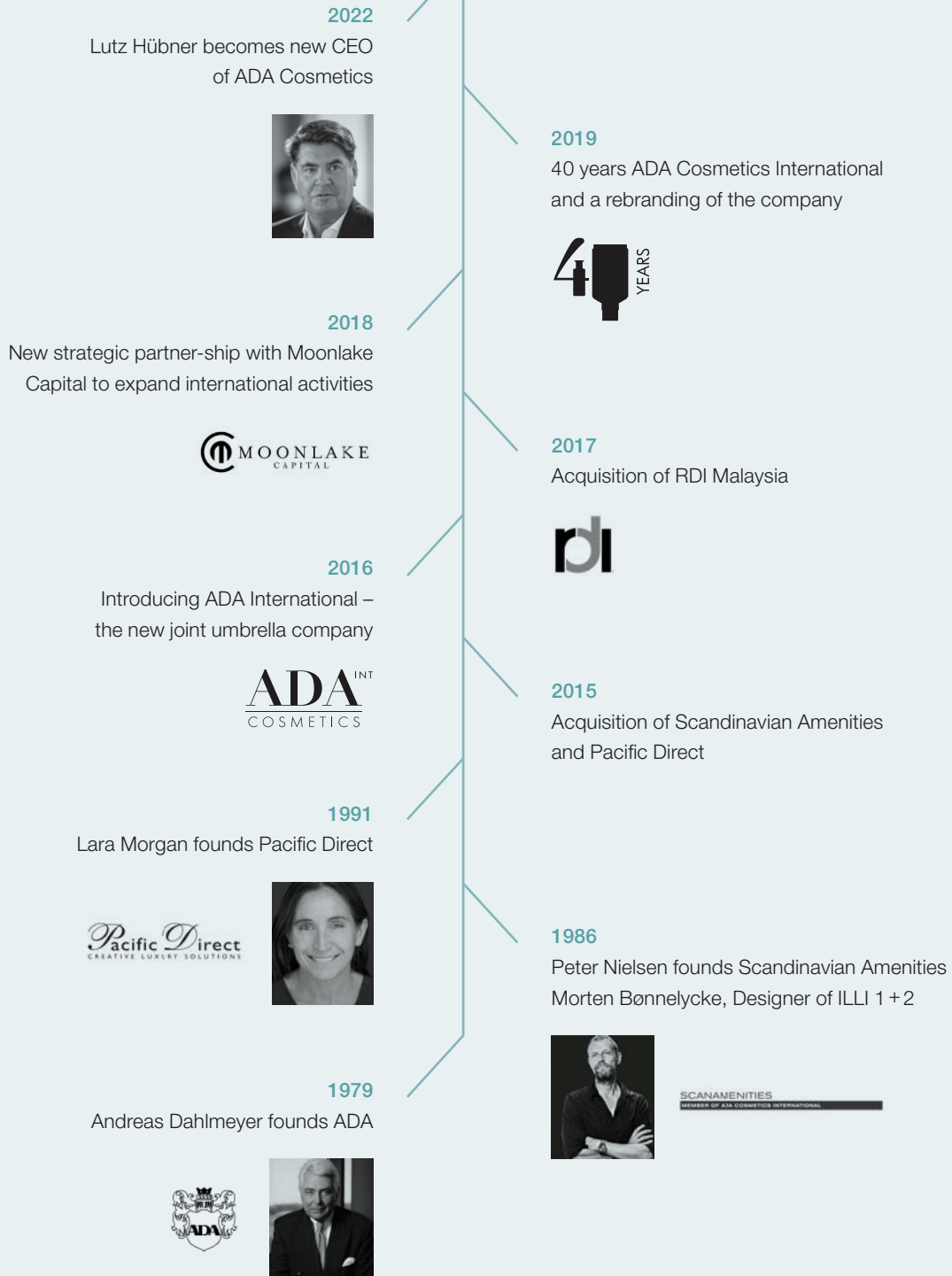
We have more than 40 years of experience in personal care products and dispenser systems for hotels

The inspiration behind our products is nurtured at our headquarters in Kehl, Germany, before being transported throughout the world, empowering travelers to make "conscious choices – trip by trip". We have eight regional offices in Europe, two in North America, five in the Asia-Pacific region, and one in the Middle East. This makes us a large and diverse global team.

Relevant developments

ADA is a privately owned international company. Ever since our foundation, we have pursued a strategy of prudent expansion – a concept that has borne fruit over the years. After continuous growth, we experienced a decline in sales in 2020 and 2021 due to the enormous impact of the COVID 19 pandemic on the hospitality industry worldwide. However, we were able to increase our sales to a high level again in 2022. During the reporting period, our sales increased by 48.65% and we employed 57 more people than in the previous year. Further key figures on the profile of the company can be found in the ↗ *indicator table* in the *Appendix*.

Today





International manufacturing & distribution footprint



ADA Regional offices

Presence in 16 countries

Europe: Austria, Czech Republic, Denmark, France, Germany, Spain, Switzerland, UK

Middle East: UAE

North America: Canada, USA

APAC: China, Hong Kong, Malaysia, Singapore, Thailand

Canada

Regional office, Warehouse



Countries with ADA clients

Presence in 116 countries

Albania, Andorra, Antigua and Barbuda, Armenia, Australia, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belgium, Bermuda, Bosnia and Herzegovina, Brunei Darussalam, Bulgaria, Cambodia, Canada, Cape Verde, China, Republic of Congo, Croatia, Cyprus, Czech Republic, Denmark, Dominican Republic, Egypt, Estonia, Fiji, Finland, France, Georgia, Germany, Greece, Grenada, Guernsey, Guyana, Honduras, Hong Kong, Hungary, Iceland, Indonesia, Iraq, Ireland, Isle Of Man, Italy, Jamaica, Japan, Jersey, Kazakhstan, Kenya, Republic of Korea, Kosovo, Kuwait, Latvia, Liechtenstein, Lithuania, Luxembourg, Macao, Malaysia, Maldives, Malta, Mauritius, Mexico, Monaco, Montenegro, Myanmar, Netherlands, New Zealand, Norway, Oman, Pakistan, Panama, Philippines, Poland, Portugal, Qatar, Romania, Russian Federation, Rwanda, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Serbia, Seychelles, Singapore, Slovakia, Slovenia, South Africa, Spain, St. Kitts and Nevis, Sweden, Switzerland, United Republic of Taiwan, Tajikistan, United Republic of Tanzania, Thailand, Trinidad and Tobago, Tunisia, Turkey, Turks- and Caicos-Islands, UAE, Uganda, UK, Ukraine, USA, Vietnam

USA

Regional office, Warehouse

UK

Regional office, Warehouse

Germany

Headquarter, Production, Warehouse

Denmark

Regional office

Czech Republic

Regional office, Production, Warehouse

Austria

Regional office

Switzerland

Regional office

France

Regional office

Spain

Regional office

China

Regional office, Warehouse,
3rd party manufacturer

Thailand

Regional office, Warehouse

Hong Kong

Regional office, Warehouse

UAE

Regional office, Warehouse

Singapore

Regional office, Warehouse

Malaysia

Regional office, Production, Warehouse



Sustainability strategy and governance

At ADA, we believe that economic success and environmental responsibility go hand in hand. As a leading manufacturer of hotel cosmetics and accessories, our products are synonymous with both innovation and high quality standards.

Furthermore, we seek to provide an eco-friendly travel experience, with more sustainable beauty products and accessories that meet our customers' expectations and enable them to make "conscious choices – trip by trip". Thanks to our in-depth knowledge of what our customers want, current international trends, and regional preferences, we have the tools to further drive the above-average growth of our company, and expand into promising new market segments.

All business activities at ADA are based on ethical norms and internationally agreed standards that determine our obligations on a global level. In order to consistently pursue a sustainable business strategy and to manage the resulting operational challenges, clear roles and responsibilities have been defined within the company:



The Leadership Team, which includes our CEO, formulates our company's environmental, social and business objectives, and validates all decisions related to corporate social responsibility. Our Management Committee develops our sustainability strategy, commitments, and targets, and takes all strategic decisions.

Our Sustainability Committee is responsible for the day-to-day management of environmental and social issues. It coordinates activities, sets priorities, and leads the company-wide implementation of ADA's commitment to respect human rights and to pursue the sustainability strategy defined by the Management Committee.

Our Sustainability Committee also includes a Compliance Committee, which issues all policies validated by our Corporate Legal Counsel. Local management is responsible for implementing these policies at their sites; they are supported by the respective HR managers.

Good corporate governance and compliance – the anchor for our sustainability strategy

To facilitate good corporate governance and compliance, we have implemented integrated management systems at our headquarters and production sites. These enable us to systematically address environmental issues, facilitate compliance with international safety standards, and allow comparability at a global level. To implement our management systems, we have appointed local officers who support the application of the guidelines on site, define targets and measures with colleagues, and evaluate the performance achieved.

Every two years, our headquarters in Germany undergoes a compliance audit to ensure adherence to global standards, environmental, health and safety laws applicable to our sites, and data protection issues.

Compliance forms an integral part of our Group management system, which covers quality as well as environmental protection and occupational health and safety.

In Germany and the Czech Republic, ADA has received ISO certifications for its environmental and safety management system. For more information on our management system, please refer to the ↗ chapter *Environmental, Health & Safety management*.

Identification of sustainability challenges and opportunities

ADA follows the recommendations of the OECD Guidelines that are associated with our operations, supply chains, and other business relationships. These relate to workers, human rights, the environment, the elimination of bribery, consumers, and good corporate governance. By following a due diligence process, we aim to identify, prevent, or mitigate human rights violations alongside climate-related, environmental, and corporate governance risks.

In 2022, we conducted a materiality analysis to set strategic priorities and identify associated business risks and opportunities.

The first step was to compile a detailed list of sustainability topics, based on sustainability standards and industry-specific information.

This detailed list of topics was then reviewed for relevance to ADA based on criteria such as industry, location, and product portfolio. With reference to the Global Reporting Initiative (GRI) standards, each topic was assessed during the shortlisting process in terms of its negative impact on the environment or people. The term ‘impact’ includes actual or potential, negative or positive, short-term or long-term, intended or unintended, reversible or irreversible repercussions. ‘Significance’ is measured by the severity and likelihood of the impact. The shortlist was completed by analyzing stakeholder demands or requests for each topic. This process identified six key issues that define our strategic priorities. They form the foundation for the further development and implementation of ADA’s sustainability strategy. For more information on our supply chain due diligence, see the ↗ *indicator table* in the *Appendix*.



Anchored in the principles of a circular economy

ADA Cosmetics is strongly committed to a circular economy. This concept influences our entire way of thinking and is not limited to individual departments, products and processes, or events with environmental, social or economic impact. At ADA, we have made the natural principle of circularity our guiding principle for our products and processes. Our goal is to develop products and packaging that contain the maximum amount of recycled content and that can themselves be fully recycled. In doing so, we aim to minimize resource use, waste, and emissions at all stages of their life cycle. ↗ See the chapter *Product responsibility by design* for more information.



Careful procurement of raw materials

We strive to offer our customers products that enhance their beauty while being sustainable and safe for their health. In the cosmetics industry, certain materials such as palm oil, mineral oil, silicones and formaldehyde releasers are associated with a significant environmental and human rights impact. Nearly all of our products are already free of mineral oil, while the remaining products are currently being reworked. A majority of our palm oil-based raw materials is sourced in RSPO-certified Mass Balance Quality, a standard that addresses and minimizes the negative impacts of palm oil cultivation according to defined criteria. In addition, many of our formulations are certified with the COSMOS organic seal, the EU Ecolabel, Nordic Swan Ecolabel, or Fair Trade. ADA’s products should be synonymous with the conscientious and responsible use of raw materials. ↗ See the chapter *Product responsibility by design* for more information.

Material topics



Advocating for animal welfare

The development of our products should not come at the expense of other living creatures. As a company, we strictly reject any kind of animal cruelty. We adhere to the EU regulation that prohibits animal testing, and we additionally require our suppliers to refrain from animal testing. The majority of our products are vegan. Some have even received the 'Vegan' trademark from the Vegan Society. As we do not believe that animal testing is necessary to ensure the safety of our products or ingredients, we support the call for a global ban on the animal testing of cosmetics. ↗ See the chapter *Product responsibility by design* for more information.



Climate protection through rapid decarbonization

Climate change is not a future threat – it is an immediate one.

We are working intensively to reduce emissions in our operations, transport and logistics. Among other measures, this includes switching to renewable energy, using a cold process in production, investing in more energy-efficient production technologies, and reducing the weight of our product packaging. We are committed to communicating our activities and progress transparently, while recognizing and disclosing areas for improvement. In 2022, we were awarded a silver medal by EcoVadis, the world's leading sustainability rating system, for our systematic and transparent sustainability management. ↗ See the chapter *Environmental, Health & Safety management* for more information.



Product ingredients for beauty, health, and nature

With our products, we at ADA aim to improve the protection of human health and the environment. Most of our formulations have a very high share of ingredients of natural origin. We strive to avoid ingredients that are potentially harmful to the environment, or could cause allergies or other negative health effects. In an effort to increase our accountability, our portfolio includes collections that are certified by external testing bodies and institutions.

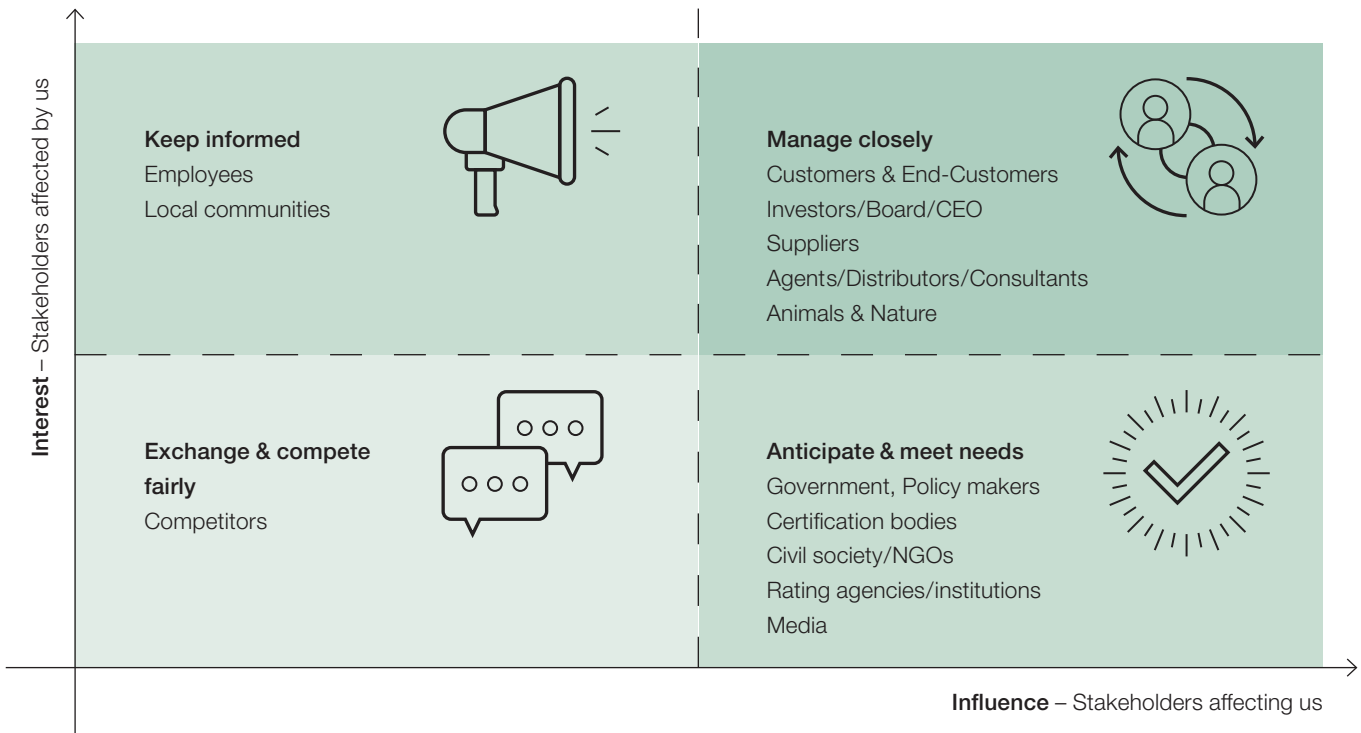
The safety of new products is ensured through careful testing and evaluation of each new formulation. For example, the DermaCare brand is regularly dermatologically tested at the Dermatest Institute. ↗ See the chapter *Product responsibility by design* for more information.



Appreciation, protection, and promotion of our employees

We attach great importance to fair, attractive working conditions and open interaction characterized by respect and appreciation – along our entire supply chain. We firmly reject child labor, corruption, and modern slavery. Supporting our employees and promoting their development is as important to us as continuously expanding health protection and occupational safety. We promote diversity, equality and inclusion, as we aspire to see the beauty and value in each individual, rather than the differences that separate us. ↗ See the chapter *Social responsibility* for more information.

Key stakeholder map



In this Sustainability Report, we provide an overview of and an outlook on our progress in the individual areas for the reporting period 2021–2022.

Each chapter of the report not only covers the core topics described, but also provides an insight into related aspects. The report was prepared with reference to the GRI standards.

We are committed to the UN Sustainable Development Goals (SDGs) and our ambition is to lead the way in transforming our industry towards sustainability. We take the 17 SDGs into account in our business strategy, and plan to conduct an in-depth analysis of our business areas that have the greatest impact in this regard in 2023. We believe that the SDGs are interconnected and only a holistic view can lead to sustainable development. Therefore, our sustainability framework includes all of the SDGs, some of which we have additionally set as focus targets.

Alignment of our sustainability strategy

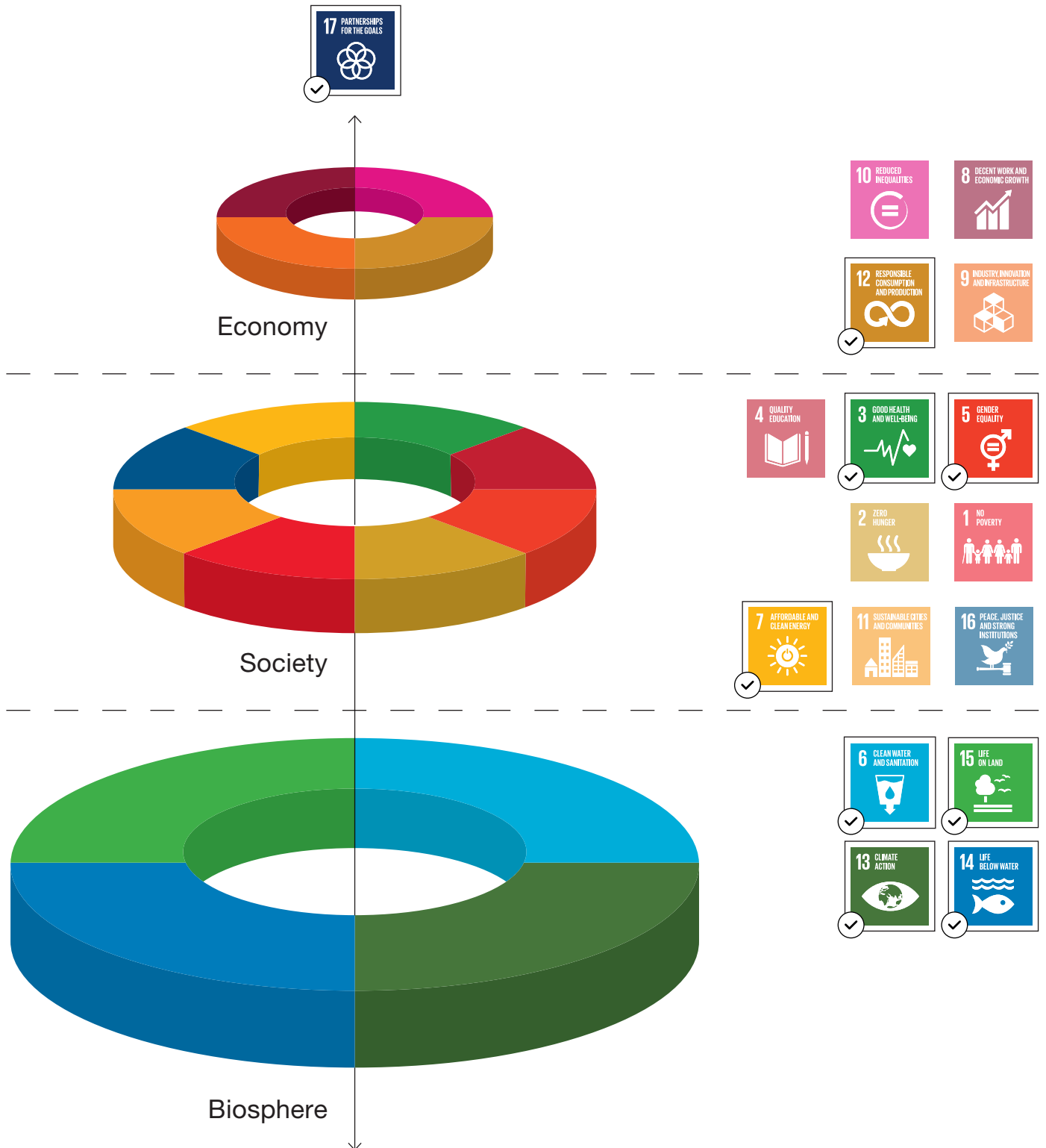
An ambition to be the market leader comes with responsibility. It is a priority for us to live up to this claim. By assessing our impact on

society and the environment as a whole, and maintaining strong relationships with our stakeholders, we help improve the impact on our business environment.

We continuously monitor and review viewpoints on industry-related issues in the media, as well as those highlighted by non-governmental organizations and politicians. The aspects that define sustainable business practices and corporate responsibility are becoming increasingly important in this dialog.

Furthermore, we take the perspectives of our employees, customers, hotel guests, and suppliers into account. We use various channels to identify the expectations and requirements of these different stakeholders. Transparent reporting also benefits our internal processes and has a positive impact on our stakeholders. We want to provide them with the information they need to evaluate the opportunities and risks of working together. To increase transparency and accountability, we not only disclose our data in this report, but also share it with external organizations and participate in certification processes such as the CDP, EcoVadis, Cradle to Cradle Certified Products Standard, The Nordic Swan Ecolabel, EU Ecolabel, and others (➤ see the chapters *Product responsibility by design* and *Environmental, Health & Safety management*).

The interconnected nature of the SDGs*



* Source: Adopted from Azote Images for Stockholm Resilience Centre

→ ADAs focus goals

THINK,
ACT &
LIVE
RESPONSIBLE

SHOWER GEL



— CERTIFIED ORGANIC & ECO-RESPECTFUL —

Product responsibility by design

Policy and management approach

ADA Cosmetics continuously works to manufacture products of the highest quality that reflect our high level of social and environmental responsibility. Our product responsibility extends far beyond quality and customer care, as we also address environmental and health risks connected to the cosmetics industry. With our products, we aim to exceed our customers' expectations, while ensuring safety for the environment and society.

In order to live up to our responsibility, we have set targets and criteria for the design of our products and packaging. For example, we exclude substances of concern, give preference to biodegradable ingredients, and are firmly opposed to animal testing. We use recycled plastics (PCR) for our packaging wherever possible, and continue to develop our 'Game-Changer' product collection according to independently certified environmental standards.



With our products, we aim to exceed customer expectations while also being safe for the environment and society.

Our sustainable formulations and packaging design follow objectives and criteria set by our corporate guidelines and by a continuously improving management system. We began developing

our Product Ingredients Policy in 2022 to define standards for how we manage ingredient-related topics. The following policies define clear requirements for the sourcing of product ingredients and materials.

1. Raw Material Requirements for New Development Policy

ADA's continued growth and success is based on providing safe, high-quality products to our customers. We recognize our responsibility for consumer health, and to protect the environment and people along our supply chain. Chemical compliance is a legal requirement set out in several EU directives and regulations that apply to the countries in which we sell our products. Therefore, all raw materials supplied to us for both product and packaging purposes must comply with the following requirements: EU Regulation 1223/2009, California Proposition 65, the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation, the absence of genetically modified organisms (GMOs), and a list of prohibited substances and substance classes. For more information, see our Product Ingredients Policy.

2. Responsible and Sustainable Sourcing Policy for Palm Oils

Many ADA products contain palm oil-based ingredients. Our goal is to use palm oils in a way that does not cause further harm to the environment or society. Based on our sourcing standards, we are committed to responsible sourcing of palm oil, palm kernel oil, and palm oil derivatives, and have been a member of the RSPO (Round Table for Sustainable Palm Oil) since 2019.

All RSPO members that produce or process RSPO-certified products from sustainable palm oil must be RSPO certified. ADA has obtained RSPO certification for its three production sites in Germany, the Czech Republic, and Malaysia.

We work with all of our palm oil derivative suppliers to build a more sustainable global supply chain and require them to be certified under the RSPO supply chain standard. Our supply chain must be certified at the same level (Mass Balance) or higher (Identity Preserved or Segregated).



Ensuring the safety of our products through cruelty-free testing in our advanced laboratories.

3. Non-Animal Testing Policy

For us at ADA, it is without question that we respect animal welfare and avoid any sort of animal cruelty. With our Non-Animal Testing Policy, we comply with the European Union Regulation (EC) No. 1223/2009 on cosmetics, and do not conduct animal testing for cosmetic purposes, neither for finished products nor for the ingredients contained therein. The principles apply to all ADA activities worldwide, including research that is outsourced to third parties.

Because we do not believe that animal testing is necessary to ensure the safety of our products or the ingredients they contain, we support calls for a global ban on animal testing for cosmetics.

Sustainable raw materials and ingredients

We focus our business on responsible product design, including carefully selected raw materials and sustainable packaging solutions. Our goal is to use resources as consciously and efficiently as possible. Our own research and development team

works continuously to improve our formulations. In our laboratories in Germany, the Czech Republic, and Malaysia, our teams of chemists, process engineers and safety experts work to develop safe and healthy formulations. None of our formulas contain ingredients of concern such as parabens, silicones, formaldehyde donors, or isothiazolinone. Instead, we use natural and plant-based raw materials. To guarantee high-quality, safe and sustainable products, we develop, test, and optimize hundreds of formulations every year. In doing so, we adhere to the Cradle to Cradle standards as our guiding principle.

Our ingredients are selected on the basis of various parameters, including biodegradability. To avoid water pollution, we do not use microplastics in the form of microbeads in any of our formulations.

In addition, by the end of 2023, all our formulas will be free from benzophenone-based UV filters and liquid microplastics.

To carry on delighting our customers with new formulas, our in-house experts continuously work on the development of new products that live up to our promise of being surprising, sustainable and safe.

The safety of new products is ensured through a series of assessments. ADA performs the following tests and documentation for this purpose:

- Microbiological tests
- Safety assessment
- Physicochemical stability tests
- Creation of Material Safety Data Sheets

We rely on certification processes to increase the accountability of our sourcing policies. Our portfolio includes product collections certified by the Cradle to Cradle Certified Product Standard, EU Ecolabel, Nordic Swan Ecolabel, Fairtrade, ECO CERT Cosmos Organic, Cosmebio, Dermatest, and the Vegan trademark.

Product Certifications



Examples from our responsible collections



Think, Act & Live Responsible

Cosmos Organic and Nordic Swan Ecolabel certified



100 % recyclable and features
100 % soy ink print

The accessories embody four crucial principles of responsible living:

Refuse: plastic content, excessive packaging material

Reuse: multi-use articles of durable material, refillable dispenser systems

Recycle: use of recycling-friendly material

Rethink: use of soy ink; favour renewable and natural materials (bamboo, bio-cotton, biobased plastic from cornstarch)

Naturals



Vegan mix of organic extracts



No colourants

Plant-based ingredients,
Essential oils

30 ml are made of 100 % recycled PET

Recyclable packaging

Paraben- & silicone-free

FAIR CosmEthics



Recyclable packaging

Paraben- & silicone-free

Mineral oil-free

No colourants

Body Lotion: awarded with the 'very good' mark by Öko-Test

Fairtrade certified ingredients –
Cane Sugar, Brazil Nut Oil, Olive Oil



PRODUCTS



Introducing the Nordic Skin series: Certified with the Nordic SWAN Ecolabel.

The majority of our formulations have a high proportion of ingredients of natural origin. We are committed to continuously expanding our portfolio with products that make a clear and certified contribution to sustainability. As of 2022, the following product lines belonged to this category:

Game-Changer Collection:

- Think, Act & Live Responsible – certified with Cosmos Organic & the Nordic Swan Ecolabel
- Eco by Green Culture – certified with the EU Ecolabel and the Nordic Swan Ecolabel
- FAIR CosmEthics – Fairtrade-certified ingredients
- Eco-Boutique – certified with the Nordic Swan Ecolabel

Other sustainable collections:

- Naturals Remedies – vegan, natural ingredients, recyclable packaging, up to 100% recycled PET
- Naturals – vegan, natural ingredients, recyclable packaging, up to 100% recycled PET
- Absolute Nordic Skincare – 97% biodegradable, no colorings

For a complete list of all our owned and licensed brands, please refer to the ↗ *indicator table* in the *Appendix*.

Sustainable solutions for product packaging

Our product stewardship extends not only to ingredients, but also to the negative effects of packaging. Reducing waste is our primary goal. With our resource-saving dispenser systems, which unite impressive quality, functionality and design, we have been pursuing the goal of reducing the quantity of individual products for three decades.



Smart care dispenser – Be Different.

More than 30 years ago, ADA developed the first dispenser system for hotel bathrooms and spas, replacing a large quantity of small individual plastic bottles. Our dispenser solutions combine technological convenience, exceptional hygiene, safety, and modern product design with environmental friendliness. Our customers can choose between different systems, all of which are drip-free and efficiently dispense shampoo, shower gel, liquid soap, and more. Our goal is to continue to drive the shift from small-portion bottles to dispensers.

We engage in intensive process optimization to increase resource efficiency and reduce wastewater, greenhouse gas emissions, and energy consumption. Every new project we start is assessed for compliance with our Responsible Sourcing Policy and for its responsibility toward people, planet, and profitability.



ADA is the first company to offer products for hotels that are Cradle to Cradle Certified® Silver

The production of packaging inevitably involves the use of natural resources and makes an environmental impact. In line with our overall product design, we strive to track the negative impact of packaging through careful and innovative design in accordance with the Cradle to Cradle principles. Our goal is to eliminate waste, reduce pollution, and circulate packaging materials made from recycled plastics at the highest possible level. ADA is the first company to certify all branded and licensed products to the Cradle to Cradle Certified Products Standard. To meet the rigorous criteria, an external auditor evaluated the safety, recyclability, and responsibility of our materials and products. We want the impact of our products on people and the planet to be as low as possible, so we continually strive to improve our sustainability performance. Our Cradle to Cradle Certified performance level increased from BRONZE in 2019 to SILVER in 2023.

Our product diversity requires a high degree of flexibility in production. We are constantly working to integrate different materials and processes to create unique shapes and designs. We transform ordinary packaging design into inspiring products that are sustainable, durable, and recyclable.

In 2023, we will define further eco-design criteria for product development to improve the circularity of our product portfolio and contribute to the conscious use of resources.

We are committed to increasing the recyclability of our packaging. To this end, we use RecyClass, a recognized online tool for evaluating plastic packaging. It indicates the extent to which the plastic used is suitable for recycling, and rates it using a classification system from A to F. The results of the assessment are then incorporated into the design of our new packaging and dispensing systems.

Eco-design packaging



- RecyClass guidelines: increased recyclability of packaging (assessment via the RecyClass online tool).
- Mono-material packaging
- Maximizing post-consumer recycled content (PCR) in plastic packaging: rPET, rHDPE
- Lightweight packaging
- Compliance with cradle-to-cradle principles

While we evaluate the recyclability of materials, we also strive to maximize the recycled materials in our packaging by using PCR plastic. PCR stands for 'post-consumer recycled'. This plastic is derived from household, commercial, industrial, and institutional waste. Using PCR plastic significantly reduces overall waste and carbon emissions while also saving water and energy.

Collaborating with our long-term licensor, Chopard – the Maison pioneering sustainable luxury – a new sustainable hotel collection has been created to bring both parties' serious sustainability commitments to life.

Without compromising on the beautiful aesthetics, the new Chopard Hotel Collection achieves a B+++* score (assessed with the Online Recyclclass tool) owing to the conscious material and finish choices, such as 100% rPET bottles and removable labels.



* The score is with the use of mono-material pump, that is at its final stages of development.

We are thrilled to be able to work towards more sustainability thanks to the strong relationships we have with our partner brands, and will support them in embarking on this sustainability journey with us.





Environmental, Health & Safety management

EHS management system

ADA Cosmetics' Environmental, Health and Safety (EHS) management system was developed to improve the coordination between various factors in our operations. In this way, we promote sustainability in our company and increase the overall level of safety in the workplace. The system is essential for compliance with legal requirements and for controlling our daily activities. It regulates all processes, and serves to continuously improve our operations, especially in our production and storage facilities, where the hazards are classified higher.

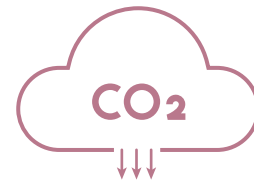
Our EHS management system is crucial to fulfilling our obligations to our employees, the environment, and society.

We believe that a management system can only be successful if it involves the people it affects. Therefore, we want to ensure occupational health and high safety standards for our employees, while measuring and controlling the impact of our activities. For us, workplace safety is an absolute priority: we have a focused occupational safety program that effectively minimizes the risk of accidents. Our health management system is designed to assess the needs of our employees, raise awareness of risks, and contribute to the prevention of health problems. Regular training and check-ups are an integral part of ADA health management.

Our comprehensive management system covers the corporate headquarters, all production sites, and all subsidiaries. At each production site, there are responsible individuals for all issues relating to the environment, health and safety. In 2021, we conducted a risk assessment of the environmental aspects at each production site. Our production sites in the Czech Republic and Germany are certified according to ISO 9001:2015 and ISO 14001:2015. Furthermore, the occupational health and safety management system at our Czech production site is also certified according to ISO 45001:2018. At our site in Malaysia, certification of the management system based on ISO standards is being planned, and is scheduled to come into effect in 2024.

In addition to health and safety standards, our Responsible Sourcing Policy defines the measures we take in cooperation with our suppliers to minimize the impact of our supply chain on the environment and society.

We want to orient our activities toward greater responsibility for people and nature. With regard to the environmental aspects of our production processes, our goal is to use resources as efficiently as possible. In addition to product design and the careful selection of packaging materials and product ingredients, we also permanently analyze and optimize material use, waste generation, and energy consumption in production. Efficient and sustainable routes and means of transport round off our operational management.



The decarbonization of our company is our declared goal

Energy use and greenhouse gas emissions

ADA aims to help counteract the further progress of global warming. Reducing the carbon footprint of our products, activities, and processes is our declared goal. To this end, we conduct an annual analysis of our company's environmental footprint; this covers all activities and sites.



Safe weighing of hazardous substances in production, Kehl, Germany. Adherence to necessary personal protective equipment ensures employee and environmental safety.

The annual measurement of greenhouse gas emissions is based on the Greenhouse Gas Protocol (GHGP) and includes both direct and indirect energy-related emissions under our operational control. In 2021, 3,585 and in 2022, 3,641 tons of CO₂ were emitted (Scope 1 and 2). The calculation of indirect emissions along our supply chains (Scope 3) will be carried out in 2023.

In 2022, we reported our emissions to the CDP (Carbon Disclosure Project). This is part of our commitment to measure and reduce our emissions in line with the transparency and performance requirements of both initiatives (CDP and GHGP). CDP's detailed assessment form gives us the opportunity to measure our progress and improve our sustainability performance effectively and efficiently. Our climate target includes reducing our total Scope 1 and 2 emissions by 35% by the end of 2026. Based on our calculated Scope 3 emissions, we will set a science-based target, against which we will measure our emissions and take concrete action to reduce them.

In addition, the following measures were taken to reduce carbon emissions during the reporting period: in Germany, ADA has been using energy from hydropower since 2012, and thus 100% renewable electricity for all office and production sites. Our goal is to convert our entire fleet of company cars to 100% renewable energy by the end of 2026. In addition, we have installed smart thermostats and LED lighting systems, and offset all remaining emissions related to gas consumption for our operations in Germany.

With regard to our international production sites, we are currently analyzing and defining measures to improve energy efficiency and identify potential for reducing greenhouse gas emissions.

In 2022, we began installing LED lighting at our production sites and in our offices in Malaysia and the Czech Republic. The building at our production site in the Czech Republic is currently being insulated. For the coming years, we are looking into the possibility of equipping all our production sites with photovoltaic systems.

We are also investing in various innovative projects to develop energy-efficient systems and processes at our production sites worldwide. Thanks to a careful selection of raw materials and the appropriate design of our formulations, we are already able to manufacture all our cleaning products containing surfactants – such as shampoos, shower gels and liquid soaps – using a cold process. This enables us to avoid the energy-intensive heating of large volumes of water during their manufacture. This process enables us to save the equivalent of 45kg of CO₂ per metric ton of finished product. For hair conditioners and body lotions, we are striving to optimize energy consumption in connection with the production process in the same way, and are currently working on the introduction of a semi-cold manufacturing process.

In addition to efforts to decarbonize our activities and processes, we participate in PRIMAKLIMA's climate-protection 'Support Reforestation Program'. Further key figures on our activities can be found in the ↗ *indicator table* in the *Appendix*.

— 35 %

Our target is to reduce our emissions (scope 1 & 2) by 35 % by the end of 2026

Material use and waste

The efficient use of materials in production and responsible waste management are also central to our management system. We continuously evaluate material use and waste generation to improve our production processes. In addition, we sort our waste for efficient recycling.

By reducing the weight of our packaging, we not only reduce waste in our production process, but also use fewer raw materials

and generate fewer greenhouse gas emissions during transport. We are currently working to implement clear eco-design criteria for all our products and packaging. ↗ The chapter *Product responsibility by design* contains more information on this.

Water

Clean, fresh water is an essential part of our value proposition and the most important quantitative ingredient in our cosmetic and care products. But we also rely on water during production processes, for example to clean or disinfect production facilities.

To limit water consumption, we have invested in a new technology to treat the water used in production in Germany. We have been using stainless steel containers exclusively in Germany since 2016, as they require less disinfectant during the cleaning process than plastic containers, which are more difficult to clean. In addition,

they can be steam cleaned and disinfected in a single step and are also more durable than plastic.

To minimize water pollution and contribute to clean water, ADA has integrated wastewater management into its operations. At all production sites, our wastewater management demonstrates compliance with local environmental laws and regulations. In Germany, we ensure that our wastewater can be treated by the local authority.

We launched a project for a comprehensive assessment of water consumption and possible efficiency improvements. During the project, all wastewater sources were identified, and measures were taken to reduce water consumption based on this data.

In the Czech Republic, our in-house wastewater treatment plant processes wastewater in accordance with legal requirements. This pretreated water is then discharged to the local municipal



Maintaining high-quality standards: Regular drawing of samples of the bulk from the mixing vessel allows employees to check and ensure consistent quality throughout the production process.

wastewater treatment plant. This practice is not only of ecological benefit, but also increases cost efficiency, as the municipality's fees for wastewater treatment are lower when environmental requirements are met.

In Malaysia, we also treat the wastewater in-house before it is discharged to the local wastewater treatment plant. In accordance with the Malaysian Wastewater Ordinance, the treated wastewater is tested weekly for contaminants.

Biodiversity and land use

canopy Biodiversity is of great importance to us. We consider it our duty to act in an environmentally conscious way – with the dual aim of reducing our footprint and supporting the regeneration of nature. We have joined Canopy's Pack4Good initiative in December 2022 to help ensure the paper packaging we use does not come at the expense of the world's Ancient and Endangered Forests. We also plan to establish a 'Biodiversity Team' that will begin its work in 2023.

Through a consultation of "UnternehmensNatur" Team – a project by NABU Baden-Württemberg and Flächenagentur Baden-Württemberg – we will define our projects and goals for Biodiversity for the coming years.

To protect biodiversity and preserve nature, we strive to use only raw materials of natural, plant-based origin. In developing our formulations, we adhere to a strict guideline for product ingredients. ↗ The chapter *Product responsibility by design* contains further information on our Responsible Sourcing Policy.

Occupational health and safety

The health and well-being of our employees is very important to us. As a company, we therefore give high priority to health and safety in the workplace. Our workplaces are regularly assessed and improved based on the latest occupational psychological and medical findings.

During an individual analysis, every single workstation in production and administration is subjected to a thorough examination – for example, whether chairs and tables are set at the right height, whether lifting aids are required for heavy objects, or whether walkways can be simplified.

In Germany, we hold a quarterly meeting with the occupational safety officer, the company physician and the works council to discuss risks, remedial measures, and progress.

At the end of each year, a report documents the health and safety team's assessment. All processes and procedures are regularly reviewed for improvements in occupational safety in line with local requirements and – if necessary – optimized to identify and prevent accident hazards.

In addition, employees are trained as safety officers. They are in constant contact with their colleagues and oversee day-to-day safety in our company. Regular inspections are carried out in all areas to improve safety and health protection. Current topics in the field of occupational safety and health are regularly discussed with representatives of the Works Council and the management. If necessary, further measures are initiated and implemented. All incidents are systematically registered and analyzed in order to further improve prevention.



We prioritize occupational health and safety through regular assessments and continuous improvement

To actively support our employees in leading a healthier lifestyle, we have established a working group. Our goal is to improve health and quality of life through:

- Enhancement of the working environment and atmosphere
- Regular consultation with the occupational safety committee
- Support for reintegration after prolonged illness
- Prevention of work-related illnesses
- Social support
- Motivation to engage in sports activity

↗ The *Social responsibility* chapter contains more information about our employees and working conditions.





Social responsibility

Our employees – bringing sustainability to life

Our commitment to social responsibility at ADA Cosmetics is reflected in the relationships we cultivate with our fellow human beings.

First and foremost, this concerns our employees and their families, our customers and suppliers, and our surrounding communities. In this regard, we are guided by the belief that our success is grounded in mutual respect, and cooperation based on fairness. Success and progress depend largely on our employees. Their skills, expertise, and commitment help shape the future of our company. That is why good working conditions and an open environment characterized by respect and appreciation are very important to us. Thanks to the personal commitment of our employees, sustainability has become an integral part of ADA's daily working practices.

622 people

worked for ADA at 16 locations around the world in 2022

In 2022, a total of 622 people worked for us at 16 locations around the world (calculation based on full-time equivalents). We aim to create an inspiring, safe, and welcoming working environment for all. Our goal is to attract new talent, while offering our current employees long-term security and prospects.

Fair and healthy working conditions

The United Nations Guiding Principles on Business and Human Rights, the standards of the International Labor Organization, and the OECD Guidelines for Multinational Enterprises are at the heart of ADA's commitment to human rights and fair working conditions.

The following principles are firmly anchored in our strategy, our culture, and our day-to-day business. They are reflected in our Human Rights Policy, our Code of Conduct, and our Responsible Sourcing Policy.

- Protection of and respect for internationally proclaimed human rights
- Fair remuneration and decent working hours
- Right to freedom of organization and collective bargaining
- Abolition of all forms of forced or compulsory labor
- Abolition of child labor
- Elimination of discrimination
- Safe and healthy working environment

In our mission to provide fair and healthy working conditions at ADA, coupled with a safe work environment, we collaborate closely with all of our employees. We do this by providing a collegial atmosphere, fair working conditions and salaries, and additional benefits. The ADA Health Program offers a wide range of benefits locally. This program includes flexible work schedules, the possibility to work from home, company health and leisure activities, outdoor recreation opportunities, and other benefits at our various locations.

In addition, the company's internal 'Health Circle' is dedicated to the physical and mental well-being of our employees.

Our goal is to develop into a company with high employee satisfaction, where colleagues stay for years. Currently, employees stay with us for an average of 7.1 years.

To ensure the satisfaction of our employees, we involve them in shaping their working environment. In view of the varying legal and organizational requirements, the degree of their involvement dif-



Daily exercise organized by our Health Circle in our production site in Kehl, Germany.

fers from country to country. In Germany, employees have formed works council committees. Specific topics – such as occupational health, safety and training opportunities – are discussed in special committees.

These include the Economic Committee, the Safety Committee, and the Data Protection Committee. At our German site, we have negotiated several agreements with the Works Council to strengthen the interests of employees and their safety. They regulate the rights, obligations and binding standards for staff, and include the following topics: sensitive handling of employee data, remuneration arrangements, working models and hours, use of private electronic devices and telecommunications services, agreements on aptitude tests, prohibition of addictive substances, and agreements on special leave.

In addition, ADA has also introduced a feedback mechanism for employees. By conducting regular employee surveys, we are able to measure our progress. The survey results from 2021 were provided by an external consultant who has been managing our company's social issues on a monthly basis for over ten years.

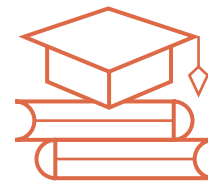
In addition to our surveys, we also conduct annual performance reviews with our employees. Reflecting on constructive feedback and addressing deficiencies identified through feedback channels is an important concern for ADA. In our last survey, employees praised their work tools and the collegial atmosphere in their department. Many of them also highlighted the performance of their team leaders or direct supervisors.

Along with gaining positive feedback, we also strive to identify stressors in ADA processes to further improve our performance. The last survey from 2021 identified a high workload, lack of resources, and deficiencies in the areas of transparency and communication as points for improvement. Together with managers, we defined improvement measures: following the relaxation of

COVID-19 restrictions, we are again meeting more frequently in staff meetings and town halls, and engaging in more exchanges regarding the company's goals. Positions with excessive workloads have been relieved through targeted reorganization, and missing competencies or resources have been created through the targeted hiring of new employees. Further information on our commitment to social responsibility can be found in the [Sustainability strategy and governance](#) chapter.

Education and training

We consider personal and professional development to be a cornerstone of our success. Thanks to the training and development opportunities at ADA, our employees can continue to develop, and meet the ever-changing demands of our industry. In 2022, ADA invested €90,000 in training with external consultants and in educational programs to develop employees' skills. This figure does not include all internal training organized and conducted by employees for employees. All employees are encouraged to work on a personal competency-based development plan that is aligned with their goals and expertise.



ADA invested 90,000 € in education & training in 2022

In Germany, 16 new apprentices were recruited in 2022 in the fields of IT, industrial engineering, chemistry, and business administration. These young professionals, apprentices, and trainees receive in-depth training, provided by experienced colleagues. In addition, we offer integrated degree programs that enable students to gain insights into the working world while they are still studying. This two-pronged approach of developing employees at an internal level and attracting new talent will help us meet our need for skilled personnel. In 2022, the takeover rate for apprentices, dual students, and interns in Germany was 75%.

Our regular CSR newsletter is a means of raising awareness of sustainability and social responsibility among all employees. Topics addressed so far have included human rights issues, the value of biodiversity, the benefits of carpooling, the introduction of water dispensers, and voluntary employee participation in World Cleanup Day.



Clean Up Day at ADA Cosmetics in Germany, in September 2022.

Diversity and inclusion

Our various efforts and approaches to promote diversity, equity and inclusion are rooted in our respect for human rights. We strive to focus on the beauty and value of each individual and not the differences that separate us. We therefore reject all forms of discrimination, whether based on gender, color, ethnicity, language, creed, political or other opinion, membership of a national minority, status, birth, disability, age, sexual orientation, or any other personal or social circumstance. Instead, we aim to leverage the positive effects that a diverse workforce can bring. Our goal is to

make diversity and inclusion a focus throughout the company. To achieve this, we will issue guidelines that define our shared understanding of and commitment to this field by the end of 2023.

In 2022, 59.5% of our workforce was female. Of all management positions, 55.3% were held by women. Further social indicators can be found in the indicator table in the appendix. Work-from-home and flexible working time models are designed to help balance professional duties with the demands of private life. At ADA, we have defined hybrid work models for office jobs. As part of our commitment to a culture of diversity, we will introduce a social network to connect employees who have different backgrounds and areas of expertise. The network is intended to facilitate communication between our colleagues, and hopefully generate friendships. Pioneers in this regard are, for example, the running group at our German site and the biodiversity team, which will be established globally in 2023.

ADA is particularly committed to the integration of people with disabilities or other limitations into the labor market. At our headquarters in Kehl, Germany, we cooperate with the 'Hanauerland Werkstätten'. This recognized facility for people with disabilities aims to promote inclusion and empowerment for all. In 2022, ADA ordered more than 180,000 products that were processed or manufactured by the employees of the Werkstätten – an order that supports the facility for an entire year.



Long-standing partnership for impact: Supporting ESPERANCE, a French association, in donating goods to the orphanage "Baptiste de Tchernivitsi" in Ukraine.



ADA collects goods to donate to the ESPERANCE association, which distributes them to people in need.

To prevent discriminatory behavior of any kind, we have defined a process for identifying and resolving potential incidents. We have established an ADA grievance procedure to promote a thorough, swift, and satisfactory resolution of any issues raised by affected parties, whether an employee or stakeholder, in the first instance. Work is also underway to establish a whistleblower protection process, and to promote a constructive grievance culture that follows a transparent process.

Commitment to the community

ADA is aware of the impact and influence we can have – not only in our directly related business areas, but also in regard to associated social and environmental aspects. We recognize the power of synergies and support specific initiatives and projects to fulfill our commitments to the well-being of the regions and communities in which we operate.

In 2022, we participated in World Cleanup Day for the first time. This was a voluntary activity to raise awareness about waste, highlight the importance of sustainability at work, and promote social cohesion within the company. ADA also supports our surrounding communities to strengthen social cohesion. During the reporting period, ADA made donations in kind in the form of body cleansing and care products to various organizations, such as local food banks and schools. Other examples of our social commitment range from financial support for sports clubs in Germany and for schools in the Czech Republic, to assistance for children during hospital stays through the Belfast Health and Social Care Trust in the United Kingdom, or the Yamuna Orphanage in Kathmandu in Nepal. We have also been working for decades with a French association called ESPERANCE, to whom we donate goods that are then distributed partly to orphanages in Ukraine and Roumania.

In addition to our support for Clean the World and The Ocean Cleanup, we also work with Clean Conscious, an organization that donates surplus and excess materials to nonprofits for reuse instead of disposal.

Clean the World

ADA supports Clean the World, an organization that promotes access to clean water, sanitation, and hygiene. Through its work, Clean the World helps fight disease, improving the quality of life for vulnerable communities around the world. The initiative works closely with hotels, donating used bars of soap and soap dispensers left behind by guests, recycling the residual soap into new bars and the bottles into new material.



The Ocean Cleanup

We are an independent supporter of The Ocean Cleanup Foundation. Founded in 2013, The Ocean Cleanup has a team of 120 engineers, researchers, scientists, computer modelers, and other supporting roles. They work around the clock to rid the world's oceans of plastic, creating a protected and safe habitat for marine life.

Combating plastic pollution has a positive impact on marine life, which would otherwise carry toxic pollutants into the food chain. The collected plastic is recycled and thus becomes a valuable raw material again.



In response to the devastating war in Ukraine, ADA decided to pool the aid offered by our employees through local partnerships with nonprofit organizations. Together with our employees, we donated a range of relief supplies such as cosmetics and hygiene products, as well as warm winter clothing.

Outlook

Thank you for your interest in reading our first sustainability report! Being a responsible company is part of a long journey, and requires continuous improvement on all levels.

We strive every day to become better as a Group, and we are delighted to share a preview of some of the topics we will work on in 2023:



Environmental

- Verification of our S1 and S2 GHG emissions, and calculation of our Scope 3 emissions
- Climate Change Awareness training



Social

- Diversity & Inclusion policy
- Modern Slavery training



Governance

- CSRD (Corporate Sustainability Reporting Directive) gap analysis
- Whistleblowing system

We are very much looking forward to sharing the progress we make in 2023 with you in our next sustainability report, which will be available at the start of 2024.

Join us on this journey towards a more sustainable world!

ADA Cosmetics CSR Team

Conscious choices – trip by trip.

Appendix

About the report

Report content

Within the report, we provide information on our strategic priorities and alignment with frameworks and norms of responsible business conduct and corporate sustainability.

The content of the report is divided into four main chapters: 1) Sustainability strategy and governance, 2) Product responsibility by design, 3) Environmental, Health & Safety management and 4) Social responsibility. These chapters outline the key sustainability challenges in relation to our business and the respective management approaches adopted by ADA Cosmetics.

Aim of the Sustainability report

We aim to report thoroughly and transparently, while also inspiring our stakeholders to take an interest in our evolving approach and journey. It is essential for management and performance to be quantifiable, transparent, and thus accountable. The report outlines our goals and commitments, our achievements as well as measures in place and planned to progress towards sustainability. With this, the report provides new impetus for discussions with our employees, customers and business partners, further stakeholders and the interested public.

Alignment with reporting frameworks and standards

We aim to focus on what is important and comprehensively address topics of relevance. Based on a materiality assessment conducted in 2022, the content for our report was defined based on our impacts and arising responsibilities, their business relevance and central expectations of our stakeholders.

ADA is not legally required to disclose but issues the report voluntarily. Our reporting approach is based on the internationally recognized guidelines (GRI Standards) of the Global Reporting Initiative (GRI). Furthermore, our reporting content reflects on the rating criteria of CDP and EcoVadis where ADA participates. We thus aim to measure the report against the specified requirements, to further develop it and enable comparisons. With our voluntary report, we aim to prepare for the reporting obligations defined by the EU Corporate Sustainability Reporting Directive (CSRD).

Reporting period and frequency

Our first report refers to the business years 2021/2022 (January 1, 2021, to December 31, 2022). The editorial deadline was March 17, 2023. ADA aims to publish a sustainability report every year preparing for the reporting requirements defined by the CSRD.

Reporting boundaries

The statements and information given in this report always refer to the entire company, including all subsidiaries under operative control (see [7 Company Profile](#)). Restrictions in the scope of this report are noted in the appropriate places and result from the current state of data availability. All of our business unit locations are to be successively included in the report and are developing the data basis accordingly.

Contact

We welcome questions and feedback regarding our report.

Please contact Agnès Clément, who is responsible for the management of the reporting project:

Agnès Clément
Corporate Sustainability Manager
agnes.clement@ada-cosmetics.com

Indicator table

Company Profile

Indicator	Unit	2022	2021
Turnover	in €	116,691,517	78,499,784
Turnover development	Percentage	+ 48,65	–
Business clients and end consumers ¹	Number	32,737	32,618
Business clients ²	Number	17,537	15,704
Distributed products		376.002.079	316.340.545
Cosmetic (Liquid, Dry, Set)	Number	320.002.921	278.480.786
Accessories (Liquid, Dry, Set)		55.999.158	37.859.759
Technical Support ³		1.089.699	1.632.749

Presented indicators covers ADA Group including all subsidiaries. Record day is December 31 of each reporting year.

¹ Includes hotels and industry businesses with online sales to end customers.

² Includes hotels and industry businesses without online sales to end customers.

³ Includes brackets, bottles, valves and caps.

List of active licensed brands

- Amouage
- Argentum
- Asprey
- Balmain
- Bogner
- Chopard
- Elemis
- Esteban
- Hermès
- Lalique
- Luis Trenker
- Penhaligon's
- Perfurmer H
- Soapsmith
- The White Company

List of own brands

- Absolute Nordic Skincare
- Aqua Senses
- Be different
- DermaCare
- Eco Boutique
- Eco by Green Culture
- Fair CosmEthics
- Hydro Basics
- My Forest Friends
- Naturals
- Naturals Remedies
- Now or Never
- Pure Herbs
- Spirit of travel
- The Perfumers Garden
- Think, Act & Live Responsible
- V-Stop

Supply Chain

Indicator

2022

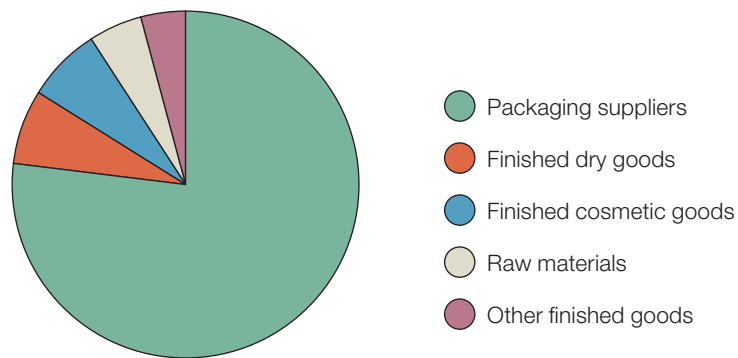
Share of main suppliers

In 2022, 80% of the supplies we bought were from 32 suppliers.

Main types of supplies

- 77 % packaging
- 7 % finished goods dry (cotton buds, paper cups etc.)
- 7 % finished cosmetics goods (shampoos, shower gels etc.)
- 5 % raw material
- 4 % finished goods & others (toothbrush sets, shower caps etc)

Main type of supplies



Location of main suppliers

In 2022, 84 % of the supplies we bought were coming from suppliers based in 4 countries:

- 26 % in China
- 21 % in Germany
- 19 % in Czech Republic
- 18 % in Malaysia

Indicator table – Product design

Research and Development (R&D)

Indicator	Unit	2022	2021
R&D total budget ¹	in €	630,000	

Record day is the 31st of December of each reporting year.

¹ R&D Total budget includes: Personnel costs (including training), maintenance/buying of equipment, travelling, consultancy costs.

Product packaging categories

Indicator ²	Unit	2022	2021
Share of main product packaging categories sold			
CC - Liquid Flacon		48,3204	49,0652
CC - Liquid Tubes		28,6258	31,9951
CC - Industry		10,9606	10,0299
CC - Liquid Sachets		4,8124	3,7905
CC - Smart Care		3,5564	2,4363
CC - Press & Wash	Percentage	2,2491	2,0211
CC - Pump Dispenser		0,9298	0,6609
CC - ILLI		0,5450	0,0005
CC - Refill		0,0003	0,0002
CC - Others		0,0002	0,0002
CC - Shape		0,0001	0,0000

Presented indicators covers ADA Group including all subsidiaries. Record day is December 31 of each reporting year.

² Indicator takes into account all categories of liquid cosmetics.

Indicator table – Own operations

Energy consumption and greenhouse gas (GHG) emissions

Indicator	Unit	2022	2021
Direct GHG emissions (Scope 1) ¹	t CO ₂ e	504	552
Indirect, energy-related GHG emissions (Scope 2) ²	t CO ₂ e	3,137	3,033
Total GHG Emissions (Scope 1 & 2) ³	t CO ₂ e	3,641	3,585
Energy consumption ⁴	kWh	6,966,022	7,039,721
Natural gas	kWh	1,776,160	2,103,484
Change to previous year	Percentage	-16	–
Electricity	kWh	5,189,862	4,936,238
Change to previous year	Percentage	+5	–
Electricity from renewable sources ⁵	Percentage	37	37
Energy efficiency	kWh/turnover	0.06	0.09

Presented indicators covers ADA Group including all subsidiaries. Record day is December 31 of each reporting year.

¹ Including mobile and stationary combustion. Fugitive emissions were excluded in our first emissions screening.

² Values are calculated using the location-based method. Additional reporting on market-based figures is planned for 2023.

³ Values based on estimated energy consumption.

⁴ Including natural gas and electricity.

⁵ Germany, UK and Austria using 100 % renewable electricity.

Water consumption

Indicator	Unit	2022	2021
Water withdrawal			
Czech Republic	m ³	7,283	4,863
Germany	m ³	16,559	18,151
Water discharge			
Czech Republic	m ³	3,280	2,895
Germany	m ³	13,019	15,221

Presented indicators cover two of three production sites. For our production site in Malaysia, we are in the process of setting up data collection and plan to disclose the indicators in the next report. Record day is December 31 of each reporting year.

Indicator table – Own operations

Total waste generated, differentiated by type⁴

Indicator	Unit	2022	2021
Hazardous waste ⁵	t	33.98	1.72
Non-hazardous waste ⁶	t	455.77	443

Presented indicators covers only sites located in Germany. Record day is December 31 of each reporting year.

⁴ In 2021, some of our service providers were not separating hazardous from non-hazardous waste in their report.

In 2022, we changed service providers in order to get more accurate data and be able to better reduce our hazardous waste.

⁵ Hazardous waste includes mainly solvents or mixtures of solvents and non-chlorinated oils based on mineral oil.

⁶ Non-hazardous waste includes mainly packaging waste, paper & cardboard waste and liquid waste.

Indicator table – Social responsibility

Indicator	Unit	2022	2021
Employees		622.9	565.8
Employees by subsidiary and location			
Germany (ADA Cosmetics International GmbH ¹)		237.8	227.7
Malaysia (ADA Cosmetics International)		147.5	125.9
Czech Republic (ADA International Sro)		131.0	111.6
Great Britain (ADA Cosmetics International Ltd)		22.6	20.9
Thailand (ADA Cosmetics International)		22.0	22.0
Hong Kong (ADA Far East LTD)		16.0	15.0
China (ADA Cosmetics Trading Ltd)	FTE-based number	13.0	11.0
Austria (ADA Cosmetics International GmbH)		9.2	9.0
USA (ADA International USA Inc)		4.0	4.0
Dubai (ADA Pacific Direct LLC)		6.0	6.0
France (ADA France Sarl)		4.8	4.8
Singapore (ADA International PTE Ltd)		3.0	2.0
Denmark (ADA International Scandinavia AS)		1.0	1.0
Spain (ADA Hotelcosmetics SLU)		2.0	2.0
Switzerland (ADA Cosmetics International GmbH)		1.0	1.0
Canada (ADA International Canada Inc)		2.0	2.0

Presented indicators covers ADA Group including all subsidiaries. Record day is December 31 of each reporting year.

¹ Including MLC Black Forest.

Indicator table – Social responsibility

Workforce development

Indicator	Unit	2022	2021
Total number of employees ²	Headcounts	635	585
Contracted temporary workers		77.2	56.3
Employees by part-time contract ³	FTE-based number	105	85
Employees under labor union contracts ⁴	Percentage	10	10
Employees hired	Headcounts	96	177
Employees left	Headcounts	138	122
Average period of employment	Years	7,1	7,5
Employee turnover ⁵	Percentage	21	24

Presented indicators covers ADA Group including all subsidiaries. Record day is December 31 of each reporting year.

² Includes all active and passive employees as well as temporary workers.

³ Part-time contracts are defined if the working time is as less than 100 % of full-time defined by the country.

⁴ Employees in Germany are represented by a union. In Czech Republic, employees are represented in a trade union and through one employee representative.

⁵ Headcount-based rate between employee average and employees leaving the company.

Women in leadership

Indicator	Unit	2022	2021
Female employees	Head-count based	59,5%	58,5 %
Female employees in leadership positions	percentage	55,3 %	53,8 %

Presented indicators covers ADA Group including all subsidiaries. Record day is December 31 of each reporting year.

Demographics and professional development

Indicator	Unit	2022	2021
Average age of employees	Years	41,0	41,4
Employees in entry-level education ⁶	Number	16	15
Takeover rate	Percentage	75	0 ⁷
Spending on trainings	in €	91,189	34,575

Presented indicators covers ADA Group including all subsidiaries. Record day is December 31 of each reporting year.

⁶ Including trainees, dual students and interns.

⁷ Due to the COVID-19 pandemic, 7 out of 15 employees in entry-level education were not able to finish their internship in 2021 and kept working at ADA in 2022. The remaining 8 could not be offered a contract due to the pandemic.

Social sponsoring

Indicator	Unit	2022	2021
Voluntary, charity contributions ⁸	in €	36,554	15,367

Presented indicators covers ADA Group including all subsidiaries. Record day is December 31 of each reporting year.

⁸ Excluding monetary value of ADA products donated to social causes.

GRI Content Index

Statement of use: ADA has reported the information cited in this GRI content index for the period from January 1 to December 31, 2022 with reference to the GRI Standards (GRI 1: Foundation 2021).

Content	More Information	Page number	In reference to the GRI standards
Organizational details	– Legal name and form – Nature of ownership – Location of corporate headquarter and sites – Proportion of turnover	5–6	GRI 2: General Disclosures 2021 Disclosure 2-1 Organizational details
Reporting profile	– Entities included in the organization's sustainability reporting – Reporting period, frequency and contact point	37	GRI 2: General Disclosures 2021 Disclosure 2-2 Entities included in the organization's sustainability reporting Disclosure 2-3 Reporting period, frequency and contact point
Activities, value chain and other business relationships	– Organization's activities, products, services, and markets served – No significant operational changes during the reporting period – Supply chain information	5–7 38–39	GRI 2: General Disclosures 2021 Disclosure 2-6 Activities, value chain and other business relationships
Workforce	– Number of employees with breakdown by region	43	GRI 2: General Disclosures 2021 Disclosure 2-7 Employees
Governance	– Delegation of responsibility for managing impacts – Role of the highest governance body in overseeing the management of impacts	11	GRI 2: General Disclosures 2021 Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts Disclosure 2-13 Delegation of responsibility for managing impacts
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Content	More Information	Page number	In reference to the GRI standards
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¹ Performance indicators will be developed further.

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¹ Performance indicators will be developed further.

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