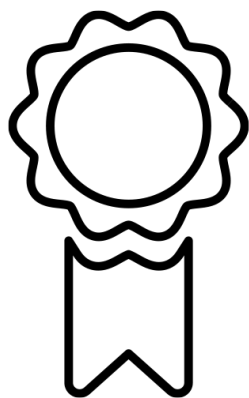


# ADOREBEAUTY

Modern Slavery  
Statement 2022

## Adore Beauty Highlights

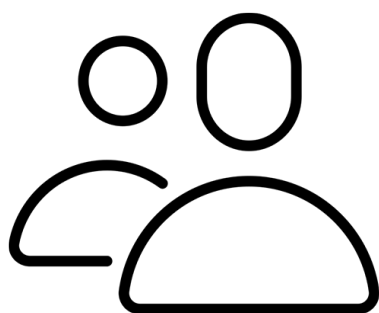
Adore Beauty is Australia's number one pure play online beauty retailer, and an official stockist of over 260 leading beauty brands.



#1 ecommerce  
cosmetic retailer



Over 260 brands



165<sup>1</sup>  
employees



Operate in 2  
countries

<sup>1</sup> Permanent employees including non executive directors

# Reporting Entity

REPORTING ENTITY NAME Adore Beauty Group Limited

TRADING NAME Adore Beauty

REGISTERED OFFICE Level 1 / 421 High St, Northcote, Melbourne, Victoria, Australia 3070

ENTITY TYPE Australian Public Company, Limited by Shares

ACN 636 138 988

REGISTRATION STATUS Registered

INDUSTRY Beauty and Personal Care

## Introduction

This Modern Slavery Statement is made by Adore Beauty Group Limited (ABN 78 636 138 988), ('Adore Beauty' or 'the Company') and its Controlled Entities ('the Group'). The Statement covers the period from 1 July 2021 to 30 June 2022 (FY22) and it has been approved by the Board of Adore Beauty.

Adore Beauty rejects any form of modern slavery or exploitation, where a person cannot refuse, or leave, work because of threats, violent, coercion, abuse of power or deception.

This crime and exercise of power or ownership over another in modern economic circumstances occurs in every region of the world. Adore Beauty fully supports The Commonwealth Modern Slavery Act 2018 and the requirement to publish a Modern Slavery Statement.

*We expect all employees, suppliers and stakeholders to actively support the work involved to eradicate modern slavery.*

This document sets out those practices and related policies, and provides insight into the supply chain and business processes of our company.



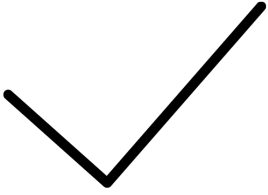
## Adore Beauty's vision and aspiration

*Adore Beauty's vision is to shape the beauty shopping experience into a space where consumers can find joy and seek confidence. Beauty Done Better.*

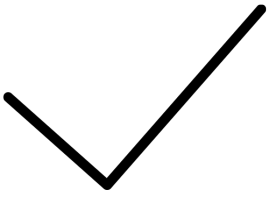
Adore Beauty's aspiration is Beauty Done Better, through delivering an exceptional beauty shopping experience, driving online penetration to own the beauty category in Australia and New Zealand. We aim to be the online destination for a broad selection of premium beauty, wellness and personal care products across skin, hair, make up, accessories and close adjacencies.



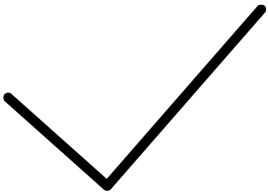
## What did we achieve in FY22?



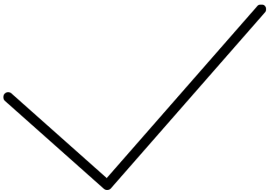
Internal training modules rolled out throughout the company, for compulsory completion



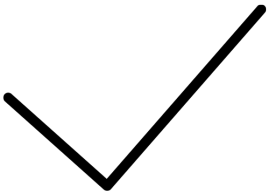
234 (89%) of partners committed to contracts with particular focus on eliminating modern slavery in their supply chain



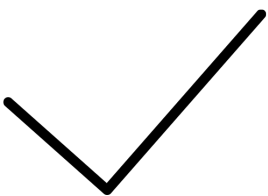
Completed internal and external modern slavery policies



Taken steps to encourage 3rd party labour hire providers comply with modern slavery standards

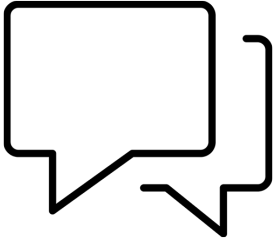


Defined commitments for completion in FY23

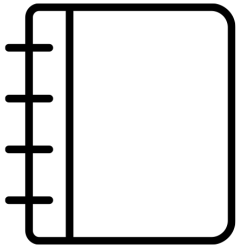


Report to the Board monthly on progress and risks

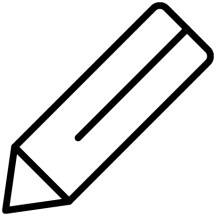
## Broadly defined targets for FY23



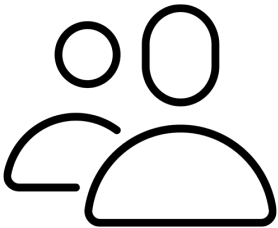
Working with new partners to include modern slavery commitments in our written agreements



Complete risk assessments for all departments across the company



Work with existing brand partners and transition to revised commercial contracts including modern slavery compliance clauses



Explore ways to audit partners' compliance as per commercial contractual commitments

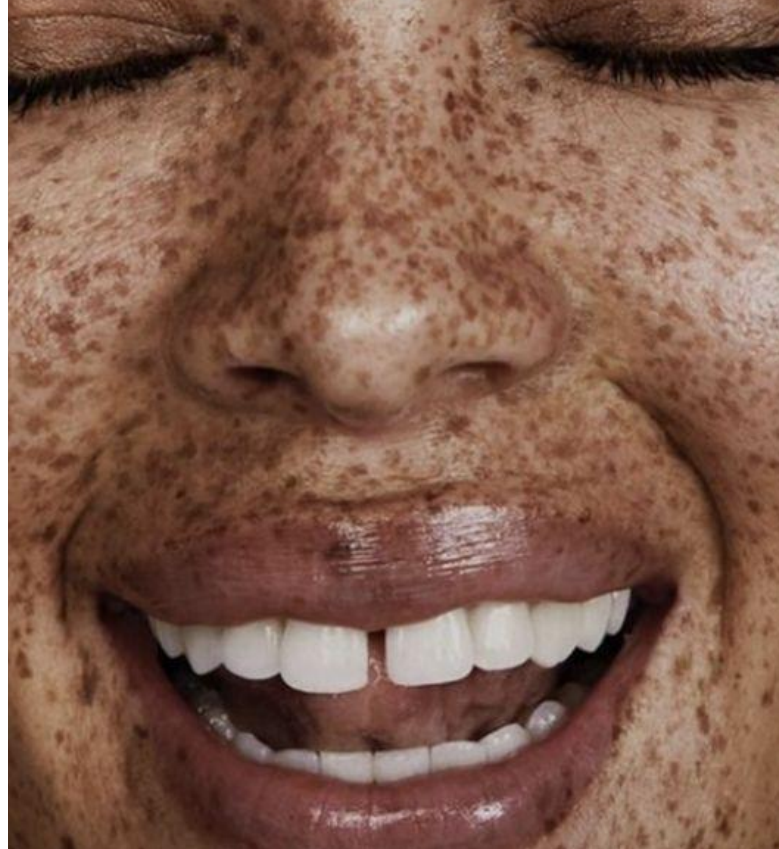
## Our values

We are a proudly values-led company, and we believe these values are the building blocks of our innovative culture. The values we hold dear are:

- **Working for each other:** We all pitch in, share knowledge and offer help.
- **Doing the right thing:** We show fairness, honesty and respect to our co-workers, customers and suppliers. We live up to our promises and admit our mistakes.
- **A positive approach:** We look for the best in people and situations. Blame less, care more and respect each other's differences.
- **Always growing:** We challenge ourselves, embrace change, show courage, and consider mistakes an opportunity to learn.

Aligned with these Values, Adore Beauty has a strong focus on:

- Environmental, social and governance;
- Sustainability;
- Diversity and inclusion; and
- Community support.





## Our business and supply chain

Adore Beauty generates its revenue through online sales of third-party beauty and personal care products to Australian and New Zealand consumers. Launched in 2000 as Australia's first beauty focused e-commerce website with a vision to help women feel more confident and fabulous every day by delivering an empowering and engaging beauty shopping experience personalised to their needs. Adore Beauty has evolved to an integrated content, marketing and e-commerce retail platform that partners with a broad and diverse portfolio of over 260 brands.

Adore Beauty operates in Australia and New Zealand.

In FY22 Adore Beauty reported revenue of \$199.7 million and EBITDA of \$5.3 million, and employed 165 passionate permanent employees, with a head office located in Northcote, Victoria. Adore Beauty has one directly-controlled customer fulfilment centre which is based in Keilor Park, Victoria. All of its legal entities are wholly-owned subsidiaries and it has legal entities that operate businesses in Australia, and New Zealand.

Adore Beauty operates the Adore Beauty e-commerce platform which involves the purchase for re-sale of third-party brands, for which there are 165 suppliers, and private label.

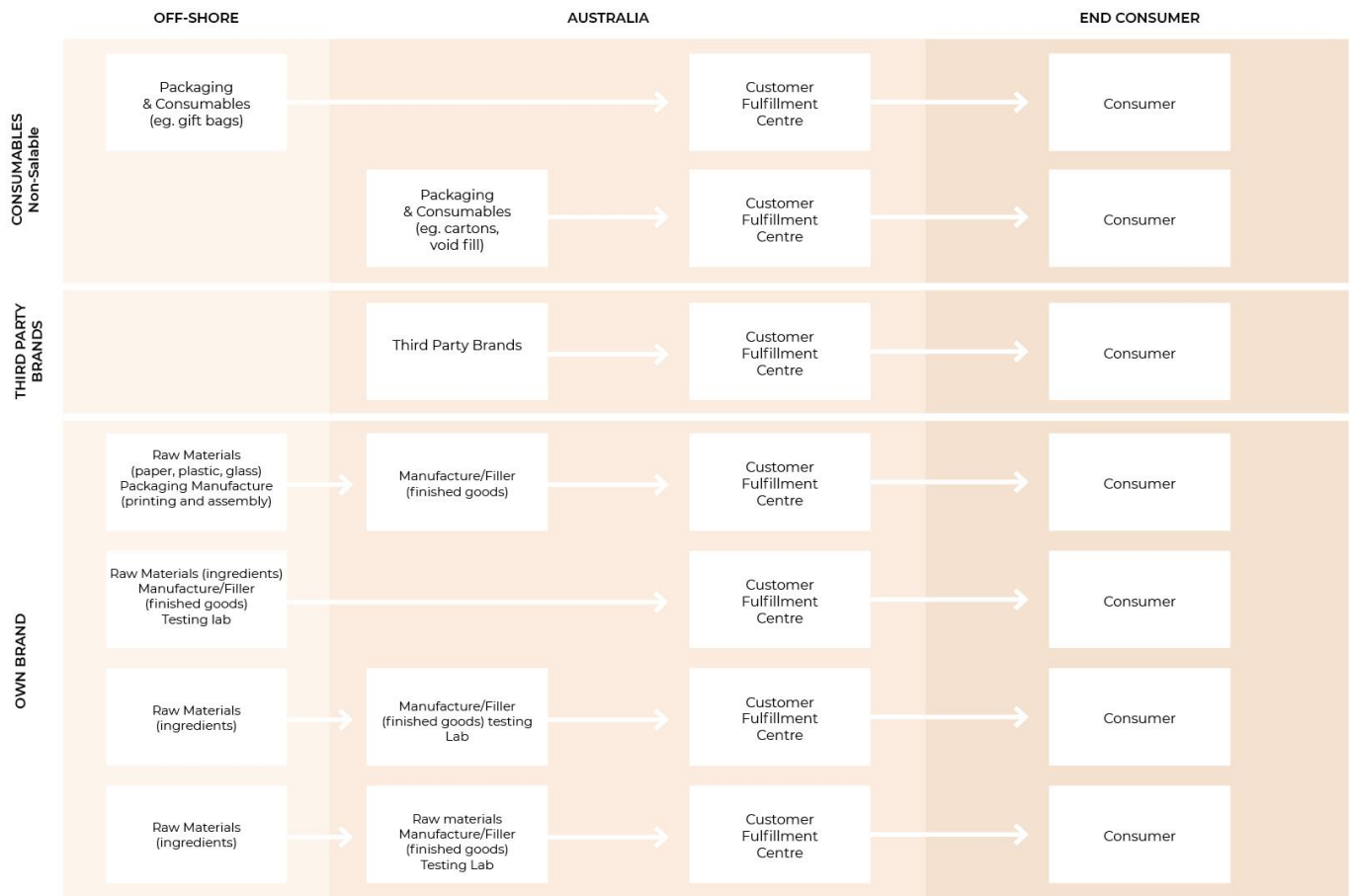
The majority of Adore Beauty's direct suppliers are located in Australia and represent a lower risk to modern slavery.

Adore Beauty has a Brands and Private Label function, which is primarily responsible for the selection and ongoing management of all supply of saleable goods across the Group.

Adore Beauty has a Supply Chain team who are responsible for implementing risk management procedures and mitigate the risks throughout the supply chain.

Adore Beauty also engages a number of third-party suppliers of services relating to labour hire in its directly controlled facility as well as for other services such as cleaning, transportation of goods, marketing, advertising, software as a service etc.





## Policy Approach

*We expect all employees, suppliers, service providers, and stakeholders to actively support and prioritise the work involved to eradicate modern slavery and where relevant work closely with them to meet their modern slavery requirements.*

This statement reports foundational work undertaken in FY22, and sets a baseline for future work and focus.

The Code of Conduct, Anti-Bribery and Anti-Corruption Policy, and Modern Slavery policy set out the ground rules for the way we expect our employees to work, including a zero-tolerance approach to bribery, corruption, and modern slavery. These policies can be found at [www.adorebeautygroup.com.au/investor-centre](http://www.adorebeautygroup.com.au/investor-centre).

Whistleblower channels provide a safe way for Adore Beauty’s employees, suppliers and contractors to raise concerns about improper conduct at Adore Beauty, including conduct relating to modern slavery.

Employee review and understanding of policies is monitored and completed through the use of the training platform, ELMO.

## The risks of modern slavery

A methodology has been developed and applied to identify Adore Beauty's operations and supply chain where risks of modern slavery exist. Adore Beauty recognises that its supply chain has the risk of modern slavery including the risk that participants in its supply chain do not pay their workers fair wages; that they use forced or bonded labour; that there are insufficient health and safety conditions for workers; that there are excessive working hours or unpaid overtime; that workers do not have freedom of association; or that there is gender discrimination or a lack of equal opportunities for workers in the workplace.

Adore Beauty has exposure to these risks through:

- the purchase of finished goods for resale on its e-commerce website;
- the development of private label products; and
- its reliance on third-party suppliers of raw materials, packaging and components; and
- the reliance on third-party suppliers of services.

A responsible supply chain starts with us and the decisions we make in selecting suppliers, services, and our ongoing procurement practices.

***Adore Beauty aims to build long-term direct supplier relationships that help us to work with suppliers to safeguard human rights.***

Adore Beauty purchases finished goods from select suppliers for re-sale through its e-commerce website, Adore Beauty. There is a risk that the suppliers which have manufactured the finished goods may have modern slavery in their own operations or supply chain.

In the reporting period, Adore Beauty developed and launched a private label beauty product offering, including skincare and cosmetic bags. In this case, all components of the product and packaging are controlled by our experienced product team based in Melbourne.

There is a risk that the suppliers which have manufactured the finished goods, and/or procured raw materials, may have modern slavery in their own operations or supply chain.

Adore Beauty has third-party contract manufacturers which manufacture packaging and component products for Adore Beauty to the specifications of Adore Beauty. These third-parties are located in Australia and China. By relying on third-parties for procurement or manufacture of packaging and components, there is a risk that those third-party manufacturers may have modern slavery in their supply chain or the brokers are purchasing from third-parties that may have modern slavery in their supply chain.

Adore Beauty has very limited exposure to the risks of modern slavery through the employees, contractors and labour-hire employees that work at its directly controlled facility based in Keilor Park in Australia. This is because all employees are engaged under a modern award, an individual contract of employment or a contractor agreement. Labour-hire employees are engaged with reputable third-party labour-hire providers based in Melbourne, Australia.

Adore Beauty enters contracts for services in connection with the operation of its business. This may relate to labour hire, cleaning, waste management, maintenance, marketing, advertising, specialist advisors, software etc. When it engages with service providers, it does so subject to arms-length contractual terms and ensures that it engages reputable suppliers. For those service agreements that are white-collar in nature (such as marketing or advertising), the risk of modern slavery is considered to be very low.



## Steps taken to mitigate risks of modern slavery

The responsibility to mitigate the risk of modern slavery in the Adore Beauty supply chain is overseen by the Board of Adore Beauty with the implementation of the anti-modern slavery program being delegated to management with reporting back to the Board.

All departments and functions are responsible for the management of the modern slavery program and upholding set standards.

***Adore Beauty is committed to addressing and remediating any instances of modern slavery identified in its supply chain. In FY22 Adore Beauty undertook the following activities to increase awareness and reduce the risk of modern slavery across the business:***

Adore Beauty purchases finished goods from select suppliers for re-sale through its e-commerce website, Adore Beauty. In the current reporting period, Adore Beauty continues to contract with reputable Australian authorised third-party suppliers, (where available) either directly with supplier brands, or through their authorised Australian distributors. In order to partner with Adore, all new brand supply partners are required to agree to detailed modern slavery clauses within our standard commercial contracts.

Adore Beauty commenced work on a private label brand in the reporting period. In this case, all components of the product and packaging are controlled by our experienced product team based in Melbourne. Reputable manufacturers, and suppliers of materials, both offshore and in Australia are carefully and specifically chosen requiring detailed anti modern slavery practices.

Adore Beauty has a number of third-party suppliers of packaging and components or distributors which source and purchase raw materials and components. In the current reporting period we continue to contract with reputable, Australian-based suppliers for our packaging and void fill. We require all packaging and component suppliers agree to modern slavery clauses within our standard commercial contracts.

Adore Beauty has very limited exposure to the risks of modern slavery through the employees, contractors and labour-hire employees that work at its directly controlled facility based in Keilor Park in Australia and with delivery partners.

When labour hire employees are on our controlled premises, they are subject to the same award specified breaks and all relevant shift benefits. In addition, some partners offer a sophisticated technology platform that enables contractors to direct and choose their workplace and their work hours with no obligation.

In the current reporting period Adore Beauty engaged with reputable third-party Australian labour-hire and delivery providers.

In the current reporting period Adore Beauty engaged with reputable third-party labour-hire providers outside of Australia. Due to Covid, all of the employees have been working from home, and continue to work under a hybrid model. Adore Beauty has completed visual checks for safe working environments that are free from modern slavery and engages in weekly communications with the team managers, and the team.

Steps taken in setting up these relationships included a site visit to the workplace to set up the account, meet the team, provide all training, and confirm the workplace was a safe environment, free from modern slavery practices.

We monitor on an ongoing basis through daily and weekly meetings with the senior management and teams. We also complete annual salary reviews, and increases, inline with relative benchmarking.

All commercial contracts include detailed modern slavery clauses.



## Assessment of the effectiveness of the program

The Board of Adore Beauty has the ultimate responsibility to assess the ongoing effectiveness of the anti-modern slavery program of Adore Beauty.

The anti-modern slavery program of Adore Beauty is currently at an early phase in its maturity. In the current reporting period Adore Beauty set goals to complete key initiatives, and reported progress accordingly. A review of the Adore Beauty Modern Slavery Statement was completed, and a set of commitments for the next reporting period has been agreed.

The intent is to prioritise supply chain risks and develop knowledge and expertise within the team as the program evolves. Adore Beauty's risk management system will be applied to the risk assessment and recording of modern slavery risk and remediation.

The Board will periodically assess the effectiveness of the anti-modern slavery program of Adore Beauty including:

- Monitoring the procedures of the Group against global best practices as well as industry peers;
- Monitoring that the processes to assess risk are relevant and up-to-date; and
- Endorse monitoring of suppliers and refine the process for onboarding and assessing new suppliers.

## Adoption by the board

This Modern Slavery Statement was considered and approved by the Board of Adore Beauty Group Limited in their capacity as principal governing body of Adore Beauty Group Limited on 14th of December 2022 and is signed by the Chair, Marina Go.



Marina Go  
Chair