

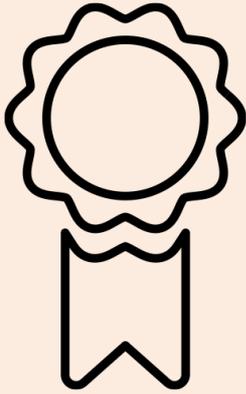
ADOREBEAUTY

— GROUP —

Modern Slavery Statement 2021

Adore Beauty Highlights

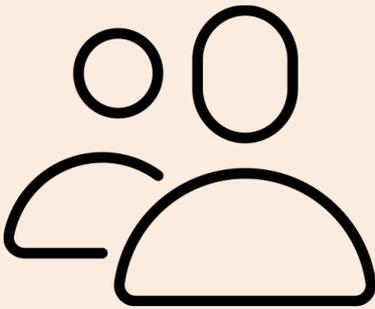
Adore Beauty is Australia's number one pure play online beauty retailer, and an official stockist of over 260 leading beauty brands.



#1 ecommerce
cosmetic retailer



Over 260 brands and
11,000 products



148¹
employees



Operate in 2
countries

¹ Permanent employees



A message from our CEO

Adore Beauty was founded and built around our community, which includes our customers, employees and suppliers. We are a proudly values-led company, and one of our values is “Doing the right thing”. Doing the right thing here means we are deeply committed to upholding human rights across our operations and supply chains. We seek to partner with suppliers that embody Adore’s core values in their own operations.

At Adore Beauty, we recognise our responsibility and the opportunity to help eradicate modern slavery. We expect our suppliers to be in full compliance with the applicable laws of the countries where they operate, including all labor laws, and to respect the rights of their employees in accordance with internationally recognised standards.

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

Adore Beauty will continuously work to prevent modern slavery and human trafficking in our supply chain or in any part of our business.

We expect all employees, suppliers and stakeholders to actively support the work involved to eradicate modern slavery and where relevant -work with them to meet their modern slavery

This statement reports foundational work undertaken in FY21, and sets a baseline for future work.

We welcome feedback and look forward to learning from others as we work together with our stakeholders to address this serious issue.

A handwritten signature in black ink, appearing to read 'TMS' with a stylized flourish.

Tennealle O'Shannessy

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

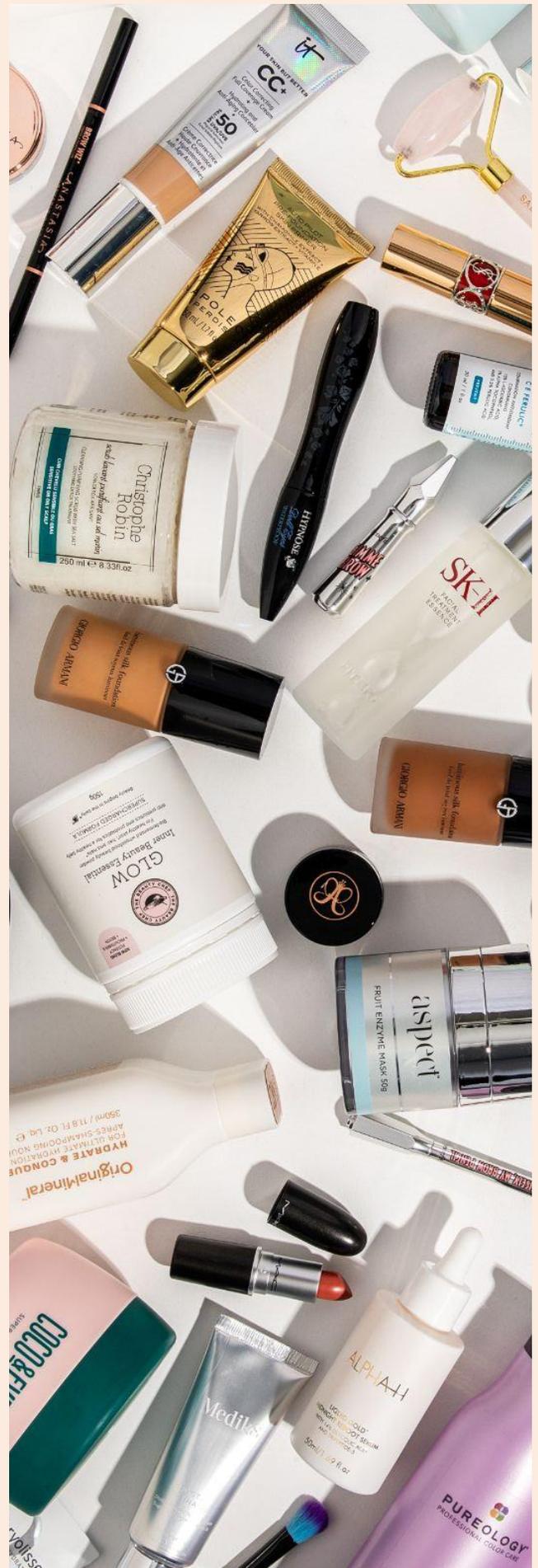
This Modern Slavery Statement is made by Adore Beauty Group Limited (ABN 78 636 138 988), ('Adore Beauty' or 'the Company') and its Controlled Entities ('the Group'). The Statement covers the period from 1 July 2020 to 30 June 2021 (FY21) and it has been approved by the Board of Adore Beauty.

“Adore Beauty rejects any form of modern slavery or exploitation where a person cannot refuse, or leave, work because of threats, violence, 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 Australian Modern Slavery Act and the requirement to publish a Modern Slavery Statement.

“Adore Beauty will continuously work to prevent modern slavery and human trafficking in our supply chain or in any part of our business”

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



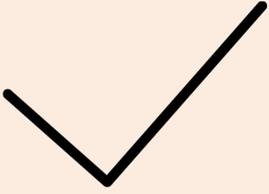
Adore Beauty's vision and aspiration

“Adore Beauty’s vision is to help women feel more confident and fabulous every day by delivering an empowering and engaging beauty shopping experience personalised to their needs.”

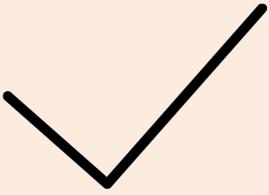
Adore Beauty’s aspiration is to transform the beauty shopping experience and drive online penetration to own the beauty category in Australia and New Zealand, and be the preeminent online destination for a broad selection of premium beauty, wellness and personal care products across skin, hair, make up, accessories and close adjacencies.



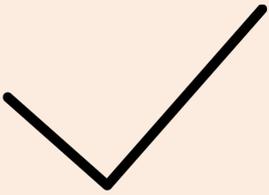
What did we achieve in FY21?



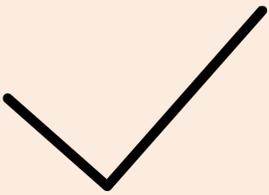
All off shore packaging manufacturers have agreed to contracts including modern slavery compliance clauses



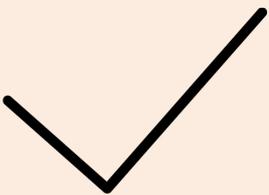
Updated all new brand contracts to include modern slavery compliance



All private label supply chain partners have agreed to contracts including modern slavery compliance clauses



Completed a risk assessment of Private label supply chain

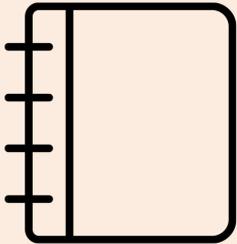


Defined set of committed actions for FY22

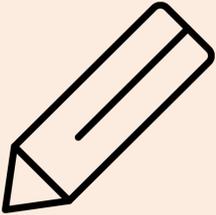
Broadly defined targets for FY22



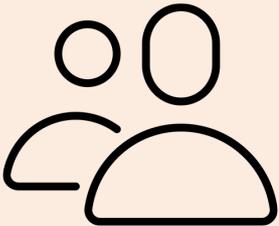
Company wide Modern slavery knowledge and identification training



Complete risk assessments for every stream/department across the company, to identify any additional risks to anti modern slavery



Work with existing brand partners to agree to revised contracts including modern slavery compliance clauses



Work with all labour hire, and service provider, partners to agree to revised contracts including modern slavery compliance clauses

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 cultural areas such as:

- 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 and 10,800 products.

Adore Beauty operates in Australia and New Zealand.

In FY21 Adore Beauty reported revenue of \$179.3 million and EBITDA¹ of \$7.6 million, and employed 148 passionate permanent employees, with a head office located in Northcote, Victoria. Adore Beauty has one directly-controlled customer fulfillment 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.

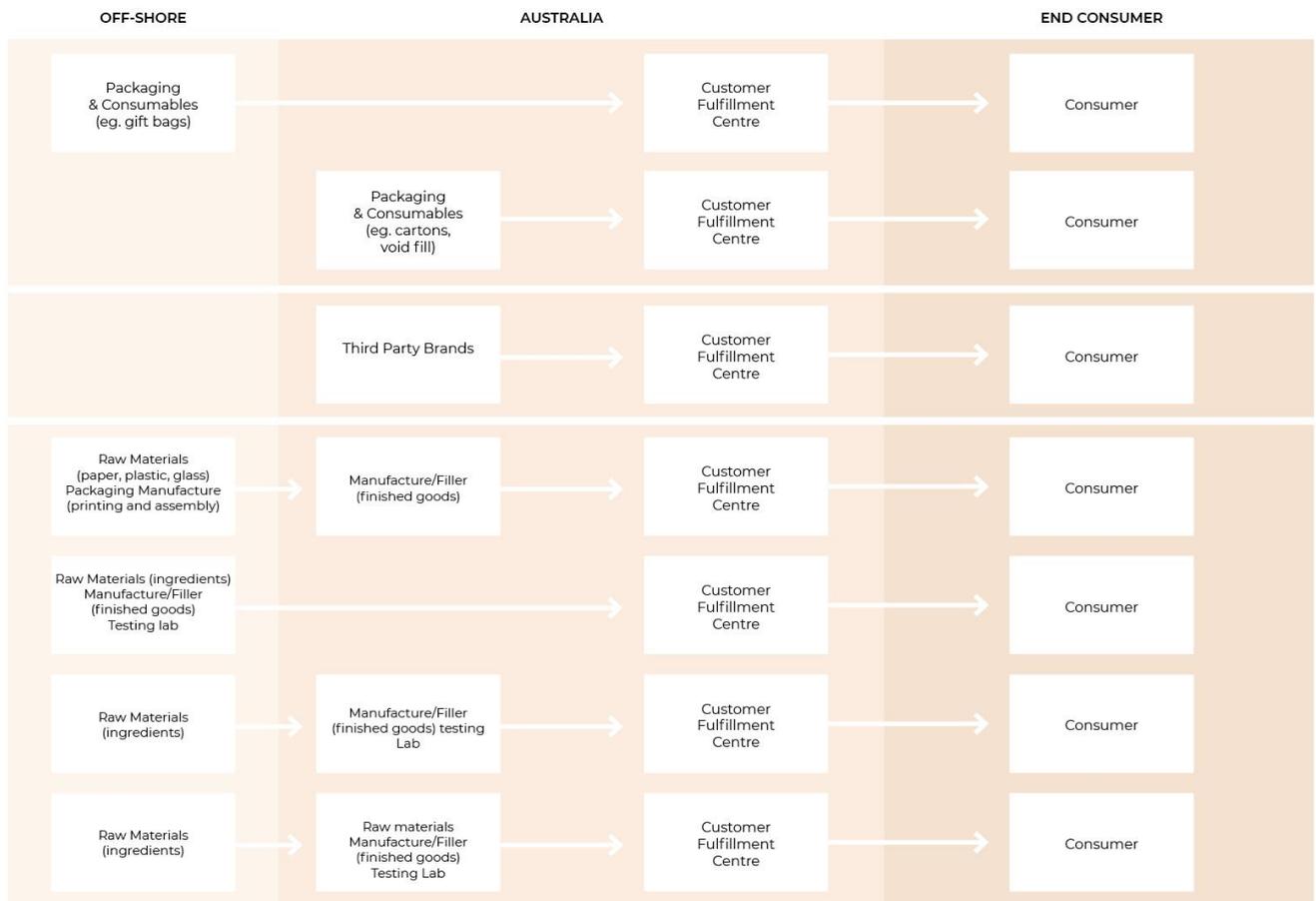
Adore Beauty operates the Adore Beauty e-commerce platform which involves the purchase for re-sale of third-party brands, for which there are 165 suppliers. The majority of Adore Beauty's direct suppliers are located in geographies that demonstrate greater awareness of modern slavery and represent lower risks of modern slavery, specifically in Australia..

Adore Beauty has a Brands function, which is primarily responsible for the selection and ongoing management of all supply of goods across the Group, implementing risk management procedures to mitigate the risks of the Adore Beauty supply chain and to establish common policies and procedures.

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, etc.



¹ Includes proforma adjustments for one-off costs related to the Company's IPO and initial listing on the Australian Stock Exchange as well as one-off acquisition, integration and restructuring expenses



Policy Approach

We expect all employees, suppliers and stakeholders to actively support 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 FY21, and sets a baseline for future work.

The Code of Conduct together with the Adore Beauty Anti-Bribery and Anti-Corruption Policy sets out the ground rules for the way to work, including a zero-tolerance approach to bribery and corruption. These policies can be found at 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.

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, 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.

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.

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, and labour-hire employees are engaged with reputable third-party labour-hire providers.

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, 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. The Brands function, having responsibility for the purchase of packaging, components and finished goods on behalf of Adore Beauty, is tasked with the management of the modern slavery program.

Adore Beauty is committed to addressing and remediating any instances of modern slavery identified in its supply chain. In FY21 Adore Beauty undertook the following activities to increase awareness and reduce the risk of modern slavery across its operations and supply chain:

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 only contract with reputable Australian authorised third-party suppliers, 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 where detailed anti modern slavery practices are upheld.

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. For those packaging and component suppliers outside of Australia, we require agreement to detailed 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. 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, the sophisticated contract partner technology platform 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 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, where we have completed visual checks for safe working environments that are free from modern slavery.

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.

Our commercial contract includes detailed modern slavery clauses. 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.



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 higher operational and 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 approved by the Board of Adore Beauty Group Limited on 16th of December 2021 and is signed by the CEO, Tennealle O'Shannessey.



Marina Go
Chair