

ADOREBEAUTY

— GROUP —

Modern Slavery Statement

1. 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 2019 to 30 June 2020 (FY2020) 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.

2. 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.

3. 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:

1. Working for each other: We all pitch in, share knowledge and offer help.
2. 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.
3. A positive approach: We look for the best in people and situations. Blame less, care more and respect each other's differences.
4. 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.

4. 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.

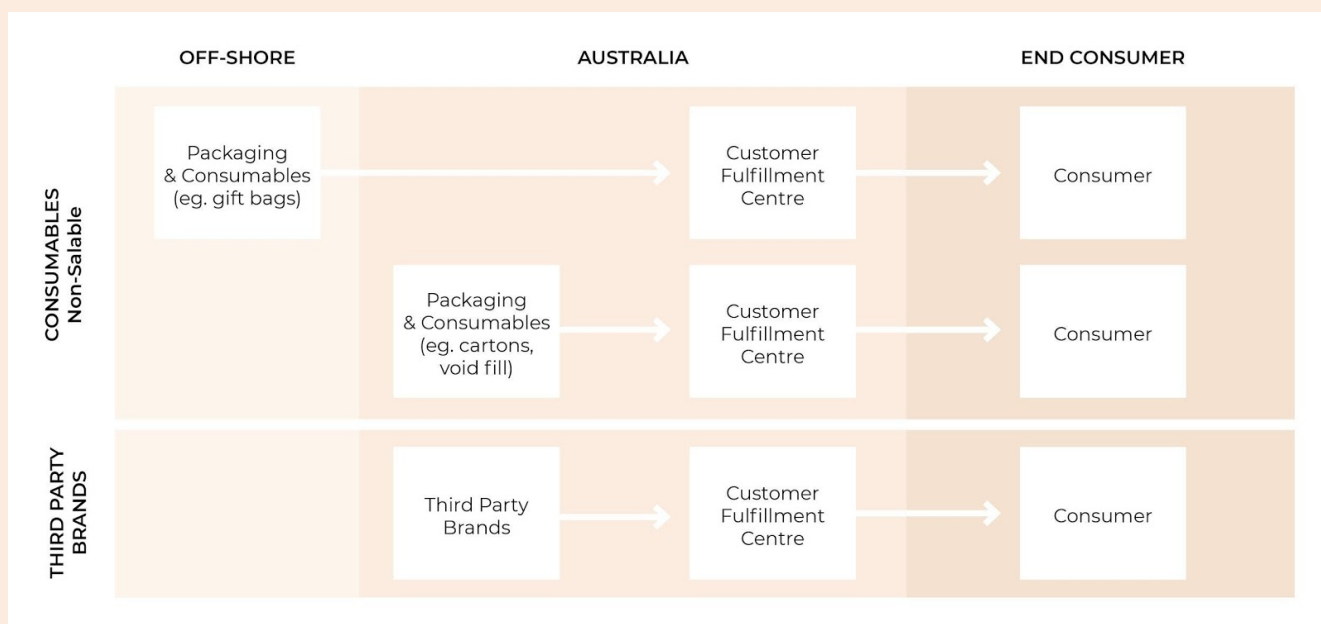
Adore Beauty operates in Australia and New Zealand.

In FY2020, Adore Beauty reported revenue of \$121.1 million and EBITDA of \$5.0 million, and employed 183 passionate employees, with a head office located in Northcote, Victoria. Adore Beauty has one directly-controlled factory 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 142 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 suppliers 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.



5. POLICY APPROACH

We expect all employees, suppliers and stakeholders to actively support the work involved to eradicate modern slavery and where relevant ensure they meet their modern slavery reporting requirements. This statement reports foundational work undertaken in FY2020, 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 may potentially 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:

- a) the purchase of finished goods for resale on its e-commerce website;
- b) its reliance on third-party suppliers of packaging and components; and
- c) 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 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-party 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 for which are white-collar in nature (such as marketing or advertising), the risk of modern slavery is considered to be very low.

6. 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 takes a collaborative approach to working with suppliers and has begun to engage with suppliers to improve mutual understanding of modern slavery risks within the operations of Adore Beauty's suppliers.

Adore Beauty is committed to addressing and remediating any instances of modern slavery identified in its supply chain. In FY2020 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.

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.

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. Audits have been completed to ensure employees are paid inline with the relevant workplace Award. When labour hire employees are on our controlled premises, they are subject to the same award specified breaks and any 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 and completed audits and compliance checks to ensure compliance with modern awards.

In the current reporting period Adore Beauty engaged with reputable third-party labour-hire providers outside of Australia, and completed audits and compliance checks to

ensure compliance and reduced risk of 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 ensure the workplace was a safe environment free from modern slavery practices. We monitor on an ongoing basis through regular workplace site visits, and daily and weekly meetings with the senior management and teams. We also complete annual salary reviews, and increases, inline with relative benchmarking.

7. 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 early in its maturity model. In the current reporting period Adore Beauty set goals to complete key initiatives, and reported progress monthly. A review of the Adore Beauty Modern Slavery Statement was completed, and a set of commitments for the next reporting period was agreed.

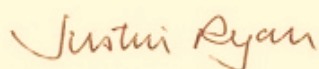
The intent is to prioritise higher risk operational and supply chain risks and develop knowledge and expertise as the program evolves. Adore Beauty's risk management system will be applied to the risk assessment and recording of modern slavery risk and remediation.

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

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

8. ADOPTION BY THE BOARD

This Modern Slavery Statement was approved by the Board of Adore Beauty Group Limited on 26 March 2021 and is signed by the Chairman of the Board, Justin Ryan.

A handwritten signature in brown ink that reads "Justin Ryan". The signature is written in a cursive style and is centered within a light yellow rectangular box.

Justin Ryan
Chairman