



# ISADORA

**SUSTAINABILITY REPORT 2021**

ISADORA

We make it easy for everyone to unleash their true beauty

## WHO WE ARE

IsaDora was founded in Sweden in 1983 with the belief that makeup shouldn't be a luxury for only a select few to enjoy. At that time, unscented products in a wide range of colors weren't readily available either.

Ultimately, this is what inspired and motivated the company to establish its mission of making high quality, clinically tested, fragrance-free beauty more accessible to all.

The heart of the business is based in Malmö, Sweden, where both global production and distribution takes place, with additional production in Switzerland.





## THE BEST OF US. FOR A BETTER WORLD

IsaDora is on a sustainability journey, continuously working to reach new and meaningful milestones. We have come a long way, and still, we know that there is a lot more to be done. As we move forward, we will take on an even bigger role in being part of the solution to the environmental and social challenges the world is facing.

We are focused on building a healthy and balanced work environment where people have the flexibility and empowerment to perform to their highest potential and develop in the company. This includes a healthy gender balance on Senior level with 50/50 representation, continuous tracking of employee wellbeing via app-based feedback tool, following all local rules and regulations and ensuring everybody is treated equally and without bias. We focus on development of our employees via annual learning programs and invest in our teams. Only via an excellent work environment, excellent people and living our strong company values every day, can we ensure economic and sustainable growth and profit for the company in the mid and long term.

We have launched a number of initiatives aimed at reducing our use of plastic and minimizing waste at every step of our supply chain, right through to encouraging consumers to recycle our products responsibly.

This report constitutes IsaDora's Communications on Progress that is submitted annually to the UN Global Compact. Operations at IsaDora are governed by the Ten Principles of the UN Global Compact, which relate to human and labor rights, environmental stewardship and the prevention of corruption. We remain committed to the principles of the UN Global Compact and will continue to support them in our work and report on our progress annually.

Rasmus Helt Poulsen CEO

## KEY FACTS ABOUT THE BRAND

### PRESENCE

**~40 markets**

*across Europe, Asia, Middle East  
and Americas*

### DISTRIBUTION

**>4,000 stores**

*within perfumeries, e-tailers  
department stores and pharmacies*

### REACH

**~10 million**

*Isadora products  
sold annually*

### POSITION

**#1 in Sweden**

*being >35% larger than the  
second largest cosmetics brand*

### PRODUCTS

**~400 products**

*full cosmetics assortment across  
lips, eyes, face and nails*

### ORGANISATION

**~130 employees**

*dedicated to delivering the best  
service to our partners worldwide*



## BELIEFS

We care about our products and their footprint on the environment. This means we strive to use as little resources as possible to bring our products to the market.

We care about wasting less and we are learning how to work in a paper-free, sustainable workplace.

We value diversity as it makes us stronger. We don't discriminate in any way and believe everyone should be given a fair and equal chance, regardless of gender, sexual orientation, ability, nationality, skin color or personal values.

We build relationships based on transparency and collaboration

We are committed to our customers, consumers and employees and do everything in our power to accommodate their needs.

# THE FOUR CORNERSTONES OF OUR SUSTAINABILITY COMMITMENT

## PRODUCT SAFETY

It is IsaDora's mission to deliver high quality, affordable and vibrant beauty to all. This comes down to ensuring the highest standards of product efficacy and safety. Hence, all IsaDora products are completely fragrance free based on the fact that fragrances have been identified to be one of the most common allergens in the world.

## ENVIRONMENTAL IMPACT

All our products go through strict clinical (cruelty free) testing that comply with the US Food and Drug Administration and EU Regulations. Furthermore, all our eye makeup products are ophthalmologically tested under the supervision of an eye specialist, ensuring that they are safe for use around the eyes.

## DIVERSITY & EQUALITY

IsaDora is continuously finding new and innovative ways to reduce our environmental impact. We are the first makeup brand in Sweden to partner with Bower to ensure widespread recycling of our used packaging.

## CORPORATE SOCIAL RESPONSIBILITY

We are a brand striving for diversity and celebrating equality by living it. This is captured in our work with our Brand tone of voice, the selection of models we portray in our brand and product communications, our wide inclusive range of shades and our practices that go towards building an inclusive company culture.

## PRODUCT SAFETY

## Strong emphasis on conscious product values



### Product Safety

Quality beauty that cares

We are determined on being an honest and transparent company and nowhere is this as vital as in the safety and efficacy of our products. It begins with the complete listing of ingredients on every product packaging, and all eye and lip products being sealed in sleeves.

We continuously update our internal Ingredient Policy, with an aim to use sustainably sourced, natural ingredients as much as possible and wherever possible. We work to stay ahead of legislations with a focus on minimizing the use of ingredients that potentially cause adverse effects on human health and the environment.



## PRODUCT SAFETY



### Fragrance Free

Quality beauty that cares

None of our products contain artificial fragrances - most common allergens. We use only high-quality ingredients, and by being completely fragrance free our products are suitable for all skin types.



### Ophthalmologically Tested

Quality beauty that cares

All of our products are tested for safe use around the eyes under the supervision of eye specialists. So, whether you wear contacts, glasses, or have sensitive eyes you can trust our products too.



### Clinically Tested

Quality beauty that cares

Your health comes first, so all of our products go through strict clinical (non-animal) testing complying with international regulations.

## PRODUCT SAFETY



Cruelty  
Free

Quality beauty that cares

Non-animal testing has been the core of our business since day one in 1983. We've never tested our products on animals, nor do we ask third parties to, and never will.



Vegan  
Friendly

Quality beauty that cares

We always choose synthetic or vegetal options over animal ones where possible. Our range of vegan-friendly products is continuously developing and growing.

## ENVIRONMENTAL IMPACT

Evaluating and gaining sound understanding of our environmental impact is at the core of our sustainability journey. We are focusing our efforts on understanding how to best ensure ethical sourcing of materials by developing a Global Supplier Strategy. We are also in the process of establishing a stock-management program to streamline our supply chain.

We work in accordance with international regulatory frameworks in our management of chemicals and all waste throughout the entire lifecycle of our products. We aim to significantly reduce the release of waste into the air, water and soil for the wellbeing of people and environment for generations to come.

We're acting positively on improving the environmental footprint of our formulas and their biodegradability, like our efforts in phasing out Per- and polyfluoroalkyl substances, also known as PFAS. These eco-hazardous substances do not degrade completely in nature and therefore accumulate in the environment. These substances are not banned in the EU for use in cosmetic products, however IsaDora chose to phase out the use of PFAS from all products, allowing us to claim PFAS-free for all products developed and manufactured in 2020.





## ENVIRONMENTAL IMPACT

### PACKAGING CHALLENGES

One of IsaDora's main challenges we face is how to be more active in minimizing the environmental impact of our packaging. The handling of single use plastics poses a challenge to the entire industry, and we understand the difficulties ahead as we work to deliver to the core brand value proposition of providing affordable, high quality makeup.

We will therefore be realistic and authentic in our actions by continuously reviewing the sourcing of materials, the practices of our suppliers, the shipping of components and the use of recyclable material. We have firmly established these as being of the highest priority in our sustainability strategy for the defined period.

One of the initiatives we've taken as a brand early in our founding years is to minimise the use of secondary packaging as much as possible, this way we are not only reducing waste, but our environmental footprint of shipment and transportation as well.

For hygiene and safety reasons, it is also crucial for us to know that upon purchasing an IsaDora product, you're the first and only one to have opened it. Thus, all eye and lip products are covered with plastic sleeves. Furthermore, this also minimizes the number of damaged/opened products in store. In the long run we see that this decreases the amount of waste since the products stay protected and safe until purchased.

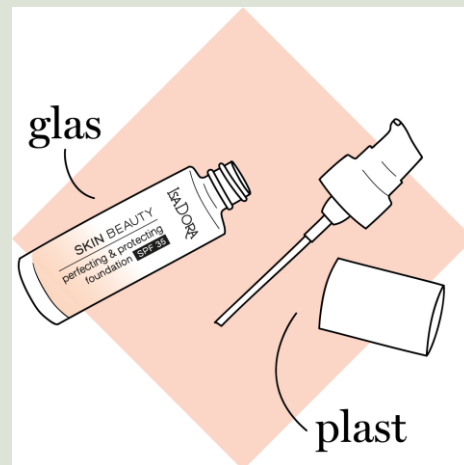
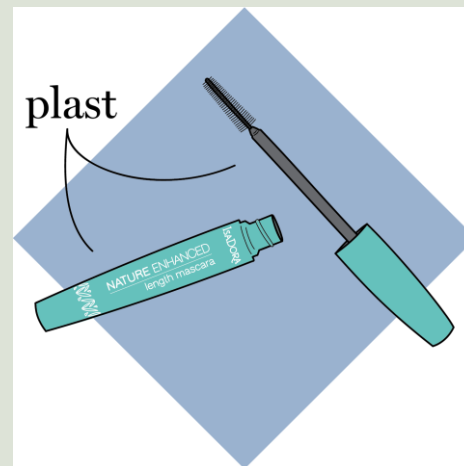
## ENVIRONMENTAL IMPACT

ISADORA x  bower

### PROJECT TO ENCOURAGE RECYCLING

Waste is a one of the major environmental challenges facing our society and IsaDora is engaged in the reduction and recycling of waste. We realize that it is just as vital to encourage consumers in order to close the recycling loop. This has led to a collaboration with the recycling app, Bower.

The app is a smart, interactive way to encourage consumers to recycle their used makeup packaging by rewarding them with points. The points can be used to get discounts when buying new IsaDora products or donated to a favorite charity.



## DIVERSITY & EQUALITY

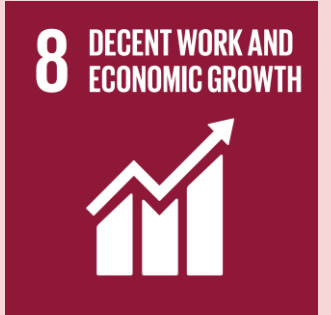


True to our stand on bringing out the best in people and products, IsaDora is working on an aspirational concept of beauty to be more inclusive, authentic and personal.

Inclusion to us implies embracing diversity with models who represent different ethnic backgrounds, age and physical form. Our products work to satisfy various needs and reflect individual characteristics and personalities by offering a wide range of shades and textures that facilitate self expression.

We are determined that everyone should feel a part of us and our representation of beauty. This is why we are collaborating with influencers who represent diverse ethnicities and ages who are authentic in their storytelling and take the conversation around beauty and empowerment to new levels.

# CORPORATE SOCIAL RESPONSIBILITY



## BUSINESS ETHICS AND COMPLIANCE

Our commitment to sustainability is supported by a range of internal policies and procedures within our business operations framework. These include our Code of Conduct, Quality Policy, Workplace Safety Policy, Anti-Corruption and Bribery Policy, Personal Data Policy, Equal Treatment Plan and Diversity policies.

### **Anti-Corruption and Bribery Policy**

IsaDora takes all our anti-corruption obligations under applicable laws extremely seriously. This dictates all our dealings with suppliers, customers and the rest of the world, and demands that we exercise the utmost caution if offered benefits of various kinds for the purposes of developing contacts or promoting relationships.

### **Equal Treatment Plan**

The overall goal of our equal treatment work is that all employees within IsaDora shall have the same opportunities, rights and obligations. No candidate or employee in our business shall be discriminated against on the basis of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age.

### **Personal Data Policy**

Privacy is recognized as a fundamental human right by the United Nations and in an increasingly digital world, this is upheld by GDPR regulations. IsaDora is fully committed to ensuring the right to privacy of people, as well as the privacy of business. This includes the right to be left alone or to enjoy freedom from interference or intrusion, including the right to have control over how personal information is collected, used, retained and disposed of.

### **Workplace Safety and Work Environment Policy**

We value our employees and their wellbeing and our workplace safety efforts are included as a natural part of our operations by routines for continuously examining, risk assessing, remedying and following up on our efforts. These efforts include regular internal safety inspections to examine the physical work environment. The efforts also include regular heart rate measurements, individual conversations and departmental meetings to examine the social and organizational aspects within the company.

## CORPORATE SOCIAL RESPONSIBILITY

We take pride in being a responsible, relevant driver of positive change. Here are some of the actions we take:

### **Equal pay for work of equal value**

IsaDora practices equal pay for work to which equal value is attributed, without discrimination on grounds of sex or marital status.

### **Non-tolerance against abuse, discrimination and harassment**

IsaDora does not accept any form of abuse, discrimination or harassment.

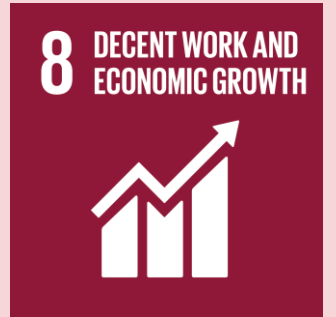
All business managers have been trained to be aware and interpret any signals of such behaviour. We view such behaviour very seriously and all occurrences will be discreetly investigated and promptly eliminated.

### **Youth employment**

We view youth employment as playing a strong role in facilitating the entry of young skilled people into the productive sectors of an economy, and for enabling social development. Hence, we collaborate continually with universities to promote internship opportunities and employment.

### **Employee Engagement & Wellbeing**

In order to harbor the wellbeing of our employees, we have implemented an external app-based tool that, through surveys, can track the wellbeing of our employees as well as measure and drive employee engagement. This allows us to gain insight and identify shortcomings and areas of improvement ensuring vital improvement.





# CORPORATE SOCIAL RESPONSIBILITY

## EXCELLENT QUALITY STANDARDS

Quality underpins and directs all our actions and product offerings. Our focus is on being the number one choice of consumers because of the unwavering trust they have in the safety and efficacy of all our products. Consequently, we have established a Quality Policy to ensure we always deliver to the same, consistent standards of excellence.

It starts with insisting on using the highest-quality ingredients and production processes and continues with innovative manufacturing and transportation processes.

Aimed at strengthening our standards of quality and enhancing customer satisfaction by going beyond their expectations, we have implemented **ISO 9001:2015 – Quality management systems**. This supports our efforts at achieving sustained, continuous improvement in quality as well as our assurance of conformity.

Furthering our efforts to warrant consistent high-quality cosmetics, we have implemented **ISO 22716:2007 - Cosmetics – Good Manufacturing Practice (GMP)**. This also further supports our efforts in offering our costumers uncompromisingly safe and reliable products, that deliver only high quality.

The advertisement for Isadora Nature Enhanced Length Mascara is presented in a clean, modern layout. At the top, the Isadora logo is prominently displayed in a dark serif font, with the website address 'visit isadora.com' in a smaller, sans-serif font to its right. Below the logo is a photograph of a woman with long, light-colored hair, wearing a white, flowing dress, sitting on a white wicker swing. She is looking off to the side with a serene expression. A semi-transparent dark green box in the upper right corner of the photo contains the product name 'Nature Enhanced Length Mascara' in white, with the tagline 'The natural way to go' underneath. Below the photo, a light green banner contains the text 'Our products are always cruelty free, clinically tested and fragrance free.' The main visual is a display of several teal-colored mascara tubes arranged on a clear glass circular base. Each tube is labeled with 'ISADORA' at the top and 'NATURE ENHANCED length mascara' in white text. A single mascara wand with a black brush is positioned to the right of the tubes. At the bottom of the advertisement, the Isadora logo is repeated on the left, and the product name 'Nature Enhanced Length Mascara' is centered, with 'new' and 'visit isadora.com' on the right.

## CORPORATE SOCIAL RESPONSIBILITY

### BEAUTY THAT CARES – IN SUPPORT OF BREAST CANCER RESEARCH

In line with our promise to make it easy for everyone to unleash their true beauty, we launched the campaign "Beauty that cares" in support of the Swedish Breast Cancer Association. The campaign was based on some of IsaDora's most beloved products, whereby for every pink bestseller sold, we donated SEK 5 to the Breast Cancer Association. Our support of women with cancer dates back to 2018, with the Look Good Feel Better initiative, which offers free courses in makeup and skin care for women with cancer.



## CORPORATE SOCIAL RESPONSIBILITY

### ISADORA GREEN WEEK

Animal rights are fundamental to our values, leading to the creation of the "Green Week" campaign. We have been Cruelty Free since the very start in 1983. This in combination with an ever-growing vegan portfolio made us want to inform and engage in animal rights issues. During Green Week, we donated SEK 5 per vegan-friendly product for the benefit of Djurens Rätt on Apotea.se.



# FLAGSHIP INITIATIVES

ISADORA

ÖGON LÄPPAR ANSIKTE

CLOSE X

Choose Try-On Experience

Live Makeup

Upload a Photo

Choose a Model

01 Ivory Base

Köp Här

LYKO KICKS BOOZT APOTEA

Tänk på att färgerna påverkas av olika skärmar, kamera och ljus. Vi kan därför inte garantera korrekt färgåtergivning

## THE ISADORA VIRTUAL TRY-ON INITIATIVE

In line with our promise of making it easy for everyone to unleash their true beauty, we are launching a virtual beauty tool on the isadora.com website.

This initiative again captures our innovative drive and focus on sustainability while putting consumers at the core of our offering.

**The new virtual beauty tool is designed to provide an outstanding digital beauty experience for consumers by making it accessible, simple and personal.**

This launch supports our strive towards diversity as we want to allow consumers to see how the makeup would look on them directly, not only on the model.

This will also allow us to reduce the number of testers produced and subsequently decrease waste, save on packaging material and components to reduce our transportation footprint.

## 2020 IN NUMBERS

| Human Resources                          | Unit                         | Result 2020 |
|--|------------------------------|-------------|
| Full-Time Workforce                      | Full Time Equivalents (FTEs) | 123 FTE     |
| Gender Diversity %                       | %                            | 81%         |
| Gender Diversity, Management %           | %                            | 40%         |
| Gender Diversity, Board %                | %                            | 0%          |
| Sickness Absence Days per FTE            | Days per FTE                 | 5 days/FTE  |
| Rate of recordable work-related injuries | Number                       | 3.13        |

| Product Range  | Unit | Result 2020 |
|----------------|------|-------------|
| Vegan-friendly | %    | 31%         |
| Cruelty free   | %    | 100%        |
| PFAS-free      | %    | 100%        |



**Cruelty  
Free**

Quality beauty that cares



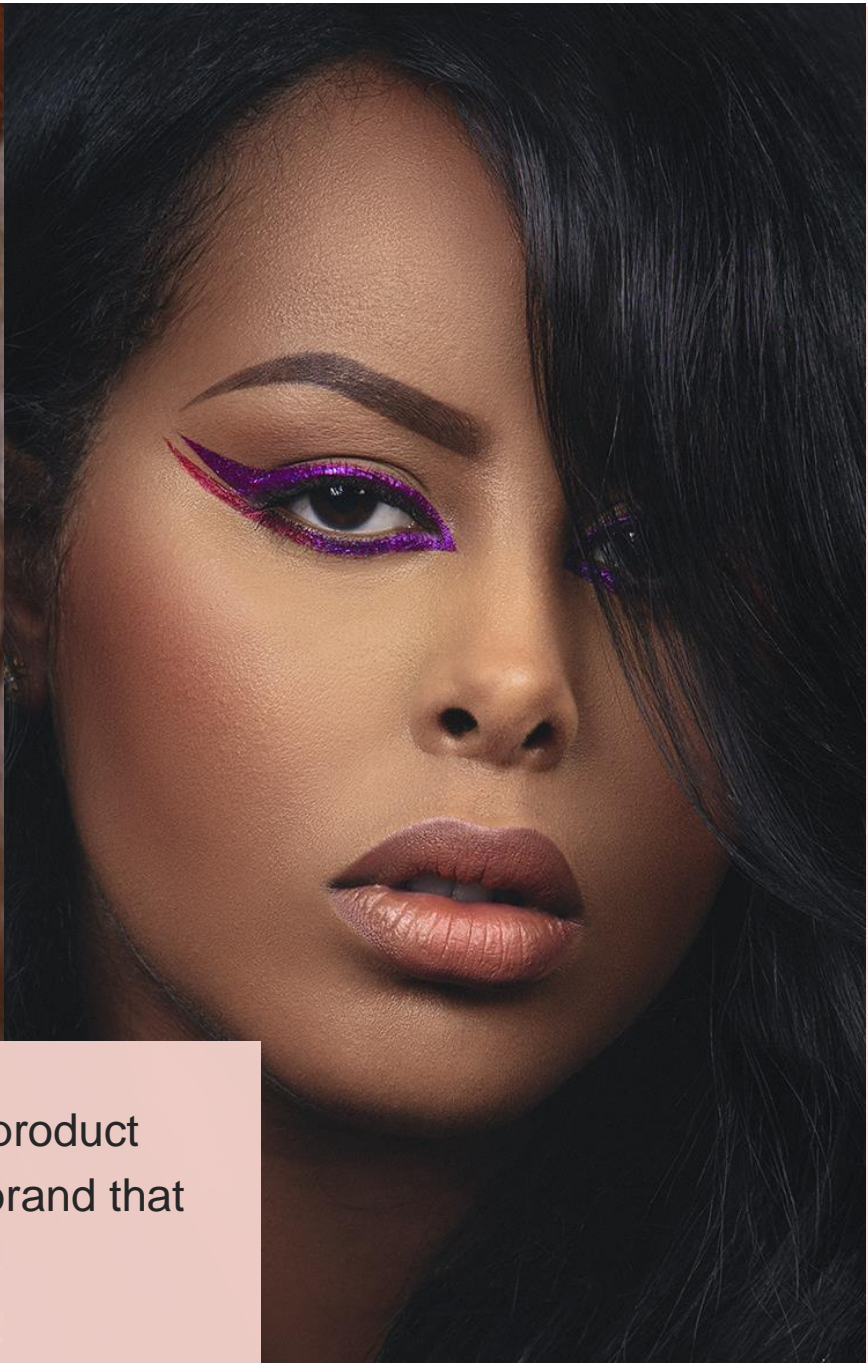
**Vegan  
Friendly**

Quality beauty that cares

## SUSTAINABILITY OBJECTIVES FOR 2021

- ❑ Define a CO2 baseline
- ❑ Implement a Whistleblower Policy
- ❑ Improve gender diversity levels across all tiers of the organization.
- ❑ Create a Principal Supplier Code of Conduct and a Global Supplier Strategy
- ❑ Update our Sustainability Policy
- ❑ Expand our vegan assortment up to 50%.
- ❑ Include a stricter definition of microplastics into the Ingredient Policy 2021
- ❑ Implement Stock Management Program





From our vibrant color palettes, to our rigorous product testing and core values, we take pride in being a brand that makes brave choices.

# ISADORA

Our products are always cruelty free,  
clinically tested and fragrance free.