



ISADORA

SUSTAINABILITY REPORT 2021

Commitment, Consistency & Integrity

Our Purpose

We are a company that cares. This is to us, ultimately about empowering people so they embrace their unique beauty



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In the words of our CEO

2021 was a year of progress, where we made some successful advances in our journey towards being a more sustainable company and a responsible corporate citizen. Our products stand at the center of everything we do, and we have always worked to ensure they're kind to people and to the planet.

Now we are focused more than ever to make a positive impact on the issues that are becoming increasingly challenging. We have made some advancements over the last year, both with our products and with regards to actions that foster gender equality and manage diversity and inclusion.

Where our products are concerned, we have now updated our ingredient policy and expanded our vegan product range with over 80% of the portfolio being vegan-friendly. At the same time, we have focused on building IsaDora as the brand that celebrates diverse beauty by empowering every person's unique personality. Our aim is to capture real society which includes different ethnic backgrounds, ages and physical forms.

2021 KEY HIGHLIGHTS

83% vegan-friendly assortment achieved

96% phase out of aromas

94% phase out of cyclic silicones

All electricity covered by

100% renewable energy

We have divided our impact into four areas that we will measure and report on. We have set goals for each of these areas, and we will continue to work on them to minimize our impact.

We are set to move forward into the next defined year with a strategy that rests on three pillars: commitment, consistency, and integrity. These we believe will help guide us in how we develop our sustainability policies, social and corporate responsibility, compliance and charitable projects.

Our *commitment* to making a difference will motivate all of us at IsaDora to achieve our sustainability goals. We will be *consistent* in all our efforts, no matter how big or small, which is why we are also actively working with our partners and suppliers. Finally, we realize that sustainable change, in order to be truly impactful, begins with us. Our honesty and *integrity* will drive us forward to help inspire and engage even our consumers.



Rasmus Helt Poulsen, CEO

A handwritten signature in black ink, appearing to read 'Rasmus Helt Poulsen'. The signature is fluid and cursive.

OUR IMPACT AREAS

- Diversity & equality
- Corporate social responsibility
- Product safety
- Environmental impact

We are IsaDora

We are a beauty brand that cares. To us, caring is the importance we place in empowering people from all walks of life, ages and ethnicity to embrace their special, unique beauty.

Our sense of care is also behind our concept of safe beauty, where products are created from the starting point of being kind to people and planet.

Our beauty products are created to enhance eyes, face, lips and nails, and are developed to be of consistently high quality. Hence, they are cruelty-free, clinically tested and fragrance-free.

It is because we care that we make sure our products are safe even for the most sensitive skin types. We also provide a wide and ever-growing portfolio of vegan-friendly products.



IsaDora around the world

PRESENCE

~40 markets

*across Europe, Asia, Middle East
and Americas*

DISTRIBUTION

>4,000 stores

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

ONLINE

~50 etailers

*direct distribution to ~50 leading
online retailers in Europe*

POSITION

#1 in Sweden

*proud to be most trusted beauty
brand in Sweden*

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*

Commitment, Consistency & Integrity

As part of the UN Global Compact, IsaDora has pledged to operate responsibly and in alignment with universal sustainability principles. We will also take actions to support and actively engage with the society we operate in.

Resting on the three cornerstones of commitment, consistency and integrity, we are working to push sustainability so that it is an integral part of our culture and the actions involving all our products. In this way, we hope to minimize the environmental impact on our precious planet.

We continue to measure our progress against the targets and priority Sustainable Development Goals (SDG) identified within our sustainable strategy. We focus our efforts on four critical impact areas:

- Diversity and equality
- Corporate social responsibility
- Product safety
- Environmental impact



A strategic roadmap

Our sustainability strategy revolves around a strong sense of responsibility for the things we care about. The empowerment of people and the wellbeing of the planet are fundamentally inter-related and drive us to actively contribute towards a more sustainable and inclusive world. We know that this is a continuous exercise, and that it comes with a responsibility which demands we keep challenging ourselves to keep doing better.

Indeed, now more than ever, there is a lot of work to be done. We are all of us in this together, and we are as strong as our combined efforts and resources. That's why we are actively working with our customers, partners and suppliers to achieve change.

Most importantly, we are committed to achieving our ambitions, with concrete and measurable policies and actions that will lead to sustainable results. We remain steadfast, and will keep working to always do better. To us, this is what it means to care.

Initiatives and policies

IsaDora is continuously adding new initiatives to our sustainability program. Our ambition is to create a positive impact and reduce our footprint. The policies we adopt will set the framework for our entire company's focus and sustainability efforts.

Status on required commitments and policies	
UN Global Compact Commitment	✓
Sustainability Policy	↗
Code of Conduct	✓
Data Privacy Policy	✓
Supplier Code of Conduct	✓
Whistleblower Scheme	✓

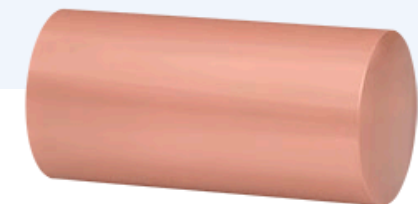
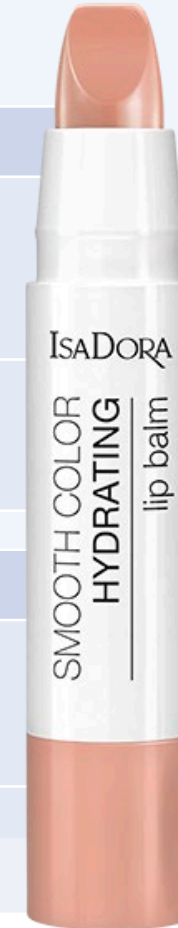
✓ In place ↗ In progress

A Clear Sustainability Program

IsaDora’s sustainability program consists of a number of commitments achieved in 2021, as well as strategies for 2022-2025. Our sustainability program, along with our commitment to ethics and policy for promoting diversity and inclusion, enable us to contribute to **three of the seventeen SDG defined by the United Nations**.

Material topics	Achievements 2021
Ingredient strategy	<ul style="list-style-type: none"> • Phased out aromas in multiple products • Reached >80% vegan-friendly assortment • Updated ingredient policy
Packaging recycling	<ul style="list-style-type: none"> • Launched full portfolio with Bower • Achieved 0,15% recyclability (Sweden)

Material topics	Goals 2022-2025
Ingredient strategy	<ul style="list-style-type: none"> • Phase out aromas by 2023 • Phase out cyclic silicones by 2023 • Fully vegan-friendly portfolio by 2024
Packaging recycling	<ul style="list-style-type: none"> • Reach 1% recyclability by 2024 (Nordics)





Diversity & Equality

Diversity is essential to IsaDora and creating an inclusive organization and brand is core to our values, which is why we continue to work towards building a more inclusive business. We collaborate with influencers who challenge the standard notions of beauty, who are authentic in their storytelling and who uplift the conversation around empowerment and beauty.

We champion the beauty of diversity through the selection of models and ambassadors for our brand and products. The many faces of IsaDora celebrate all expressions of beauty that exist with different ethnic backgrounds, age and physical form. Our range of products capture individual needs and enable personalities to shine through with the power of makeup.

Since our inception, IsaDora has worked to uplift and empower women, through our brand and within our business. Today we are actively seeking to achieve gender balance throughout the workforce, and particularly in leadership where women's voices are not included enough presently.



Corporate Social Responsibility

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 Partner Code Of Conduct.

Global Supplier Strategy

IsaDora has developed a Global Supplier Strategy that sets social and environmental requirements on our suppliers to uphold the standards we strive to achieve ourselves. These standards include product safety and quality, respect for human rights, fair and safe working conditions, and ethical and sustainable business practices. We are also establishing a stock management program to streamline our supply chain. To help achieve our goals, we developed a Code of Conduct in 2021 that we are focused on ensuring is implemented throughout our global supplier network in 2022.

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.

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.



Corporate Social Responsibility

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.

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.

Equal Treatment & Equal Pay 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. 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.



12050

SEK

Donated to
Håll Sverige Rent.



Corporate Social Responsibility: Case Study

IsaDora recognizes the capacity we have to accelerate positive change for the planet, communities and society. Therefore, we are dedicated to doing what we can through charitable contributions made to key strategic partners.

Just as importantly we believe in the power of consumers to drive positive change, which is why we also create and implement efforts that will engage consumers and give them a clear incentive to manage their cosmetic waste sustainably.

Isadora Green Week

IsaDora Green Week is an annual incentive that the company pursues as a way of contributing to a cause that is close to the heart of our values.

This year, our mission was to raise awareness for the fact that cosmetics should be disposed of in the most ecologically friendly way. This will minimize the environmental footprint of products after use and, just as importantly make it a habit for consumers dispose off their cosmetic waste in a sustainable manner.

Hence, throughout **Green Week**, **IsaDora donated extra, to the amount of 50 SEK to Håll Sverige Rent for every recycled IsaDora product.**

Collaborating with Bower, IsaDora made a donation every time a consumer scanned and recycled a product via the Bower app.



Corporate Social Responsibility: Case Studies

Young Women's Shelters

Christmas is the season for giving, and this year, in line with our purpose of enabling the empowerment of women, IsaDora focused on ROKS, the National Organization for Women's Shelters and Young Women's Shelters in Sweden. IsaDora donated 35,000 SEK towards the Young Women's Shelters to support their work in safeguarding young women against violence and abuse.

Look Good Feel Better

IsaDora joins the ranks of leading Swedish brands as a proud member of Look Good Feel Better (LGFB). This humanitarian program offers free courses on skin care and makeup to women who are being treated for cancer. The program stands close to our hearts as it embodies what IsaDora is passionate about, namely empowerment. We sponsor makeup courses, conducted both in person and online, with products selected to suit the particular needs of LGFB participants. The aim is to help these women feel empowered and more like themselves through a simple morning routine that every woman can relate to - applying makeup.



Riksorganisationen för kvinnojourer och tjejjourer i Sverige



look good **feel better**

Product Safety



Fragrance
Free

Quality beauty that cares



Ophthalmologically
Tested

Quality beauty that cares



Clinically
Tested

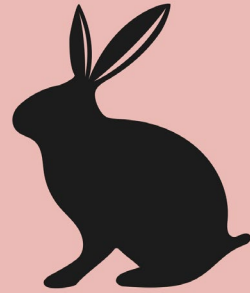
Quality beauty that cares

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.

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.

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.



Product Safety

IsaDora provides a complete listing of ingredients on every product packaging. We also continuously update our Internal Ingredient Policy, and strive to use sustainably sourced, natural ingredients as much as possible.

At the close of the defined year, IsaDora successfully phased out aromas in multiple products and broadened our vegan-friendly range of products by over 80%.

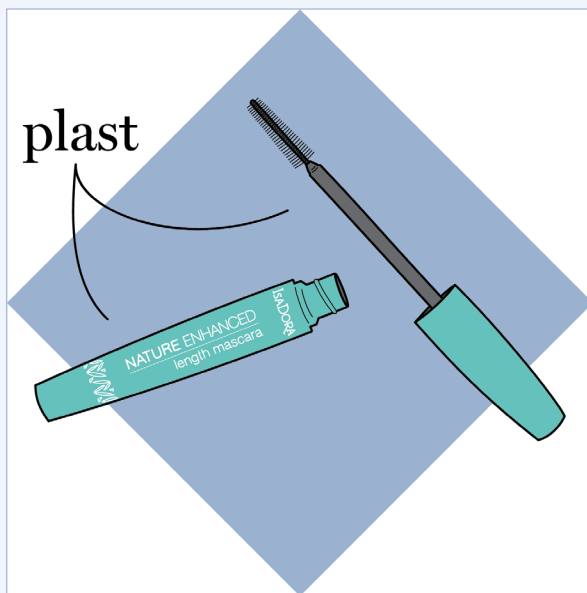
We stay ahead of legislations and work to minimize the use of ingredients that could potentially cause adverse effects on human health and on the environment.



Product Safety

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

To achieve consistently 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.



Environmental Impact: Case Study

ISADORA x  bower

Making recycling a way of life

Cosmetic waste is one of the dire environmental challenges we face today. Isadora is actively engaged in solutions for the reduction and recycling of such waste.

We believe that it is our responsibility to encourage consumers to recycle. In this way, we not only minimize our environmental footprint, but we can also help make it a habit for consumers dispose off their cosmetic waste in a sustainable manner. It is for these reasons that we developed 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.

Environmental Impact

As waste generation continues to grow, IsaDora is continuously finding new and innovative ways to manage the waste produced by our operations and thereby reduce our environmental impact.

To this end, **we are the first leading makeup brand in Sweden to partner with Bower to ensure widespread recycling of our used packaging.** We are also currently mapping our supply chain so we understand what the full carbon impact is and can thereby work to reduce it over time.

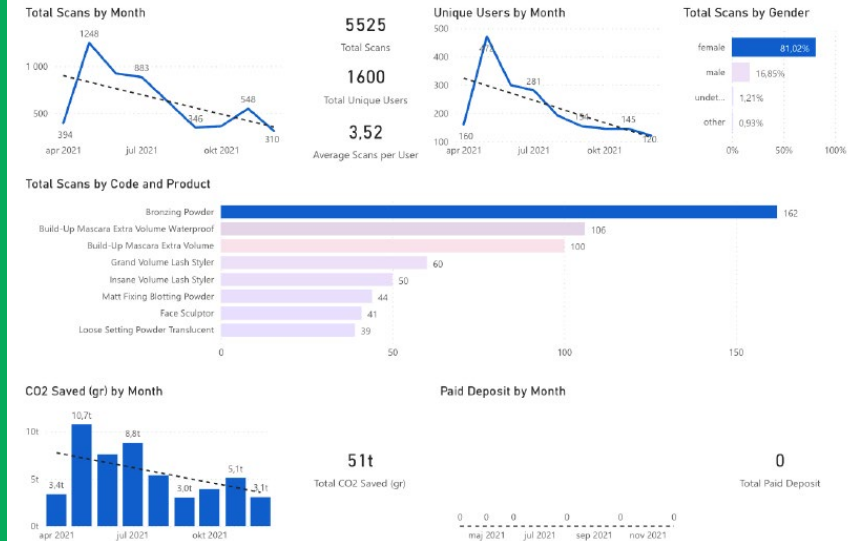
We work in accordance with international regulatory frameworks in our management of chemicals and all waste throughout the entire lifecycle of our products. Our goal is to significantly reduce the release of waste into the air, water and soil for the wellbeing of people and the environment for generations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

MONTHLY REPORT

IsaDora

Up until December 2021

03/01/2022





Environmental Impact

Reducing our ecological footprint

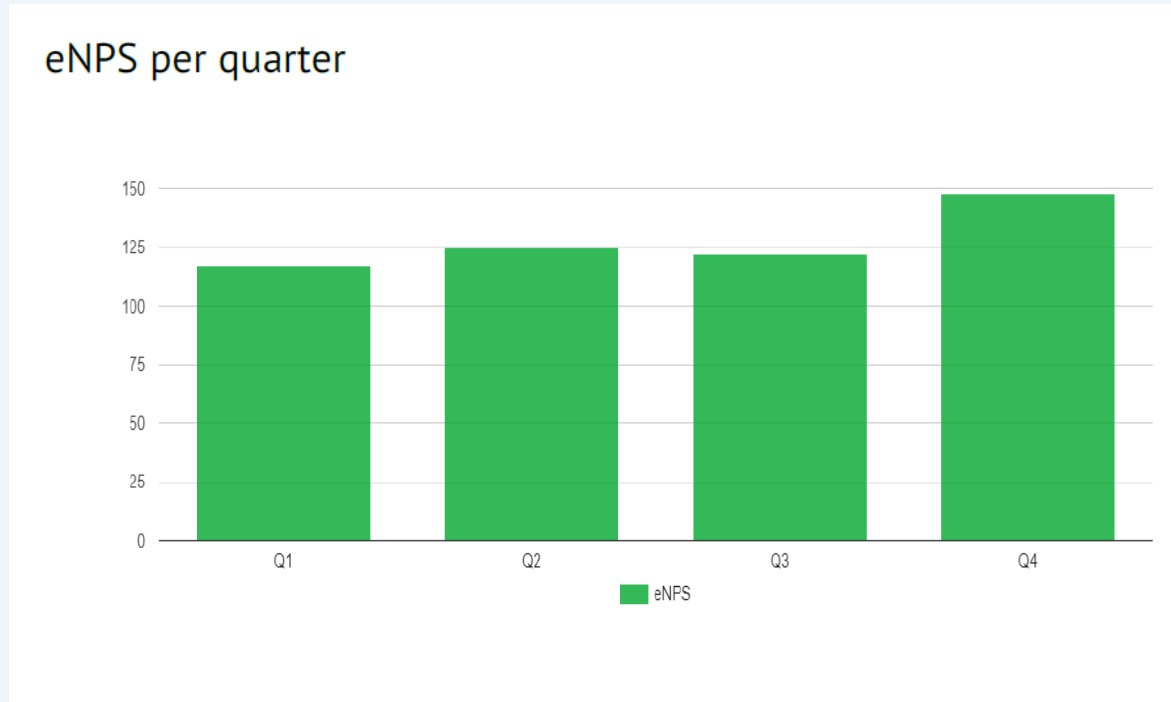
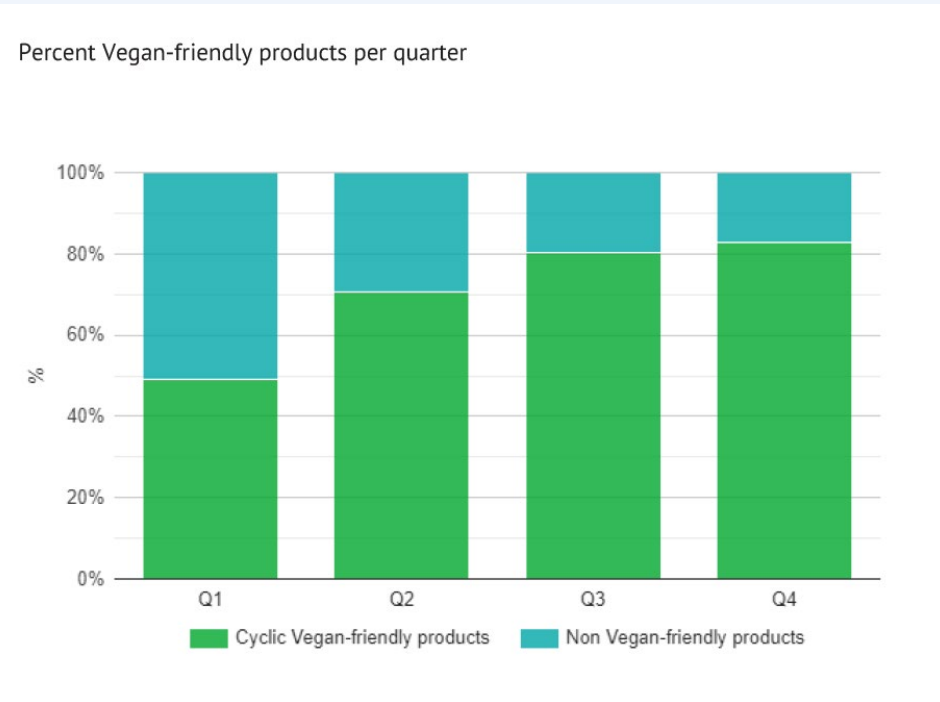
We're acting on improving the environmental footprint of our formulas and their biodegradability, like our efforts in phasing out Per- and polyfluoroalkyl substances, also known as PFAS. These eco-hazardous substances do not degrade completely in nature and therefore accumulate in the environment.

Even though these substances are not banned in the EU for use in cosmetic products, Isadora has achieved the phasing out of PFAS from all products, allowing us to claim **PFAS-free for all products developed and manufactured in 2021.**

Here, we have joined a growing list of companies who are leaders in their field in the common purpose to move away from PFAs in products and supply chains.

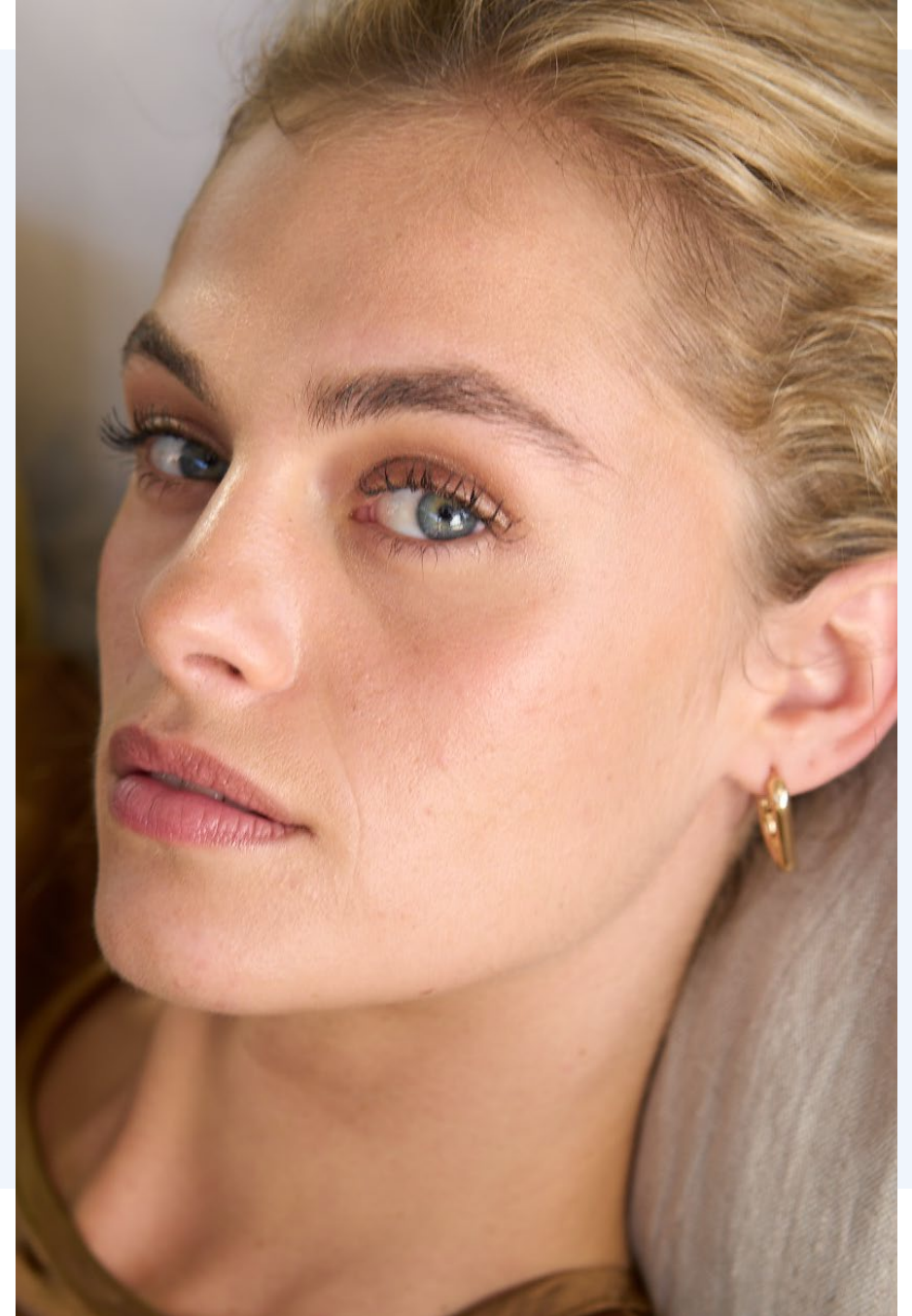
Position Green – collaboration initiated in 2021

Position Green is a data driven platform which assists us in streamlining processes to gain increased traceability, efficiency and consolidation. In this way, IsaDora is able to improve visibility of insights for decision making, ensuring compliance and achieving proactivity.



Reporting objectives for 2021

- ✔ Define a CO2 baseline
– *Scope 1 and Scope 2 defined*
- ✔ 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
– *Initiated, to be finalized in 2022*
- Update our Sustainability Policy
– *Initiated, to be finalized in 2022*
- ✔ Expand our vegan assortment up to 50%
– *Achieved beyond the target: 80%*
- ✔ Include a stricter definition of microplastics into the Ingredient Policy 2021
- Implement Stock Management Program
– *Objective set for 2022*





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