

ONZ Global Compact

Dr. Irena Eris S.A. is a reliable, recognised and solid partner. Over the past 40 years, the company has established itself as a top-quality cosmetics manufacturer, Kosmetyczny Instytut Dr. Irena Eris and as the owner and operator of a network of beauty salons under the name Dr. Irena Eris Beauty Partner, but also as a reliable and honest business partner. In this field, the company is guided primarily by the principles of reliability, honesty and partnership. Equally important is open communication with all business partners.

Dr. Irena Eris S.A. confirms its support for the ten principles of the UN Global Compact in human rights, labour rights, the environment and the fight against corruption. In our seventh annual Progress Report, we describe our efforts to better integrate the Global Compact principles into our business strategy, culture and daily operations. We are also committed to sharing this information with our stakeholders through our crucial communication channels

Yours sincerely,

Paweł Orfinger

President of the Management Board of Dr Irena Eris S. A.

HUMAN RIGHTS

DESCRIPTION

In building brand equity and expertise, Dr Irena Eris is guided by **respect for people, focusing** on their individuality and cooperation. This concern for the well-being of others is reflected both in the high-quality cosmetics and the **exceptional** interpersonal **relationships** inside and outside the company. Concern for the **safety and health of employees** obliges the company to protect the life and health of employees by providing them with safe and hygienic working conditions, safeguarding them against occupational accidents, diseases and other work-related illnesses.

Innovation has been part of the company's strategy since its inception. Dr Irena Eris S.A. sets the direction for the development of the industry with particular emphasis on the care sector, in which it is an expert. The entire team is constantly looking for new ideas, solutions and concepts. We focus on the development of advanced research, given its importance in developing the company's activities in such a way as to offer added value to the environment we work with.

DR IRENA ERIS STANDARDS

- organising work and workplaces in such a way as to ensure safe and hygienic working conditions;
- familiarising employees with health and safety and fire protection regulations and carrying out systematic training of employees;
- First aid training, fire safety training, evacuation drills, periodic training in occupational health and safety;
- up-to-date medical examinations;
- ensuring that work premises and work equipment are in a safe and hygienic condition and that workers' collective and individual protective equipment is in good working order and used as intended;
- issuing work clothes and footwear, and personal protective equipment to production workers before they start work;
- identifying and providing employees with a suitably secure place for the storage of work clothing and footwear, personal clothing and equipment and assigned work tools;
- carrying out tests and measurements of harmful or noxious factors present in the workplace;

The numerous patents and patent applications resulting from the work of the scientists at the **Dr Irena Eris Science and Research Centre** are a testament to the quality of the research. The tests carried out at the Dr Irena Eris Science and Research Centre are multi-directional and go far beyond what is required. The first type of research involves determining the behaviour of isolated skin cells under the influence of complexes of cosmetic raw materials.

The epidermis created in vitro retains barrier function, and its lipid profile is almost identical to that in full-thickness skin. The safety of the cosmetic product is assessed by examining the vital characteristics of the epidermal cells (MTT colourimetric test). Thanks to the use of in vitro methods, a preliminary answer about the cosmetic's effect on the skin is already obtained at the laboratory testing stage. These innovative tests are performed in the In Vitro Testing Laboratory of the Dr Irena Eris Centre for Science and Research. During ex vivo testing, the safety and efficacy of ingredients and finished cosmetics are assessed on 3D skin models under laboratory conditions. Ex vivo testing proves that the active ingredients in a cosmetic product actually affect the skin's physiology. Ex vivo testing on full-thickness skin is also used to test the penetration of cosmetic substances into the skin and to determine the structure of the hair surface and outer skin cells. The final step is in vivo testing, where the effects of a cosmetic product applied to the skin of volunteers are evaluated instrumentally and subjectively. Instrumental assessment of skin condition takes place under controlled temperature and humidity conditions. State-of-the-art biomedical equipment from world-class manufacturers is used to assess skin parameters.

ACTIONS

In 2022, two years after the COVID-19 pandemic, it was time to return to everyday working arrangements while maintaining the good practices of the pandemic period. All employees have access to private, specialised medical care throughout the country (including at seven facilities near their workplace). Free flu vaccinations were provided on company premises for employees who wished to receive them. Still, in situations where COVID-19 is suspected, employees can use a private analysis laboratory, which performs tests to detect SARS-CoV-2 infection within 24 hours, and swabs are taken without having to leave their homes. UV-C lamps, introduced in 2020 to destroy viruses, are still in use. They operate as standard in production areas, and additional lamps have been installed in all meeting rooms and areas where workers eat.

At the beginning of 2022, we again organised free Sars-Cov 2 antigen testing and Sars-Cov2 IgG antibody testing. In the aftermath of the pandemic and the war situation in Ukraine, all measures to support the psychophysical well-being of employees proved to be very important this year. The company organised webinars on stress management, mental health and crisis management, workshops, consultations and webinars for all employees on physical health, a healthy spine and ergonomics.

We also provided employees with virtual first-aid training. To prevent accidents, we launched a programme to report incidents and prevent existing potential incidents to improve working conditions in each area; the programme's operation is linked to managers' objectives. **The Idea Factory** programme was in operation for another year, which allows employees to positively impact working conditions and the quality of their work by coming up with ideas and innovations that are then put into practice.

2022 is a good year for Dr Irena Eris S.A. in terms of innovation. **We have filed 2 patent applications with the Patent Office to protect our know-how. We have 18 patent applications, of which 9 have already received patent protection - they have been used for product innovation.** Thanks to scientific achievements, we produce innovative, effective and safe cosmetics. In 2022, several innovative solutions have been implemented in our brands, such as the Dr. Irena Eris ScientiVist range, where we have used our proprietary senolytic mechanism technology in the anti-ageing process.

After several years of research, in 2022, we introduced a group of medical devices called Emotopic Bacteria Control, an alternative to steroids indicated for patients with atopic dermatitis. These devices' innovative mechanism of action is to prevent excessive skin colonisation by Staphylococcus aureus without disturbing the natural biofilm.

Scientists at the Dr Irena Eris Scientific and Research Centre are active members of leading international scientific societies: EADV (European Academy of Dermatology and Venerology), ESDR (European Society for Dermatological Research), Aegean Dermatology Days, where they publish the latest research results annually.

Nobel Prize-winning achievements in the field of medicine are our inspiration and often coincide with the direction of our research. The culmination of our research work is author patents and numerous patent applications.

In 2022, the Research and Innovation department will continue its efforts to make the idea of a closed-loop economy a reality. Through eco-design, we have significantly reduced the weight of plastic packaging, and in the new Lirene brand sun-proof products, we have used the Ocean Protect solution to protect the seas and oceans.

LABOUR

DESCRIPTION

Company and brand image are of paramount importance to us. Our brands, which offer top-quality products tailored to the market segment, are our greatest asset, as are the people we work with. Above all, we rely on creative, efficient, intuitive, knowledgeable and experienced - people who identify with the company. Collaboration is essential because we can only achieve our goals by working together.

The **human resources** policy we have developed is based on equal rights and obligations, regardless of gender, age or experience. A clearly defined Code of Conduct and its consistent application create a culture based on integrity, trust and fair treatment of all employees.

DR IRENA ERIS STANDARDS

The principles of work at Dr Irena Eris S.A. are governed by the „Dr Irena Eris S.A. Work Code of Conduct“. . It addresses such issues as:

- Basic responsibilities of the employee and the employer;
- Property protection;
- Workplace confidentiality;
- Competitive activities;
- Employee material liability;
- Rules of order;
- Date, place and time of payment of remuneration;
- Regulatory penalties and awards and prizes;
- Working time, annual leave and redundancy;
- Labour protection for women and young people;
- Health and safety at work and fire protection.

The company complies with all the provisions of the Labour Code, as confirmed by numerous inspections by the State Labour Inspectorate, the Social Insurance Institute and the Tax Agency. **Developing passions and promoting healthy lifestyles.**

ACTIONS

Work-Life Balance - Good Practice **policy** for maintaining work-life balance, especially in the COVID-19 pandemic era:

- replacement contracts (while looking for opportunities for employees who have come to us as replacements to stay);
- we will allow young mothers to have flexible working arrangements: flexible working hours/part-time/part-time work from home;
- support motherhood and fatherhood;
- we enable participation in recruitment projects and training during parental leave;
- we maintain all social privileges during parental leave;
- We take an individual approach to the problems of the young mum, and the young dad; we boast at company meetings about the number of births and new pregnancies;

We take care of **employee development** by centrally planning and managing training. 2022 was already the year we returned fully to onsite training while maintaining reasonable online solutions:

- We have provided quality management and commercial law training, trained internal auditors and developed talent in IT
- Employees regularly gain new qualifications and supplement their knowledge in areas such as the Omnibus Directive, SEP training and examinations, REACH and CLP regulation changes, among others.
- We support those wishing to continue their education in the form of postgraduate studies by subsidising this type of learning.
- We implement programmes based on the principles of Continuous Improvement that enable employees to shape their workplace, share ideas and develop competencies.
- Employees are encouraged to improve their language skills. Employees can still benefit from an e-learning course.

The following sports teams are active in the company:

- Lirene Bike Team / Dr Irena Eris Running Team / Dr Irena Eris Sailing Team
 - MultiSport – a programme to subsidise willing employees' participation in sports activities.
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ENVIROMENT

DESCRIPTION

The production of high-quality cosmetics is a demanding and complex process, which we carry out with respect for the environment and to ensure the safety and efficiency of its use. We systematically modernise our machinery, invest in new, more energy-efficient machinery and equipment and train our staff both professionally and in terms of health and safety, ergonomics and environmental protection.

DR IRENA ERIS STANDARDS

We comply with legal requirements and the requirements of ISO 14001. In our Integrated Management System policy, we declare that environmental risks are prevented by minimising the negative environmental impact of our company, by seeking innovative and environmentally friendly solutions for raw materials and packaging, and by strictly complying with the legal requirements applicable to our business concerning products, company operations and its environmental aspects. We design our products following eco-design guidelines.

ACTIONS

We minimise our environmental impact by reducing energy consumption, ensuring proper waste management, using energy from renewable sources and many other measures. In 2022. (by the end of September), **we reduced our electricity consumption** by 5% compared to the same period in the previous year. Energy consumption per end product was reduced by up to 20%. We achieved this result through the following measures:

- We upgraded the heating system of the Finished Goods Warehouse by installing air-source heat pumps
- We have completed a further phase of replacing the lighting in the plant and offices with energy-efficient lighting
- We optimised process heat consumption by replacing the CT collector
- We have optimised the operation of the most energy-intensive machinery and equipment

As of 2019, we are producing cosmetics using electricity from renewable sources (**green energy**). **In the past year, 100 % of our cosmetics were made using power from renewable sources.**

Since 2017, we have been counting the carbon footprint for the production site according to the GHG Protocol A standard in Scopes I and II (direct and indirect emissions), controlling CO₂ emissions and looking for solutions to reduce our carbon footprint. In 2019, the production facility's carbon footprint was reduced by **68% compared to the** previous year, thanks to joining the NATURALLY SAVE ENERGY programme and purchasing electricity generated from renewable sources.

We are constantly working to reduce water consumption:

- the most essential consumption points for municipal water and process water are metered;
- we fully control the water balance for the company;
- the cleaning process of machinery and equipment is carried out in a closed loop;
- we collect rainwater and use it to water green spaces;

In 2022, we will reduce our water consumption used for washing machinery and equipment per finished product by more than 10% compared to the previous year.

We treat industrial wastewater in our wastewater treatment plant before discharging it into the external sewerage network.

We are taking measures to reduce the use of chemicals in the cleaning process. In the first half of 2022, we reduced our consumption of cleaning chemicals by 12% per finished product compared to the same period in 2021.

All post-production waste will be transferred to specialised companies. Year on year, the amount of waste recovered and recycled is increasing. **In 2016, it accounted for 42% of all waste, and in 2022 it will be close to 100%.**

In 2020, we joined the RafCycle programme, through which we are part of a closed-loop economy where waste is transformed into critical resources for the economy. We transfer the laminated backing that is label waste to Raflatac, where it is cleaned of silicone and recycled into pulp and paper, which is then used to make graphic paper and paper substrate.

In 2021, we donated 5.6 **tonnes** of label primer as part of the RafCycle programme.

In 2022, we handed over 5.7 **tonnes** by the end of September and have a further 1.6 **tonnes** awaiting collection.

The activities above confirm that we are moving away from a linear economy towards a closed-loop economy for further post-production waste

We apply the principles of eco-design of packaging:

- we design packaging to minimise the weight of the packaging while providing adequate protection for the product,
- we use paperboard made from well-managed **FSC -certified** forests and **recycled materials**. This means that the raw material for the paper has been sustainably sourced - a new tree has been planted in place of every one felled,
- we recover and reuse cardboard packaging and packaging films from component deliveries in the logistics process.

We design the packaging to minimise the weight of the plastic packaging and effectively protect the product. We reduce weight and optimise packaging capacity, eliminate the additional protection of cardboard packaging with cellophane and reduce the amount of plastic in transport packaging. We will also introduce innovative solutions with interchangeable cream foam kits. These solutions will allow us to reduce plastic consumption by **5 tonnes in 2021 and a further 3 tonnes in the first half of 2022.**

We are a conscious manufacturer taking responsibility for the packaging waste generated after using cosmetic products. Therefore, **from 2021 onwards, we are meeting the levels of recovery and recycling of packaging waste that the European Union plans to achieve in 2030.**

ANTI-CORUPTION

DESCRIPTION

Ethics is very important in running a business. An ethical approach shows that we respect our customers and our competitors. It should be the responsibility of every company to apply the highest standards rigorously. We should all care about the natural and external environment we derive so much from. And we must not forget people - both employees and business partners. We must act responsibly in everything we do - including business

DR IRENA ERIS STANDARDS

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- Property protection;
- Workplace confidentiality;
- Competitive activities;
- Employee material liability;

ACTIONS

In non-obvious situations, we are guided by the ‚Signpost for dealing with difficult situations‘ developed last year
