

ONZ Global Compact

I am pleased to confirm that the Dr Irena Eris reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti Corruption.

In this our third annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely,

Henryk Orfinger

President of the Board Dr Irena Eris, Owner

HUMAN RIGHTS

DESCRIPTION

When building the prestige and competences of its brands, Dr Irena Eris is guided by our respect for people, focusing on their individualism and co-operation. Our concern for the well-being of others manifests itself in both our high-quality cosmetics and our exceptional interpersonal relations within and outside of the company.

Our care for the safety and health of our employees obliges the company to protect the employees' lives and health by ensuring safe and sanitary working conditions for them, as well as by protecting them against industrial accidents, occupational diseases and other illnesses related to the conditions of their working environment

Innovativeness has been part of the company's strategy ever since the outset of its activities. The Dr Irena Eris Cosmetic Laboratory directs the development of the industry, with particular focus on the field of care products, in which it is an expert. The entire team are constantly seeking new ideas, solutions and concepts.

We focus on the development of advanced scientific research, taking into account its significance in the development of the company's activities, so that we can offer an added value to our cooperators and associates.

- organisation of work and workstations in a manner that ensures safe and sanitary working conditions;
- familiarisation of employees with OSH regulations and rules, and with the provisions on fire prevention, and conduct of systematic employee training;
- first aid and fire prevention training, evacuation drills, periodic training in occupational safety and health;
- up-to-date medical checkups;
- ensuring of safe and sanitary conditions of workrooms and working technical equipment, as well as of the proper condition of the employees' collective and personal protective equipment and their appropriate use;
- issuance of workware and work boots as well as personal protective equipment to manufacturing workers prior to work;
- indication and ensuring of a properly secured space for storing workware and work boots, personal clothing and personal equipment, as well as the assigned tools to employees;
- research and measurement of harmful and noxious factors existing at the workplace

The quality of the research is evidenced by numerous patents and original patent applications resulting from the work of scientists of the Dr Irena Eris Research and Development Centre.

Testing is conducted in two directions at the Dr Irena Eris Research and Development Centre and goes significantly beyond the obligatory scope. One type of research concerns determination of the behaviour of isolated skin cells under the effects of cosmetic raw material complexes. The other sphere of research – efficacy testing – is meant to assess the efficacy of a given cosmetic product and the performance of the preparation.

STANDARDS OF DR IRENA ERIS

ACTIVITIES

In April 2018, we put a new production area (3600m²) into operation, which not only increased the factory's production capacity, but also markedly improved the working and social conditions of the employees. The construction of the new area also entailed modernisation of the existing production departments and break rooms. In 2018, the company's employees participated in professional first aid training. The training included both theoretical and practical classes. The appointed Emergency Intervention Group is regularly prepared for first aid provision and accident prevention.

We have paid for all of our employees to have access to private specialist healthcare all across Poland (including at 7 facilities in close proximity of their workplace).

The washing station (production department) workers are equipped with individual ear protectors.

Periodic OSH training is conducted in the form of workshops, in which the employees undergoing the training actively participate.

Work environment surveys are conducted systematically (examining the noise level, dust level and luminance – results below the maximum admissible volume, concentration and intensity).

By the end of 2018, the Dr Irena Eris Cosmetic Laboratory achieved 16 patent applications, of which 7 received patent protection – they found application in product innovations. Our scientific accomplishments allow us to manufacture cosmetics that are innovative, efficient and safe.

In 2018, several innovative products were introduced, such as Authority, products resulting from the six-year cooperation with the Nencki Institute of Experimental Biology of the Polish Academy of Sciences. The series is based upon the discovery of potassium channels in the mitochondrial membrane, the activation of which leads to awakening of skin cells from their rest. It is an original combination of colloidal golden peptide and a unique patented potassium channel activation technology.

The researchers of the Cosmetic Laboratory have participated in several Polish and international scientific conferences (Paris, Dubrovnik, Dubai) highly regarded in the academic community. At the aforesaid conferences, they presented their research results; they also published the results of their work in Polish and international academic journals (major ones, with a high Impact Factor).

LABOUR

DESCRIPTION	STANDARDS OF DR IRENA ERIS	ACTIVITIES
<p>The image of our company and brands is a priority to us. Our brands, offering highest-quality products adapted to a given market segment, are our greatest asset, as are people with whom we work.</p> <p>We prefer people who are creative, efficient, guided by intuition, knowledge and experience alike in their work, and who identify with the company. Cooperation is important to us because only our combined efforts can achieve our goals.</p> <p>We also respect tradition, which gives our company a soul.</p> <p>The personnel policy developed by us is based upon equal rights and equal obligations, regardless of gender, age or professional experience. Our clearly established rules of conduct and their consistent application build a culture based upon sincerity, trust and fair treatment of all those employed at the company.</p>	<p>The rules of work at the Dr Irena Eris Cosmetic Laboratory are regulated by the 'Work Regulations of the Dr Irena Eris Sp. z o.o. Cosmetic Laboratory'. They concern various issues, such as:</p> <ul style="list-style-type: none">• Fundamental obligations of the employees and employer;• Protection of property;• Workplace secrecy;• Competitive activities;• Employee's financial liability;• Order regulations;• Date, place and time of salary payment;• Penalties, rewards and distinctions;• Working time, vacations and dismissals;• Protection of work of female and young workers;• Occupational safety and hygiene, and fire prevention. <p>The company respects all provisions of the Labour Code, which is confirmed by numerous inspections of the Chief Labour Inspectorate, Social Insurance Institution and Revenue Office.</p>	<p>Work-Life Balance Policy – Good Practices for balancing working life and private/family life:</p> <ol style="list-style-type: none">1. Maintenance of jobs during maternity leaves;2. Substitution agreements (we seek to retain substitute workers);3. Determination of working rules for young mothers: flexible working time / part-time job / semi-remote work from home;4. Maternity support;5. Constant communication during a maternity leave;6. Participation in recruitment projects and training during child care leaves;7. Promotions following return from child care leaves, greater challenges;8. Maintenance of all social benefits during child care leaves;9. Individual approach to the problems of a young mother and/or young father;10. Presents for newborns;11. Boasting about the number of births and new pregnancies at the company's meetings; <p>Employees' Trust Survey</p> <p>As a result of the Employees' Trust Survey conducted in 2017, we are continuing the process of streamlining the organisation. For example, in 2018, a Project Group was established, tasked with facilitating the creation of a new product.</p> <p>The results of those works are being implemented at the organisation. We consider the survey itself as well as the activities undertaken after it to be a very important channel for communicating with the employees.</p> <p>We ensure our employees' development through central planning and management of training courses. This year, we are conducting the second edition of the Personal Development Academy, where our employees participate in training courses and developmental meetings, and implement cross-company projects from outside of their areas of expertise.</p> <p>In order to diagnose the training needs for a given year as fully as possible, the HR Department meets with each team and discusses their current developmental needs. In 2018, this allowed the creation of various training courses, e.g.: Building of Long-Term Relations with Customers, Public Speaking, Vocal Emission, Communication, Managerial Training, and various vocational training courses, e.g. Requirements of the New ISO 13485 Standard, Forklift Operator Courses.</p> <p>At our company, we also share knowledge. We organise many training courses conducted by internal trainers, e.g.: the Art of Presentation, First-Time Manager, Emotion Management, Coaching, Negotiation, Finances for Non-Financiers, GMP (Good Manufacturing Practice), MS Office. For internal trainers, we organised the training course Train the Trainers.</p> <p>Our open training courses 'Employee as an Ambassador for Our Brands' have already become tradition. The purpose of this event is to share the information on our new products and trends at the company.</p> <p>Every year, we organise work-life balance workshops: stressful situation management, efficient emotion management, or: how to notice your potential and use it properly.</p> <p>We implement programmes based upon the principles of Continual Improvement, which allow our employees to shape their workplace, share ideas and develop their competences.</p> <p>We encourage our employees to improve their language skills. Each employee has the option of attending classes held during working hours. Furthermore, in 2018, we introduced an e-learning platform for studying English, available to all employees of the company.</p> <p>The following sports teams are active at the company:</p> <ul style="list-style-type: none">- Lirene Bike Team- Dr Irena Eris Running Team- Dr Irena Eris Sailing Team <p>MultiSport – a programme for co-financing of participation in sports classes for interested employees.</p>

ENVIROMENT

DESCRIPTION	STANDARDS OF DR IRENA ERIS	ACTIVITIES
<p>Creation of a high-quality cosmetic is a challenging and complex process. We systematically modernise our machines, investing in new equipment, train our personnel with regard to both their vocational skills and their knowledge in OSH and work ergonomics, as well as modernise our production area in order to create optimal working conditions.</p> <p>The company has a Quality and Environmental Policy of the Dr Irena Eris Cosmetic Laboratory. In 1996, the Laboratory implemented a Quality Management System conforming to the requirements of the PN-EN ISO 9001 standard, and since 2001, an Environmental Management System has been operating in accordance with the PN-EN ISO 14001 standard. Good Management Practice has also been implemented; in accordance with the PN -EN ISO 22716 standard.</p>	<p>The highest quality of our products is achieved with respect for the natural environment. We abide by the legal requirements and by the ISO 14001 standard requirements. Waste management rules have been detailed in workstation procedures and instructions.</p>	<p>We minimise our impact on the environment through many activities:</p> <ol style="list-style-type: none">1. We use modern machinery and technologies,2. Prior to channelling our liquid industrial waste to the external drainage, we treat it at our own wastewater pre-treatment plant,3. Most products are packed in packaging that is either recyclable or suitable for recovering energy from packaging waste,4. We manufacture our packaging so as to minimise the weight of the packaging, whilst ensuring efficient protection for the product,5. We research the use of natural biodegradable raw materials in our packaging,6. In our logistics process, we recover and reuse cardboard packaging and packaging film originating from component deliveries, e.g. during the picking of deliveries,7. We are successively replacing micro-plastics (polyethylene pellets) in peelings with biodegradable abrasive raw materials,8. We collect electric and electronic waste products, as well as enable the employees to collect such waste originating from households.

ANTI-CORUPTION

DESCRIPTION	STANDARDS OF DR IRENA ERIS	ACTIVITIES
<p>Ethics are extremely important in business management. Our adoption of an ethical approach proves that we respect our customers and competition. Uncompromising maintenance of the highest standards should be obligatory for every company. We should all care for the natural and external environments, which give us so much. We must also not forget about people – both employees and business partners. In all of our activities, we must conduct ourselves responsibly – this includes business, as well.</p>	<p>The rules of work at the Dr Irena Eris Cosmetic Laboratory are regulated by the 'Work Regulations of the Dr Irena Eris Sp. z o.o. Cosmetic Laboratory'. They concern various issues, such as:</p> <ul style="list-style-type: none">• Fundamental obligations of the employees and employer;• Protection of property;• Workplace secrecy;• Competitive activities;• Employee's financial liability	<p>In contentious situations, we follow the Guidelines for dealing with difficult situations, developed last year.</p> <p>In 2018, none of our employees ever conducted themselves unethically.</p>