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EQUITY

Mission-Driven Beauty and Wellness

2021 Impact Report

Overview

Lucas Brand Equity (LBE) is a growth equity firm that invests in beauty, wellness, and personal care brands with purpose. As an investment firm, LBE seeks out opportunities to invest in smaller brands that not only have a quality product that differentiates them from others in the marketplace, but also those with a passion and mission behind the brand.

These brands look at their impact holistically and identify ways in which they can create shared value through their operations. They see their existence as more than the simple transaction between a customer and a company. They see the responsibility they have to people and the planet and believe that through strategic action, business can create transformational change. From sourcing, formulation, and packaging, to meaningful engagement with communities across the world, these brands epitomize the LBE difference.

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Defunkify is a performance driven, eco fabric care company founded in 2017 by Richard Geiger, a PhD with 30 years of industry experience. Backed by patented IP developed by Richard and his team, they created the most effective odor and stain removal fabric care formula with the lowest eco-toxicity of any brand in the market. Defunkify has branded their breakthrough IP as ProvenSafe™ Technology and have inserted it into each of their products. Defunkify removes odors five times better and stains up to 80% better than the synthetically derived category leader Tide, while boasting a more environmentally friendly profile than Seventh Generation.

Impact Initiatives

Cleaning can be a dirty business. Many companies are filling harsh packaging with toxic ingredients without being held accountable. Defunkify takes a different approach. The company has built empathy and science into its decision-making process, making sure that their impact is considered in a comprehensive way throughout the value chain.

Formulation

Defunkify products begin with safer ingredients. All ingredients found in Defunkify products have been approved by the EPA Safer Choice Program. Green chemistry is then utilized in the formulation process to optimize these ingredients by harnessing the potential of nature and maximizing performance. Once formulated, toxicity testing is used to ensure that the final product is aligned with industry and environmental standards. Transparency is important to Defunkify, so they list the complete formula on their labels with information about where the ingredient comes from and its purpose in the product.

Sustainability & Social Impact

Sustainability is a fundamental tenet for Defunkify. Ingredients found in their products are sourced domestically to reduce transit emissions. The formulas are concentrated and never use fillers which reduces overall consumption. As a young company, using the most sustainable packaging is challenging. Even so, Defunkify products use 100% Forest Stewardship Council Certified Paper and 25% Recycled Plastic Packaging. They are also currently cutting all virgin plastic by transitioning to packaging made exclusively from ocean waste.

Defunkify has achieved Climate Neutral Certification by reducing carbon emissions across the value chain and offsetting any excess emissions by investing in carbon-free technologies. They are also proud to partner with 1% For The Planet and The Conservation Alliance. Through these partnerships, they donate 1% of annual revenue to environmentally focused non-profit organizations around the world.

OLIKA®

Olika means “differently” in Swedish. True to their name, they designed a different kind of hand sanitizer that is thoughtfully formulated with clean, non-toxic ingredients, delivering high quality hygiene that is safe and effective while also nourishing to the skin. Launched in 2017, OLIKA is committed to high ethical standards and transparency across their brand; in the sourcing, the formulations, and the packaging. OLIKA believes that the things we do every day should bring delight. Their refillable nature-inspired, ergonomic bottle design inspires a sense of playfulness, reminding you to find joy in the little things in life.

Impact Initiatives

Formulation

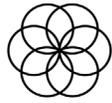
OLIKA uses high quality, sustainably sourced ingredients. They also recognize that the current landscape of sourcing materials is constantly changing, so they are always looking for even better options. To achieve effective results that don't compromise safety or skin health, they crafted the cleanest essential oil hand sanitizer while still being the most effective against 99.9% of germs with a 65% ethyl alcohol-based formula.

Sustainability & Social Impact

OLIKA's elegant and simple bird-inspired form takes on an ergonomic shape that fits naturally into the palm of the hand. This bottle is not only beautifully designed, but it is also refillable. The company has a larger bulk package that can be purchased, extending the lifetime of the well-crafted bottle.

Most of the hand sanitizers that are currently on the market are single-use and designed to be thrown away. When OLIKA launched in 2017, they recognized this as a problem in the market that could be addressed. Fast forward to 2021 where hand sanitizer purchases have grown exponentially, this product provides an excellent option for eco conscious consumers who cringe at the thought of yet another single use plastic product to add to the shopping list.

The OLIKA team is also committed to having a greater social impact through their business practices. They prioritize socially responsible business practices and seek to drive change through strategic action and partnerships.



IMMUNOCOLOGIE®

For Immunocologie Founder Karen Ballou, clean and effective skincare isn't just a notion, it's a necessity. Several years ago, Karen successfully battled Hodgkin's lymphoma. As she recovered from the ravages of chemo, she yearned for a natural, nourishing, and effective skincare solution. It was then that the idea for Immunocologie was born.

Immunocologie is the culmination of Karen's quest to create an incomparable clean line that nourishes skin from the outside in. With Immunocologie, all skin types are safely and effectively nourished and balanced, resulting in healthy, bright, radiant skin. Immunocologie is a lifestyle brand for all humanity that empowers the skin's barrier to function at its healthiest.

Impact Initiatives

Health & Wellness Driven

Having been borne out of the Founder's experience with cancer, Immunocologie prioritizes health and wellness. Karen spent her entire career in the personal care industry, working as an esthetician and building brands, but it wasn't until her experience with cancer where she truly questioned all the toxic ingredients that people put on their skin.

Karen is deeply passionate about skincare, and she has made it her mission to educate people about the skin's microbiome, the potential harm caused by artificial and toxic ingredients, and the benefits of using natural, plant-based ingredients to nourish the skin.

Formulation & Packaging

Immunocologie's plant and mineral-based products are meticulously crafted from ethically sourced, sustainable ingredients from around the globe. They are free of artificial ingredients, parabens, phthalates, sulfates, mineral oil, formaldehyde, fragrance, and color. In addition to being sustainably sourced, ingredients are cold-pressed. This protects the integrity of ingredients while having a lower environmental impact than other extraction methods.

Their patented skincare technology, Vital Oligo Science, delivers a unique blend of vitamins and minerals to promote skin health throughout the skin's microbiome.

The formulations were thoughtfully crafted in Europe but have recently moved production to an organic lab in Maryland to support US-based business and reduce their carbon footprint.

Immunocologie's custom violet glass bottles protect products from damaging light, which preserves ingredients naturally, helping to eliminate unnecessary waste while also preserving the smell, color, and bioenergy of the products. The team is currently working to develop a bottle return program to extend the life cycle of each bottle while providing incentives for customers that promotes repeat purchasing.

All boxes and shipping materials are made from recycled materials.

Sustainability & Social Impact

Sustainability and social responsibility are a fundamental part of Immunocologie's DNA. There is, and has always been, integrity behind the brand. Each ingredient is sourced in accordance with the Fair-Trade Act and the Nagoya Protocol, an international framework that sets some of the highest standards for sustainable and socially equitable business practices.

In Burkina Faso, where they source three of their primary ingredients, 150 tons of fruit are harvested every 18 months. This is offset by Immunocologie replanting the same amount between harvests. Water and natural resources are managed and co-owned by the local communities. Scholarships, grants, school supplies, and higher education opportunities are provided to the families of our farmers. When the program was initiated in 2011, just six students were enrolled in local schools. Now, more than 2,000 students have been enrolled in education.

Immunocologie works closely with their ethnobotanist who worked for over a decade to develop mutually beneficial relationships in several different countries in Africa. Through his dedication, he has helped to lift economically challenged communities by providing business opportunities. Immunocologie is proud to work with this ethnobotanist who has made it his life's work to source the highest quality ingredients while creating shared value for all people along the value chain.



Founded in 2010, Soapbox is a social mission personal care company that thoughtfully crafts natural shampoos, conditioner, body washes, liquid hand soaps, lotions, and bar soap. Soapbox is uniquely positioned to be the profitable, socially conscious leader of the personal care space, similar to what TOMS Shoes did for footwear, by appealing to millennials through direct consumer engagement in social causes. Soapbox is sold in 14,000+ stores nationwide, including Walmart, Target, Publix, Sally Beauty, Walgreens, Rite Aid, Meijer, ShopRite, Giant, Stop & Shop, Whole Foods, HyVee, and many others.

Impact Initiatives

Sustainability & Social Impact

Soapbox provides health and hygiene products to those most vulnerable. Soapbox has donated millions of soap bars to national groups such as Feeding America, World Vision, and Feed the Children who distribute food and supplies to seniors, low-income families, and the homeless. In the last year, Soapbox hit a major milestone by donating over 20 million bars of soap since its founding. Soapbox also crosses international borders, having donated over one million soap bars to hospitals, refugee camps, and NGOs in seven developing countries.

Sustainability is considered both in their operations as well as the sustainability of their programs. Soapbox uses recycled and sanitized soaps that would otherwise be thrown away to upcycle the product for those in need. This reduces waste by optimizing material usage. They also recently implemented a process where any blemished products that couldn't be put on a shelf are repurposed and distributed to serve those who are experiencing hardship.

The company recognizes that for their actions to have an impact, they cannot simply have one-off relationships in the communities in which they work. Through non-profit partnerships, they ensure that their efforts have a lasting impact. EcoSoap Bank is one of their non-profit partners and the largest soap partner in Soapbox history, making and distributing 4.2 million bars to hospitals, refugee camps, and NGOs throughout Southeast Asia and Africa. They sanitize and recycle soap in an eco-friendly way that supports local economies.

Unlocking Communities is another partner of Soapbox. Located in Haiti, this nonprofit provides hygiene workshops and water filtration systems to curb the spread of diseases in vulnerable communities. Soapbox donations funded the production of 96,000 soap bars produced by local soap makers.

Rapid Response

When the pandemic struck in 2020, Soapbox did not have a hand sanitizer in its product line. With demand at an all-time high, and supply at a record low, Soapbox stepped up and pulled off what has been described as a supply chain miracle to bring a hand sanitizer to market. This sort of quick thinking demonstrates the innovation of the team to address a much-needed product in the market and created shared value by supplying customers with highly sought-after hand sanitizer while also contributing to growth in sales for the company. This growth then enabled the company to have a greater impact in their mission to bring hygiene and sanitation to people in need.

In 2020 alone, Soapbox donated 12 million bars of soap and 200,000 units of hand sanitizer. As the pandemic surged, they partnered with grassroots non-profit organizations to provide soap and hand sanitizers to refugees, prisoners, front-line healthcare workers, the homeless, impoverished families, and essential workers.

STANDARD DOSE

Standard Dose is committed to helping people explore, understand, and utilize plant-based ingredients and products in their journey toward wellness and fulfillment while promoting sustainable practices and advancing the overall social good. Standard Dose believes plants have the transformative power to heal, energize, and nourish, and that living well means making a conscious shift in our thinking, habits, and daily rituals. The company and its founders are committed to elevating wellness through a curated selection of carefully vetted plant-based products, and place daily emphasis on transparency, education, and experience.

Impact Initiatives

Setting the Standard

Standard Dose operates under the central tenet that what you put onto your skin is just as important as what you put into your body. With the mission of bringing only products that ensure powerful benefit to body and mind, they carry only responsibly sourced and produced products with clean, natural ingredients, before being lab-verified and personally tested by their team.

Standard Dose is a leader in the movement toward reusable and recyclable package design, promoting innovative policies, some of which will be announced later this year and will truly be industry leading initiatives. Meanwhile, Standard Dose is also setting new standards with its insistence on clean, sustainably sourced, natural ingredients.

Standard Dose has achieved a leadership position as the pre-eminent digital retail marketplace for plant-based wellness products, curating approximately 75 brands and nearly 600 individual products. Standard Dose helps consumers navigate the often confusing and continuously evolving assortment of plant-based remedies and products, providing critical information to help support informed choices, thus promoting optimal health. Standard Dose is intent on 'setting the standard' in both curating the most effective assortment of product choices while also promoting policies and practices that have a positive impact for society and the planet.



MD Complete is an independent skincare brand committed to providing the highest standard of care. Products are cruelty-free, vegan, gluten-free, free of harmful chemicals and ingredients.

MD Complete brings deep dermatological expertise and innovative technologies to skincare. Years ago, they began developing treatments for chemotherapy patients with highly compromised skin. They discovered a way to improve ingredient absorption through the skin while also making products much less irritating, enhancing their effectiveness.

This proprietary ingredient delivery system enables MD Complete to formulate much higher levels of much more active ingredients. They take the extra step of manufacturing in clean room environments for purity.

Impact Initiatives

Cancer Care and Recovery

This program provides skin repairing serums and lotions to chemo and radiation therapy patients and is being expanded to include wound healing serums for post breast surgery application to reduce the appearance of scars.

La Soupe

MD Complete has partnered with this organization that provides food to under-nourished families. They are currently distributing hand sanitizers to these same families.

Thank You Nurses

Through this initiative, "self-care" gift sets are sent to 3-5 nurses that have been nominated and selected for this program each month.

Equal Justice Initiative (EJI)

EJI works to end mass incarceration, excessive punishment, and racial inequality. MD Complete is donating 5% of profits for the foreseeable future to this program.



Marula’s journey began in Africa, where world renowned anthropologists noticed the local women using oil derived from the Marula tree to renew and heal the skin. Fascinated by this ancient tradition dating back over 10,000 years, they brought this “miracle oil” to the US and enlisted acclaimed plastic surgeon Dr. Ashton Kaidi to study its benefits. Dr. Kaidi’s research revealed the powerful and potent antioxidant, antimicrobial and anti-inflammatory qualities of this precious oil. Recognizing the benefits for his patients, Dr. Kaidi co-founded Marula Beauty in 2012.

Their proprietary harvest-to-bottle process combines modern technology with ancient beauty rituals that have been passed down through generations. Every product in their line contains the highest quality marula oil, which is wild harvested, hand selected, and cold pressed with no added chemicals, thus maintaining the purest natural potency of the Marula fruit.

Impact Initiatives

Packaging & Formulation

Marula Beauty recently redesigned their packaging. In the process, they considered sustainability principles in each step, using environmentally friendly paint for the bottles, eliminating excess materials such as plastic wrap and sourcing materials domestically when feasible. Their formulas contain no harmful ingredients, are Clean Beauty Certified through Home Shopping Network, and are certified cruelty free by PETA.

Sustainability & Social Impact

Marula Beauty is a social impact brand employing environmentally sustainable and ethical practices. Marula Beauty has been recognized by Cosmetic Executive Women, the beauty industry's leading membership organization, as the top 'sustainability' brand for its 'end to end' fair trade practices.

The Marula oil found in Marula's product line is sustainably farmed in Africa. Recognizing the importance of the Marula tree to the communities in Africa, Marula Beauty is passionate about empowering the local women sustainably farming the oil and providing fair trade wages.

Women across African nations work in partnership with Marula Beauty to wild harvest the fallen marula fruit, hand crack the nuts and carefully select only the purest blonde kernels to be cold pressed for Pure Marula Oil. This mutually beneficial relationship directly contributes to the quality of lives of their families, while bringing superior potent anti-oxidant marula oil products to women around the world.

Summary

LBE has a history of investing in and supporting smaller, mission-driven brands, providing the capital that enables them to grow. In doing so, they are empowered to have a deeper impact on the world through their strongly held values. We are currently analyzing everything our brands have done so far to promote sustainability and generate positive social impact. As we move forward, we are committed to expanding upon our sustainability and social impact initiatives both with current portfolio brands as well as those we screen for future investments. We intend to continuously evolve and identify ways in which we can improve on our current practices to generate positive change through business.

In order to achieve our long-term sustainability and social impact goals, we created and filled the role of Sustainability and Social Impact Manager last year to lead our efforts on a daily basis. We are committed to our current initiatives while finding new ways that the brands can contribute to meaningful change in the personal care industry.

Reflecting on what the brands have already done while also looking towards the future, LB Equity is at an exciting juncture and is looking forward to the opportunities that lie ahead.