



# Annual Report 2024

LUMENE  
GROUP

# Lumene Group Annual Report 2024

Lumene Group's Annual Report consist of Our Year, Sustainability Report and Corporate Governance.



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# Our Year 2024

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A message from the CEO

# A transformative year with excellent results

In 2024, we took significant steps towards our ambition to make Lumene Group the next big export success from Finland. We invested in people development and unlocked new strategic markets and sales channels for our brands. The results speak for themselves: we exceeded our ambitious growth and profitability targets while improving employee engagement and successfully integrating a new brand, IDA WARG Beauty, into the family.

For Lumene Group, 2024 was a year of positive transformation on many levels. One key transformation involved our people. Our growth plan relies on the entire Group acting as one winning team, supporting each other in everyday challenges. To support this goal, we invested in developing leadership, competence, and culture. Updated values, unified ways of working, targeted development programs, and remodeled office premises, among other things, help us create a positive and growth-oriented company culture and foster our sense of community.

At the end of 2023, we acquired a new brand, IDA WARG Beauty. Known for its high-quality self-tan, hair care, and body care products, the Swedish brand complements the Group's portfolio of high-quality beauty experiences at an accessible price. IDA WARG Beauty's integration into the Group has been very successful both from a people and business perspective, thanks to the extraordinary effort of both the IDA WARG Beauty and Lumene Group teams. The Group is now home to three Nordic beauty brands: LUMENE, CUTRIN and IDA WARG Beauty.

## **Sustainable, profitable growth**

In parallel to the integration, we also succeeded in profitably growing our existing business. We outpaced market growth, supporting our customers in expanding their categories. In a world marked by inflation and economic uncertainty, consumers are drawn to the high quality at an accessible price point that our brands offer. Internationally, the Group grew by 10%, with 51% of our net sales now coming from international markets.



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In Finland, our home market, we strengthened our position as the market leader by growing faster than the category for our core segments: skincare and makeup. We also made a very successful entry into a new category with LUMENE hair care. Internationally, we took significant steps forward in the Nordics and expanded in Europe: the LUMENE brand was launched in leading retailers like Boots, Müller, Flaconi and Hebe, supporting our growth targets in the UK, Germany, Austria and Poland. IDA WARG Beauty was successfully launched in over 100 retail shops across Finland.

Another crucial transformation is related to the growth of E-Commerce. We are complementing our in-store retail experience with an increased presence in digital channels. In 2024, our online sales grew by 20%, which exceeded the target we had set.

### Investing in production to multiply capacity and enable growth

Production is a key enabler of our growth plan. In 2024, our operational efficiency increased significantly due to improved forecasting and production planning. Importantly, we decided to invest in modernising our production lines in Espoo, Finland. This overhaul will multiply our production capacity and help us optimise our operations further through digitalisation.

The modernisation project has already started, and the overhaul is scheduled to be finalised in 2026. Our goal is to create the most modern beauty product manufacturing facility in the Nordics. The facility in Espoo is a source of pride for us, signifying our commitment to local production, short supply chains and a smaller environmental footprint.

### Increased circularity and B Corp certification

Sustainability is a competitive edge for the Group: we are a leader in circular beauty and stand out by offering beauty products that are designed with sustainability at their core. Increasing the Group's circularity percentage is one of our strategic targets, and in 2024 we made excellent progress in this area. Calculated with the Circular Transition Indicators framework, the Group's circularity percentage grew to 62% (2023: 55%).

A concrete example of reducing the overall environmental impact of our products is our new LUMENE moisturizer jar. In 2024, we brought all 50ml moisturizers in LUMENE's core ranges to market in biobased, recyclable jars. The change is important because packaging raw materials generate over a third of LUMENE moisturizers' carbon footprint, and 50 milliliter moisturizer jars are LUMENE's most commonly used packaging format. According to a lifecycle assessment, the new jar boasts a 38% smaller carbon footprint compared to its predecessor. You can find a comprehensive overview of our sustainability actions in the [Group's Sustainability Report](#), prepared in accordance with the Global Reporting Initiative (GRI).

Our long-term sustainability work was acknowledged when LUMENE and CUTRIN became a certified B Corp™. The certification means that an independent, third-party analyst has verified our responsible practices in areas like energy use, waste management, water consumption, diversity, ethics, and corporate transparency. This is a remarkable achievement, as we are the first beauty company in Finland to achieve B Corp certification, and among the first ten certified B Corporations in the country.

Finally, I want to thank our customers, business partners, and everyone at Lumene Group for an outstanding year. With the talent and commitment of our team and our strong growth plan for 2025, we have every reason to be optimistic and confident that we can achieve our ambition of becoming the next big export success from Finland.

**Adrian Innergård**  
CEO, Lumene Group

“  
The results speak for themselves:  
we exceeded our ambitious growth and profitability targets while improving employee engagement.  
”

# 2024 in figures\*

102

Net sales in 2024, EUR million

8%

Overall global growth

10

EBITDA, EUR million

10%

Growth, international markets

62%

Total circularity, compared to a global average of 7.2%

7%

Growth, home market

27

eNPS

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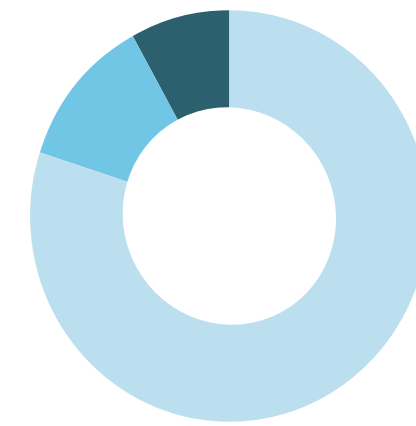
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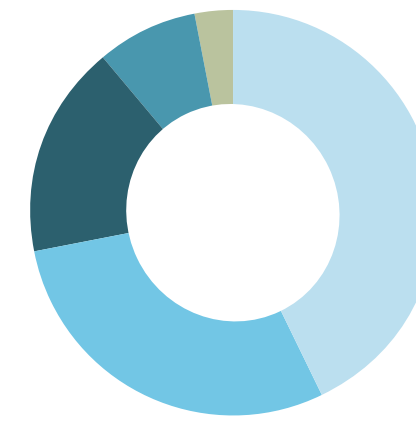
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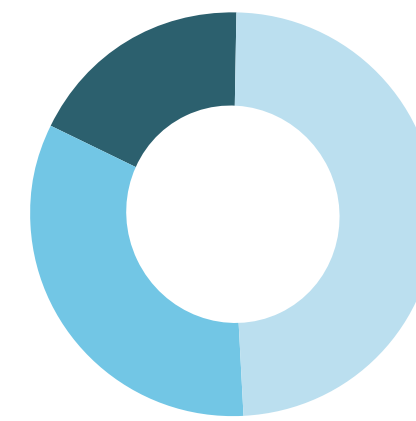
Lumene Group sales by brand:

LUMENE **80%**  
IDA WARG Beauty **12%**  
CUTRIN **8%**



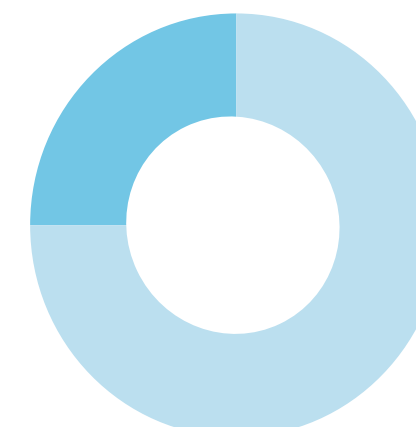
Lumene Group sales by business sectors:

Skincare **43%**  
Face makeup **29%**  
Hair care **17%**  
Color cosmetics **8%**  
Other **3%**



Lumene Group sales by markets:

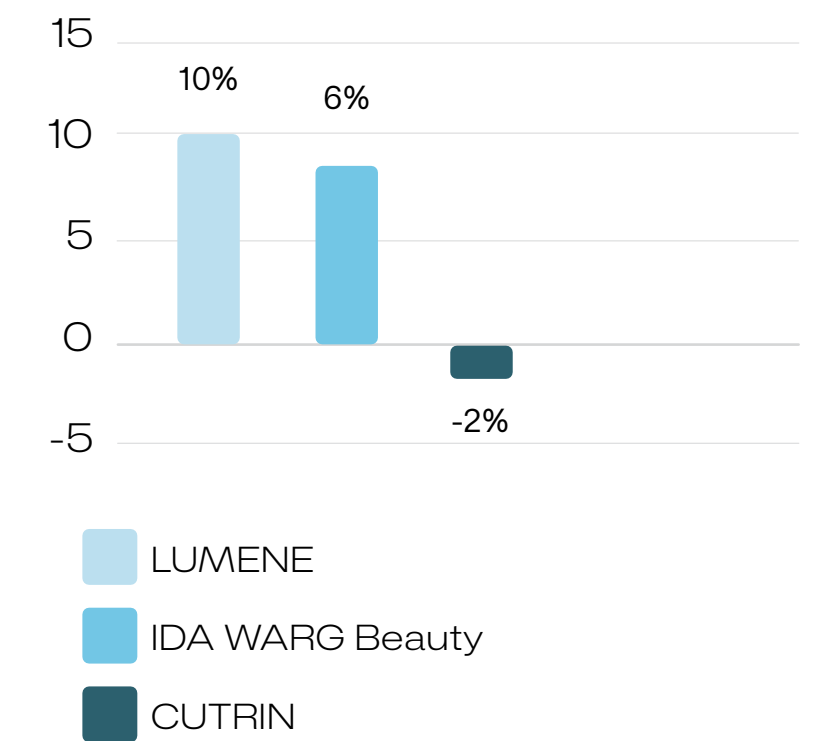
Finland **49%**  
Rest of the Nordics **32%**  
Rest of the world (UK, GER, Poland, China, US) **19%**



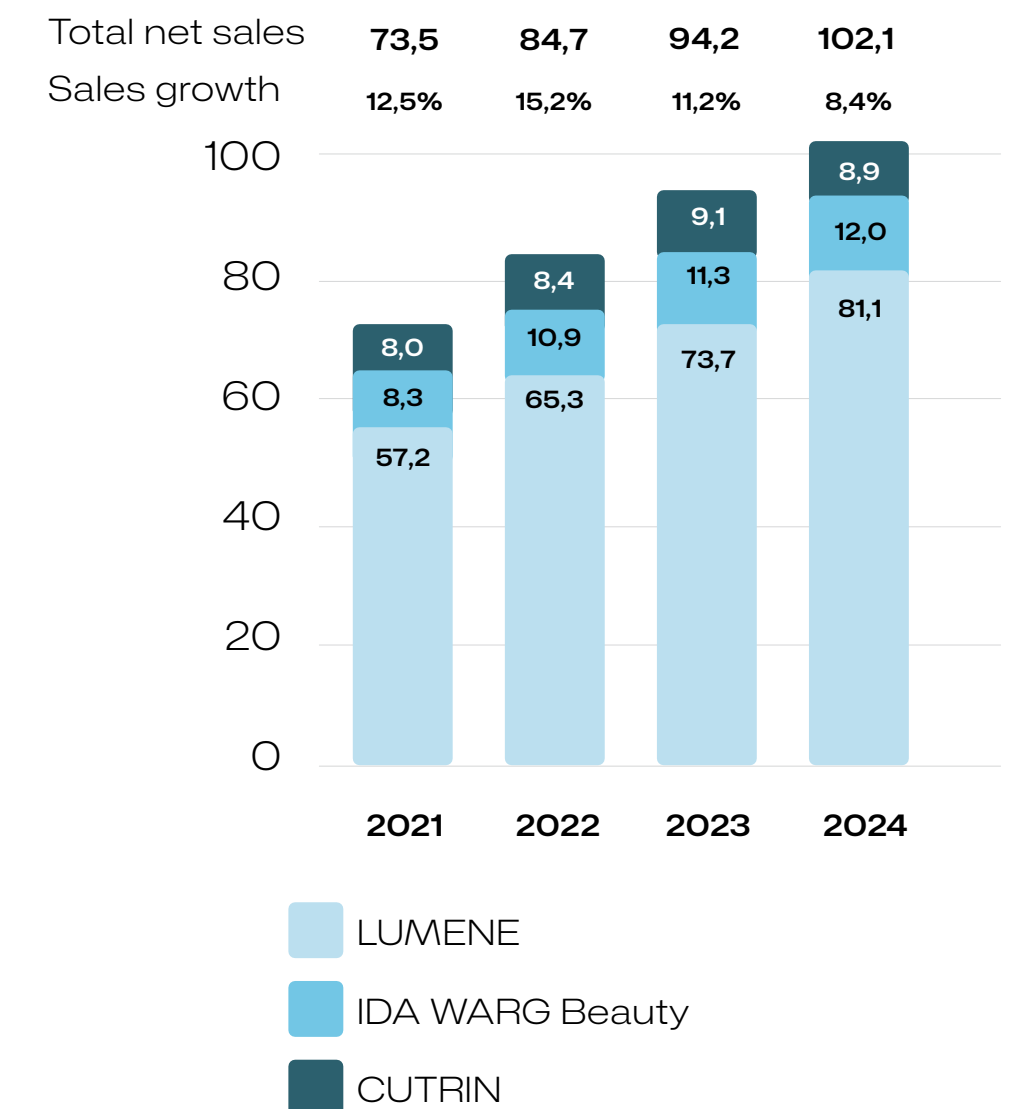
Lumene Group sales by channel:

Brick & Mortar **75%**  
E-Commerce **25%**

Overall growth per brand:



Development of net sales, 2021-2024, EUR million:



\* Key Figures are presenting organic growth of the Lumene Group. Ida Warg Beauty AB is included in the comparison figures. Historical sales development includes the current geographical footprint of the Group, excluding the market areas exited.

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Key events in 2024

# Exciting launches and strong growth



## Successful integration of IDA WARG Beauty

At the end of 2023, Lumene Group acquired IDA WARG Beauty, a renowned Swedish beauty brand known for its top-quality hair care, body care and self-tan products. The integration has been very successful both from a people and business perspective. In Finland, IDA WARG Beauty was successfully launched in over 100 new retailer stores. The brand's total sales quadrupled within a year in Finland, and in Sweden IDA WARG Beauty's sales grew by 18% in the second half of the year.

## International growth for LUMENE

LUMENE took a huge leap in international markets through new retail partnerships. Our exciting international openings included leading retailers, such as Boots in the United Kingdom, Müller in Germany and Austria, Flaconi in Germany, and Hebe in Poland. As a result, LUMENE grew its sales by 10% in international markets.



## LUMENE taking over the hair care category

LUMENE launched a new category of hair care products in Finland. The launch of skincare-infused hair care successfully opened a new market for the brand and has resulted in hair care being the fastest growing category in 2024.

## The first beauty company in Finland to achieve B Corp Certification

Our long-term sustainability work was acknowledged when LUMENE and CUTRIN became the first B Corp certified beauty brands in Finland. Additionally, we succeeded in increasing the Group's circularity percentage from 55% to 62%. For example, LUMENE launched a new biobased jar, which uses 44% less raw material but contains the same amount of moisturiser. The Group aims to achieve a 70% circularity rate by 2030.



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## Updated business model in the Nordics

We accelerated LUMENE's brand building and growth by restructuring the Nordic business model and taking over the distribution of LUMENE products in the Norwegian and Danish markets. This strategic change will boost business growth and contribute to the Group's five-year targets.

## A new strategy for CUTRIN

We introduced a new strategy and distribution plan for CUTRIN, our hair care brand specialised in bespoke solutions to common hair needs in the Nordics. While staying true to its roots as a salon brand, CUTRIN is broadening its distribution into new channels such as hypermarkets and online retailers. Hair care was the Group's third biggest and fastest growing category in 2024. The new strategy aims to ensure we continue growing with professional hair care in our key markets.



## Cultivating a growth mentality

Our ambitious growth plan relies on the entire Group acting as one winning team. To support this goal, we invested in developing leadership, competence, and culture. Updated values, unified ways of working, targeted development programs, and remodelled office premises, among other initiatives, help us create a positive and growth-oriented company culture and foster our sense of community.

## Investing in local production

Finnish innovation, local product development and production are key assets to Lumene Group. As the Group aims to double its net sales in five years, it is vital to invest in growing our production accordingly. In 2024, we decided to invest 10 million euros in modernising our production facility in Espoo, Finland. The overhaul will multiply our production capacity. The work is in progress and planned to be finalised in 2026.





Lumene Group today

# Lumene Group in brief

Lumene Group is a Nordic beauty company dedicated to developing and manufacturing high-performing skincare, makeup, and hair care products. Our purpose is to empower Better Beauty Choices, and our vision is to be the leading beauty company from the Nordics, recognised for our leading work in circular beauty among a wide international consumer group.

Sustainability has been at the heart of Lumene Group for decades, making us a pioneer in the circular economy. Our commitment to sustainability and ethical practices is reflected in our status as a certified B Corporation, a testament to our dedication to a more sustainable and equitable future. We are committed to meeting the needs of modern consumers through our core values of inclusivity, integrity, growth, curiosity, and care.

In 2024, Lumene Group expanded its portfolio of Nordic beauty brands with the acquisition of IDA WARG Beauty. Now, the Group is the home of three recognised Nordic beauty brands:

**LUMENE:** A leading Nordic beauty brand specialising in high-performing Skincare, Face Makeup and Colour Cosmetics. In 2024, LUMENE expanded its expertise to include Hair Care.

**IDA WARG Beauty:** Your beauty bestie for lovable results. Bringing playful Hair Care, Self-tan and Body Care for all senses, every day.

**CUTRIN:** A professional hair care brand with gentle, weightless formulations suitable for even the finest hair and most sensitive scalp.

Our team of over 350 professionals internationally is committed to pushing the boundaries of beauty innovation, working in fields such as R&D, Marketing, Production, Sales, and Financial Management, to name a few. Our headquarters are in Espoo, Finland, where over 80% of our products are developed, designed, and manufactured. Our brands are present in 23 countries, with online stores serving consumers worldwide. Key markets include Finland, Scandinavia, the UK, Germany, Poland, and China. In 2024, the Group decided to invest 10 million euros in the modernisation of the Espoo production facility, aiming to multiply production capacity and optimise operations. The overhaul is scheduled to be finalised in 2026.

Our majority owner, Verdane, is a European private equity company and a growth partner for ambitious companies thriving in a sustainable world.

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# 55

years of history, founded in 1970

## Our HQ

Including in-house R&D, laboratory and production located in Espoo, Finland

# ~ 350

Employees internationally

## Key Markets:

- |   |   |
|---|---|
|  Finland   |  Germany |
|  Sweden   |  Poland |
|  Norway  |  UK    |
|  Denmark |  China |

# +23

Markets internationally

# ~ 17 M

beauty products produced in our Espoo production annually

# 11

Patents



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Our purpose

Better beauty  
choices

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Our values,  
purpose  
and vision

Our vision

To be the No 1 Beauty  
company from the Nordics,  
recognised for our leading  
work in circular beauty  
among a wide international  
consumer group.



*We include everyone  
in our journey*

We invite You to the journey of  
inclusive beauty. We are One Winning  
Team where everyone's voice is heard.



*We act with integrity*

We pride ourselves on being honest,  
transparent and trustworthy in  
everything we do.



*We embrace growth*

We get the right things done by  
starting with an end in mind, taking  
the first things first. We embrace  
opportunities for growth by choosing  
to see the positive first.



*We are curious*

We are curious and creative, driven  
to make a positive impact. We never  
stop striving to improve and aren't  
afraid to push boundaries and  
pioneer the new.



*We care*

We are committed to caring equally  
for our community, our people  
and nature. We passionately work  
towards a more circular beauty - a  
commitment shared by everyone that  
works for us!

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# Our growth strategy

Our ambitious growth strategy for 2023-2028 aims to double our net sales and quadruple our profitability in five years. In 2024, we achieved our financial targets for the year and surpassed some, while also increasing our circularity and improving employee engagement.

Launched in 2023, our five-year strategy enables us to accelerate our journey towards our vision to be the number one beauty company from the Nordics, recognised as a leader in circular beauty among a wide international consumer group. To reach our vision, we are focusing on five key areas:

- Creating excitement and love to make a difference to consumers.
- Becoming the preferred category partner among our customers across channels.
- Leveraging Finnish production and innovation as our competitive edge.
- Driving profitable growth to secure sustainable business.
- Acting as one winning team: We include everyone, act with integrity and embrace growth. We are curious, and we care.

### Strategic objectives for the next five years

By the year 2028, we have set four strategic objectives that are designed to guide our efforts and ensure we achieve our ambitious goals:

- Quadrupling profitability to re-invest in our people and marketing, with a target EBITDA of 34 million euros, representing 19% of our total revenue.
- Doubling net sales to reach a target of 181 million euros by expanding internationally in addition to growing the Finnish beauty categories.
- Increasing our circularity percentage from 55% to 66%, continuing to lead in circular beauty.
- Achieving an employee net promoter score (eNPS) above 50.

To measure our success, we focus on six key performance indicators: net sales, profitability (EBITDA), international sales, online sales, circularity, and employee net promoter score (eNPS). In 2024, we reached all yearly targets with flying colours.

### Make a difference to consumers and customers:

#### New launches and profitable growth

Our strategy focuses on making a difference for both consumers and customer. By creating excitement and fostering love among consumers, we aim to build a strong emotional connection between our brands and consumers. For retailers, we strive to be the preferred category partner across all channels, ensuring that they see our brands as their go-to choice.

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# Our vision

Is to be the NO 1 beauty company from the Nordics, recognised for our leading work in circular beauty among a wide international consumer group.





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We aim to accelerate growth in E-Commerce, targeting 40% of our sales from this channel. Additionally, we plan to expand our international market presence, aiming for 65% of our sales from international markets.

In 2024, our business grew profitably. We overdelivered on our targets for the year: we maintained our dominant position in the Finnish market by growing 7%, succeeded in growing international sales by 10%, and grew our online sales by 20%.

**Make Finnish production and innovation our competitive edge:**

### Investing in local production

Finnish innovation and local production are a competitive advantage for the Group. We will strengthen them further by prioritising high-performing circular products and building both a best-in-class supply chain and the best beauty production facility in the Nordics.

In 2024, we decided to invest in modernising our factory in Espoo, Finland, to multiply production capacity, increase efficiency, and optimise material streams through digitalisation.

**Drive sustainable, profitable growth: Increased efficiency and sustainability wins**

Another priority is to focus on sustainable, profitable growth through data-driven decision-making and a unified set of numbers across the Group. In 2024, our operational efficiency increased significantly due to, for example, improvements in forecasting and production planning. We also transitioned to in-house distribution operations in Norway and Denmark. The digitalisation of our factory will further support data-driven decision-making.

We successfully grew our circularity from 55% to 62%, which is around 7 times the global average (The Circularity Gap Report 2023). Our goal is to achieve a 66% circularity rate by 2028. We pioneered circular beauty over 20 years ago by launching our first upcycled ingredient; cloudberry seed oil. Today we formulate with more than over 30 upcycled ingredients. Our aim is to continue leading circularity.

Moreover, we reached an important milestone by becoming Finland's first B Corp certified beauty company, achieved through a long-term and company-wide sustainability approach. Two of our three brands, LUMENE and CUTRIN, are now B Corp certified. In the future, we aim to achieve a full certification, including IDA WARG Beauty.

**One winning team:**

### A culture shift towards growth mentality

We aim to ensure that Lumene Group acts as one winning team, supported by a strong cultural framework, targeted leadership development, improved HR systems and unified ways of working.

In 2024, we restructured our operations in the Nordics and invested in developing leadership, competence and culture. This included building a new organisation that better serves strong international growth. After that, we started an engagement development program for the whole organisation.

Our team leaders play a key role in ensuring growth mentality and success. Therefore, we launched a leadership development program and a Group-wide self-leadership program to ensure every team member takes responsibility for growth. Additionally, we implemented a new performance management system to help team members reach their goals and influence their own growth.

We redefined our values to better reflect our culture and growth mentality. To ensure an alignment with our strategy, values, and culture, we defined our common leadership principles and focused on internal communications. We also remodeled our offices in Finland, Sweden and the UK to better enable collaboration and team building. To support internationalisation, we implemented a new HR structure and core processes.

Positive feedback from personnel led to an increase in our eNPS to 27 (2023: 17). Our goal is to continue growing employee engagement and ensure we have the best talent in our winning team. The integration of IDA WARG Beauty, acquired in December 2023, has been very successful in terms of business and culture. After the acquisition and the relocation of the Group's Swedish team to the same office, the IDA WARG Beauty team reached a whopping eNPS result of 100.



## Lumene Group expands Acquiring IDA WARG Beauty

In the beginning of 2024, Lumene Group acquired a Swedish beauty brand IDA WARG Beauty. The acquisition complements Lumene Group's portfolio with another Nordic brand with high-quality self-tan, haircare and body care products.

IDA WARG Beauty offers modern and inspiring beauty products with carefully selected ingredients and vegan formulas developed and manufactured in a sustainable manner in the Nordics and Europe. The common shared values and commitments to sustainability, naturality and high-quality beauty products provide a good starting point to further introduce Lumene Group's circularity principles to also cover IDA WARG Beauty products.

# A resilient market projected to grow

The beauty market is inherently resilient and stable, meaning it can withstand economic fluctuations over time. While 2024 was marked by a stagnating economy in Europe, the Nordic beauty market is projected to continue growing.

Beauty and personal care products are deeply linked to consumers' sense of well-being, which maintains their consistent demand even in challenging financial climates.

The resilience of the market can partly be attributed to the so-called lipstick effect, where consumers indulge in beauty products as a small luxury during times of economic uncertainty. Additionally, the introduction of new, innovative products fuels ongoing consumer engagement, while social media and influencers further sustain interest and purchasing behaviours.

Self-pampering and beauty routines play a significant role in enhancing consumers' well-being, as they provide positive and uplifting experiences. Self-care and indulgence have become increasingly important ways for consumers to manage stress, which further drives the demand for beauty products.

The global beauty market is poised for growth across all regions and product categories, including Lumene Group's core Nordic markets. According to Statista, the total addressable market for beauty products in the Nordics is projected to reach a revenue of US\$7.72 billion by 2025.

## Beauty market trends

Several key trends are shaping the growth of the market, including an increased demand for high-quality beauty products, heightened interest in natural ingredients, and the rise of digitally savvy

consumers seeking innovative and trend-driven offerings. The blending of e-commerce and in-store experiences is further enhancing consumer engagement and driving the sector forward.

Current beauty market trends also highlight a shift towards more sustainable beauty products, with consumers becoming more conscious of the ingredients and environmental impact of their purchases. This trend aligns with Lumene Group's commitment to sustainability and innovation in product development.

## Our strategy builds on industry dynamics

The Group's growth strategy, launched in 2023, is based on these industry dynamics. The strategy outlines a clear roadmap to accelerate international growth in the European beauty market through investments in new product categories aimed at attracting broader audiences. At the heart of this approach is our commitment to inspire brand love, which is further enhanced by a positive usage experience. These factors increase the chances of consumer loyalty.

By amplifying our presence through high-impact media and influencer-led campaigns, we continue to enhance the relevance and desirability of our brands. Strengthening our presence in international markets, alongside strategic advancements in e-commerce, is paving the way for sustainable long-term growth.

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# Nordic glow illuminating Europe

For over 50 years, LUMENE has been unlocking the power of wild Nordic nature to promote beauty that feels naturally good. Today, it is among the most circular beauty brands in the world.

Over recent years, LUMENE has further established its position as a leading Nordic beauty brand, offering high-performing, award-winning skincare, face makeup, color cosmetics, and hair care products to a growing global community. Focused on sustainability and circularity, LUMENE's commitment to reducing its environmental footprint is evident in every product, bringing the essence of Nordic nature to beauty enthusiasts around the world.

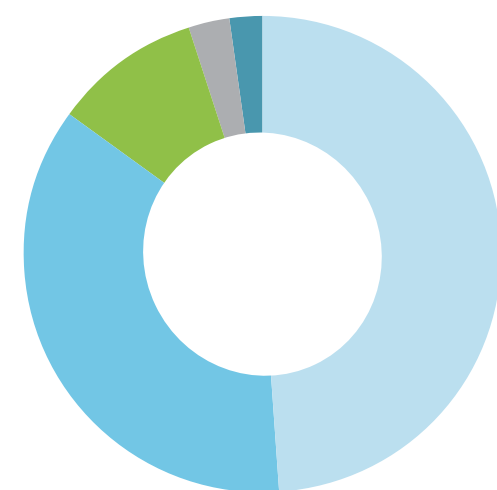
LUMENE formulates with the best of science and nature, combining naturally derived Nordic ingredients with expert skincare science to create high-performing beauty products that really work. Representing 80% of the Lumene Group's net sales, LUMENE is the largest of the Group's beauty brands.

In 2024, LUMENE expanded its reach across Europe, achieving a remarkable 10% growth and marking a successful era for the brand. In its home market of Finland, LUMENE continues to lead the category, consistently outperforming expectations. Even after 50 years as a market leader, the brand shows no signs of slowing down, achieving a 6% growth in Finland in 2024.

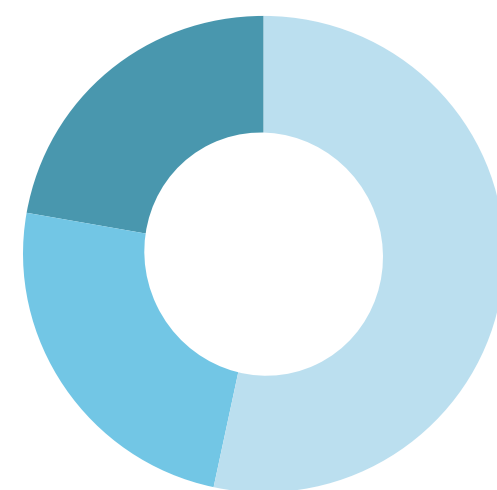
+10%  
overall growth

80%  
of Lumene Group  
net sales

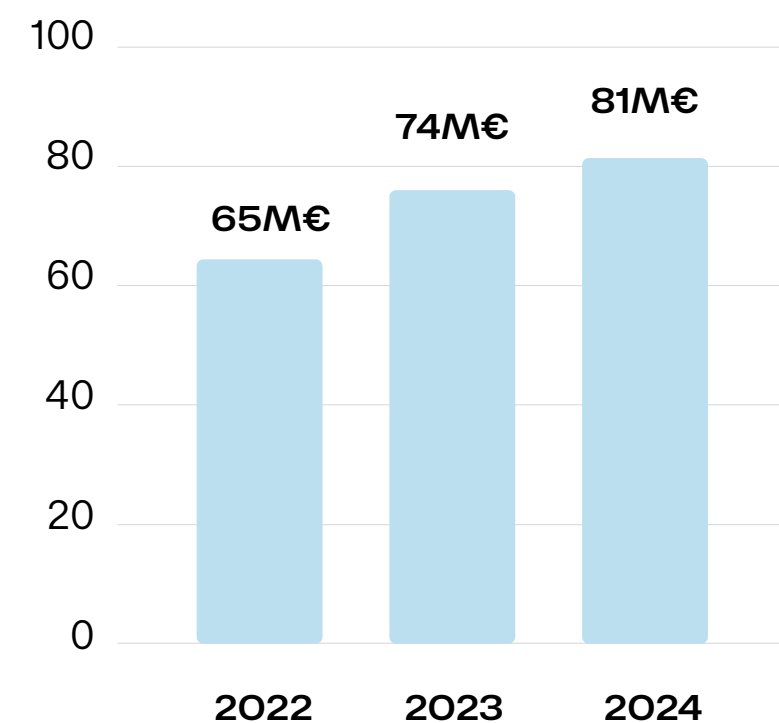
Sales by business sectors:



Sales by markets:



Net sales, EUR million



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### Home grown strength reaching global heights

Opening over 600 new retail locations in 2024, LUMENE made a significant leap, strengthening its position as the Nordic leader in Europe's beauty market. The brand expanded its reach in the UK, Germany, Austria, and Poland, successfully partnering with top international retailers such as Boots, Müller, Hebe, and Flaconi for increased global presence.

In the UK, supported by several local beauty influencers, we successfully launched our global hero product, the CC Cream, with great public response. Consumers embraced the product with enthusiasm after its launch, driving an impressive 67% increase in average monthly sales during Q4, compared to the period prior to the launch. The overall response from UK consumers has been overwhelmingly positive, and we are committed to further strengthening LUMENE's position there in 2025.

### Refreshed Brand, Leading with Purpose

In 2024, we embraced a bold brand refresh, ensuring purpose is at the heart of everything we do. This transformation was anchored in our new brand positioning, "Beauty that comes naturally," reflecting our deep connection to nature and our commitment to authenticity.

To bring this refreshed identity to life, we launched a European-wide brand campaign that resonated deeply with our audience. The campaign garnered strong feedback across all markets, driving increased engagement and raising brand awareness. Consumers connected with our message of pure, authentic beauty, further solidifying our position as the leading Nordic beauty brand. Looking ahead, we remain committed to building on this momentum and deepening our relationship with consumers across Europe and beyond.

### The hero strategy leads the way

LUMENE's success is anchored in its hero product strategy, capturing the essence of the brand promise while focusing on products that have proven success and become household favorites within our community. This approach has proven to be effective across all markets where we operate, with established territories thriving and new regions benefiting from a clear proof of concept, offering a unique competitive edge and strong product differentiation.

Our product portfolio is centered around bestsellers, with the CC and Nordic-C [Valo] ranges leading globally. The CC Color Correcting Cream, Glow Boost Essence, and Arctic Berry Oil-Cocktail embody our hero strategy in practice. In 2024, this approach continued to deliver remarkable results, solidifying LUMENE's position as a trusted brand.

### Exciting launches and award-winning products

In January, LUMENE expanded its portfolio with a new product category, hair care, inspired by the skinification movement and rooted in our expert skincare technology. Featuring Nordic Hydra [Lähde], Nordic-C [Valo], and Nordic Bloom [Lumo] shampoos and conditioners, this collection quickly gained traction in a competitive market. LUMENE's hair care products became top-sellers in Finland, driving substantial growth for our retail partners, with annual net sales reaching seven figures. The products are now available in over 1,000 stores across the country.

LUMENE also reinforced its leadership in the skincare-infused foundation category with the award-winning Invisible Illumination Vegan Collagen Serum-in-Foundation. Recognized as "Best Foundation with Skincare Benefits" at the Marie Claire UK Skin Awards 2024, this product marks a key milestone for the brand.

These are just a few of the many successful products launched by LUMENE in 2025, with over 20 products hitting the shelves, driving further success and deepening consumer love for the brand across all our categories.

### Growing our glowing community

In 2025, we will continue to reinforce brand love and solidify LUMENE's leadership in high-performance skincare and skincare-infused makeup. Our focus is firmly on expanding our global reach and nurturing the trust and loyalty of our consumers. We will drive growth in both new and established markets by strengthening in-store and E-Commerce experiences, ensuring LUMENE's presence resonates across diverse regions.

Above all, we are dedicated to fostering genuine, meaningful connections with our consumers, building a community rooted in love for the brand, and engaging them through the digital channels where they spend their time.



# Embracing playful beauty everyday

Founded in 2018, IDA WARG Beauty is a Swedish beauty brand celebrated for its high-quality self-tan, hair care, and body care products. The brand's first year as part of the Lumene Group was a resounding success.

IDA WARG Beauty aims to be "your beauty bestie", offering a complete beauty experience with effective formulas, uplifting, delicious scents, and playful designs across three key categories. The brand quickly achieved a leading market position in the self-tanning category and is now recognised as one of the top beauty brands in Sweden. The brand is the second largest of Lumene Group's brands, representing around 12% of the Group's net sales.

2024 was a success for IDA WARG Beauty: overall, the brand grew by 6%. During its first full operating year under the Group, IDA WARG Beauty inspired new creative ideas in the Group and absorbed knowledge from the wider team. A new strategy was crafted and implemented, centred on excelling in three key categories: hair care, self-tan, and body care. This focused approach proved successful, resulting in a positive trend by the year's end.

**6%**  
overall growth

**12%**  
of Lumene Group net sales



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### Leading the way in hair care and self-tan

The increased support for hair care paid off, especially in the brand's home market, Sweden. IDA WARG Beauty successfully launched new styling products, resulting in immediate growth, and had viral social media buzz around the scented Hair Mists. Additionally, the growth in Wash & Care products continued to strengthen the brand's position in this key segment.

Committed to protecting its number one position in the self-tan segment, IDA WARG Beauty launched a new addition to the range. The new Cocoa Self-Tanning Mousse received great consumer feedback. As a result of IDA WARG Beauty's strong presence in this category and consumers' continued support for the beloved best sellers, the Tanning Drops remained the brand's number one product.

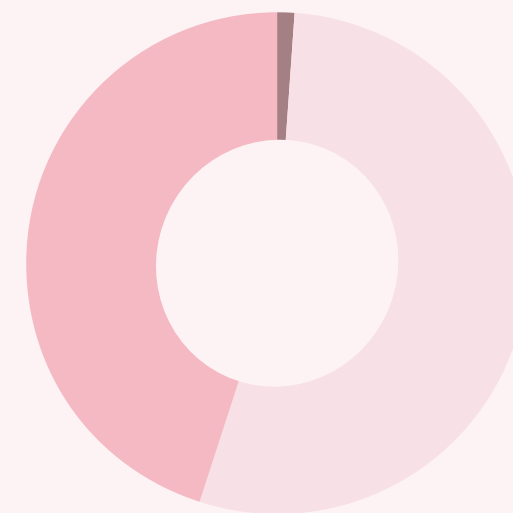
IDA WARG Beauty's launch in Finland was an important achievement. The brand was launched in over 100 retailer stores, establishing IDA WARG Beauty as a noticeable player in hair care and body cleansing. This expansion marked a significant step in the implementation of the brand's growth strategy, and the brand has been the number one category growth driver during the launch. The brand's total sales quadrupled within a year in Finland and overall 10% of the brand's sales now come from Finland. In Sweden IDA WARG Beauty's sales grew by 18% in the second half of the year.

### Growing our beauty bestie community

In 2025, IDA WARG Beauty will continue to work towards becoming the leading Nordic beauty brand. With a successful launch in Finland and a growing home market in Sweden, the aim is to continue making playful beauty more accessible. We will continue to build on IDA WARG Beauty's winning strategy in key categories by launching new products, building brand awareness and making the products widely available for consumers.

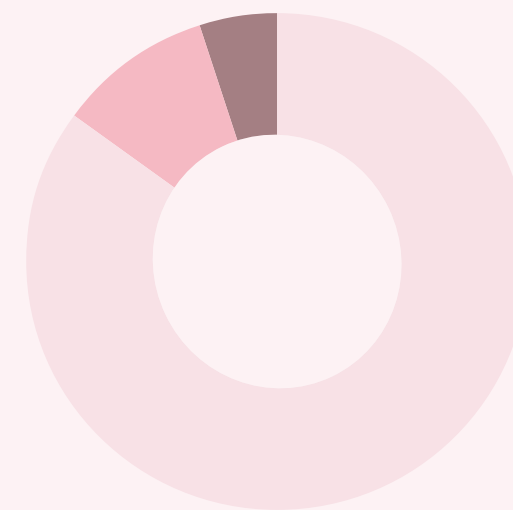
Exciting new products will be introduced in hair care, and a delicious self-tan novelty will invigorate the category. Through digital media and influencer marketing, the brand will continue to build awareness and attract new beauty besties. The brand will focus on creating engaging content and share beauty tips on social media, ensuring relevance when growing our community together with some of the most talented digital creators in the Nordics.

Sales by business sectors:



■ Hair care **54%**  
■ Skincare **45%**  
■ Other **1%**

Sales by markets:



■ Finland **10%**  
■ Rest of the Nordics **85%**  
■ Rest of the world (travel, Germany, CEE, other international) **5%**



# Scalp-loving, weightless hair care for salon-quality results

With over 50 years of experience and specialisation, CUTRIN is the pioneer and the original specialist in bespoke solutions to common hair needs in the Nordics.

CUTRIN is a professional hair care brand that pioneers the best of nature and science in co-creation with hairdressers to formulate professional hair care ranges with gentle, natural, weightless formulations suitable for even the finest hair and most sensitive scalp. With specific expertise in operating in the challenging Nordic climate, the brand is dedicated to serving the versatile sensitive hair and scalp needs of hairdressers and consumers. All ranges are empowered by active Nordic ingredients.

In addition, CUTRIN distributes a salon-exclusive brand, Promise, that combines unique design with performance-driven formulas, catering to the evolving needs of salon professionals and their clients.

Out of the Group's brands, CUTRIN represents around 8% of the Group's net sales.

### New growth strategy

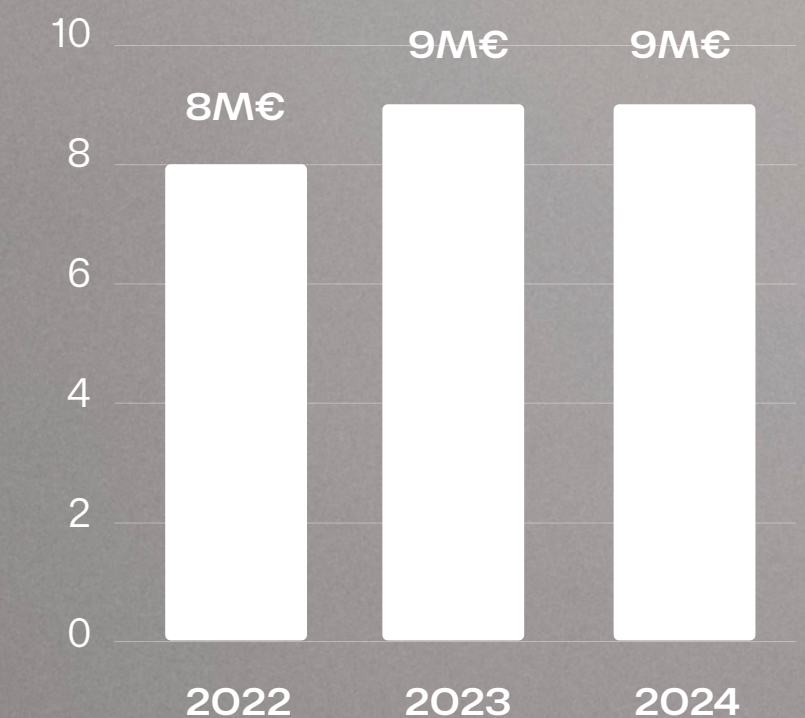
As a result of the stagnating salon market, CUTRIN's overall performance declined slightly in 2024. We responded to this change by introducing a new growth strategy and organisational model for CUTRIN, aiming to ensure continued growth with professional hair care in our key markets.

While staying true to its roots as a salon brand, CUTRIN is now broadening its distribution into new channels to also reach consumers directly. The brand entered Amazon in 2024 and was re-launched in Sweden with a new distributor, ByWe. In addition, CUTRIN was launched in the Finnish retail organisation Kesko's Citymarket hypermarket chain. The launch was done in 82 stores and supported by an extensive marketing campaign combining trade visibility with a national digital media campaign and a joint TV advertising campaign with Kesko.

-2%  
overall growth

8%  
of Lumene  
Group net sales

Net sales, EUR million



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### Innovations made for common hair needs in the Nordics

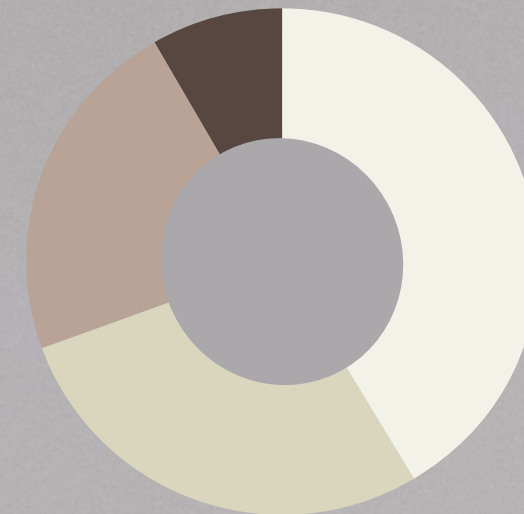
In 2024, CUTRIN launched new colour innovations to serve the needs of the salon market. In spring, CUTRIN introduced a new gentle high lift range with ME+ technology for contemporary warm blonde tones as an alternative for bleaching and toning. In autumn, a new innovative hydrating colour gloss range AURORA Nordic Lights was launched as a key driver for building a continued salon distribution. Both innovations cater to the needs of sensitive hair and scalp, delighting consumers with gentle beautifying salon services.

In addition to technical salon innovations, in late 2024, CUTRIN introduced a restaged AINOA care range, supported by extensive consumer concept tests in Finland, Norway and Sweden. The new AINOA enters the markets with upgraded formulations combining hyaluronic acid with Nordic active ingredients for ultimate hydration with weightless volume, new packaging and new growth strategies in winning channels, supported by the biggest consumer media investments in the brand's history.

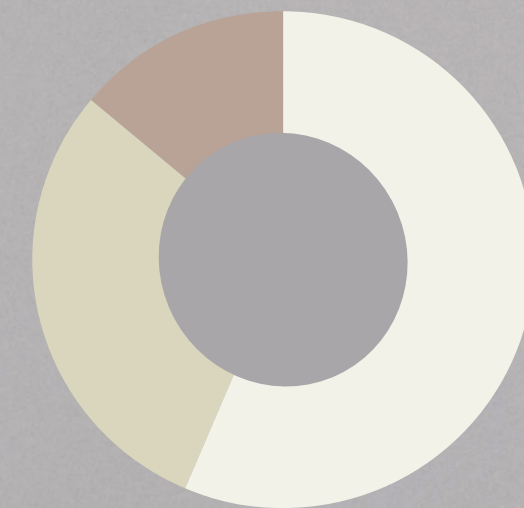
### Return to growth in 2025

In 2025, CUTRIN aims to return to its growth track by expanding the professional hair care category for retailers and by investing in brand marketing. The brand's key driver is becoming the leading Nordic innovator in professional hair care, blending nature and science. With our focus on the AINOA series, we will strengthen brand desirability and accelerate sales in winning consumer channels: e-commerce pure players, department stores and hypermarkets. Moreover, we will build profitable growth in salons by increasing our focus on driving colour distribution with the support of our CUTRIN PRO community, ambassadors, and replicating the consumer marketing mix into salon marketing to further accelerate our salon distribution and sales.

To ensure future growth across channels, an extensive brand refresh project was kicked off in late 2024. The objective was to crystallise and modernise CUTRIN's brand identity with an elevated brand personality, a purpose-led and future-proofed brand identity, an optimised design system for key channels and touchpoints, a clarified brand hierarchy, a strong brand positioning and an updated packaging design concept. The brand refresh will be finalised during the first half of 2025 and implemented gradually, starting already in late 2025.



Sales by business sectors:



Sales by markets:



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Product development and local production

# Local as competitive advantage

In-house product development and our local, Finnish production are key assets to Lumene Group. They differentiate us from competition and enable our progress towards a more sustainable supply chain. In 2024, we decided to invest 10 million euros in modernising our production facility in Espoo, Finland, to multiply its production capacity and improve efficiency.

Local production and Nordic ingredients are important drivers of product development decisions at Lumene Group, alongside consumer needs and market trends. We are committed to developing increasingly sustainable products: we deliver a strong product performance and consumer experience while embracing circularity for a lower impact on the environment. We firmly believe these principles to be some of our key differentiators in the market.

### **R&D is a driver of innovation and product circularity**

Our Research and Development team of 30 professionals is dedicated to creating and developing high-performance, sustainable beauty products that give consumers a high-quality experience at an accessible price. The team works at the Group's headquarters in Espoo, Finland, under the same roof with our production and other functions, which enables seamless collaboration between teams.

The use of natural and upcycled ingredients from side streams of local food and forest industries has been part of our product development for decades already. Additionally, for more than a decade, our packaging team has been driving our strategy to reduce the amount of packaging materials used while increasing the use of recycled and recyclable packaging components. R&D is therefore an important driver of our sustainability. Our product development policy commits us to increasing our percentage of circular raw materials and packaging, reinforcing our leading role within circular beauty.

IDA WARG Beauty's products are developed in the Nordics, using carefully selected ingredients and vegan formulas for high-performing beauty with lovable results. Going forward, the brand will benefit from the Group's strong R&D capabilities and expertise in sustainability.

By creating innovations, we aim to expand our portfolio of patented technologies. In 2024, we continued to build and extend our partnerships with academia, startups and other local industry players, fostering innovation with Nordic and upcycled ingredients such as lingonberry wax, extracted from lingonberry skin from industry side streams. Moreover, we hired international R&D experts to broaden our skill set and support our global commercial ambition. Our investments into people and culture development, which are discussed in more detail in the section. Our strategy, our leadership in circular beauty and our B Corp certification all play an important role in securing our ability to attract and retain the best talents in our R&D team.

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### **One of the most modern beauty production facilities in the Nordics**

Our own beauty production facility in Espoo, Finland, manufactures over 80% of our products, with around 17 million skincare, makeup and hair care products produced there in 2024.

Our main suppliers and markets are European, so keeping our operations local helps ensure a shorter, more transparent supply chain and a smaller environmental footprint. Close proximity between our different functions also facilitates strict quality control. Therefore, local production will continue to be a priority going forward.

In 2024, we allocated 10 million euros to modernise our five main production lines in Espoo. This overhaul will support our growth by multiplying our production capacity. The automation level of the production lines will be increased, which will improve efficiency and bring new capabilities. New machinery is also expected to have a positive impact on energy efficiency through improved production efficiency. The first new line was installed in early 2025, and the project is proceeding at full speed. All new and upgraded lines will be installed and operating by the end of 2026.

To support our investments, manufacturing process modernisation and production facility transformation, we are also digitalising our supply chain to enable streamlined, efficient end-to-end supply chain planning and operations. A strong, efficient and modern supply chain is a competitive advantage for the Group. Therefore, during 2024 we focused on strengthening our organisational capabilities by introducing new roles and team structures and also bringing in external expertise to enable the delivery of our strategic goals.

To ensure high quality and product safety, we strictly adhere to stringent quality control in all our manufacturing processes through the consistent application of cGMPs (Good Manufacturing Practices for cosmetic products) with reference to ISO 22716 certification and in accordance with the EU cosmetic Regulation. The cGMPs provide comprehensive guidelines for product development, production, quality assurance, and the safety of cosmetic products. Continuous improvement is ensured by conducting regular internal and external audits.

Sustainability in our production and supply chain is discussed in more detail in Lumene Group's Sustainability Report.



# Financial Reporting Standards

Figures presented are reported according to Finnish Accounting Standards (FAS) and represent the Lumene Holding Group financial statements.

Starting from 2025 Lumene Group will adopt International Financial Reporting Standards (IFRS) for all financial reporting. This transition aims to enhance the consistency, transparency, and comparability of our financial statements, aligning with global accounting practices.

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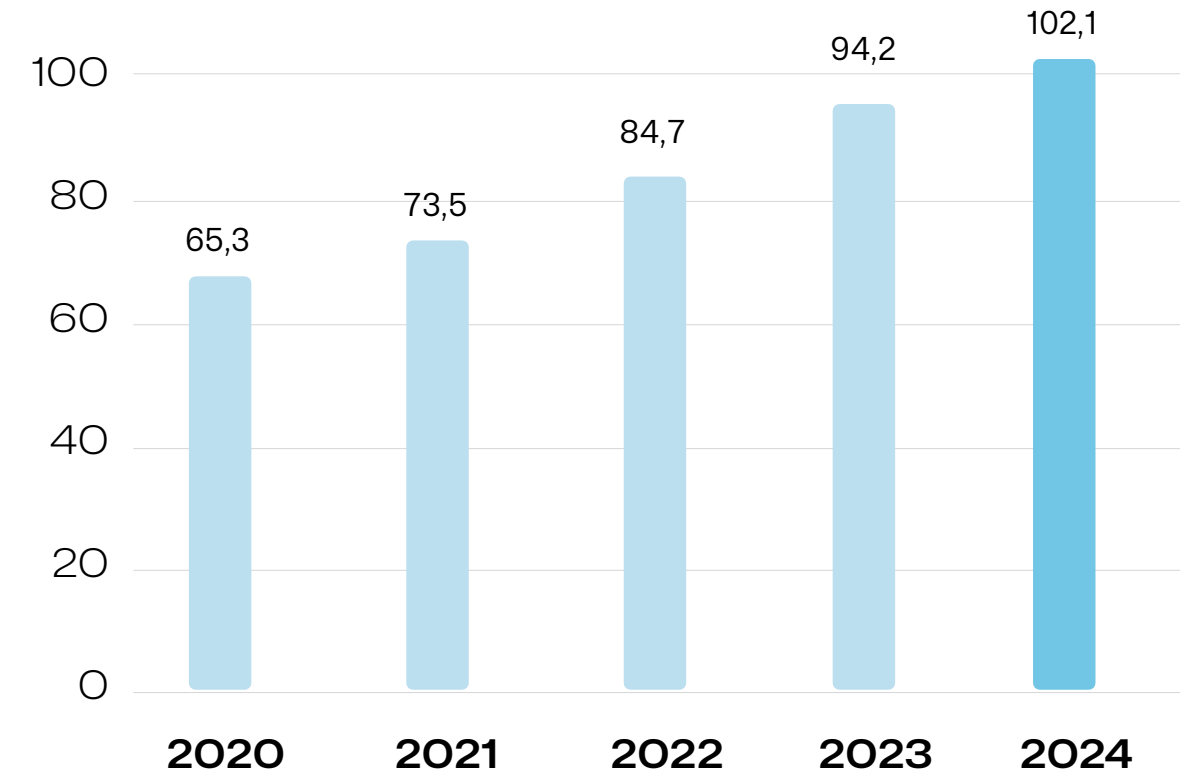
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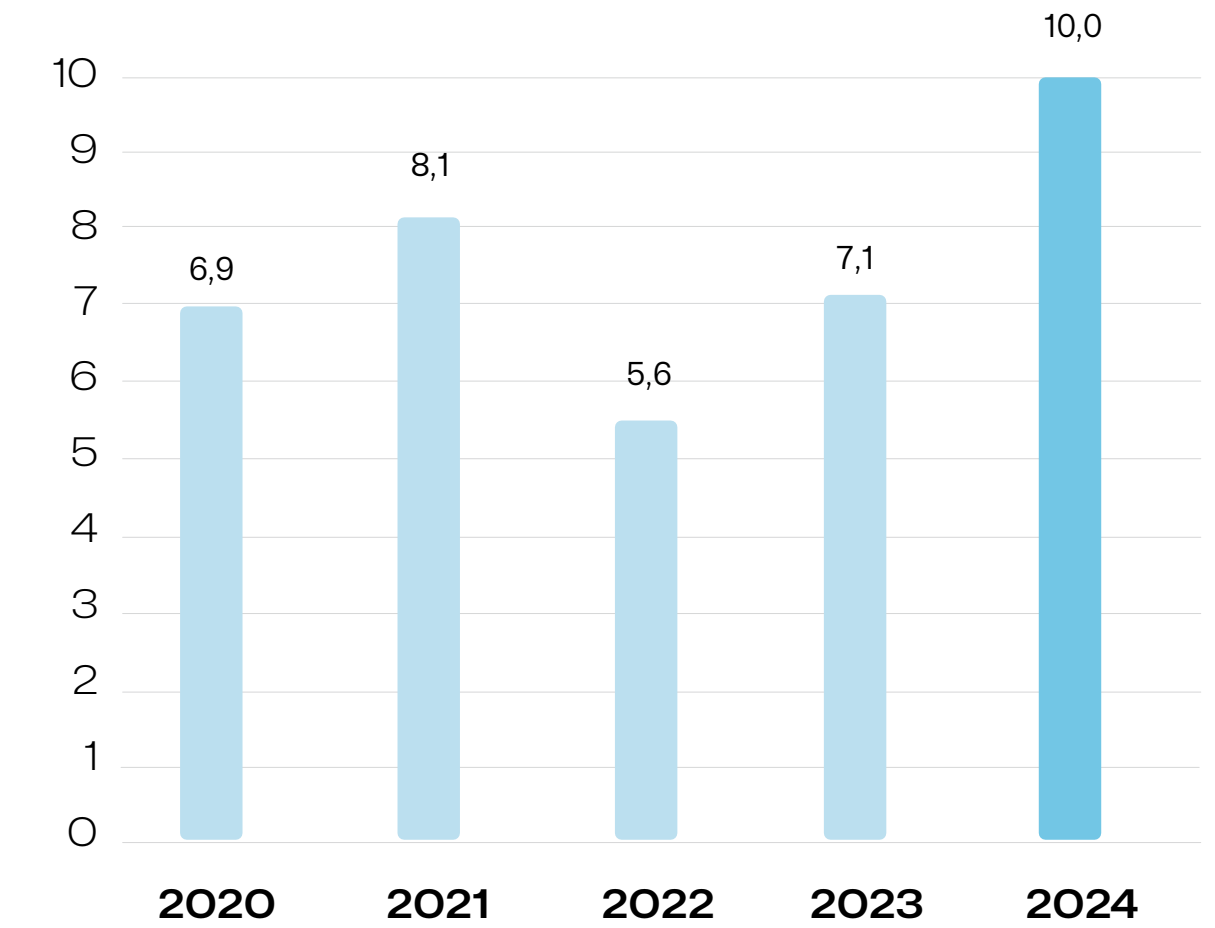
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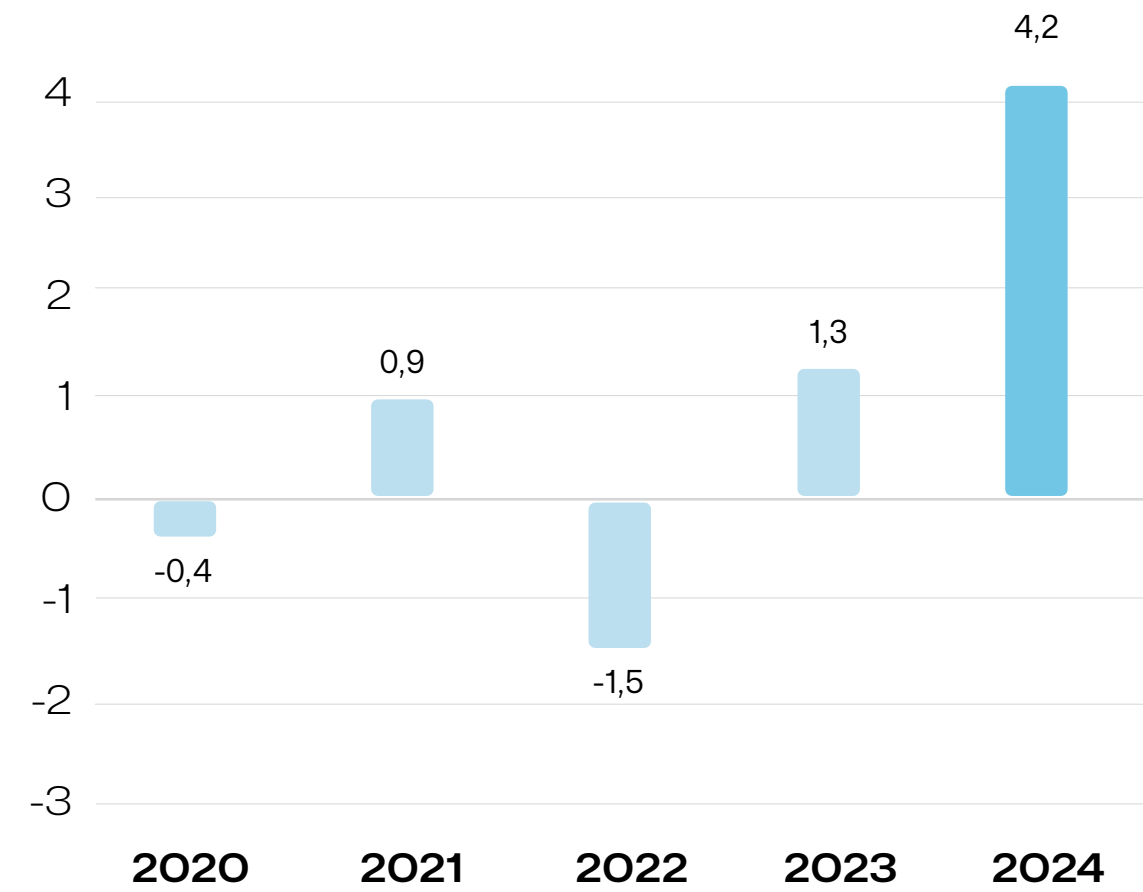
GROUP NET SALES, MEUR



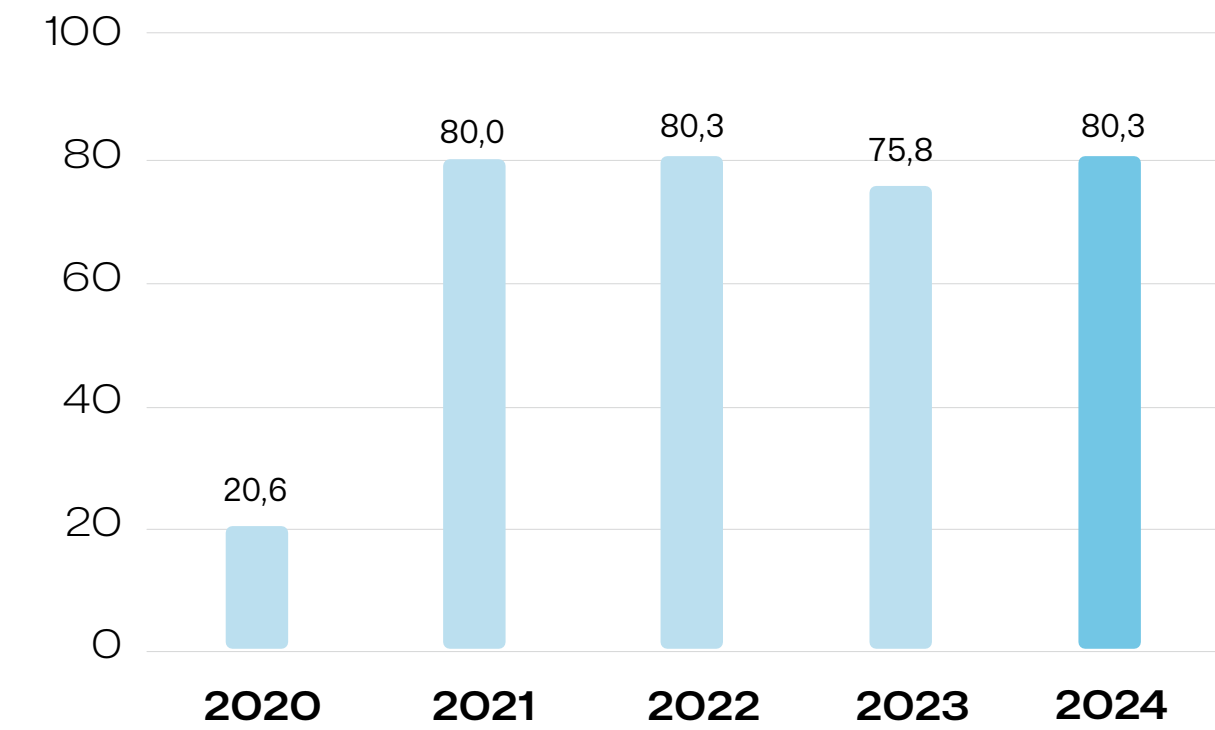
GROUP EBITDA, MEUR



GROUP OPERATING PROFIT, MEUR



GROUP EQUITY RATIO, %



# Sustainability Report

LUMENE  
[VALO]

NORDIC-C  
GLOW BOOST  
ESSENCE

LUMENE  
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*Alain Mavon*  
VP R&D & Sustainability

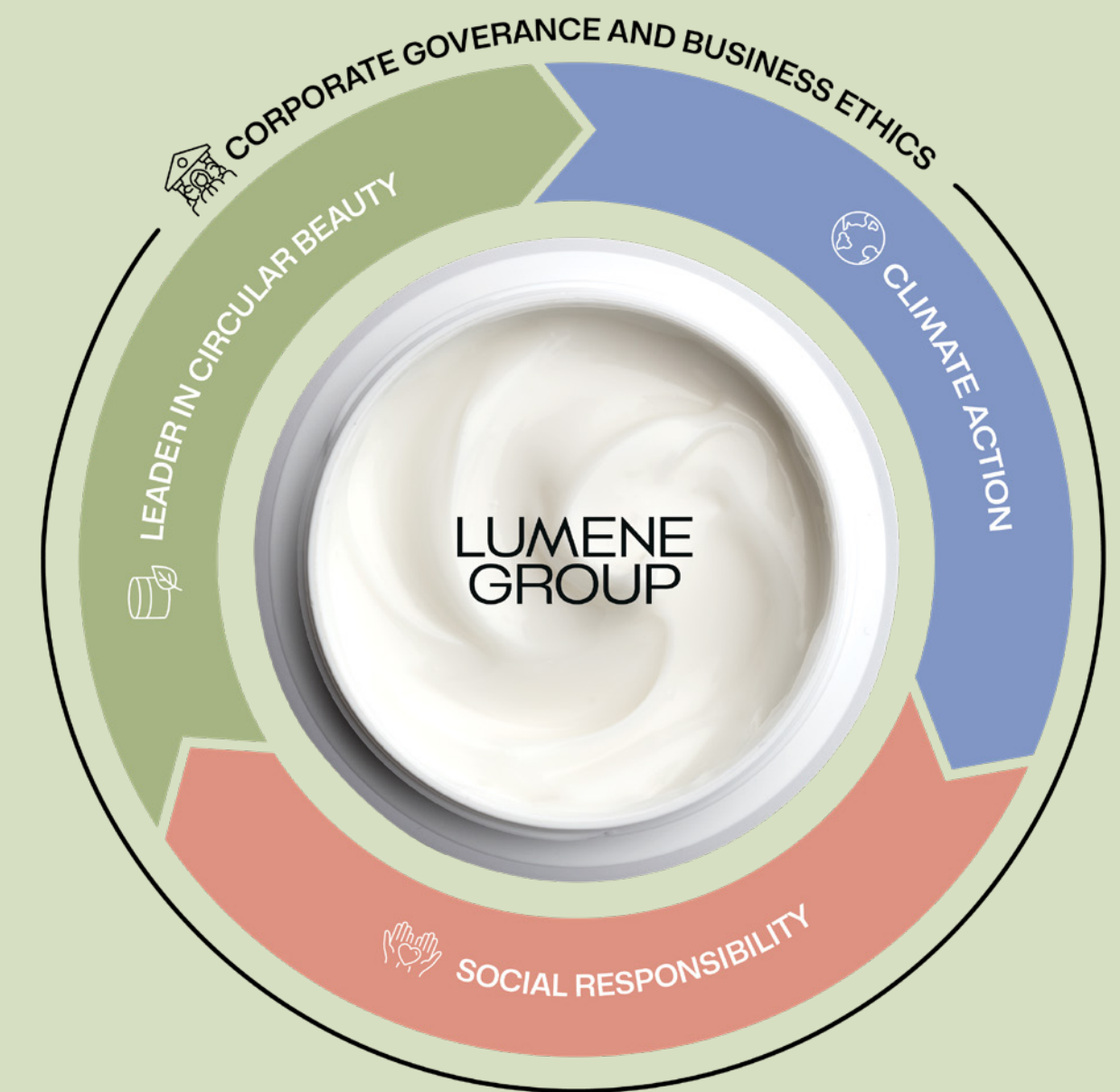
# Sustainability strategy

The third-party-verified B Corp certification further strengthens our sustainability strategy built on the three pillars:

- Leading in circular beauty.
- Driving climate actions through reducing our emissions and supporting wetland restoration.
- Expanding our social accountability through employee engagement, inclusivity across our business, and strengthening our responsible supply chain.

Corporate governance and strong business ethics are an overarching aspect in the strategy guiding us in managing and communicating these efforts.

Earning a B Corp™ certification can be considered our key achievement in 2024. This certification strengthens our commitment to sustainability by balancing purpose and profit, and illustrating that we meet the highest standards of social and environmental performance, accountability, and transparency. The certification reflects our dedication to sustainable practices, ethical business operations, and a positive impact on our stakeholders—including employees, communities, and the environment.





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### Achieving 62% circularity in 2024

In 2024, Lumene Group material circularity is 62%\* as compared to the 55%\* material circularity in 2023. The 2024 calculations also include the newly acquired part of Lumene Group, IDA WARD Beauty. This increase in our total material circularity is driven by various actions and improvements. As a good example of our ongoing efforts, and in compliance with regulatory requirements, we reformulated our best-selling CC cream range to exclude two volatile silicones. This update not only increased the naturality percentage and the circularity of the product, but also enhanced consumer performance ratings compared to the previous version. This demonstrates that transitioning away from certain silicones, linear and non-biodegradable raw materials, can also improve product efficacy and sensorial performance.

The increase in our circularity percentage is also driven by an improved level of detail in our data, particularly for outsourced products, leading to a more accurate assessment of our material outflows. Additionally, the national recycling rates in our main markets have improved significantly, reducing the lost potential of our recyclable packaging. Moving forward, the Lumene Group target is set at 70% circularity for 2030.

### Reducing carbon footprint

Achieving a 9% reduction in our total emissions for 2024 compared to 2023 while our company's turnover grew by 8,4%, indicates that we have taken the right actions to lower emissions throughout our value chain. Moreover, the emission intensity of Scopes 1, 2, and 3 decreased by 16% from 2023 to 2024, and by 22% compared to our baseline year of 2021.

To highlight one of the actions we have taken to reduce our carbon footprint, in August 2024, we launched our 50ml moisturiser jars with an eco-designed compact structure, reducing packaging material by 44% and achieving a 38%\*\* reduction in the carbon footprint compared to the previous LUMENE 50ml jar. The jars are 97% made from bio-attributed plastic derived from renewable sidestream materials from the Nordic forest industry. In addition to the lighter structure, this non-fossil material origin ultimately reduces the packaging's carbon footprint.

### Promoting well-being and ethical practices across our value chain

Lumene Group is committed to the well-being of its employees and employees in its supply chain, promoting well-being also at a societal level and in its collaborations beyond company borders. Health and safety are key elements of our sustainability agenda, with ongoing efforts to improve the work environment and eliminate hazards. Our employee engagement survey score improved from 17 in 2023 to 27 in 2024, with a goal of reaching 50 by 2028.

Our commitment to ethical practices is reflected in the Lumene Group Code of Conduct, which extends to our partners and suppliers through the Partner Code of Conduct. We promote a speak-up culture, encouraging the reporting of concerns related to policies and regulations. We also emphasise diversity, equity, inclusion and belonging (DEI&B), with inclusive product development and diverse representation. Our commitment to these values is reflected in our ranking as sixth in social innovation by the Finnish Innovation Index (FII).

In the Lumene Group's Corporate Social Responsibility (CSR) policy, we focus on ethical practices, DEI&B initiatives, and community impact, with key efforts including employee development, and creating a positive work experience. In 2024, we refreshed our CSR plan to further integrate social responsibility and environmental sustainability into our business. We prioritise giving back to society, focusing on disadvantaged youth, mental well-being, and climate work, through partnerships with organisations like Girl's House of Espoo, Helsinki Pride, and the Finnish Association for Nature Conservation. Moving forward, Lumene Group will continue supporting societal and environmental well-being through charitable contributions and collaborative initiatives.

\*) calculated according to the CTI framework

\*\*\*) according to life-cycle assessment (LCA) done according to ISO 14040:2006 and ISO 14044:2006 standards and third-party verified.

Note on report:

In this report, the sustainability data includes IDA WARG Beauty unless explicitly stated otherwise. The integration of the company and brand began in 2024, and we are already applying Lumene Group sustainability requirements to IDA WARG Beauty products. We are also aiming to receive B Corp certification for IDA WARG Beauty products.



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# Leading circular beauty, strategic priorities



## Corporate Governance and business ethics

As a certified B Corp, we balance People, Planet, and Profit for sustainable growth.



### Leading circular beauty



### Climate action



### Social accountability

#### Ambition

We will increase the share of circularity across our value chain to reduce our environmental footprint.

We will reduce our GHG emissions across our value chain as we continue to grow our business.

We will demonstrate that we are meeting the highest standards of social and environmental impact.

#### Goal and timing

Increase our percentage of circularity to **70%** by 2030.

AS MEASURED BY



Reducing CO2 emissions (Scope 1, 2, 3) by **42%** by 2030.

IN ACCORDANCE WITH



**90%** of our direct procurement suppliers to have an external sustainability assessment.

We strive for a highly engaged workforce, aiming for an eNPS of **50+** by 2028 and beyond.

#### Status 2024

**62%**

**-9%** of absolute emissions, **-16%** of emission intensity, compared to 2023

**87%**

**27%**

#### SDG link\*)



\*) Sustainable Development Goals (SDGs) are guiding our sustainability work. In 2019 selected SDGs help us embed sustainability across all three sustainability pillars.

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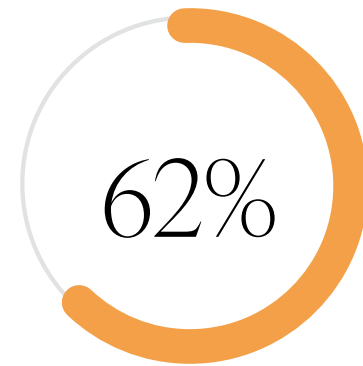
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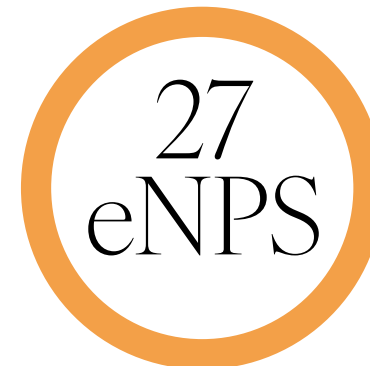
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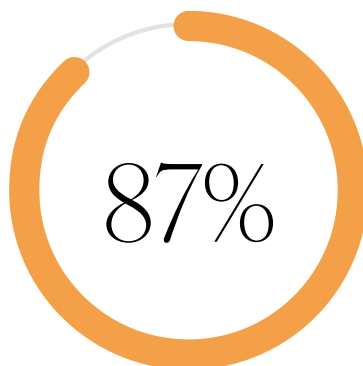
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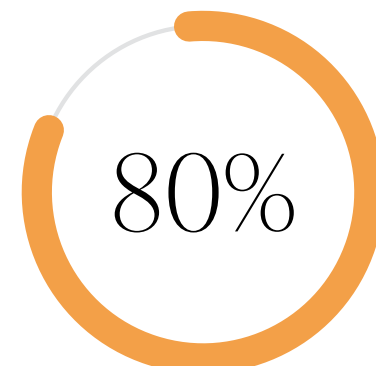
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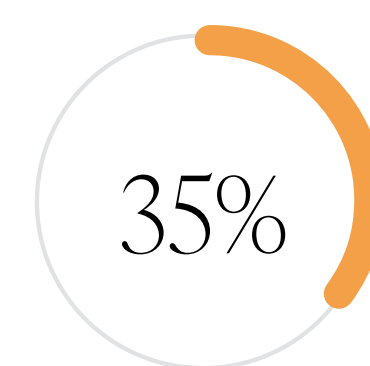
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of our plastic packaging is from recycled or renewable source  
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Award winning sustainability performance  
Sustainable Beauty Awards at Sustainable Cosmetics Summit, (FR) & Country & Town House (UK), Future Icons Awards 2024 (category: Best Circularity Beauty & Wellness Initiative)



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# Lumene Group achieves B Corp certification

In 2024 We reached a significant milestone in our sustainability journey by becoming a Certified B Corporation™ (B Corp).

This achievement underscores our commitment to social and environmental performance, accountability, and transparency. As the first beauty company in Finland to achieve B Corp Certification, Lumene Group joined a group of six other certified B Corporations in the country.

Certified B Corporations, or B Corps, are companies verified by B Lab to meet high standards of social and environmental performance and to make a public commitment to stakeholder governance. By becoming a B Corp, Lumene Group is joining a global movement towards a more equitable, inclusive, and regenerative economy. Currently, two of Lumene Group's brands, LUMENE and CUTRIN, are B Corp certified, with plans to include the newly acquired IDA WARG Beauty in the future.

The B Corp certification process evaluates every aspect of a business's operations, focusing on five key impact areas: governance, workers, community, environment, and customers. Lumene Group achieved a score of 84,5 on the verified B Corp Assessment.

Achieving B Corp Certification is a powerful endorsement in our journey towards becoming a leader in circular beauty. Becoming a B Corp has been achieved through a long-term, company-wide sustainability approach, guided by three core pillars: leading circular beauty, engaging in climate action, and promoting social responsibility.

Lumene Group is now part of a worldwide community of businesses determined to make a positive impact on people and the planet, joining over 9,000 Certified B Corps operating in 96 countries across the globe. Shortly after joining the global B Corp community, we also became a member of the B Corp Beauty Coalition, a group of like-minded beauty companies dedicated on driving a sustainable and positive change in the beauty industry. We are committed to being an active member of the Coalition and participating in the mission of promoting business practices that are sustainable, impactful, and inclusive.

# Certified



®

# Corporation



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# Circularity

## The urgent need for a circular economy

The dramatic planetary challenges we face today, such as climate change and resource depletion, highlight the unsustainability of the take-make-waste approach of the traditional linear economy. The pressing nature of these challenges call for a paradigm shift: we must do more with less. This is where the concept of a circular economy becomes invaluable. A circular economy represents a transformative economic model that minimises waste and resource use by maximising the lifespan of products and materials. It is not only a sustainable alternative - adopting a circular economy offers also numerous avenues for value creation. These include reducing material usage and waste generation, improving operational efficiency, and enhancing brand reputation and customer loyalty. Additionally, collaboration and knowledge sharing within our value chain helps foster innovation and resilience in these changing circumstances.

### Leading circular beauty

At Lumene Group, circularity is not a new concept. In 2001, we introduced our first upcycled ingredient: cloudberry seed oil, derived as a sidestream from the food industry. Today, we incorporate over 30 upcycled ingredients into our formulations. Additionally, our packaging design emphasises circularity by utilising renewable and recycled materials, as well as designing the packaging for easy recyclability. This is highlighted in the launch of our bio-attributed 50ml moisturizer jars. The plastic in these jars is made using a side-stream material from the Finnish forest industry, tall-oil, and is fully recyclable in the normal plastic recycling streams.

In 2023, we began assessing our material circularity percentage using the Circular Transition Indicators (CTI) framework and conducted a detailed analysis of our material inflows and outflows, material recovery

potential, and actual material recovery rates. In our first assessment in 2023, we achieved a circularity percentage of 55% - an impressive figure in contrast to the 7,2% circularity of the global economy (Reference: Circularity Gap, 2023). In 2024, the assessment takes into account the data from all three Lumene Group's brands, LUMENE, CUTRIN, and the newly acquired IDA WARG Beauty. The material circularity percentage for Lumene Group lands at 62% of material circularity.

The principles of our circular product design are consolidated into the Lumene Group Circularity and Product Design Policy to guide our formulation and packaging design processes. We also developed a circularity and emission simulation tool to allow calculating the potential circularity metrics already during the product development level. We have begun integrating this metric into the decision-making process in new product development and business case evaluation for new product launches.



# Measuring material circularity

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Circularity  
**62%**

The weighted average of the % circular inflow and % circular outflow for a given product (group or portfolio), business unit or company.

Moving forward we have set an ambitious target to achieve 70% material circularity by 2030.

### Actual recovery

How much of the outflow does the company actually recover? The outflow includes products, by-products and waste streams. The results will illustrate how effectively a company closes the loop.

### Circular outflow

Outflow that is: Designed and treated in a manner that ensures products and materials have a full recovery potential and extended their economic lifetime after their technical lifetime and Demonstrably recovered.

The circular economy model challenges the traditional linear take, make, waste -economy by considering the life cycle of the materials. Renewable raw material sources are able to regenerate and produce new yields, whereas non-renewable materials will inevitably become depleted. Also, products and materials that can be recycled or repurposed can be used multiple times, preventing them from ending up as landfill or being incinerated.

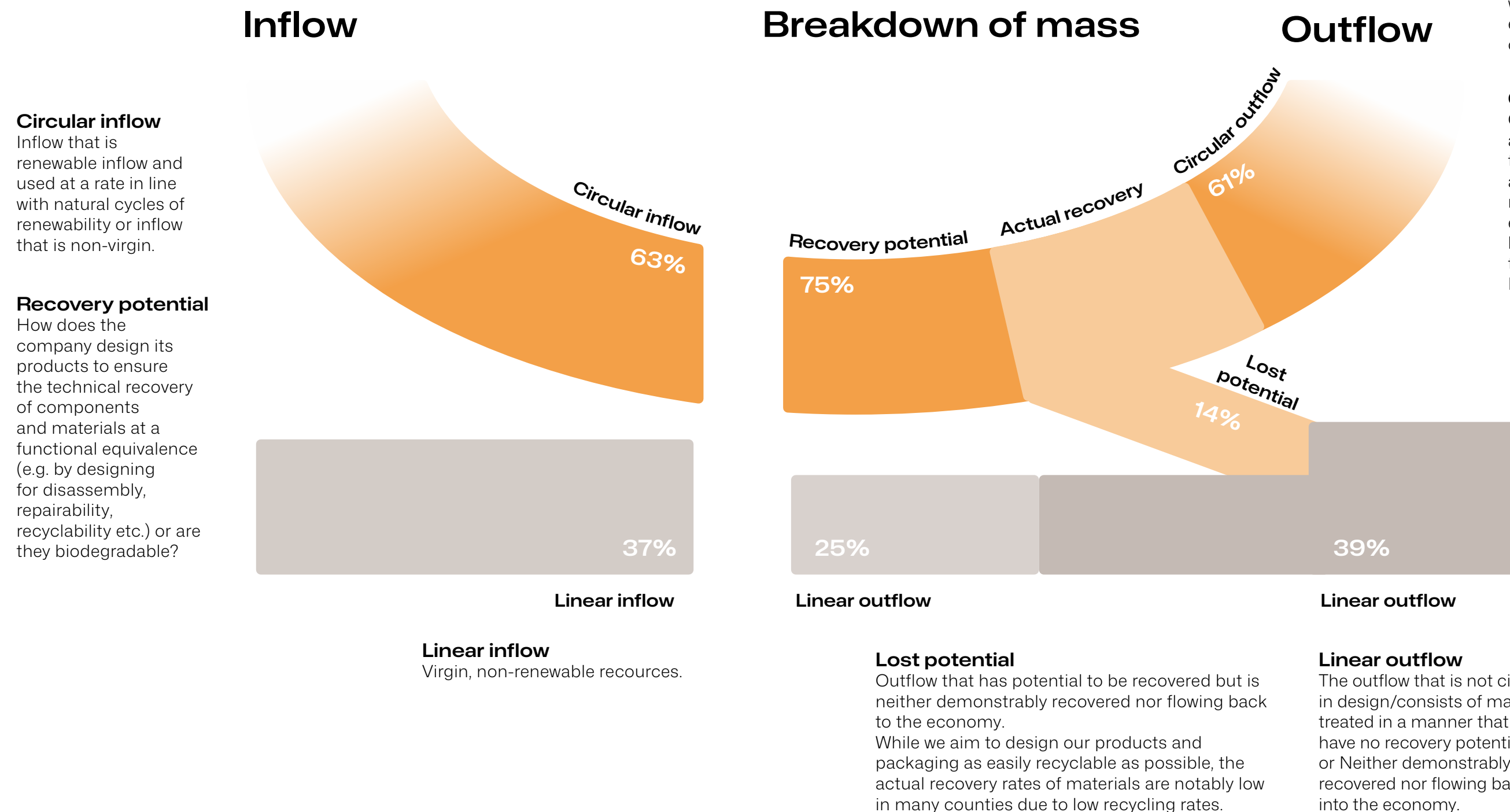
Here at Lumene Group, circularity has been an important aspect in product design for decades. Measuring the impact we were making was still not straightforward without a standardised set of metrics. Therefore, in 2023 we adopted the Circular Transition Indicators (CTI) framework as a means to measure our material circularity percentage and potential to close the gap in material circulation.

The CTI assessment takes into account the individual circularity attributes of each element multiplied by the quantities of its inflow and outflow masses. The choices we make in selecting raw materials define the circularity level of our material inflows. For example, in 2024, the total mass of renewable based packaging materials and in-house production cosmetic raw materials was 1 557 495 kg out of total company usage mass of 2 257 232 kg, and the amount of recycled packaging materials was 211 983 kg.

The potential outflow circularity is an aspect we can affect with our design choices; by using biodegradable ingredients and designing the packaging modularly from recyclable materials. Some of this potential is however unfortunately lost as the actual recycling rates for some materials are significantly lower than their potential.

The full CTI assessment calculates the circularity percentage using hundreds of thousands of individual data points and offers a comprehensive view of our current material circularity level. In 2024, the assessment revealed that we have 63% circular inflow and 76% circularly designed outflow potential. Taking into account the effect of lost potential from the actual market-based recycling rates for each material group, the actual material circularity percentage for Lumene Group in 2024 in 62% -almost nine times the global average (Reference: Circularity Gap, 2023).

Lumene Group is committed to continuously improving the circularity of our industry. In addition to annually calculating the full circularity percentage for our operations, we have created a circularity and emission simulation tool to help us test the effect material choices have in our products, and experiment with scenarios on an organisational level. Moving forward we have set an ambitious target to achieve 70% material circularity by 2030.



For certain product groups, bulk averages were used in calculations.

# Promoting circular beauty

Life cycle of a LUMENE product:  
Nordic Bloom [Lumo] Berry Pre-Retinol Facial Oil

## Award-winning circular innovation

We are proud to have a unique relationship with Nordic nature. At Lumene Group, we deliver high performance products with respect for nature through circularity-based innovation. For over 20 years, we have been pioneers in using upcycled Nordic ingredients, turning other industries' sidestreams into highly effective, sustainably produced skincare products.

In 2024, LUMENE was honored as a silver winner in the New Sustainable Product category at the Sustainable Beauty Awards. Our Nordic Bloom [Lumo] Berry Pre-Retinol Facial Oil was recognised for its exceptionally sustainable formulation, containing 98% upcycled and 99% naturally derived ingredients.

This achievement is a testament to our collective dedication to creating innovative and circular beauty products. Together, we continue to make a positive impact on our industry and the environment.



## Sustainable production

Manufactured in LUMENE's factory in Kauklahti, Espoo, Finland. The production is powered by 100% renewable hydropower and clean district heating.

98%

## upcycled ingredients

This facial oil blends the most precious oils from hand-picked Nordic berries; wild Arctic cloudberry, Nordic sea buckthorn, Nordic lingonberry, and replenishing squalane in a lightweight, yet nurturing formula.

## Product use and consumer engagement

As always following a product launch, we continue the dialogue with consumers to hear the feedback and integrate it into our processes as much as possible.

99%

## Naturally derived raw materials

In addition to the upcycled ingredients, the product contains also other naturally derived raw materials and is 100% vegan.

## Recyclable packaging made with recycled materials

The bottle is partially made of recycled glass that can be recycled again at its end-of-life stage. The collar of the dropper is made from recycled plastic and is designed for easy recycling. The removable glass pipe is recyclable, and the tige component is made from a recyclable polymer material which can be recycled together with the plastic collar.

The packaging carton is made of FSC® certified cardboard (FSC-N003275) manufactured in Imatra, Finland, using Nordic wood as raw material.



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# Emphasising circularity in our value chain

In 2024, we manufactured nearly 17 million pieces of beauty products. The majority of these products (85%) are developed, designed, and manufactured in our Espoo factory. With the strategic choice to develop and manufacture products in Finland, we have control over all the details in the products, including how they are designed, the type of raw materials chosen, and how the production is organised in the most sustainable way.

Our raw material and packaging suppliers are mainly European, but some materials are sourced globally. About 15% of our final products are outsourced from our European partners.

Sustainability is the cornerstone of Lumene Group's business. A sustainable value chain in the beauty business involves the integration of environmental, social, and economic considerations throughout the product's life cycle - from product development to production and the end-of-life of our products.

As a cosmetics industry company, we find it a high priority that the product quality and safety are ensured throughout the whole value chain. Together with the partners along our value chain, we can promote circular economy practices, reaching from our business partners all the way to our global consumers. We have open and honest communication enabling consumers to make informed choices. We provide our customers and consumers circular beauty products that meet the needs of modern consumers and are truly sustainable and ethically sourced. By working together across the value chain, we see innovation and partnerships as the way forward in creating beauty products for a better future.



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# Formulations and ingredients

LUMENE's beauty philosophy is deeply rooted in Finnish culture and values, and it has a close relationship with the pure and diverse Nordic nature. As our product development relies heavily on ingredients of natural origin, we prioritise environmental aspects in our decision making.

CUTRIN is the original specialist for even the finest hair dedicated to formulating and catering to specific fine hair needs. Our scalp-friendly, gentle, and light formulations provide the finest balance of weightless nourishment, hold, and protection. Our versatile salon brand combines the latest technologies with active ingredients from Nordic nature and is tested even on the finest hair and most sensitive scalp.

Our goal is to create a sustainable, front-runner product portfolio in accordance with circular economy principles. Renewability and biodegradability of ingredients are crucial aspects of the circular economy, and we aim to increase the share of these raw materials in our formulations. Renewability and biodegradability evaluation has been carried out for our raw material assortment in 2024. In 2024, the share of biodegradable raw materials used in our production was 80% (excluding water) while 90% were renewable-based.

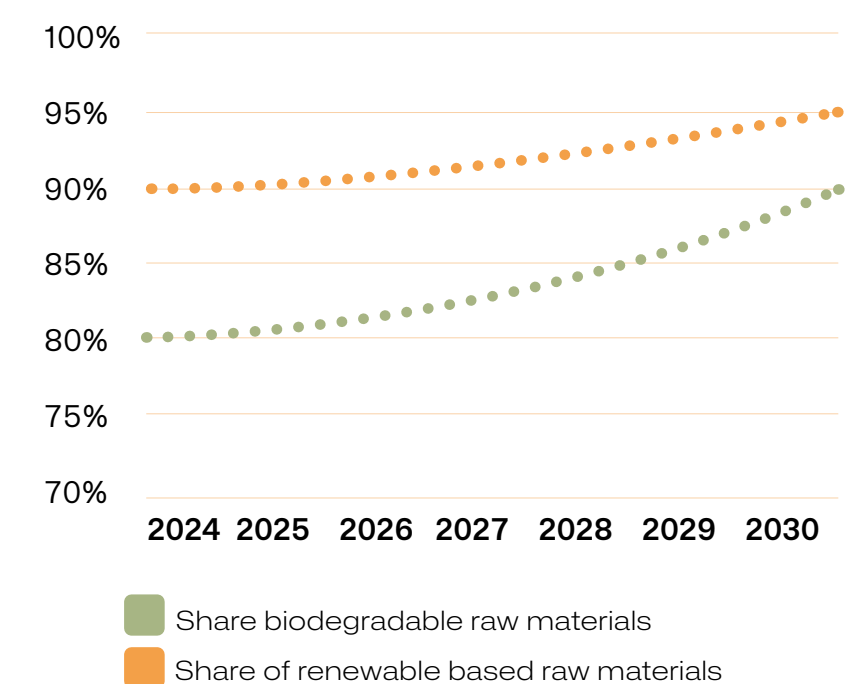
Both LUMENE and CUTRIN specialise in utilising ingredients derived from wild berries and other Nordic plants in their cosmetic formulations. Nordic plants have unique properties due to the harsh conditions and unique Nordic cycle of light, which boosts the production of antioxidants in the berries and plants. These ingredients are packed with antioxidants, vitamins, omega fatty acids, minerals, and phytosterols, making their natural strength unmatched. The positive effects of Nordic plants have been well-known for centuries, but only in recent decades has this tradition been scientifically evaluated and proven correct in many cases.

Ingredients derived from hand-picked Nordic berries, such as cloudberry, bilberry, and cranberry, contain extraordinary and highly potent antioxidants. These berries, combined with caring ingredients from other Nordic plants such as pine, spruce, birch, heather, oat, and meadowsweet, are an essential part of our formulas for visibly luminous, hydrated, and nourished skin and hair. We are continuously innovating with several new Nordic ingredients always in the research

and development phase. Almost half of the Nordic ingredients are developed from sidestreams of the food and forest industries, a process known as upcycling.

We are pioneers in the cosmetic industry's circular economy and have been using ingredients developed from industry sidestreams for about twenty years. For example, we obtain cloudberry oil from the press cake left over from berry juice production. This brings significant sustainability advantages since berries do not have to be picked solely to supply the cosmetics company. By using sidestreams, we also promote local partnerships and reduce waste.

Formulation goals and status



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### Prioritising natural origin

In addition to Nordic ingredients, the LUMENE and CUTRIN quality is based on other carefully selected ingredients. We aim to formulate our products as natural as possible. However, we do not compromise the effectiveness, safety or sensory properties of our products.

Palm oil and its derivatives are natural ingredients commonly used in the cosmetic industry. We do not use palm oil directly, but we incorporate palm kernel oil derivatives in certain emulsifiers and emollients. Palm kernel oil is very difficult to replace entirely due to its unique composition. By the end of 2030, our aim is to exclusively use palm oil derivatives which are certified by the Roundtable on Sustainable Palm Oil (RSPO), an organisation dedicated to preserving biodiversity and increasing the volume of sustainably produced palm oil. By the end of 2024, we had replaced more than 96% (by volume) of our raw materials containing palm oil with Mass Balance certified quality.

We have removed solid microplastic particles from all LUMENE skincare products and CUTRIN products, prior to regulatory restrictions. While a few small makeup items still contain microplastic particles, our next goal is to find alternative solutions for those products. We also aim to substitute manmade thickeners that enhance the richness, stability, and sensory experience of our formulations with naturally derived alternatives. Some examples of natural origin thickeners used in our formulations include xanthan gum, carrageenan, cellulose-based thickeners, and mineral thickeners like silica.

Protecting the skin against harmful UV rays is essential, which is why sunscreens are an important element in sun protection. However, most UV filters are the subject of debate when it comes to their environmental impacts. We aim to reduce the usage of UV filters that are potential endocrine disruptors, have been identified for their skin sensitising potential, or have potentially negative environmental impacts. Unfortunately, it is challenging to achieve a similar skin feel with mineral filters, and therefore consumers still prefer products with chemical filters. As a result, we have carefully chosen a limited combination of synthetic UV filters. We also strongly believe that it is more important to apply a pleasant product with proper sun protection than to have a highly natural product that is not pleasant to use.

Mica is a naturally occurring mineral used in pigmented products. It mainly originates from socially and economically challenged regions. Our suppliers are committed to a Code of Conduct that promotes human rights and the principles of the Responsible Mica Initiative.

LUMENE and CUTRIN fragrances contain a blend of vegan, natural, nature-identical, and synthetic ingredients. Essential oils are used to add depth and reflect the authenticity of the wild Nordic nature. Carefully selected safe man-made ingredients, including nature-identical materials, enhance and balance the sensory experience.

When using synthetic ingredients, we can control the number of allergens in the fragrance. Both LUMENE and CUTRIN offer several fragrance-free products developed in cooperation with the Finnish Allergy, Skin, and Asthma Federation.

Since 2018, all LUMENE skincare products have been vegan. We have also formulated out animal-derived ingredients from most of our makeup products. Beeswax is the only animal-derived ingredient in LUMENE makeup products and is only used in some of our mascaras. CUTRIN wash and care formulations

are fully vegan. However, oxidative hair colors still contain beeswax, and some styling waxes contain lanolin and beeswax. Due to the unique properties of beeswax and lanolin, it is challenging to find vegan alternatives that can replace them.

We closely monitor the development of cosmetic legislation and scientific research, listen to consumer feedback, and keep track of global media discussions. In case of potential safety or environmental issues, we take preventive and corrective actions.

Half of the Nordic ingredients are developed from sidestreams of the food and forest industries, a process known as upcycling.



# Product safety

Consumer safety is our top priority in developing, manufacturing, and marketing our products.

The EU Cosmetics Regulation requires cosmetic products to be safe for human health when applied under normal conditions of use. 100% of all launched products are assessed as safe by a qualified safety assessor. We do not carry out or commission animal testing on raw materials, ingredients, or finished products. Cosmetic product safety is ensured by evaluating the exposure, characteristics, stability, microbiological quality, and toxicological profile of its ingredients separately and the final product as a whole. Our testing procedures ensure that each product is safe and pleasant to use throughout its lifespan. Microbiological quality is evaluated, and preservation efficacy is confirmed with microbiological challenge testing. Products are dermatologically tested to ensure that the formulations are kind to the skin. Product labelling contains relevant information for safe use, including ingredients, durability, and batch numbering for

traceability. Products are manufactured according to ISO 22716 (cGMP), a globally recognised standard for cosmetic product manufacturing.

After a product's launch, its safety is monitored. Our team evaluates causality and severity of the reported product claims, analysing trends and addressing increased claims in specific products or groups. Reported skin reactions have been rare, with only 16 reactions per million sold LUMENE and CUTRIN products. No serious undesirable effects were identified. While it is impossible to avoid all skin reactions, our team initiates corrective and preventive actions based on the reported cases. We follow the latest research on the safety and environmental impacts of our cosmetic ingredients and packaging and adapt our materials accordingly. There have been no violations of health and safety regulations or voluntary codes, and no incidents of non-compliance with product information and labelling standards during the reporting period.

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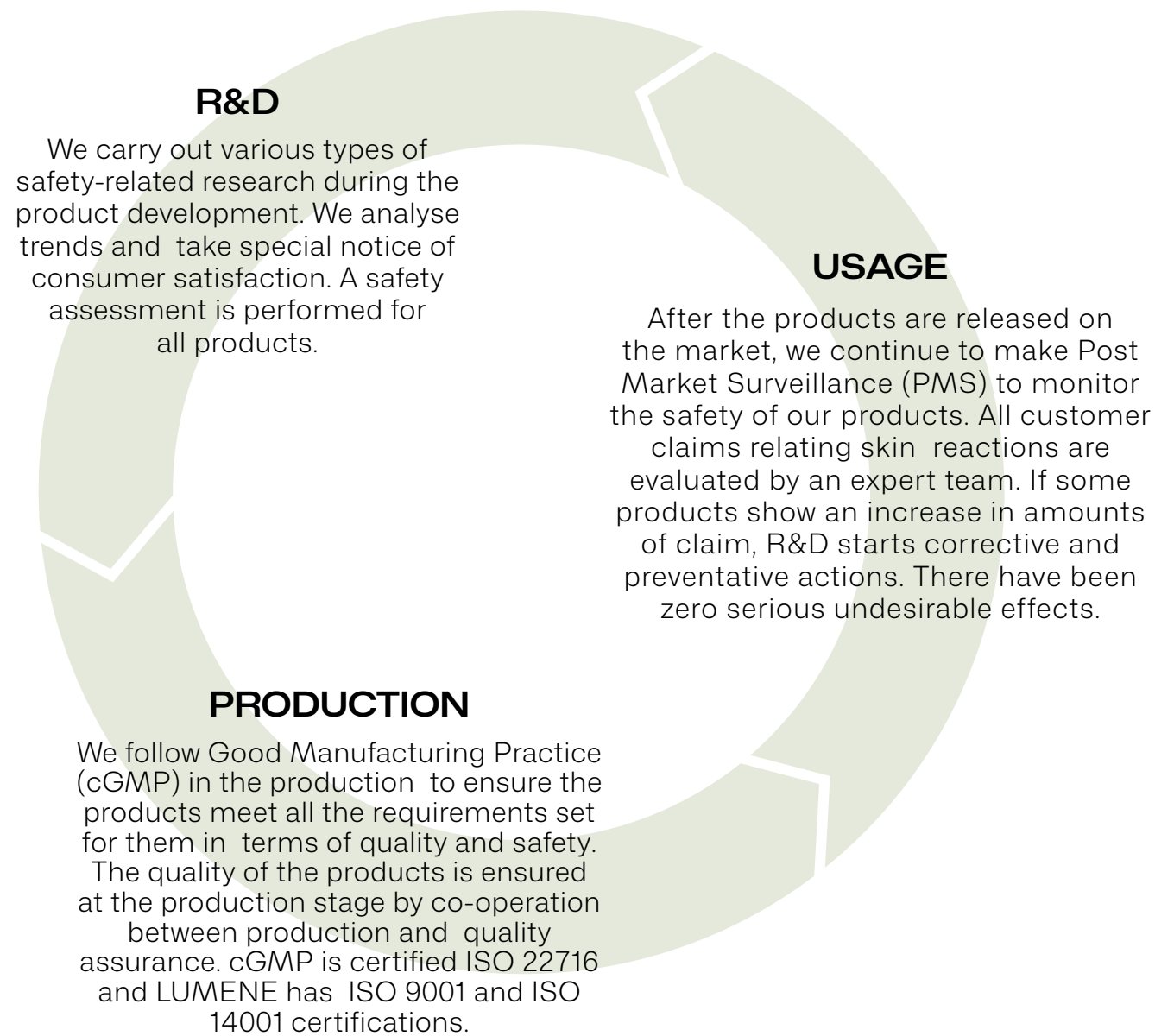
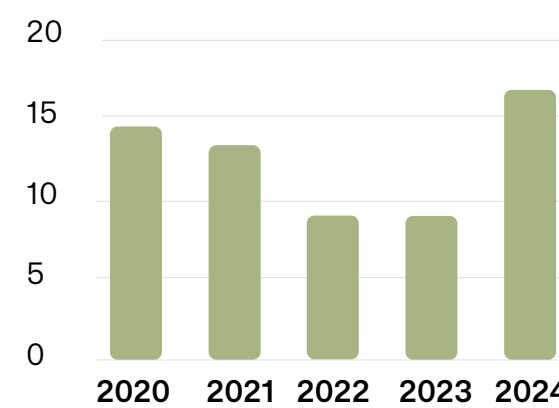
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# We don't test any of our products or ingredients on animals

Although animal testing of cosmetic products has been banned in the EU for several years, it remains a topic of much discussion. As such, we believe it is important to address this issue further.

Since 2004, animal testing of final cosmetic products has been banned in the EU by EU cosmetic regulation. In 2009, animal testing of cosmetic ingredients was also banned by the regulation, except for repeated-dose toxicity, reproductive toxicity, and toxicokinetics, which were allowed until 2013. Since then, testing of finished cosmetic products and cosmetic ingredients on animals has been prohibited in the EU. Regardless of whether the label claims "not tested on animals" or not, cosmetic products sold on the EU market are not tested on animals. In fact, claiming "not tested on animals" can be considered misleading as it suggests that other products placed on the EU market would be tested on animals, which is not true. Although animal testing is still required by authorities in some countries outside the EU, Lumene Group adheres to a strict no-animal-testing policy globally. Encouragingly, there has been notable progress in moving away from animal testing worldwide recently. For instance, in 2021, Chinese cosmetic regulations were renewed, and animal testing is no longer required for all imported cosmetics.



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# Packaging

We are committed to delivering high-performance products while respecting nature through circularity-based innovation. Circularity is a key focus also in our packaging choices. Minimising the environmental impact and ensuring product safety are top priorities in selecting our packaging materials. We aim to reduce excess material, maximise recyclability, and incorporate recycled or bio-based materials wherever feasible.

The core of Lumene Group's packaging development strategy revolves around the five Rs: reduce, reuse, recyclable, recycled, and renewable. Our development efforts are guided by the Lumene Group Environmental Policy and the Circularity and Product Development Policy, which includes a dedicated section for packaging design. The following page highlights our packaging sustainability objectives and the five Rs in action, showcasing our goals, progress, and recent projects under each guiding principle.

Lumene Group established ambitious packaging sustainability objectives in 2018. As we approach 2025, we have broadened these goals to include targets for 2030, aligning more closely with our vision of being the leader in circular beauty. While our initial goals centred on addressing plastic packaging due to the growing concerns regarding plastic waste, we now focus on all packaging materials. Moving forward, our primary goal is to reduce all material usage, which will also help lower the emissions associated with packaging.

Extending the lifespan of packaging plays a significant role in advancing circularity. However, the cosmetics industry's unique challenges, such as hygiene requirements and FMCG consumer behaviour, can limit the feasibility of reusable and refillable systems. Regarding the end-of-life of our packaging, our primary focus remains in maximizing recyclability, complemented by the ongoing evaluations of reuse models for selected product categories to ensure the safety, quality, and practicality of these solutions.



# Lumene Group's packaging development strategy



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	REDUCTION	REUSABLE & RECYCLABLE	RECYCLED & RENEWABLE	
			SOURCE OF PLASTIC PACKAGING	SOURCE OF FIBRE PACKAGING
<b>OBJECTIVE 2025</b>	Use 20% less plastic in LUMENE packaging by 2025 (compared to year 2018).	Maximise the recyclability of all packaging. Make strategical skincare packaging 100% recyclable by 2025.	80% of plastic packaging is made of recycled plastic or renewable raw materials (bio-based, biodegradable material) by 2025.	Certified cardboard and corrugated boxes by 2025.
<b>OBJECTIVE 2030</b>	Reduce amount of packaging materials & smaller carbon footprint.	100% of all packaging material reusable, recyclable or compostable (considering eco-modularity).	Source of plastic: 100% of plastic packaging is recycled or bio-based.	Source of fibre packaging: 100 % folding and corrugated boxes are certified.
<b>RESULT 2024</b>	LUMENE plastic use: -2% compared to year 2018	Recyclable according to eco-modularity of 5%: 79%	Recycled: 20% Renewable: 15% Total: 35%	Folding boxes: 95% Corrugated boxes: 75%
<b>WHY IS IT IMPORTANT?</b>	Reducing the amount of packaging material is the most efficient way to reduce the environmental impact of packaging. It also reduces the carbon footprint of packaging.	Reusability and recyclability are key to circular packaging design. We currently focus on maximizing recyclability to enhance circularity. This includes designing packaging with end-of-life considerations and ensuring recyclability through monomaterial packaging design.	Increasing the use of recycled and renewable materials is essential to reducing our environmental impact. By replacing virgin fossil-based materials with recycled and renewable alternatives, we reduce our dependency on non-renewable resources and further contribute to the circular economy.	This commitment helps to promote responsible forest management, protect biodiversity, support sustainable sourcing practices, and reduce the environmental impact of our fibre packaging.
<b>DID YOU KNOW?</b>	We focus on our best-selling products, where we can have the greatest impact by reducing material usage.	We provide recycling guidance to educate consumers and encourage responsible recycling.	All LUMENE products' plastic bottles and tubes contain recycled plastic. We ensure high purity standards for safety, especially when using mechanically recycled plastic in cosmetics.	We started using certified folding boxes and corrugated materials in 2020.

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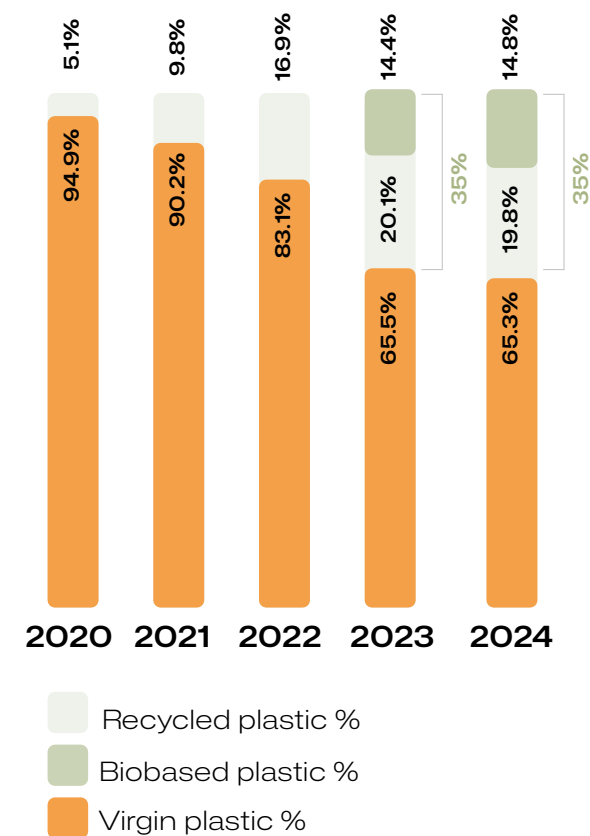
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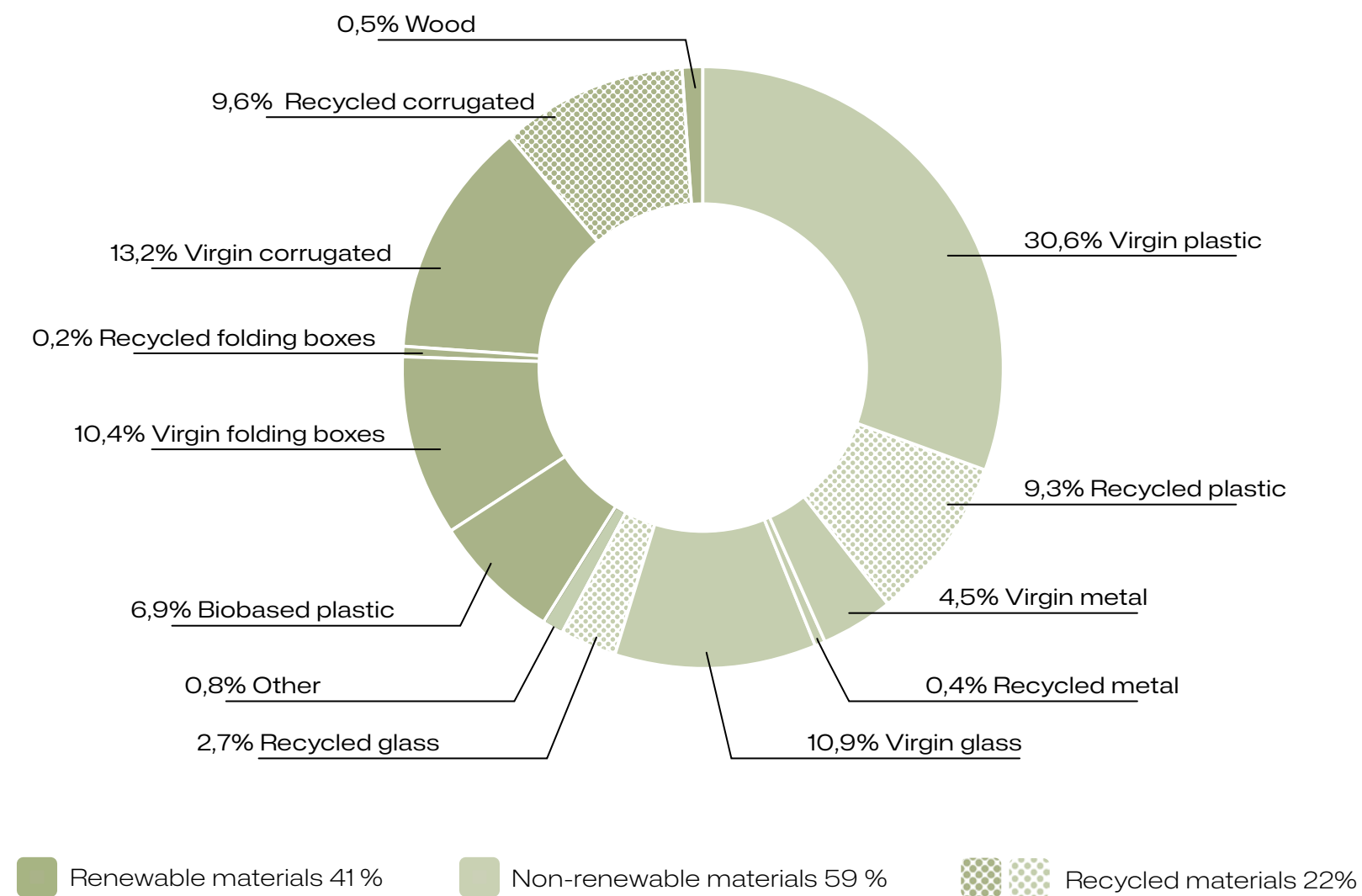
Leading the way in more sustainable packaging: a partnership-driven approach

We are committed to making sustainable choices not only in consumer-facing packaging but throughout our entire value chain—from warehouse to stores. Embracing the circular economy model, we continuously explore innovative packaging materials and technologies, collaborating with partners to assess their long-term sustainability potential. Our focus is on reducing CO2 emissions in packaging and manufacturing, while driving the adoption of eco-friendly solutions across the cosmetics industry. Together with our global partners, we are pioneering packaging innovations that not only reduce environmental impact but also set new standards for sustainability in the beauty industry. As a leader in this journey, we strive to provide sustainable cosmetic products in thoughtfully designed packaging, helping to shape a more circular future.

### RECYCLED AND BIOBASED PLASTIC (%)



### PACKAGING MATERIAL USAGE 2024



Renewable materials 41% | Non-renewable materials 59% | Recycled materials 22%



### Case:

Innovative moisturiser jars:

### Same amount of your favourite moisturiser – 44% less packaging material

In 2024, we proudly unveiled our redesigned moisturiser jar, crafted to reduce environmental impact while delivering the same amount of your favourite LUMENE moisturiser. Through eco-design principles, the new jar uses 44% less packaging material compared to the previous LUMENE 50ml jar. This optimisation not only reduces waste but also achieves a 38% smaller carbon footprint, as confirmed by a third-party Life Cycle Assessment (LCA).

The jar is 97% made from bio-attributed plastic derived from a renewable sidestream material of the Nordic forest industry, using a mass balance approach with a certified value chain. Its monomaterial structure ensures that it is easily recyclable and can be sorted as plastic, further enhancing its sustainability credentials.

Packaging accounts for approximately one-third of a product's lifecycle emissions, according to our previous emissions hotspot study, making lightweight packaging an effective way to reduce overall product emissions. A comprehensive LCA of the 50ml moisturiser jar variants, conducted in compliance with ISO 14040:2006 and ISO 14044:2006 standards and third-party verified, evaluated 16 environmental impact categories from production to disposal. The study underscored that weight reduction consistently leads to lower environmental impacts across all categories.

The findings also highlighted the benefits of transitioning from virgin fossil plastics to bio-based materials. This shift significantly reduces impacts on climate change, ecotoxicity, and ozone depletion. Although bio-based plastics require more land and water resources due to their renewable source, their advantages, including biogenic carbon and recycling potential, make them essential for advancing sustainable packaging.

By carefully balancing material reduction, bio-based innovation, and recyclability, we continue to make meaningful progress in reducing the environmental impact of our packaging while aligning with circular design principles.

More information: <https://uk.lumene.com/pages/life-cycle-assessment-study-and-product-carbon-footprint-pre-study>

# Climate action and biodiversity

LUMENE  
GROUP

# Climate objectives

We want to have ambitious climate targets since the climate change stands as the world's most pressing issue, necessitating immediate action from companies. Our goal is to reduce our CO2 emissions (Scope 1, 2, 3) by 42% by 2030 from our baseline year of 2021. This science-based climate target was approved by the Science Based Targets initiative for SMEs (Small and Medium-sized Enterprises) in the end of 2023. Our climate targets align with the 1.5°C goal of the Paris Climate Agreement.

In 2024, we undertook a project to define the full emissions of the acquired IDA WARG Beauty company for 2023 and to recalculate a new SBT baseline for Lumene Group. Incorporating IDA WARG Beauty's complete emissions inventory is part of our ongoing efforts to assess and reduce emissions across our value chain. Following the 2023 emissions inventory definition, we also recalculated Lumene Group's full 2021 baseline emissions in accordance with our GHG emissions base year recalculation policy. With this recalculation completed, our next step will be to reset our SBT as a corporation, reflecting both our growth and the new criteria set by the SBTi, when previously our SBT had been set as an SME company.

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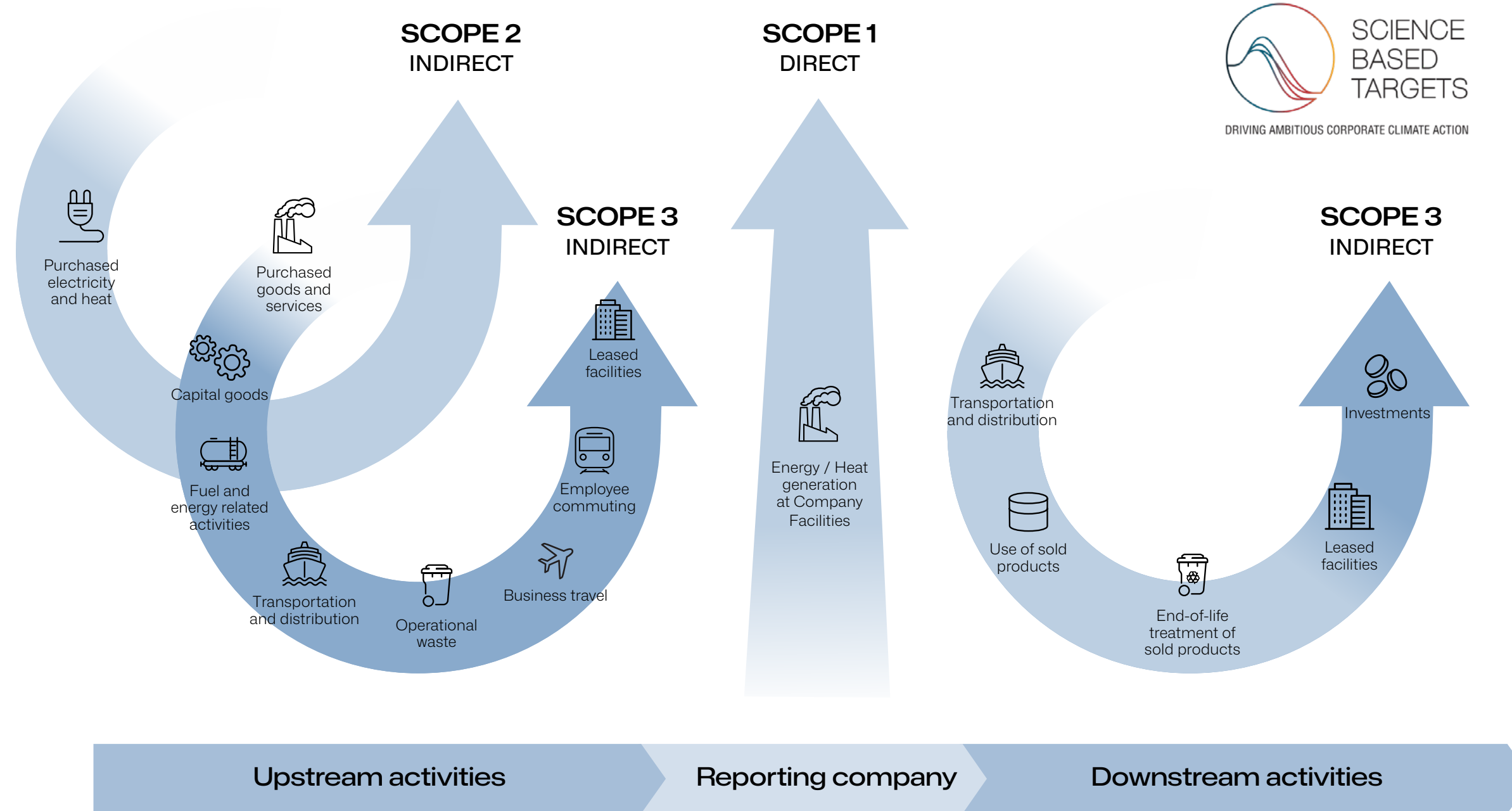
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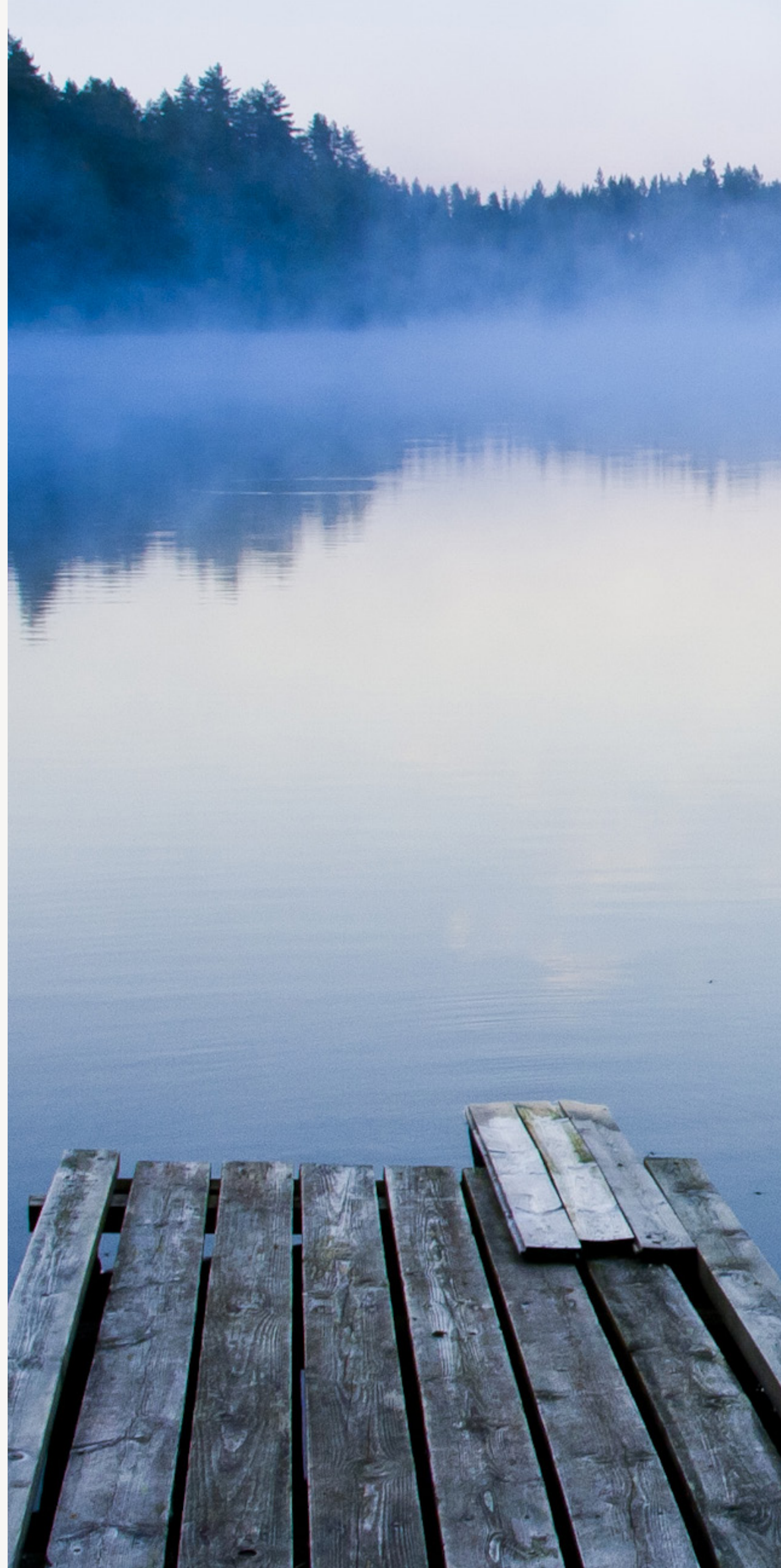
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### GHG emissions from our own operations (Scope 1 and 2)

In 2024, Lumene Group's Scope 1 emissions were 11 tCO<sub>2</sub>e, and Scope 2 emissions were 642 tCO<sub>2</sub>e, accounting for 5,7% of the company's total emissions. We are proud of the low emissions for Scopes 1 and 2, which originate from our switch to bio-based energy we use in our factory already since 2021. The bio-based oil produces significantly lower emissions than fossil-based alternatives. Additionally, we use renewable district heat in our premises, and our production continues to be powered by 100% renewable hydropower.

We have been able to improve our GHG emission intensity for Scopes 1 and 2 over the recent years. We achieved a GHG emission intensity improvement of 14,2% from 2023 to 2024. In 2024, we have been working on a factory modernization project expected to enhance our energy efficiency and further reduce the energy intensity of our production. We installed metering systems to collect data and have already identified several areas for further analysis to optimize our energy usage across the factory. In previous years, we made key investments to improve operational efficiency, including enhancing steam production process and transitioning to energy-efficient LED lighting, which have led to significant reductions in energy consumption.

### Upstream and downstream Scope 3 emissions

Our Scope 3 emissions in 2024 were 10 610 tCO<sub>2</sub>e, representing 94,2% of Lumene Group's total emissions. Due to effective reductions in Scopes 1 and 2, our emissions are mainly derived from Scope 3.

The Scope 3 includes cradle-to-grave calculations in our value chain, including ingredients and packaging materials, as well as transport of inbound materials and outbound products, and purchased services. We have also included employee commuting, business travel, IT equipment, capital goods, leased assets, and end-of-life waste treatment of packaging. Ingredient end-of-life emissions and product use phase are not included.

In 2024, Lumene Group's Scope 3 emissions decreased by 8,9% compared to 2023. Given that we have included the recently acquired IDA WARG Beauty's emissions in our inventory, the overall result for Scope 3 emissions development is considered satisfactory, as the emission reduction plan for IDA WARG Beauty has not yet been established. Despite the increase in Lumene Group's turnover, product sales, and the IDA WARG Beauty acquisition, our overall Scope 3 emissions remained nearly at the same level in 2024 as in 2023.

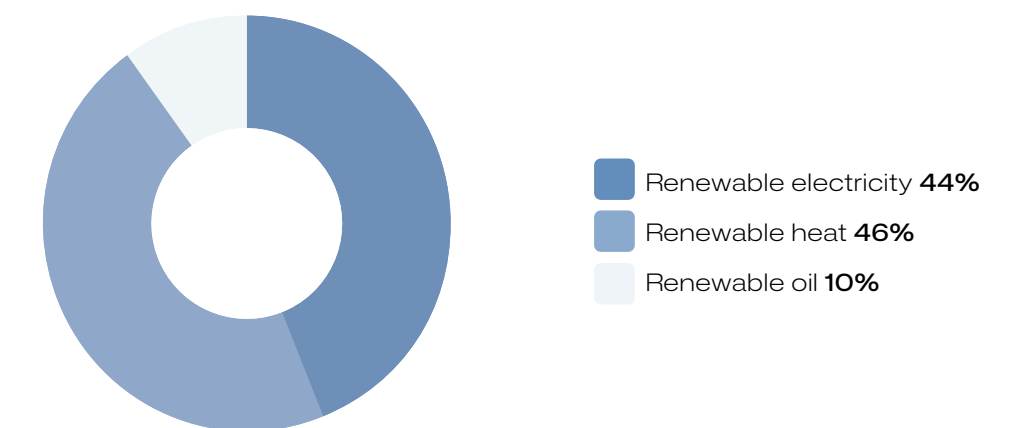
During the year, we continued refining our Scope 3 emission analysis processes. While our main focus remained on accurate data collection and increasing our suppliers' engagement to reduce emissions throughout the value chain, we also expanded our approach to include additional suppliers in the scope of the analysis. In the calculations, we use supplier specific data when available, and utilise industry average data provided by the Carbon Disclosure Project (CDP) when primary data is not accessible.

### Product-related emissions

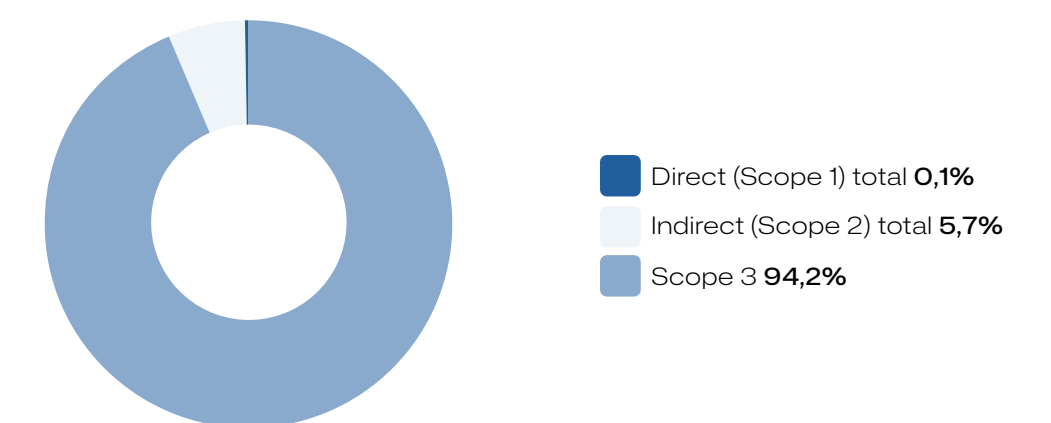
In 2024, we began focusing on reducing the product related emissions already during the new product development (NPD) phase. We utilise a circularity and emission simulation tool that allows us to examine the emissions different design choices in product formulation recipes and packaging design would produce. For example, we conducted preliminary studies in our packaging design aiming to lower the emissions from energy intensive materials, such as aluminium, which contribute significantly to overall emissions even in low volumes. For product formulations, we have utilised the simulation tool in evaluating the attributes of the ingredients we use. For example, silicones typically generate high emissions, and as we replaced cyclic silicones with plant-based ingredients in our best-selling foundation, we were able to leverage the simulation tool to calculate the circularity and emission effects this change will generate.

In 2024, the overall product related emissions increased slightly compared to 2023. This is partially due to the acquisition of IDA WARG Beauty and the inclusion of the brand's more energy intensive packaging into the Lumene Group inventory. Moving forward, we will focus on improving the properties of IDA WARG Beauty packaging to better align it with the Lumene Group sustainability standards.

Energy shares 2024



Scope 1-3 distribution 2024





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### Efficient planning & investing to the future

We achieved a 30,8% reduction in downstream emissions transportation between 2023 and 2024. The largest single impact came from the reduction of air transport during 2024. Much of the air transportation was shifted to road and sea due to better preplanning and faster alternative options. Sea transportation grew significantly, while road transportation emissions saw a slight reduction. This was mainly due to our main logistics partner updating their reporting methods. In 2023, they followed the GLEC Framework 2.0. In 2024, they adopted the ISO 14083 standard, providing a global standard for calculating logistics and transportation emissions.

While we remain committed to reducing emissions across all categories, some Scope 3 emission sources increased in 2024 due to business growth and strategic investments in our operations. Employee commuting emissions decreased by 17,6%, while business travel emissions increased by 37,4% as we expanded operations and engaged more closely with stakeholders across our value chain. As we move forward, we will continue to explore ways to optimize travel and commuting through digital collaboration.

Capital goods emissions rose by approximately 170% due to our significant investments in the factory modernization. These upgrades are essential to improving operational efficiency, increasing energy savings, and supporting long-term sustainability. While this has resulted in a temporary emissions increase, these investments will ultimately contribute to reducing our environmental impact over time.

### Towards net zero company

Our near-term plan to reduce our Scope 1, 2, and 3 CO2 emissions by 42% by 2030 was approved by the Science Based Targets initiative in the of 2023. As part of our commitment to science-based climate action, we plan to reset our SBT as a corporation in the future, ensuring that our targets reflect our growth and align with the latest SBTi criteria. This next phase will include the full integration of IDA WARG Beauty into our corporate reduction plan, ensuring a balanced reduction strategy. With our reduction targets aligned with the Paris Agreement's 1.5°C climate scenario, we send a strong message to our business partners to collaborate with us in achieving absolute emission reductions. Our ambition is to build a clear pathway toward becoming a net zero company by 2050, and we are currently working on a clearer plan to guide our progress toward this goal.

A key element in our long-term strategy is the development of a circular business model, including the increased use of side stream materials, which supports emission reductions across our operations. To reduce the emissions

across our value chain, we are exploring opportunities for greater collaboration and engagement with our partners, particularly service providers whose emissions contribute to approximately half of our Scope 3 emissions.

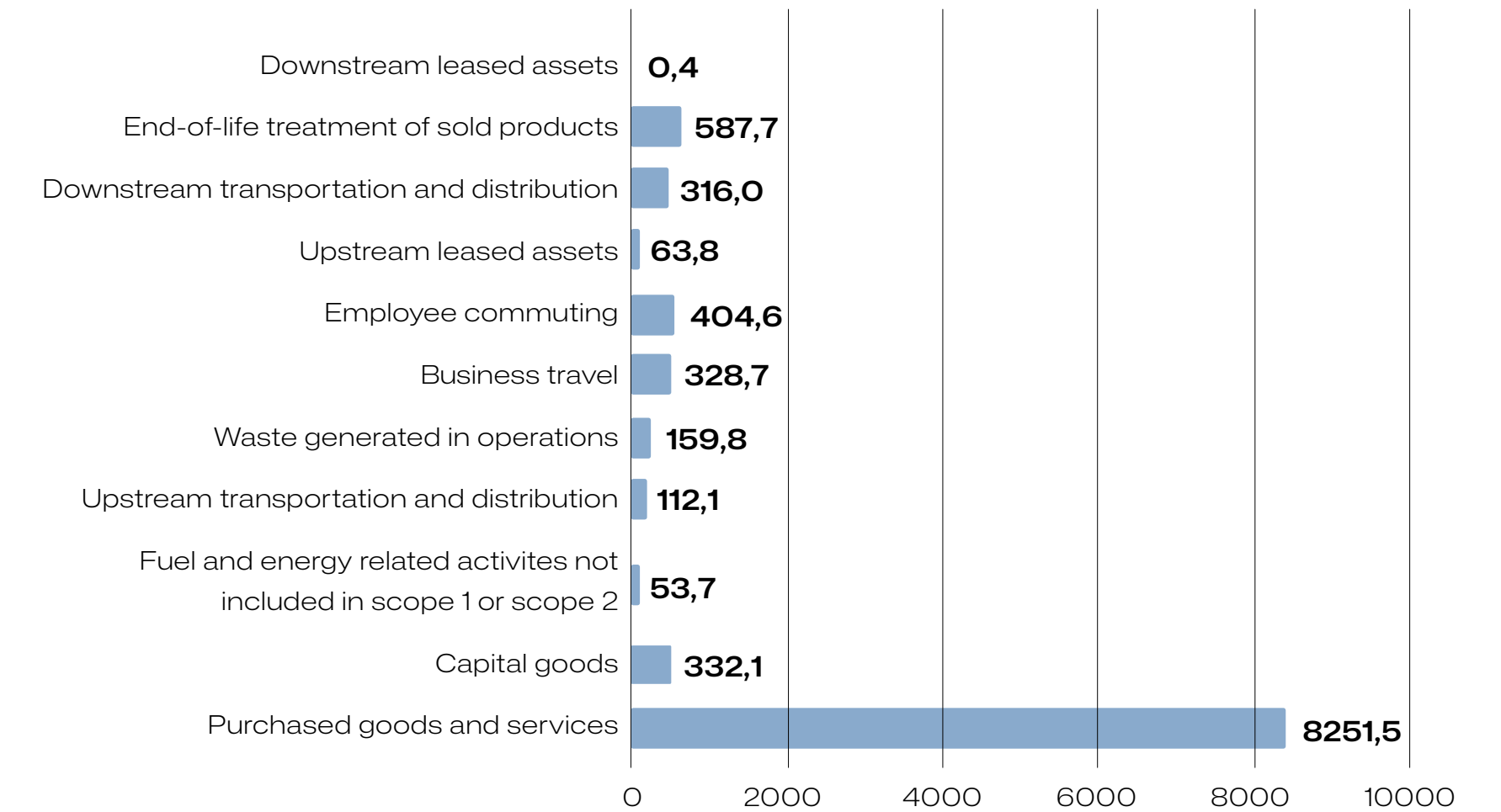
The 9% reduction in total emissions for 2024 compared to 2023 indicates that we have taken the right actions to lower emissions throughout our value chain, despite the 8,4% increase in the company's turnover. Moreover, the emission intensity of Scopes 1, 2, and 3 (measured per euro of net sales) decreased by 16,3% from 2023 to 2024, and by 22,2% compared to our baseline year of 2021.

### Climate-related risks and opportunities

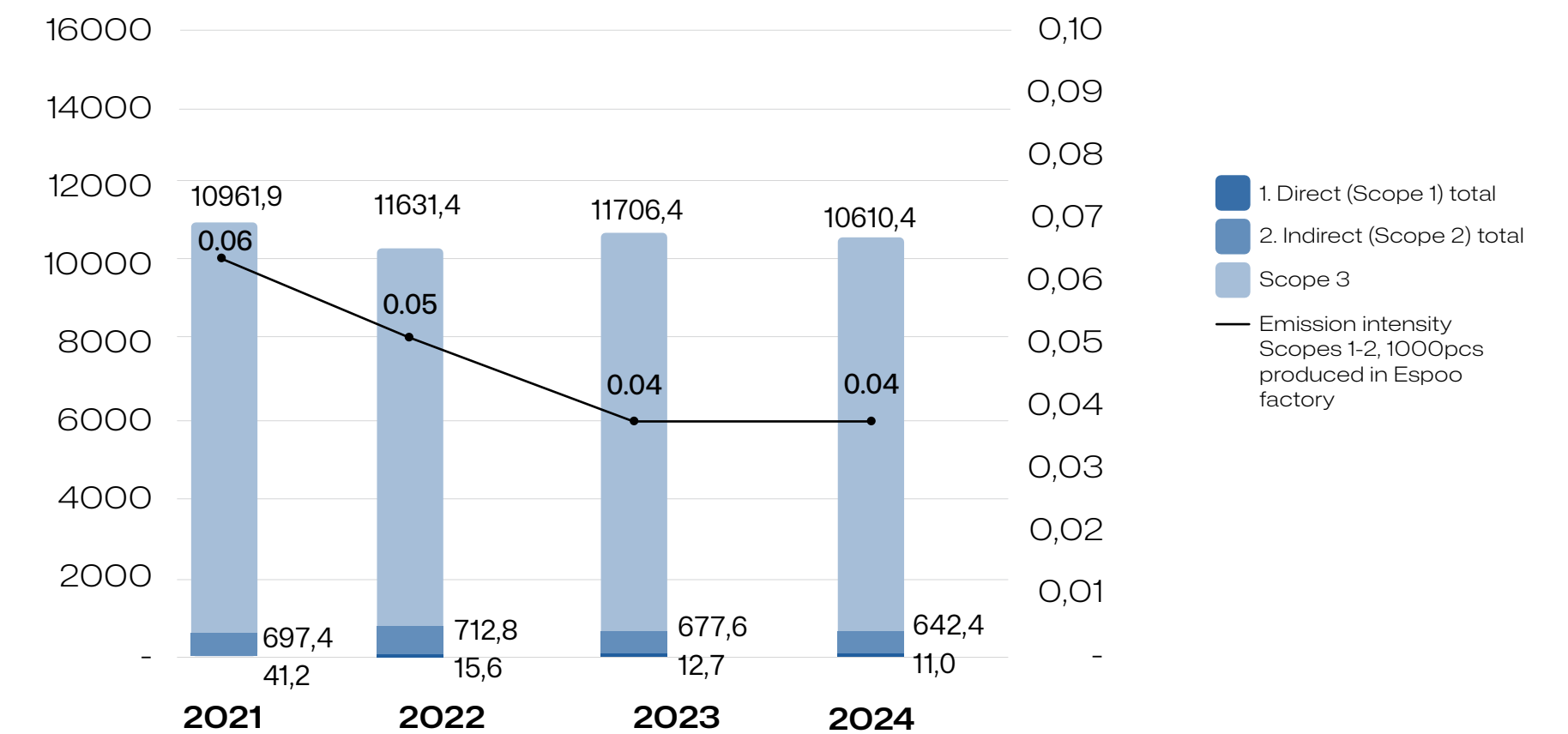
At Lumene Group, we are committed to mitigating climate-related risks by integrating sustainability into our business practices. Our key strategies include sustainable sourcing, reducing our carbon footprint, transitioning to energy-efficient production, and developing resilient business models. We promote circularity by utilising renewable and side stream materials and designing our packaging for easy recycling. Through circular practices, we aim to reduce our dependency on virgin resources and lower our emissions while creating opportunities for innovation.

Like many companies in the consumer goods sector, we recognise that climate change poses both physical and transitional risks. Increased severity of extreme weather events, such as storms and floods, can disrupt supply chains and impact the availability of raw materials, some of which are particularly vulnerable to climate change. To mitigate these risks, we work actively with suppliers to ensure resilience in sourcing and logistics while continuing to invest in sustainable material alternatives. Through alignment with global sustainability frameworks and transparent stakeholder engagement, we demonstrate our collective dedication to drive meaningful change and enhance long-term business resilience.

### Lumene Group Scope 3 (tCO2e) 2024



### Lumene Group GHG emissions and intensity 2021-2024 (tCO2e)



# Sustainable supply chain

In 2024, our supply chain organisation focused on several development projects. We have been implementing a factory upgrade project investing in production modernisation, streamlining our manufacturing and planning processes, and driving greater supply chain transparency through digitalisation efforts.

One key element of our supply chain is having our factory in Finland, which holds significant value as a strategic choice for controlling the manufacturing of our products. By combining in-house production with product development, we gain a distinct advantage in steering and managing the sustainability of our supply chain. This control allows us to make informed decisions on energy use, waste recycling, and material choices, allowing for fast and straightforward decision-making. Our choices in energy sources directly impact the carbon footprint of our production. We have prioritised renewable energy options and have adopted modern renewable energy sources as soon as they have become available.

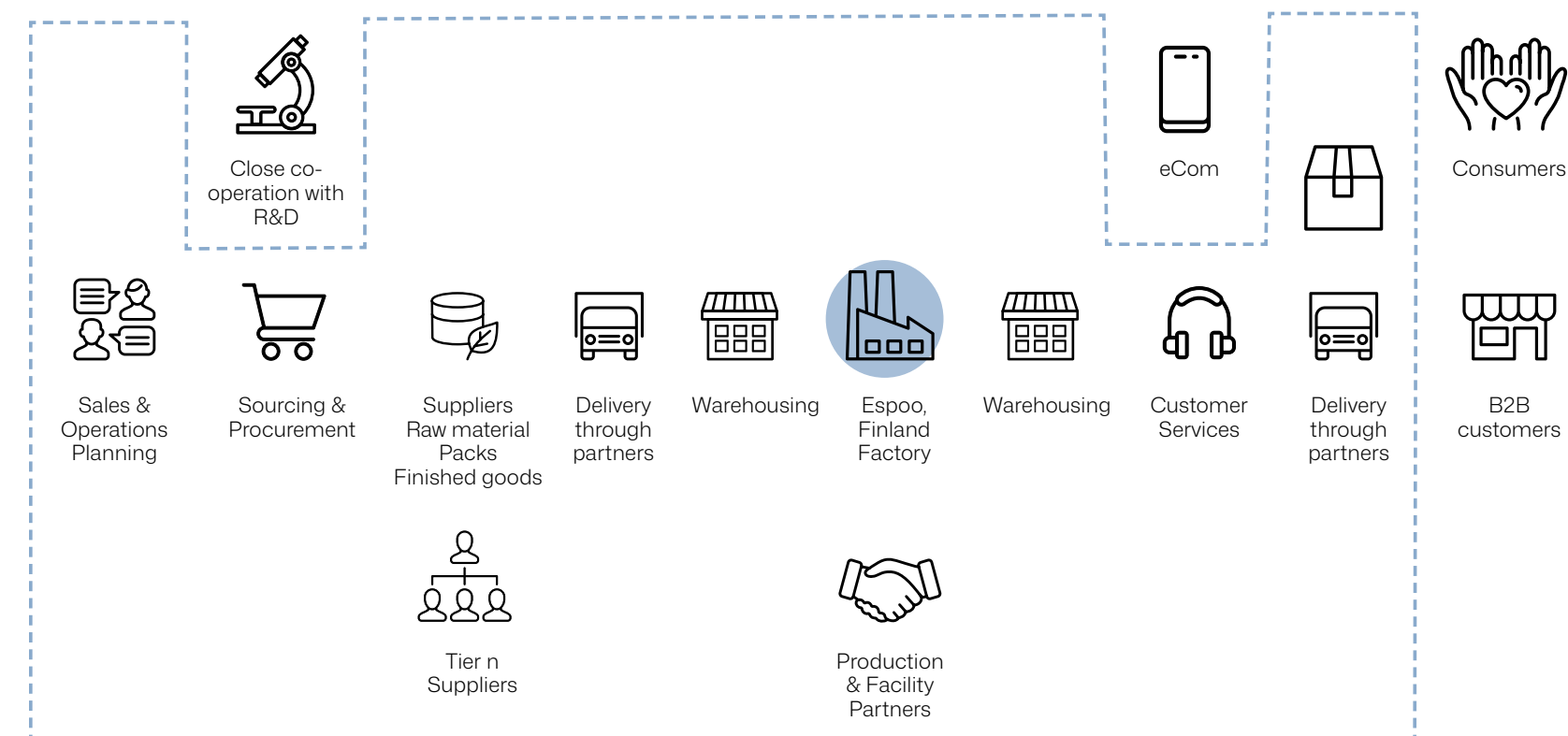
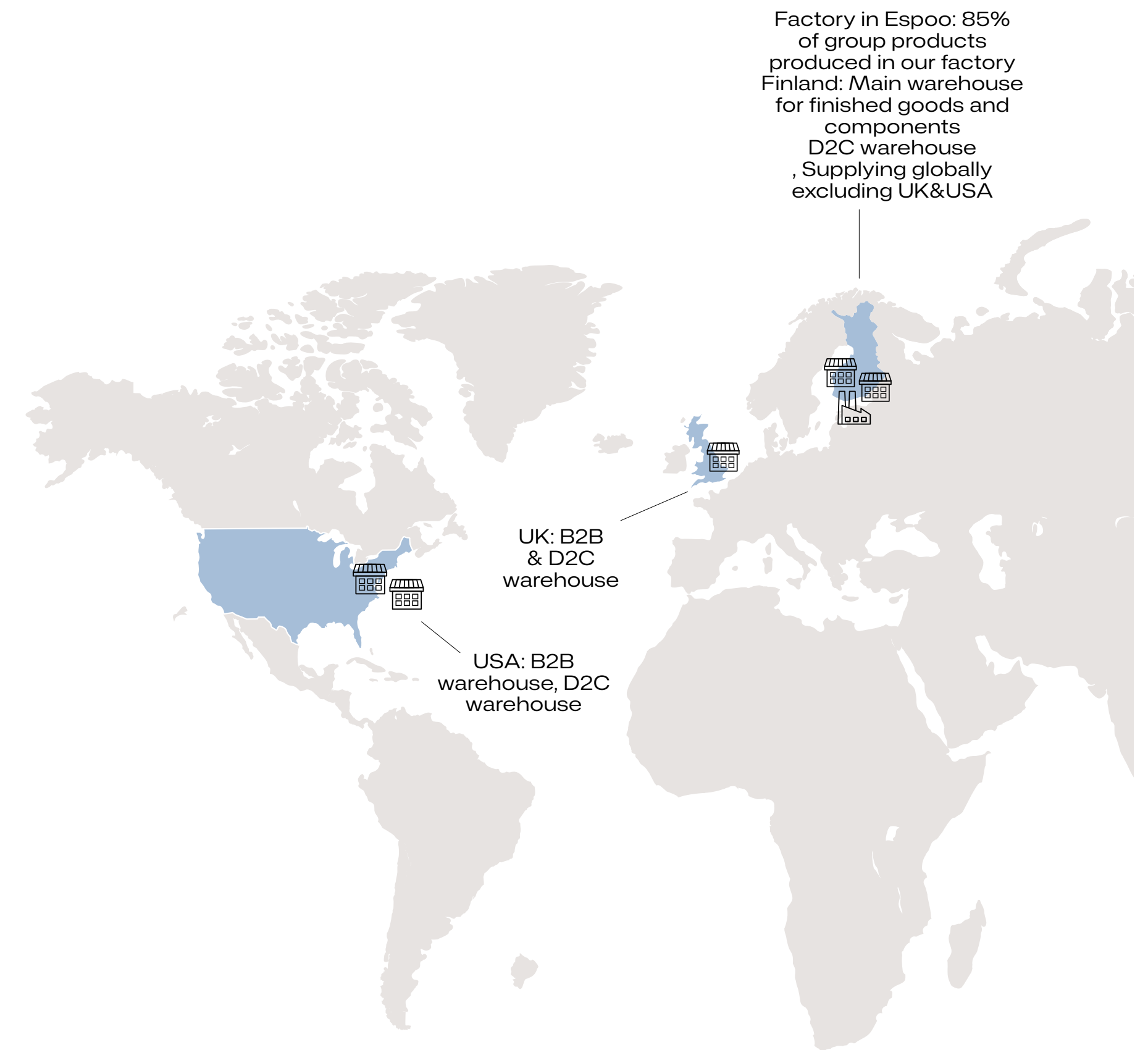
Within our raw material sourcing, we prioritise local and long-term partnerships. Our suppliers are mainly European, with some globally sourced materials. For chemical raw materials we cooperate with global suppliers, as well as Nordic and start-up companies. Packaging components come mainly from Europe with a focus on medium-sized family-owned businesses. Our supplier relations are long-term, in the range of 10-20 years of cooperation, with some even

longer partnerships. Naturally, new suppliers are taken on as well, after being evaluated with set processes and approvals. We are working with approximately 100 first tier suppliers, and for raw materials we have approx. 150 second tier raw material manufacturers. Additionally, 15% of our final products are outsourced from trusted partners across Europe, ensuring alignment with our quality and sustainability standards. In 2024, we successfully implement EcoVadis, which will help further increase transparency within our supply chain.

The majority of Lumene Group's sales are generated in Scandinavia, while the LUMENE brand has established a strong presence internationally through partnerships with key local retailers in high streets and beauty e-commerce. Most of the group's revenue comes from retail and wholesale channels via B2B interactions, supported by long-standing relationships with partners. Additionally, we engage with online customers, wholesalers in regions without local offices, and consumers directly through our direct-to-consumer e-commerce channels.

Our focus in logistics has been on identifying synergies and optimising order and transportation models, driven by Lumene Group's international expansion. For example, we initiated a project to centralise IDA WARG Beauty's product warehousing in Finland to enhance efficiency.

An effective S&OP process enables us to optimise product flows, reducing inefficiencies across areas such as purchasing, production, and ramp-down processes. This directly contributes to minimising waste and improving overall operational efficiency.



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# Waste management and recycling

At Lumene Group, we are committed to effective waste management and recycling practices. Collaborating closely with partners and providing employee training are key to our waste management strategy. All waste generated in our operations and activities in the laboratory, production facility, and offices, is either recycled or converted into energy.

On our site in Espoo, we sort waste in more than 15 different fractions of waste. The most significant waste streams in our operations come from the transportation packaging from the ingredients we use, packaging components for finished products, and wooden transport pallets that can no longer be reused. These streams represent over 60% of the generated waste. Our goal is to continually minimise the waste generation and to reduce material loss in production.

Proper sorting practices are crucial for efficient waste management. Therefore, recycling and waste management training is provided to all new employees during their induction, and for the entire production team every one to two years.

Lumene Group also works closely with our partners to streamline our waste management. The waste generated in our operations is further processed for reuse and is either recycled or converted into energy. Our goal is to increase the amount of recycled waste, and we are constantly seeking new projects to enhance our recycling efforts. Currently, we recycle LDPE, HDPE, PP, and PET plastics commonly used in our product packaging.

In 2024, our facility generated a total of 284 tonnes of waste, of which cardboard accounted for the largest fraction. All our waste handling partners are required to have a business ID, to hold the necessary permits for waste treatment or disposal or recycling, and we collaborate with them to process waste for reuse, recycling, or energy recovery. Each type of recyclable waste has its own handling cycle, and the sorted waste is collected in optimised intervals for further processing in their respective recycling streams. Our partners provide us with annual data on the quantities and types of waste generated.

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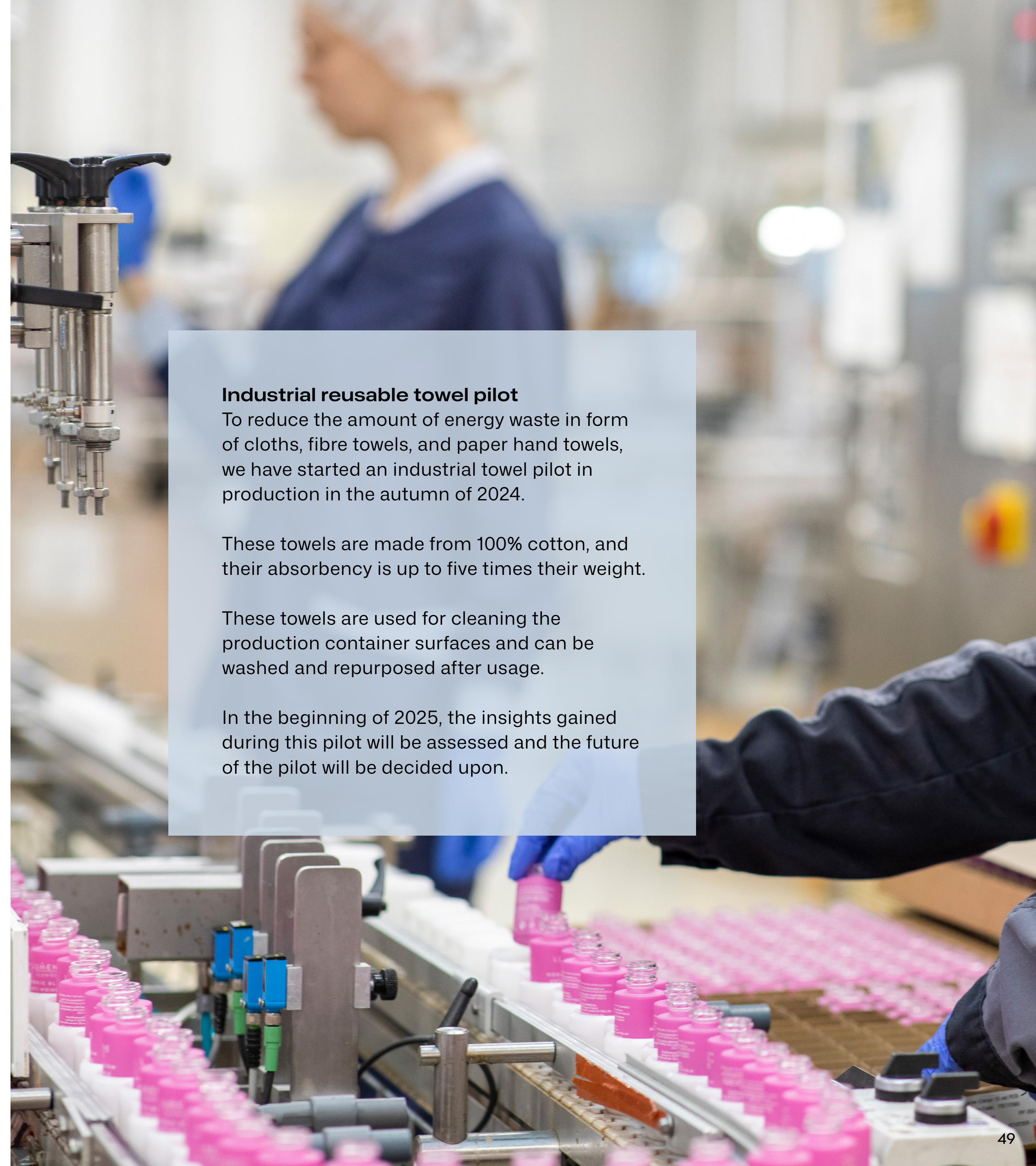
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### **Industrial reusable towel pilot**

To reduce the amount of energy waste in form of cloths, fibre towels, and paper hand towels, we have started an industrial towel pilot in production in the autumn of 2024.

These towels are made from 100% cotton, and their absorbency is up to five times their weight.

These towels are used for cleaning the production container surfaces and can be washed and repurposed after usage.

In the beginning of 2025, the insights gained during this pilot will be assessed and the future of the pilot will be decided upon.

# Water resources

Managing water resources is a top priority for Lumene Group as we rely on utilising the clean Finnish water both in our products and operations.

Water is the most crucial ingredient in many of our skincare products, present in nearly all our formulations. We utilise fresh Finnish tap water, which undergoes further purification at our production through reverse osmosis (RO). This purified water is used as an ingredient in our products. The tap water in Finland's capital region originates from Lake Päijänne in central Finland, an area not considered to be under water stress. In Espoo, tap water is sourced from surface water by a third-party supplier managed by the municipal health authority. As such, tap water is used for washing the production machinery and utensils.

In 2024, our total tap water consumption was approximately 27 000 m<sup>3</sup>, all of which was fresh water. This quantity is normal and reflects the increase in our production compared to 2023. Over recent years, our annual typical water consumption has ranged from 23 000 m<sup>3</sup> to 27 000 m<sup>3</sup>.

Most of the water we consume is used for cleaning production equipment. We minimise unnecessary water use through effective washing protocols. However, we cannot overly optimise water use, as maintaining production hygiene and cleanliness is essential for product safety. Our reverse osmosis system is validated to ensure the water used in our products meets high-quality standards. In 2024, we used 898 m<sup>3</sup> of RO water for products. Additionally, in some of our products we use pure Arctic spring water from Southern Lapland, Finland. This groundwater, also used municipally, is not considered a water stress area. In 2024, we used 58 m<sup>3</sup> of spring water.

In 2024, we have increased water metering in our production facilities to identify the largest consumption points and to evaluate plausible water saving actions. We will continue to monitor and analyse water consumption more closely during 2025 to be able to determine and implement targeted actions.

### Good management of wastewater

We annually monitor the amount of wastewater generated in our facilities. All our waste water is discharged into the facility's sewage system, which connects to the municipal sewage system and leads to the municipal wastewater treatment plant. We aim to reduce the amount of solids in our wastewater, and measure this quarterly through sampling and analysis by an external laboratory.

Our production has sealable sewers to prevent unsuitable substances from entering the municipal treatment plant. We have procedures and equipment in place for potential leaks, and we regularly train for these scenarios. In 2024, there were approximately 83 mg of solids per litre of wastewater, which is 28% less than in 2020. The limit for solids in wastewater is set by the municipal water supply provider. For over ten years, we have consistently stayed well below this limit due to our effective wastewater handling practices such as developing the washing procedures of production equipment.

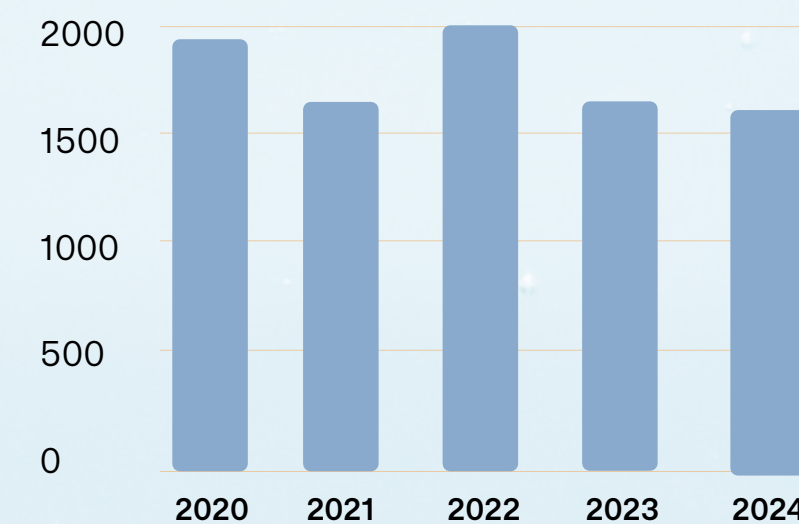
With continuous excellent results regarding our wastewater over the previous years, the monitoring requirements for wastewater were loosened from 2022 onwards.

### Lumene WaterSmart programme

In 2010, LUMENE launched the WaterSmart programme with the aim to manage and reduce the company's water consumption. Through the programme, we aimed to encourage both consumers and cosmetics companies to develop a more sustainable attitude towards water and to diminish their water footprint.

In 2024, the programme was reviewed and evaluated to be prepared for its relaunch with updated objectives in 2025.

Water consumption, m<sup>3</sup> per million products



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# Circular beauty supporting biodiversity

As the importance of biodiversity preservation grows, it increasingly influences companies and their business activities

At Lumene Group, we recognise that biodiversity is the basis of our lives. It is significant for human life as we depend on the existing diversity. The preservation of biodiversity is therefore becoming increasingly important and has an impact on companies and their business activities.

Many cosmetic products contain plant-based raw materials. In recent years, cosmetics companies have recognised the importance of integrating respect for nature and people, as well as adopting sustainable practices in the use and sourcing of raw materials to conserve resources. We aspire to make these principles an integral part of our business activities, striving for continuous improvement.

Circular products, designed with a focus on sustainability and minimising any negative environmental impact, can contribute to mitigating biodiversity loss. By integrating circular eco-design principles into product design and life-cycle management, we can play a role in promoting biodiversity conservation and contributing to a more sustainable future.

## **Circular beauty and biodiversity**

By designing our products with circular product design guidelines, we highlight the usage of sustainably sourced upcycled, recycled, renewable, and recyclable or biodegradable materials. Circular economy principles also emphasise sustainable sourcing of the materials. This means using resources from suppliers committed to sustainable practices, thereby reducing the negative impact on ecosystems. For this reason, we continuously increase the share of palm oil certified by RSPO (Roundtable on Sustainable Palm Oil), an organisation dedicated to preserving biodiversity and increasing the volume of sustainably produced palm oil. Lumene Group is also committed to sourcing our paper and paperboard packaging materials from sustainability managed forests. With a refill option, we create items that last longer, reduce the amount of needed packaging materials, and decrease the environmental footprint. Circular products are part of a

closed-loop system where materials are reused or recycled. This reduces the amount of waste ending up in landfills or natural environments, preventing pollution and habitat degradation that can harm biodiversity.

## **Understanding our impact**

Lumene Group's biodiversity strategy is inspired by the Science Based Targets for Nature, SBTN, framework. In line with target 10 of the Global Biodiversity Framework, we have begun to systematically assess our value chain and its impacts on biodiversity. Through these actions, we aim to ensure all operations relating to agriculture, aquaculture, fisheries, and forestry will be managed in biodiversity-friendly practices.

To identify the biodiversity impacts related to our operations, we follow the SBTN five-step process: assess, prioritise, measure and set targets, act, and track. This allows us to systematically identify and evaluate nature pressure points within our supply chain. To gain a comprehensive view of our value chain, we take into account 90% of the ingredients and materials we use the most in our assessment.

To determine the sites, products, and services in our supply chain that have the most significant impacts on biodiversity, we carried out a data collection process reaching out to our stakeholders and performed an ISIC (International Standard Industrial Classification of All Economic Activities) assessment on the identified value chain activities.

Once the assessment is completed, biodiversity targets will be set utilising the SBTN target-setting tools and guidance. We have already measured that 81% of all fibre-based materials we source are from certified deforestation-free sources. Our goal is to increase this to 100% by 2030.

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Lumene Group and Tallberg Yhtiöt were invited by FANC to visit the restored Piitsonsuo wetland area in May 2024. Olli Turunen from FANC, Essi Arola from Lumene Group, and Martin Tallberg from Tallberg Yhtiöt are exploring the wetland scenery to learn about the revitalised ecosystem.

# Lumene Group’s commitment to wetland restoration:

## supporting biodiversity and climate action in Finland

The natural wetlands are the biggest and most important permanent carbon storages in Finland. By restoring these vital ecosystems, one slows down climate change by increasing permanent carbon storages in soil and by preventing carbon release into atmosphere to warm the climate, ultimately benefitting our planet and future generations.

Lumene Group supports wetland restoration in collaboration with the Finnish Association for Nature Conservation (Suomen Luonnonsuojeluliitto) in three separate wetland areas: Rusalansuo, Savansuo and Piitsonsuo wetlands in eastern and southern Finland. Wetlands are important to Lumene Group because many of our Nordic ingredients thrive in wetlands, making their protection not just our top priority, but our responsibility.

All three wetlands were seriously damaged by forestry ditching several decades ago. The original wetland species have mainly disappeared, and the dried peat layer of the wetlands was disappearing in the decaying process. In addition to helping the climate through storing CO<sub>2</sub>, the restoration also revitalises wetland biodiversity. Wetlands were previously drained for farming, preventing carbon storage and causing peat decomposition. After restoration, wetlands stop releasing carbon and begin storing it again, potentially for hundreds of years. With Lumene Group’s support, 80 hectares of wetland have been restored.

Restoration also revitalises biodiversity. Photo documentation and GPS tracking show improved vegetation and biodiversity with new species appearing. For example, cloudberry blossoms and wetland birds return within one to two years. Lumene Group, in partnership with the Finnish Association for Nature Conservation (FANC), supports these efforts, positively impacting the environment and raising biodiversity awareness.

**Case:**

**Halting nature loss in Piitsonsuo**

Amid the threatened wetlands of North Karelia, Eastern Finland, the Piitsonsuo wetland is recovering back to its natural state. On a beautiful summer day in June 2024, Lumene Group’s team visited the beautiful wetland.

Originally the area was a treeless open mire. Over time, Piitsonsuo experienced the same fate as most Finnish mires: it was drained. As a result, the wetland dried up, stunted trees grew, and sediment flowed into the nearby Koitajoki River. The ecosystem was damaged. The situation was also problematic for the climate, as the peat in the drained wetland decomposes and releases carbon into the atmosphere.

Now the situation is promising: Piitsonsuo has been restored through the collaboration of many parties, and the wetland nature appears to have recovered remarkably well.

Piitsonsuo is the third wetland restored with Lumene Group’s support. Already, just one year after restoration, we are witnessing the regrowth of diverse species and plants in Piitsonsuo. Species such as the bean goose and the wood sandpiper have found their way to the southern Piitsonsuo, along with butterflies like the cranberry fritillary and the moorland clouded yellow. The return of cranberries and cloudberries is also anticipated. Among the plants, the most striking comeback has been made by the cottongrass, which covers vast areas with its white, fluffy blossoms swaying in the wind.

Based on the peer reviewed scientific research made in nearby wetlands similar to Piitsonsuo, FANC estimates that the Piitsonsuo restored wetland area sponsored by Lumene Group will prevent at least 1 100 000 kg of CO<sub>2</sub> from being released into the atmosphere within the next ten years.

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### Case:

#### Lumene Group's Lupine weeding voluntary work-day

As the importance of biodiversity preservation grows, it increasingly influences companies and their business activities. As part of our ongoing commitment to preserving biodiversity, we recognise the importance of addressing invasive species that threaten our native ecosystems. One such species is the lupine, a beautiful yet harmful plant that displaces native flora and contributes to biodiversity loss in Finnish nature.

This year, Lumene Group proudly joined Espoo City's community efforts to control the spread of lupines. On a sunny June day, we organised a voluntary workday to weed out lupine growth near our production site in Espoo, Finland. The event was open to all our employees, encouraging participants to spend a summer day outdoors for a good cause. Whether for a few minutes or the entire afternoon, every bit of help was appreciated. Refreshments were provided to keep our volunteers energised and hydrated.

Together, we cleared the field next to the production outlet. Our efforts did not go unnoticed, as we received well-earned thumbs up from passers-by, acknowledging our hard work and dedication.

The lupines were tough, but we were tougher. This event not only helped control the spread of an invasive species but also brought our community closer together. It was a day filled with teamwork, determination, and a shared commitment to protecting our natural environment.

As we continue our sustainability journey, Lumene Group remains dedicated to initiatives that support biodiversity and environmental preservation. We look forward to more opportunities to engage with our community and make a positive impact on our surroundings.

# Social accountability

LUMENE  
GROUP

# Social accountability

At Lumene Group, we are dedicated to being recognised as a fair and inclusive partner and employer wherever we operate. Our commitment to safeguarding human rights across our value chain and ensuring fair employment practices for everyone, everywhere, is firm. This dedication is reflected in Lumene Group’s Human Rights Statement, which underscores our commitment to advancing human rights.

Our Corporate Social Responsibility (CSR) policy outlines our efforts to give back to society. We are dedicated to upholding strong work ethics, people policies, and DEIB (Diversity, Equity, Inclusion, and Belonging) initiatives. We conduct business with integrity and transparency, ensuring fair treatment of all stakeholders, positively impacting the communities we act in through social initiatives, and giving back to society through charitable contributions.

In 2024, we began refreshing our CSR plan, which will be finalised and implemented in 2025. The purpose of this plan is to integrate ethical practices, social responsibility, and environmental sustainability closer into our core business operations. As a B Corp certified company, our growth is designed to contribute positively to society.

### Corporate Social Responsibility Policy

- Adhering to our Code of Conduct and requiring the same from our business partners.
- Developing our people by building their skill sets and growing competencies to face the future.
- Creating a great employee experience, measured quarterly through the Employee Net Promoter Score (eNPS).
- Implementing a DEI&B strategy and development programme led by our ambassadors.
- Striving to be seen as a preferred employer within our sector, measured using Universum’s study.

### Supporting the surrounding society

The support from a well-functioning society is an important factor contributing to a company’s ability to succeed. Therefore, we at Lumene Group prioritise giving back to the community, supporting the well-being of the surrounding society and collaborating beyond company borders.

In 2024, our charitable activities focused on supporting disadvantaged children and youth, the mental well-being of youth, and in supporting the biodiversity of Finnish nature. Our long-term non-profit organisation partners include Girl’s House of Espoo, Tukikummit, and Helsinki Pride. Our cooperation with Girl’s House of Espoo has been longstanding and regular, stretching to almost 10 years, including site visits to our headquarters and product donations for various events. Our partnership with Helsinki Pride supports the movement’s goals to eliminate inequalities inherent in culture, language, and societal structures. We also continued our years-long cooperation with the Finnish Association for Nature Conservation (FANC).

In 2024, Lumene Group also supported Joulupuu ry, a Finnish non-profit organisation dedicated to supporting disadvantaged children and youth year-round. This included a monetary donation and employee participation in donating Christmas presents to ensure children experienced holiday joy.

Moving forward, Lumene Group remains dedicated to enhancing the well-being of our communities and the environment.

### Consumers rank Lumene Group as one of Finland’s most innovative companies

Consumers perceive Lumene Group as one of the most innovative companies in Finland. According to the Finnish Innovation Index (FII) conducted by Hanken School of Economics, Lumene Group ranks sixth in social innovation, reflecting our positive impact on the environment and wider society. This recognition is based on responses from over 5,800 consumers who evaluated the innovativeness and attractiveness of 77 companies.

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# Our people

Lumene Group is dedicated to creating a great workplace where diverse talents can thrive, grow alongside the company, and find their work meaningful.

From the perspective of social responsibility, we want to provide a safe workplace within our company by nurturing an inclusive culture, reliable processes, and innovative projects. To our experience, an inclusive culture attracts diversity and boosts well-being, innovation, and productivity. The One Winning Lumene Group team includes professionals with diverse backgrounds working towards the same goal.

### Leading the culture

Continuing our journey from the previous year, the ongoing theme has been to achieve a deeper awareness of our culture. Lumene Group's engagement survey, successfully implemented the previous year, was carried out again in 2024. Accordingly, we formed a strategy how to lead our culture and to improve as the One Winning Lumene Group team that prides in innovations, diversity, and inclusivity in an international environment. Our Work Community Development Plan highlights the key topics affecting our competence and well-being needs as well as the plans to support them. It also includes our DEI&B vision and strategy, and statements of our equality and equal opportunities. The Work Community Development Plan is available at Lumene Group intranet for all our employees.

### Redefining values

Our values are the core principles that guide our actions, behaviour, and decision making. Common values are our compass, ensuring that we all move in the same direction towards a common purpose and with the same principles. Common values are also a key ingredient in a thriving work culture.

Lumene Group's ongoing culture journey is supported by the launch of our new common values. With these shared values, it is easier to work together, resolve conflicts, and support one another. We will keep focusing on these values and reinforcing them in the daily life in our organisation throughout the coming years.

### Leadership development

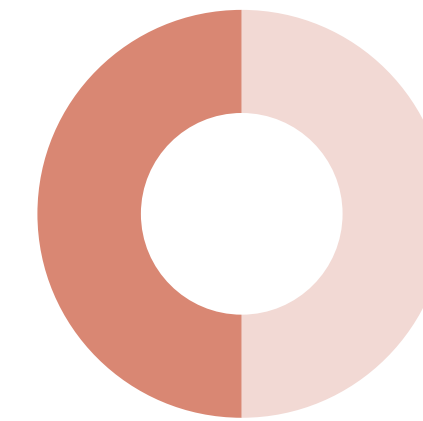
According to our recent engagement survey, our employees are proud to work at Lumene Group. Employees know what is expected of them at work and feel that their immediate supervisor and colleagues care about them on a personal level. As according to several studies, having confidence in one's supervisor is one of the key factors in positive employee engagement. At Lumene Group, our employees feel that they can cooperate with their supervisors. Fostering good leadership is also an essential factor in creating a good employee experience.

Lumene Group is on a transformation journey of growth and development. The culture, new strategy and values need to be supported by well-functioning and inspirational leadership. Hence, all Lumene Group's people managers have participated in leadership training throughout 2024, which will continue in 2025. To support this, all office staff also participated in "The 7 Habits of Highly Effective People" self-leadership programme during 2024.

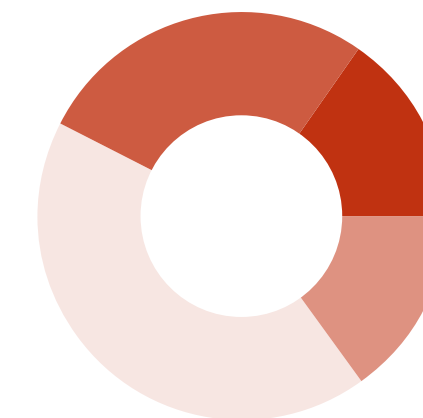
In our commitment to fostering a culture of continuous improvement and personal growth, we have integrated "The 7 Habits of Highly Effective People" into our organizational development strategy. This initiative aims to enhance self-leadership among our employees and create a cohesive, high-performing team. By embedding "The 7 Habits of Highly Effective People" into our organisational culture, we are building a foundation of self-leadership and teamwork. This initiative not only strengthens our employees' personal and professional growth but also supports us in our journey towards becoming a One Winning team.

Average training hours per employee/6 h

Training hours  
6 h/person  
7h/person (2023)



Average training hours (h) by gender



Average training hours (h) by employee group



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### Feeling of belonging

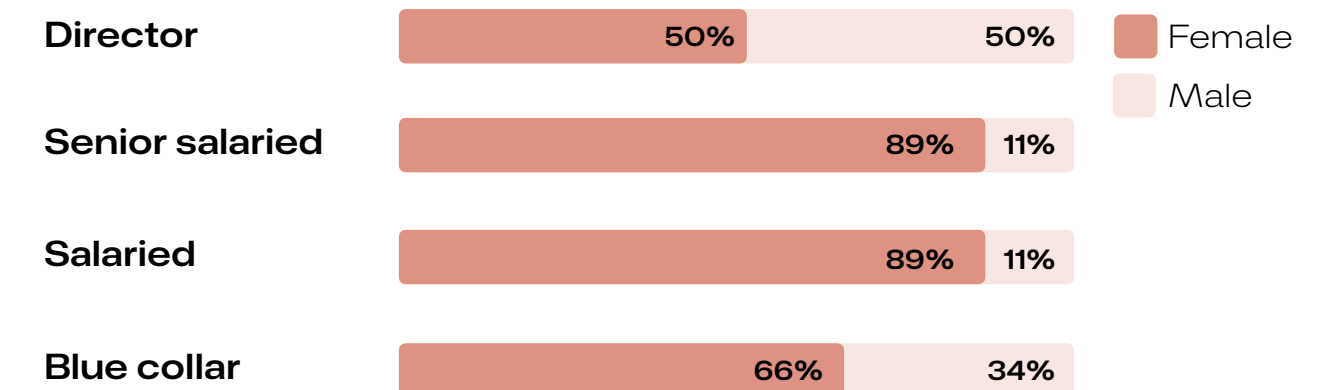
Lumene Group is a company with a bold attitude and pride in its brands and products. We are proud to have a combination of long-term and newly started employees, an agile way of working and ambition to overcome silos in thinking and actions. We want to utilize the experience that comes from our long history and invite all employees and outsourced partners to build a common future.

We are committed to addressing the diverse needs and concerns of our workforce. To ensure our employees feel a sense of belonging, we have extended our DEI strategy into a DEI&B strategy. The B stands for belonging, as we are committed to making sure each employee feels a sense of belonging at Lumene Group. We plan to utilise external experts to improve our knowledge in DEI&B matters in 2025.

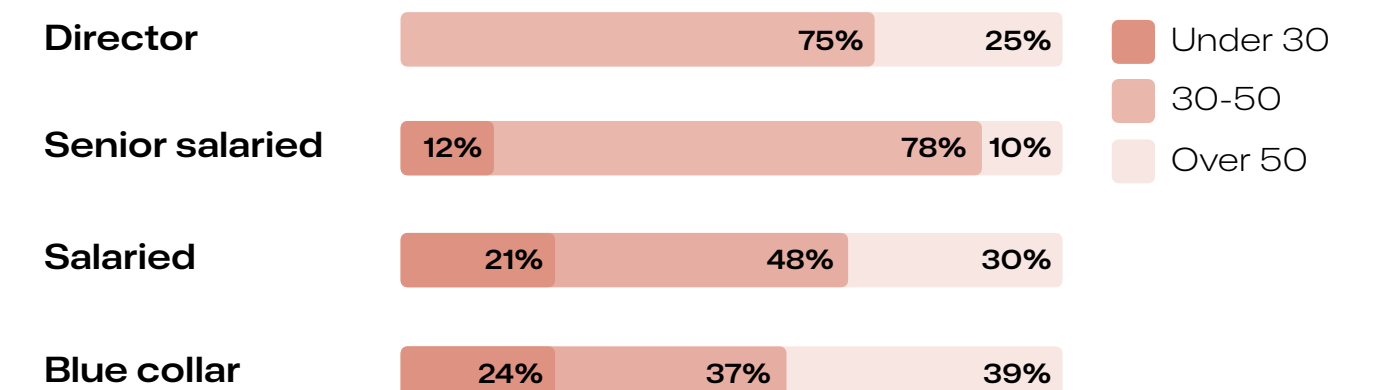
To ensure our employees feel that they are a part of Lumene Group's One Winning Team, we continue to offer a hybrid work model but encourage our employees to meet and work together in our renewed HQ office.

To increase integrity, we encourage teams to get to know each other and our internal functions throughout the organisation. Lumene Group works on creating opportunities for employees to meet outside of their regular work in various internal events organised for the whole company or regional teams targeting more specific themes. In an international business environment and as a bilingual company, language skills are a vital tool in our everyday life. Therefore, as a part of our DEI&B initiative, English language training is offered to the personnel. The trainings are implemented in co-operation with external institutions and provided both on-site and online to meet the different needs of our personnel. Language teaching will continue to be provided also during 2025.

### EMPLOYEE GROUP & GENDER



### EMPLOYEE GROUP & AGE



# Well-being

## Crucial pillars of employee well-being

Decreased sick absences indicate increased well-being in our organisation and prove the influence of our long-term actions taken to support the comprehensive well-being of our personnel. We have achieved our goal in having fewer sick days than the average in the industrial industry (12,9 days per person), accumulating 10,4 days per person in 2024.

The employees and their health and safety are among the core values of Lumene Group. To ensure the well-being of our personnel, we have made extensive initiatives to improve the occupational health and safety, and to ensure the quality of healthcare provided to our employees. We strive to support our employees' long-term health and their ability to work. To support this, the supervisors in Lumene Group work closely together with occupational health care professionals and HR. As a result, we have taken diverse actions to meet the needs of partially disabled and elderly employees to accommodate the requirements of all our personnel. Modifications in work tasks are carried out when necessary, and part-time pensions are granted frequently.

Lumene Group wants to support our employees also in the other stages their life. Family leaves are widely used, and paid carer's leave provides flexibility when an employee's family member requires full-time support.

Lumene Group has zero tolerance against any form of harassment, bullying, or discrimination based on e.g., age, ethnicity, gender, or diversity. If any of our employees feel that they or their co-workers are being treated unfairly, they are encouraged to contact their own supervisor, shop stewards, the occupational health and safety officer or the HR team.

Lumene Group does not accept any form of forced, or child labour. Lumene Group only employs persons of legal age, either directly or through subcontracting, and always adhering to contracts in accordance with laws and collective agreements. Therefore, the risk of child, or forced labour is extremely low. These issues may pose a

risk mainly further down in our supply chain. This risk is mitigated by procuring services from partners known for their transparency and accountability.

Lumene Group actively collaborates with employee representatives on both employment and occupational safety matters. An active dialogue is maintained to address the issues that impact employees' work and working conditions.

## Lumene Group pay transparency and equity

We have started working towards a more transparent, attractive, and engaging pay processes and practices in accordance with the Equal Pay and Pay Transparency Directive, which will be implemented in the EU countries by 2026. Attractive and equal pay are especially important in our efforts to recruit more diverse, international talents to add new skills and experience to Lumene Group's current workforce. In 2024, we have implemented grading and performance management as a part of the remuneration process. The remuneration structure has also been communicated to all employees.

Lumene Group Remuneration Committee guides, evaluates and oversees policies and processes related to salary planning, merit process and benefits. The HR team is responsible for executing fair remuneration politics. When planning changes to the current policies, staff representative bodies are always included. Lumene Group upholds the freedom of association and recognises the collective bargaining rights of employees.

Lumene Group pays all employees at least the minimum wage stipulated by sector specific collective agreements or the national legislation of each country where we employ personnel.

In Finland 96% of Lumene Group's employees are covered by three different collective agreements. Totally the CBA coverage is 86 % when including all countries.

## Engaging employees

Our engagement survey helps us measure the factors relevant to upholding our work culture; commitment to the organisation, commitment to the strategy, leadership, diversity and inclusion, and the well-being of all of us. During 2024, all aspects in the survey results have improved compared to the previous year. Our survey shows that our employee engagement has improved, and our employees feel they have sufficient decision-making power regarding their own work. In 2025, we will continue our work in improving employee satisfaction and commitment to Lumene Group.

We ensure high quality leadership and fostering trust between the managers and employees. The HR team is easily accessible and works in close cooperations with all employee groups. Our common leadership principles guide our managers in their work.

Performance culture in Lumene Group is supported by the PDD (Performance Development Dialogue) process. All employees conduct the objective setting and review, and discuss their personal strengths, development needs, and well-being matters at least twice a year with their managers. In addition, one-on-one discussions are widely used to align short-term target setting and to allow continuous dialogue and feedback. To support managers and employees in this process, HR has organised short informational gatherings to discuss the PDD-process.

To support the continued engagement of our employees, Lumene Group offers a wellness benefit to encourage our employees to take care of their well-being outside working hours. The amount of the benefit was increased in 2024, and an employee bicycle benefit was also launched in Finland with plans to expand to other countries in the future.

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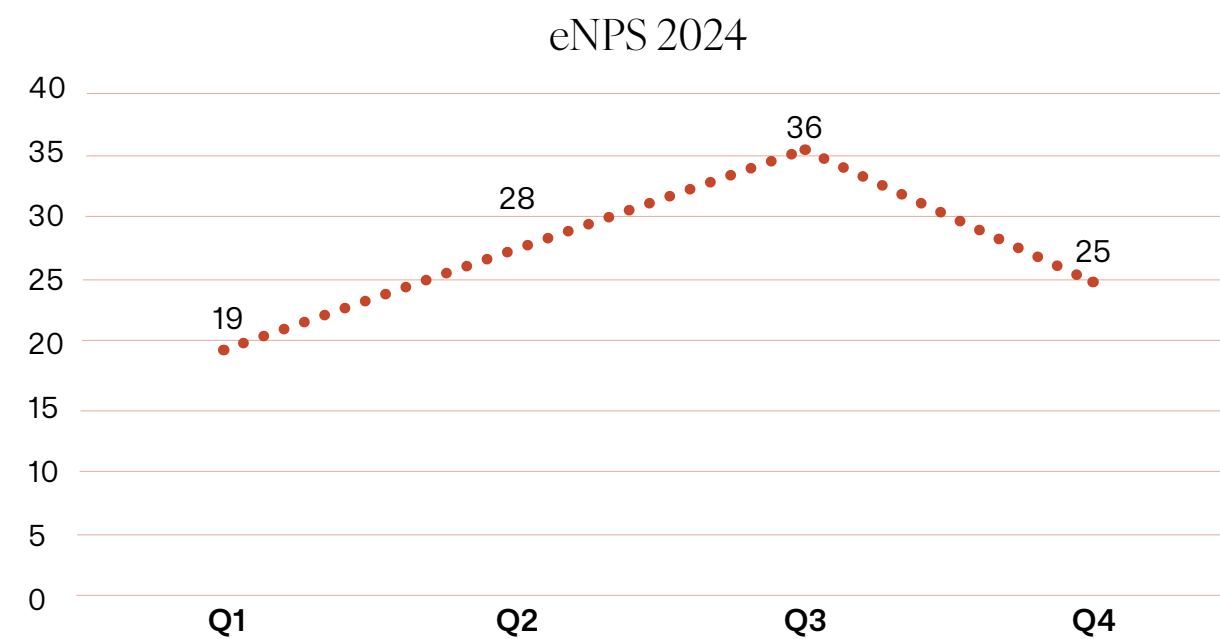
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### Monitoring the employee engagement

We carry out Employee Net Promoter Score (eNPS) surveys quarterly to learn more about the development of the employee experience. The survey provides an index that varies between -100 and 100, and is internationally comparable. With the eNPS surveys we want to monitor that our employee experience is continuously improving in the right direction. It also enlightens us on topics that employees might see as possible concerns.

The results show that we have made significant improvements from the average score of 17 in 2023 to the average score of 27 in 2024. This indicates that the measures taken to improve our One Winning Lumene Group team are successful and leading us in the right way on our culture journey. Our target eNPS is to reach 50 by 2030 and remain above 50 in the long term. For our brand IDA WARG Beauty, the eNPS is an impressive 100. We trust that with our renewed Lumene Group strategy, improved HR processes, leadership principles, ongoing culture journey, and the insightful surveys we have implemented, we are on track to achieving our eNPS target.



Our goal is to foster a highly engaged and motivated workforce, aiming to achieve and maintain an exceptional employee Net Promoter Score (eNPS) of 50 or higher by 2028 and beyond.

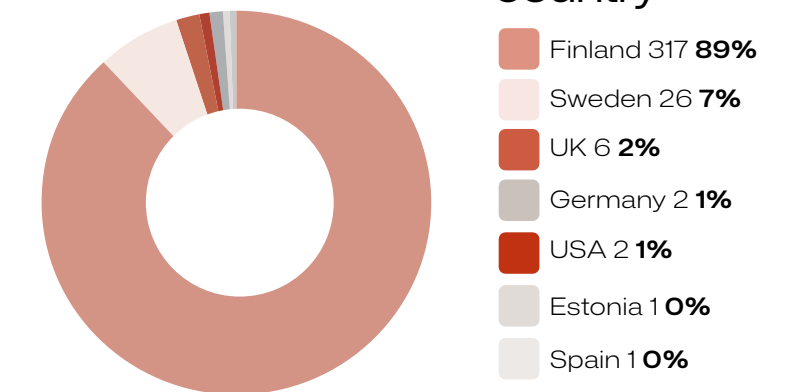
### Attracting new talents

We have developed our recruitment strategies by improving the recruitment processes and introducing a network recruitment bonus. This approach leverages our employees' personal and professional networks to find and attract top talents that fit to our company culture. With the recruitment bonus, we encourage our employees to identify potential candidates within their networks.

Lumene Group strives to offer internship and summer work opportunities to students in the early stages of their careers. We have increased the cooperation with educational institutions and invested in multi-channel encounters with students. According to an Universum study, Lumene Group is considered as the 5th most attractive employer by business students. Students and fresh graduates bring valuable insights to our work community and challenge us to reform.

The goal is to become a truly diverse organisation with a high digital competence and a broad cultural background. We want to offer the future talents interesting challenges and the opportunity to become part of an international growth story. To support this, we are looking beyond borders when it comes to recruitment, and as of 2024, we have started working on global mobility possibilities.

### Employees by country



The number of personnel is reported in headcount. The data is retrieved from the HR system as per December 31st 2024.

### Employees by working time



### Employees by employment type



### Employees by gender



### Non-guaranteed hours employees by gender 31.12.24



# Healthy and safe workplace

Health and safety is an important element of our sustainability agenda at Lumene Group. We believe that by creating a safe and supportive environment, we enable our employees to reach their best performance while maintaining a healthy work life balance. The Lumene Group occupational safety action plan provides the framework for our operations, and we expect all our employees to take responsibility in following the provided guidelines and safety instructions.

## Preparing for ISO 45001 certification

We are committed to adhering to the Occupational Safety and Health Act (738/2002) and the Occupational Health Care Act (1383/2001). To comply with these and other national safety laws, rules and regulations, we have implemented an OHS management system.

In the end of 2024, we began working with an external consultant to prepare for a gap analysis comparing our current policies and practices against ISO 45001 requirements. The main analysis, beginning in early 2025, will identify improvement areas and the findings will support our goal of applying for ISO 45001 certification. The ISO certification would further integrate occupational safety into our existing frameworks and strengthen our commitment to a safe and healthy work environment.

## Continuous monitoring and risk-based approach

Occupational safety involves the continuous monitoring and development of the work environment. The goal is to support our employees' ability to work, promote their physical, mental, and social well-being, and to identify and eliminate hazardous conditions.

We are committed to creating a safe working environment to Lumene Group employees. We recognise health and safety hazards and possible risks in the work environment through work risk assessments, safety observations, and by investigating near-miss reports and work-related accidents. These are always documented and handled in our dedicated reporting systems, that help us recognise high-consequence risks and necessary preventive measures to eliminate high-consequence injuries and

other work-related hazards. These reports also act as the basis for the assessment conducted by the workplace health care provider.

The results and observations gained from these processes are further assessed to ensure the continuous improvement of our procedures and management system. To ensure the quality of our management processes, we employ procedures, such as the 5 Whys process to determine the root causes of observed issues, and analyse the reports to determine appropriate corrective and preventive actions. The personnel relevant to these processes, such as the OHS Manager, also receive regular training on OHS matters.

## The OHS Committee

At Lumene Group, the workplace occupational safety activities are handled jointly by the employer and the employees in the Occupational Health and Safety (OHS) Committee. To mitigate the risk of employee concern for possible retaliations, the OHS Committee includes representation from both the employer and employee side, as well as representatives of health and safety professionals. The OHS Committee processes the suspected cases of work-related ill health, reported potential risks, near miss situations, work-related accidents, and decides on corrective actions. The OHS Committee had 7 meetings during 2024.

We believe that employee participation and consultation ensure successful implementation of our OHS management practices. Therefore, in addition to the Committee meetings, the OHS matters are discussed with employees at different levels in EHQS Bi-weekly meetings and production weekly info meetings, where the further development of the OHS management system, management practices and improvement projects are discussed. Safety reports and appropriate corrective measures are also discussed in our new production daily management sessions, where the production workers and work management meet with the OHS Manager and Committee members. Information is also shared with the entire Lumene Group workforce in monthly Townhall meetings where OHS highlights are presented alongside other topics.

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### Enhancing occupational safety through improved reporting

In 2024, we launched a more user-friendly and transparent OHS reporting system that provides us higher quality reports and improved documentation. This has allowed us to better manage and improve the health and safety of our employees and further refine our OHS policy.

The introduction of this system was the biggest change in occupational health and safety management in 2024. As a result of the system's enhanced accessibility and an active awareness campaign, we observed a substantial increase in the number of reported observations, rising from 249 to 1708.

Training for the new system began with production employees and extended to partners in production, property management, and restaurant services. In autumn 2024, both occupational safety training and reporting system training were provided to sales field employees.

The OHS reporting process includes an evaluation phase, where the reported incidents are reviewed. The reported deviations are discussed daily in production at a supervisory level as well as at the employee level in the daily meetings. Additionally, there are several joint briefings in production where these deviations are addressed. In case of a serious work accident, separate notifications are provided. The OHS manager is responsible for this communication. Additionally, work-related accidents are communicated to all employees during monthly Town Hall meetings.

### Training

Organisational training is crucial in having a safe and healthy work environment and work practices. The orientation programme along with continuous training is recognised as one of the focus areas in increasing both mental and physical safety. In 2024, we began evaluating work orientation and induction practices at Lumene Group to identify areas for improvement and ensure they effectively support a safe and healthy work environment.

The information shared and gained from new employees is important for the whole working environment. New employees are an asset for recognising opportunities to improve work methods and practices, and to gain knowledge and develop new practices. It is important to maintain the skills acquired in training in the field of occupational

safety. We regularly train our production employees, and promote occupational safety across the entire company personnel through internal communication.

### Contractors

We also recognise our responsibility for the health and safety of our partners. The OHS management system encompasses all activities and employees whom Lumene Group identifies as closely linked to its operations. This includes our own employees, on-site external workforce, contractors, and visitors, including facility service personnel, on-site restaurant staff, and employees working in production and the outsourced warehouse. In 2024, we focused on improving contractor orientation by updating the orientation checklist and creating preliminary materials for contractors.

Lumene Group manages the employees working in production, while the warehouse, facility services, and restaurant employees are managed by a service provider in accordance with the agreement with Lumene Group. These four mentioned external employee groups comprise a total of 74 employees who are considered under Lumene Group's OHS management and reporting. This number is calculated in headcount at the end of the reporting year, except for the warehouse staff whose number is determined as an FTE average across the reporting period. The majority of all outsourced employees are under full-time permanent employment contracts with their employing company from whom Lumene Group is purchasing these services.

The largest outsourced worker groups are the production and warehouse employees. The employee amounts are considered stable within and between reporting periods with no notable fluctuations.

Lumene Group's largest outsourced partners operate in the logistics, foodservice, and health care industries. 15% of all our outsourced partners have implemented an OHS management system.

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### Occupational health care

Occupational health care is arranged with an external service provider in Finland. We have a wide availability of services supporting our employees' health, from medical care and work physiotherapy to mental coaching and support. Services are easy to access, and available also on Lumene Group production premises. Regular meetings between the HR team and the service provider ensure the quality of services. A variety of on-site and hybrid events relating to overall well-being have been arranged in close cooperation with our health service providers. In addition, our personnel are invited to utilise the numerous channels offered by our service providers to independently explore themes of well-being and work-life balance. In other countries public health care is provided. The main service partner of outsourced resources in Finland offers its employees both statutory and voluntary health care and nursing services.

### Driving continuous improvement

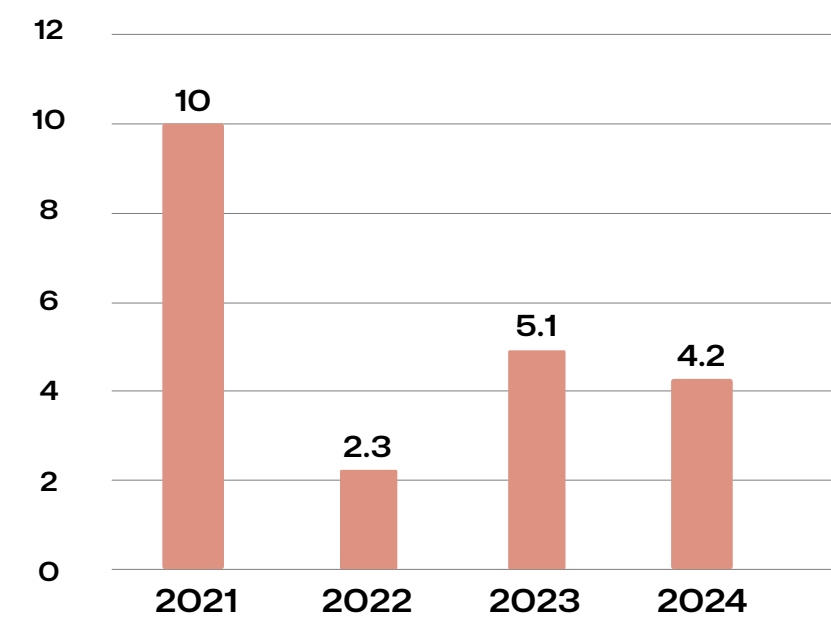
We are aiming to improve the quality of the OHS trainings provided to all our employees, and further strengthen these aspects already during the induction. We are also increasing the OHS awareness and communication within our Espoo premises by acquiring a new info screen to easily reach our employees with news and updates on OHS matters.

As Lumene Group is expanding internationally, we want to ensure the OHS in our other office locations reaches the same level of quality that has been established in Finland. This will be accomplished through collaboration with local partners.

We will continue developing our OHS management system in collaboration with both internal and external partners, including Lumene Group HR, worker representatives, managers, and external healthcare provider.

### LOST TIME INJURY FREQUENCY DATA

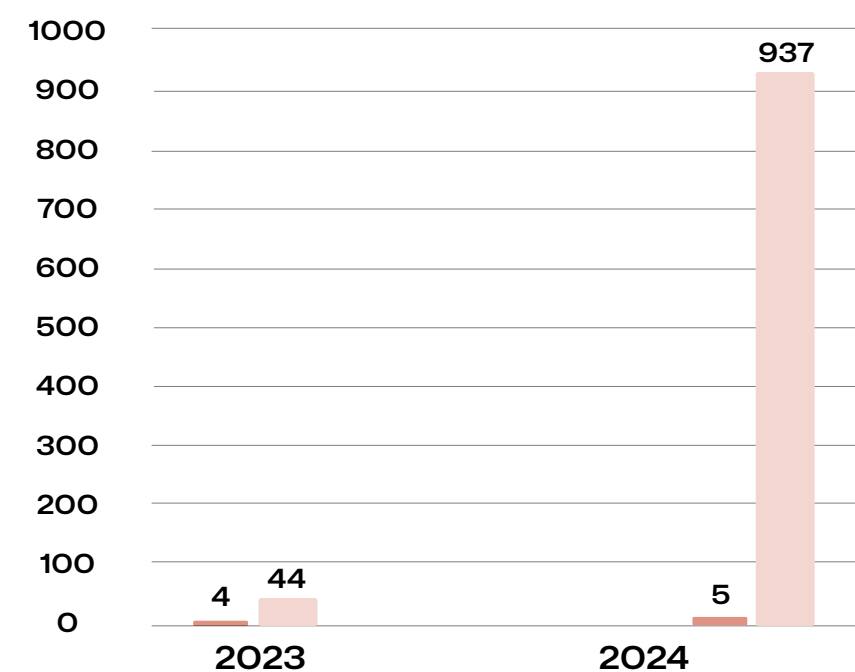
(Including figures reported by partners)



Calculating the Lost Time Injury Frequency (LTIF) for incidents per 1 000 000 work hours, the frequency in 2024 for Lumene Group internal work is 4,2 deriving from 2 LTI in approx. 480 000h. With similar calculation, the LTIF on outsourced work is 66,6 for 5 LTI in approx. 75 000h. Ida Warg Beauty figures are not included in these calculations due to the still ongoing implementation phase.

### LUMENE GROUP WORK SAFETY DATA

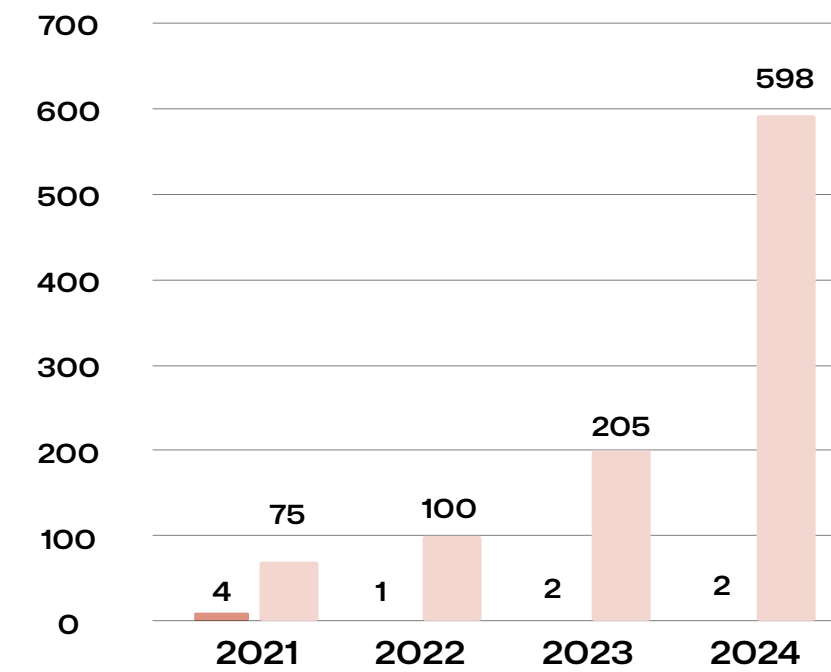
(figures reported by partners)



Work time accident (LTIO)  
Near miss + Work safety observation

### LUMENE GROUP WORK SAFETY DATA

(figures reported by Lumene Group)



Work time accident (LTI3)  
Near miss + Work safety observation

Upon encountering potential risks, near miss situations, or work related accidents, the employees are encouraged to primarily report them using the designated online platform, but may also report them directly to the management, HR, or worker representatives. Following an active campaign on the importance of reporting safety observations, we are pleased to see a significant increase in the number of reports during 2024.

In 2024, there were 4 workplace accidents and one serious work accident at the end of the year. The incidents prompted improvements in both onboarding processes and operational procedures. As an example, we improved the markings in production lines to identify hot spots. Additionally, line-specific safety instructions were enhanced. Through the investigation of the serious work accident, issues related to forklift driving permits and verification, forklift driver training, and documentation for this training were identified as areas for development.



# Sustainable procurement

We want to have a strong supplier network that meets our business needs, as well as our values and social and environmental expectations. We believe that supplier cooperation is the key to positive change. We engage in collaborative and open communication with our suppliers and are committed to form ethical and mutually beneficial supplier relationships.

## Lumene Group Partner Code of Conduct and Sourcing Policy

Lumene Group requires its partners to adhere to the sustainable operating principles outlined in the Lumene Group Partner Code of Conduct, encompassing ethical, social, and environmental aspects. This commitment supports responsible procurement practices, fosters progress towards our sustainability objectives, and advances our vision of a circular economy.

Our Partner Code of Conduct covers important topics such as business ethics and integrity, labour and human rights, health and safety measures, environmental consideration, due diligence, and prevention of child labour and forced labour.

## Sourcing countries

We aim to source locally within the Nordics and Europe with our first tier suppliers, but recognise that ultimately our value chains are global.

From our direct procurement spend, 33% was spent locally in Finland, while 65% was spent in the rest of Europe. Our spend from risk countries, directly or indirectly through Finnish or European distributors, was 5%\*. The remaining spend came from non-risk countries outside of Europe.

To control and mitigate the risks present in managing a global value chain, we conduct risk country evaluations basing on the risk assessments and criteria from UNEP, Amfori and Transparency.org.

\* partly included in spend from Finland and Europe

## Supplier environmental and social assessment

In 2024, Lumene Group implemented the EcoVadis supplier rating platform to evaluate our suppliers across governance, social, and environmental sustainability criteria. This initiative has strengthened our sustainable supplier management efforts and significantly increased the proportion of suppliers assessed according to ESG standards.

Prior to EcoVadis implementation, our aim was to have 90% of our direct procurement spend covered by EcoVadis rated suppliers by the end of 2025. Due to the advanced level of sustainability practices demonstrated by our suppliers, in 2024 we already achieved a level of 87%, which equals to 71 suppliers.

Also, the average rating of our suppliers is 21 points higher than the EcoVadis benchmark (on a scale of 0-100). We require EcoVadis assessment from suppliers with annual spend over thirty thousand euros. We accept group-level EcoVadis ratings; however, based on risk assessments, a site-specific rating may be required from our suppliers.

EcoVadis training is available to suppliers on the platform and is highly recommended. Additionally, the Lumene Group sourcing and procurement team will conduct annual EcoVadis training sessions.

Ensuring that our supply chain adheres to ethical standards is crucial, and we remain dedicated to working with partners who share our values. In line with our commitment to upholding the highest standards of social responsibility, we ended up terminating a contract with one of our suppliers in 2024. This equals 0.7% of the total number of suppliers.

## Indirect procurement

From 2025 onwards, Lumene Group aims to centralise indirect procurement processes and align them more closely with the practices established for direct procurement. This includes gradually integrating sustainability considerations into supplier selection and encouraging ethical, social, and environmental responsibility across all procurement categories.

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# Lumene Group DEIB work: Beauty for everyone

Lumene Group thrives from diversity inside and out. Investing in diverse knowledge adds value to our community and business by fostering innovation, enhancing problem-solving capabilities, and driving sustainable growth. By embracing a wide range of perspectives and experiences, we not only enrich our organisational culture but also better serve our diverse customer base, ultimately leading to greater success and impact. As a market leader in Finland, we believe that this is not only our right, but also our obligation.

We recognise that to truly serve the communities in which we live and work, our products and services must reflect and represent global diversity. Therefore, we are actively working towards becoming the most inclusive and diverse Nordic beauty company.

The culture of trust and respect as well as an inclusive portfolio, talents, and marketing embody our vision and values. Founded in 2022, our DEIB Committee, including DEIB ambassadors, make sure that diversity, equity, inclusion and belonging are on the daily agenda across the organisation.

### **Building awareness, inclusion, and community engagement**

We concentrate on raising awareness and deepening our knowledge through education, strengthening inclusion through psychological safety, and further building DEIB into our product portfolio, marketing, services and our community.

The status of our diversity, equity, and inclusivity was studied more deeply with personnel interviews and through our Organisational Capability Survey in Autumn 2024. According to the survey, our DEIB index is 29 (between -100 and 100).

Lumene Group recognises that DEIB is a continuous journey and a movement that needs the commitment and participation of everyone within the organisation. We are dedicated to fostering

an inclusive environment where diversity is celebrated, equity is prioritised, and every individual feels valued and respected. The DEIB Committee will continue the journey of learning, personal growth, and engaging in continuous dialogue with our community to increase awareness and interactivity. Our goal is to achieve everyone's support by fostering a culture of inclusivity and mutual respect, ensuring that every voice is heard and valued.

### **Innovating beauty through DEIB**

Beauty products are for everyone, and we at Lumene Group believe that diversity, equity, inclusion, and belonging are the driving forces behind innovation in the beauty industry. We continue our strong commitment to ensuring that these values are integrated into the development process of our new products.

We believe that our consumers are an integral part of our decision-making process, and we want to ensure that their voices are heard throughout new concept and product development processes. We also want to involve our stakeholders and partners in this work. At Lumene Group, we are committed to celebrating diverse beauty in our advertisements and working with a wider and more diverse representation of spokespeople for the brand.

This is our way of ensuring that our products and communication reflect our consumers' needs and make meaningful contributions to our society. We believe that by embracing diversity, equity, inclusion, and belonging, we can create a better world for everyone. We are fully empowered to advance equity and strengthen our culture of diversity and inclusion. By investing in diverse knowledge, we add value to our community and business.

# Consumer engagement and marketing communication

We want to have a product portfolio that responds to the varying consumer needs. In order to make a positive change, we aim to maintain an open and continuous dialogue with our consumers.

## Consumer insights

At LUMENE, we invite everyone to join our skin-loving beauty community. The consumer voice is heard throughout our new product development process as we invite our consumers to take part in concept creation and product development. Consumers are also encouraged to share feedback and ideas through various channels, such as consumer care, our beauty advisors, and social media. This is our way to ensure that products reflect the consumers' real needs.

CUTRIN continuously conducts customer studies and collects consumer insights at different stages of brand and product development, mainly utilising Cambri and Webropol platforms. CUTRIN co-operates with selected hairdressers in the development phase of professional technical products to ensure that the quality and functionality meet the professional needs. Consumer feedback on consumer goods is acquired as a standard procedure in the product development process. In addition, CUTRIN closely follows available market data and various global trend reports to better meet the needs of today's consumers.

IDA WARG Beauty has from the start worked actively in building and curating a unique community through continuous and open dialogue with consumers. By creating a space where consumer voices are heard, we receive not only valued product and brand feedback but also brilliant product ideas via social media and consumer care channels. In today's fast-paced world, IDA WARG Beauty stays ahead of the latest trends by leveraging insights from leading research partners. Moving forward, the focus will include conducting consumer studies at key stages of product development. This ensures that products align with the evolving needs and preferences of today's and tomorrow's consumers.

## Responsible communication

At Lumene Group, our communication is guided by strict cosmetic regulation and self-regulatory frameworks, which protect consumers against misleading marketing and enable informed decision-making. Our internal claim clearance process ensures that our product claims are compliant with these requirements.

Complying with minimum requirements is business as usual. We always make sure the promises we make are relevant and truthful, and instead of simply stating a general fact.

Our statements and claims are carefully considered for honest and truthful communication using clear and easy-to-understand language. Product claims are always supported by adequate and verifiable evidence. Depending on the claim, efficacy studies are performed to prove the product's efficacy.

Efficacy testing is done in cooperation with external laboratories specialised in cosmetic efficacy testing. Consumer testing panels are also used to ensure positive consumer perception. LUMENE's marketing communication is aligned with our brand values: sustainable innovation, authenticity and our primal relationship with Nordic nature that enables us to understand how to harness its wisdom. As consumers' understanding of sustainability grows, we want to consistently offer high-performing, Nordic beauty products. With open and honest marketing communication, our goal is to enable consumers to make informed choices.

CUTRIN is a professional hair care brand with gentle, weightless formulations suitable for even the finest hair and most sensitive scalp. CUTRIN's marketing communication is based on its core values: authenticity, honesty, transparency and reliability – attributes that are familiar from and true to Nordic design and characteristics. Through this, CUTRIN aims to inspire both consumers and hairdressers, and offers solutions for even fine hair, sensitive scalp and styling needs. Our objective is to build a sustainability aspect into all brand communications and position ourselves as an honest and reliable salon brand and partner.

At IDA WARG Beauty we create marketing communication that honours our brand values—positive, friendly, curious, and passionate— maintaining an inspiring, authentic, and impactful voice that resonates with the audience. IDA WARG Beauty's communication aims to build brand consistency, inspire self-care, and strengthen our position as a brand that celebrates uniqueness, promotes inclusivity, and empowers confidence.

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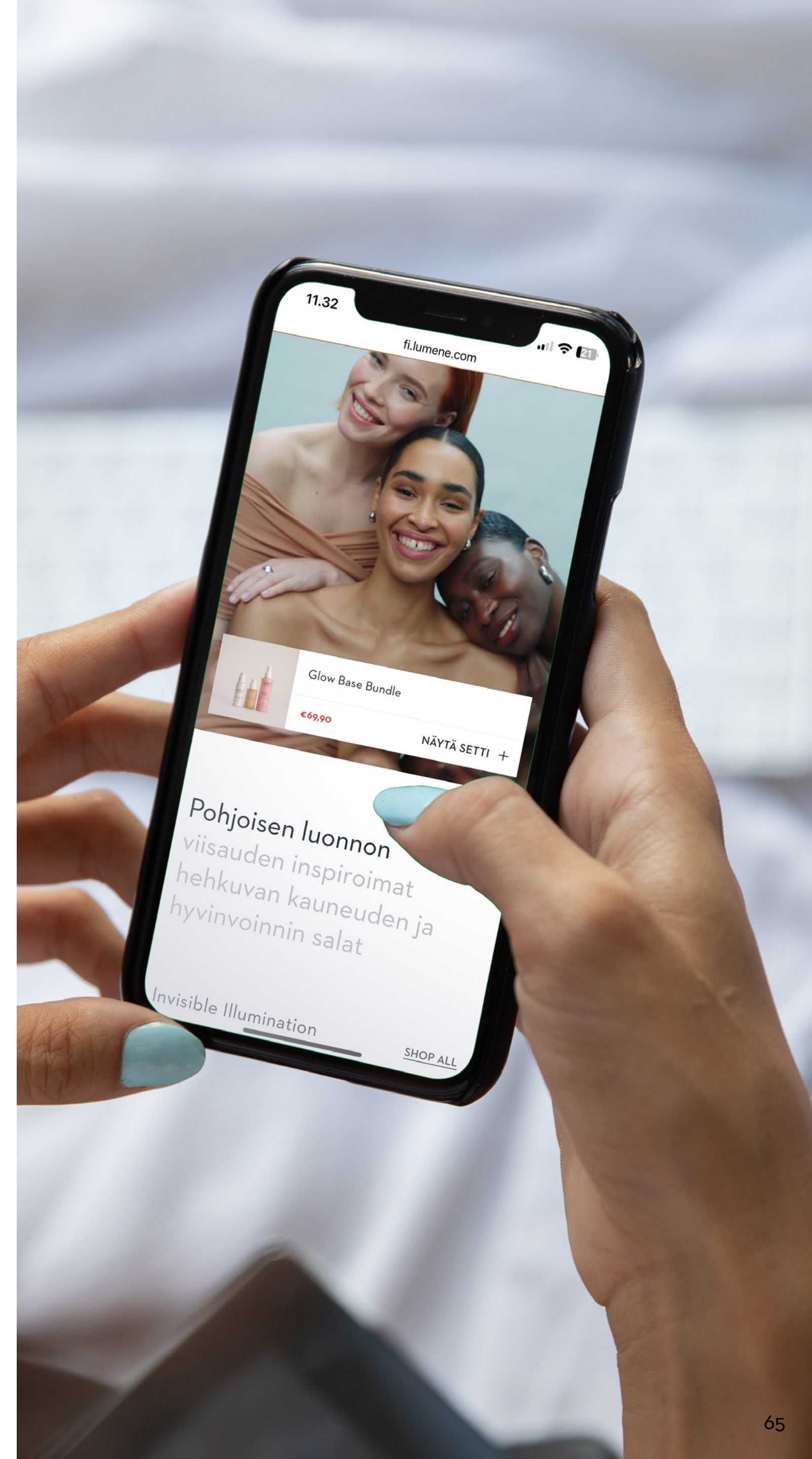
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The Sustainable Brand Index™, Europe's leading independent sustainability survey, aims to enhance awareness of sustainable business practices and their importance for brands. In Finland, where the 2024 survey evaluated 248 brands, LUMENE achieved 2nd place in the beauty industry and ranking 50th across all industries. Meanwhile, in Sweden, the survey assessed 434 brands across 33 industries, and LUMENE secured 2nd place in the beauty industry and ranked 108th across all industries.

The survey is grounded in the ten principles of the UN Global Compact. Through our consumer communication channels, we have successfully conveyed the initiatives we have undertaken to advance sustainable business practices.

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### LUMENE and IDA WARG Beauty reward consumers for recycling beauty products in Sweden, Norway, and Finland

Since 2023, we have partnered with the Swedish recycling app Bower, which supports consumers in recycling product packaging from LUMENE and IDA WARG Beauty in Sweden. In 2024, this collaboration expanded to Finland with the LUMENE brand.

With the Bower app, consumers can earn rewards for recycling their empty beauty packaging. Many recyclable packages are not recycled, so we want to encourage consumers to take part in making the process easier. We can see the effect the lost recycling potential has in our material circularity assessment, and improving the recycling rates of these materials also helps in our efforts to close the gap in material circularity. The Bower app makes recycling simple and offers a clear reward for doing it. By using the app at regular recycling stations, consumers can earn points or money, which can be transferred to their bank account, donated to charity, or used for discounts on future purchases.

LUMENE develops high-performing beauty that feels naturally good.

CUTRIN is a professional hair care brand with gentle, weightless formulations suitable for even the finest hair and most sensitive scalp.

IDA WARG Beauty's brand purpose is to be Your beauty bestie, making moments lovable.



CLEAR, TWO-WAY COMMUNICATION



TRANSPARENCY



CONTINUOUS INTERACTION



OUR LOVE FOR THE NORDIC REGION

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### **Consumer privacy**

Lumene Group is committed to compliance with General Data Protection Regulation (GDPR), Network and Information Systems Directive 2 (NIS2) as well other regulations of privacy and security. Our commitment highlights our responsibility to protect the privacy and security of our customers, stakeholders, and employees. In addition to focusing on privacy related matters, Lumene Group has focused on developing maturity in multiple areas of cyber security. We have chosen to follow a comprehensive cybersecurity and privacy framework to underscore our commitment to compliance and responsibility to develop our earlier policies and risk management even further.

We have started our journey with ISO 27001 standard series and developed our Information Security Management System (ISMS) which also includes Privacy Information Management System (PIMS). For this, we have started using special platform to collect and manage privacy and information security data. While we will leverage the principles of ISO 27001, our goal is not to obtain certification but to create a tailored and effective security management system that meets our specific needs.

In 2024, we also implemented a Cyber Security Operations Center (cSOC) to monitor, detect, investigate, and respond to threats and risks to our systems and services. By safeguarding the privacy and security of our consumers, employees, and other stakeholders, Lumene Group not only ensures regulatory compliance but also demonstrates commitment to sustainable digitalisation.

Lumene Group did not experience any cyber security related incidents affecting consumers, and there have been no leaks, breaches, or alterations of consumer data this year. The increased use of Artificial Intelligence (AI) has enabled rapid growth of threats and elevated the risk of incidents. Also, as Lumene Group is growing globally, we have already recognised potential threats and risks to our business which are mitigated by enhancing our internal and external information security. Going forward, we will place even greater emphasis on managing privacy and security of our customers and consumers.



# Ethics and compliance

Our sustainability work is based on our ambitions related to product circularity, climate action and social accountability. Corporate governance directs these activities throughout the organisation according to the Lumene Group Code of Conduct and Partner Code of Conduct.

Lumene Group is committed to conducting business in a responsible and sustainable manner, and we expect the same commitment from our business partners. We are not only following the requirements set by laws, but also being accountable, transparent, fair and responsible in our daily operations. With good corporate governance, we support business growth and contribute to inclusivity in society. We want to do business honestly and engage and advance charitable activities through partnerships and cooperation. We respect internationally recognised human rights and avoid all forms of animal testing.

We act in compliance with laws, regulations, good governance practices, and commonly accepted best practices. Lumene Group's responsible business policy commitments are based on full compliance with internationally recognised human and labour rights, Lumene Group's environmental sustainability targets, and international principles on ethical business conduct.

Our key policies related to responsible business conduct, including the Lumene Group Code of Conduct, Partner Code of Conduct, the Environmental Policy, the Anti-corruption Policy, and the Human Rights Statement, form the basis of our ethical foundation. In addition, we have various internal policies and guidelines governing workplace safety, occupational health, work practices, and reward systems.

**Code of conduct sets the requirements**  
The Lumene Group Code of Conduct and Partner Code of Conduct, which the Lumene Group Board has approved, establish the standard for ethical behavior for all our employees and business partners. To foster awareness and provide guidance for responsible decision-making, we regularly train our employees on the Code of Conduct.

Our ethical instructions oblige the entire Lumene Group personnel. Employees are required to sign the Code of Conduct agreement when they are hired. In 2024, we implemented a new training platform that includes a dedicated Code of Conduct training module for employees and enables us to effectively track and address training. Currently, 92% of office employees, 69% of blue collar employees, and 100% of the Lumene Group Board have completed the training and formally committed to upholding the Code of Conduct. The Code is available to all employees in both English and Finnish. Additionally, the Lumene Group Partner Code of Conduct is publicly accessible on our corporate website.

We aim to follow the precautionary principle in all our operations to minimise negative impacts and maximise the positive impacts on our business and the society.

Lumene Group Partner Code of Conduct lays the foundation for our supply chain due diligence and indicates what we expect our suppliers to comply with. It covers topics related to business ethics, as well as social and environmental responsibility. To ensure it remains relevant and effective, we regularly review and refine the Code to address evolving global challenges and standards. Our goal is that all suppliers working with us have committed to our Partner Code of Conduct. Major suppliers are audited at the supplier's premises.

Audits ensure that our suppliers are committed to general requirements, corporate social responsibility, environmental sustainability and good manufacturing practices. We are in the process of updating our supply chain due diligence process to identify risks in the supply chain and to make our work in the area more systematic.

In 2021, Lumene Group finalised a 4-pillar SMETA audit to further deepen the understanding on labour standards, working conditions, environmental performance, and ethics in the business and supply chain. The SMETA audit will be conducted again in 2025.

**Preventing corruption**  
At Lumene Group, we have zero tolerance for corruption. Bribery and corrupt practices are not allowed anywhere in our operations, regardless of location. Lumene Group anti-corruption policy elaborates Lumene Group's corporate governance and Code of Conduct regarding bribery and corruption. We are committed to acting fairly, professionally, and ethically in all our business practices and relationships they entail. We comply with relevant legislation and aim to avoid any conflicts of interests.

We are engaging actively in observing, preventing and blocking bribery and other corruption. We require anti-

corruption also from our business partners and other third parties who operate for Lumene Group. Our Partner Code of Conduct contains an anti-corruption section. We require our Partner Code of Conduct or an equivalent commitment from all our partners, including indirect suppliers and customers. The process of requiring this commitment from our partners commenced in 2023 and remains an ongoing project.

**Risk management**  
At Lumene Group, risk management is a systematic activity, the purpose of which is to guarantee comprehensive and appropriate identification, assessment, management, and monitoring of risks and contingency plans. The aim of risk management is to ensure the successful execution of Lumene Group's strategy, meeting sustainability targets, achieving and maintaining high customer loyalty, talent retention, profitability, and the continuity of business and stakeholder value in relation to all identifiable risks. This is carried out by monitoring and mitigating related threats and risks and simultaneously identifying and managing opportunities.

**Compliance with laws and regulations**  
At Lumene Group we are committed to conducting our business ethically and responsibly in compliance with the laws and regulations as well as in alignment with our Code of Conduct. Risks related to non-compliance include risk of penalties and compensation claims arising from failure to comply with environmental, product or other applicable legislation. Key mitigating actions are included in our risk management process in order to identify and mitigate the possible sanctions derived from failure to comply. During 2024, Lumene Group had no significant cases of non-compliance with laws or regulations that resulted in sanctions or fines either monetary or non-monetary.

**Raising concerns through different channels**  
We want our employees to feel comfortable with voicing dissenting opinions and concerns at the workplace. There are multiple ways to raise a concern within the Lumene Group. The employees are encouraged to share their relevant complaints to the management or to Lumene Leadership Team. We have a continuous process of hearing the employee representatives who are also connected with unions. The health and safety incident-reporting systems collect valuable data about employee concerns and incidents.

Additionally, Lumene Group's whistleblowing channel provides an opportunity for our employees to communicate anonymously and confidentially on suspected wrongdoings or illegal activities affecting

people, our organisation, society, or the environment. The service is a third-party maintained system, and it is available in three languages.

The whistleblowing channel is also available in our Group's website for our external stakeholders providing a separate channel for them to report misconduct on our part. We encourage the external stakeholders primarily to contact a manager at Lumene Group, but the anonymous whistleblowing tool ensures that we receive feedback even if the person feels that they cannot be open with their concern. In 2024, Lumene Group did not receive reports through the whistleblowing channel. Had any reports been received, they would have been processed appropriately and presented quarterly to Lumene Group's Audit Committee and the Board by the Group CFO as part of our standard procedure.

## OUR CODE OF BUSINESS PRINCIPLES:

We comply with the laws and regulations of the countries in which we operate.

We respect human rights throughout our whole value chain.

We promote safe, healthy and equal working conditions.

We develop, manufacture, market and sell safe and sustainable beauty products and maintain good communication.

We establish mutually beneficial relations with our business partners.

We fulfil our responsibilities in the societies and communities where we operate.

We promote continuous improvements to reduce our environmental impact.

We engage in fair competition and avoid conflicts of interest.

We do not give or receive bribes or other improper advantages.

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# Managing sustainability

The Lumene Group sustainability strategy is the backbone of the company’s sustainability activities. Our B Corp certification, and the high standards it sets, further strengthens and formalises our commitment to sustainability across the organisation, as we continue offering high performing sustainable beauty products for a better future.

The sustainability programme, supported by dedicated sustainability core teams, establishes a systematic framework for clear decision-making, effective target setting, and transparent reporting practices.

**Sustainability governance model**

The Board of Directors (hereafter referred to as ‘the Board’) and CEO have the overall responsibility to manage the company’s sustainability. The Board is responsible for ensuring the proper organisation of the company’s business, and approving the strategic goals and principles of risk management including the company’s sustainable development.

The Board currently has two committees: Audit and Remuneration committee. Both committees are composed of individuals who serve on Lumene Group’s Board. The Audit Committee is responsible for ensuring that Lumene Group operates in an ethical environment and complies with laws and regulations. The Audit Committee is also charged with oversight of financial reporting, risk management and internal controls. The Remuneration Committee is responsible for preparing and overseeing the company’s remuneration principles and practices.

Charged with the oversight of financial reporting, risk management and internal controls, the Audit Committee also is responsible for selecting the public accounting firms that serve as Lumene Group’s external auditors.

The CEO leads the Lumene Group Leadership Team in creating and implementing Lumene Group’s strategic direction, ensuring ambitious sustainability targets, and promoting good corporate governance. The Leadership Team, under the CEO, oversees the company’s strategy, manages daily business, and works towards sustainable practices to optimise performance and achieve business targets. Managers and personnel actively contribute to sustainability through collaborative meetings and daily operations, with sustainability goals integrated into

employees’ development objectives. Training and supervision by the sustainability department ensure the implementation of relevant processes and practices.

**Identifying material topics**

Lumene Group’s sustainability work is concentrating on the material topics in which the company has the biggest impact. We follow the global megatrends and trends in the sustainability field, changes in legislation, as well as input from our stakeholders.

In 2023, we began preparing for the double-materiality assessment (DMA) and reporting in alignment with the European Corporate Sustainability Reporting Directive (CSRD), focusing on identifying and assessing material sustainability impacts, risks, and opportunities within the framework of the European Sustainability Reporting Standard (ESRS). The first step of our DMA involved multiple workshop sessions where teams of internal experts from all group functions analysed their current and potential environmental, social, and economic impacts. The participants proceeded in this assessment by mapping our value chain, activities, and business relationships, and addressing challenges specific to the beauty industry. In addition, we continuously monitor insights from several different sources, including corporate reports, hard and soft law, news, social media, commercial and sustainability seminars, our customers, and suppliers, to gain a comprehensive view of the beauty industry.

In 2024, we continued the DMA with a stakeholder survey and stakeholder interviews to gather more in-depth information from our external stakeholders throughout our value chain. The input gained from the stakeholders was added to the internal assessment to establish a cohesive understanding of our perceived material topics. After this, the DMA was finalised by the Group’s Leadership Team and the thresholds for CSRD reporting were set. In the end of 2024, the DMA for CSRD reporting was approved by the Lumene Group Board.

**Material topics for 2024 GRI reporting**

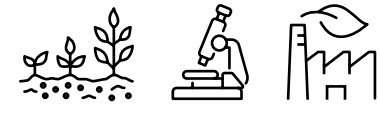
The material topics for Lumene Group’s GRI reporting have remained consistent since the publication of our first GRI report in 2019. While there have been minor adjustments and simplifications to topic titles over the years, the core material topics have continued to reflect the most significant areas of impact.

For the 2024 reporting period, the previously defined material topics were aligned with those identified in the DMA process. In preparation for the transition to the ESRS in 2025, the material

topics for the 2024 GRI report were intentionally retained as the same they were in 2023, given the strong alignment with the CSRD DMA’s topics.

The thirteen key impact areas identified remain highly relevant and continue to form the foundation of our GRI report. The material topics, which have remained unchanged from the 2023 report, are listed below:

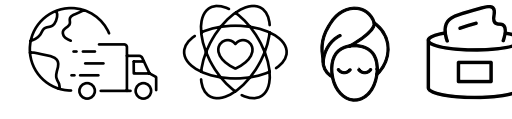
<b>Environmental</b>	Biodiversity
	Climate and emissions
	Circular formulations & packaging
	Product safety
	Waste management and recycling
	Water resources management
<b>Social</b>	Diversity, equity and inclusion (DE&I)
	Employee health and safety
	Investing in the work community
	Sustainable sourcing
	Transparent dialogue with our consumers
<b>Corporate governance, business ethics</b>	Financial responsibility
	Good corporate governance



Upstream



Lumene Group own operations



Downstreams

Environmental		
Scope 3 emissions from purchased goods and services	Climate and emissions Scope 1 & 2 from energy consumption	Scope 3 end-of-life of products
Circular formulations & packaging		
Water resources management		
Biodiversity		
Sustainable sourcing	Waste management and recycling	
Social		
Sustainable sourcing	Employee health and safety	
Diversity, equity and inclusion (DE&I)		
Product safety		Investing in the work community
Transparent dialogue with our consumers		
Governance		
Good corporate governance		
Financial responsibility		

Our sustainability work is guided by stakeholder expectations, megatrends, and our corporate strategy based on operational experience. In addition, we adhere to the following codes and standards:

Code of Conduct | Partner Code of Conduct | B Corp certification | ISO 9001 Quality Management System | ISO 14001 Environmental Management System | cGMP ISO 22716 | Responsible Care® | SMETA | European Sustainability Reporting Standards (ESRS)

75% of our employees had at least one sustainability related objective.

Top Management	<b>Lumene Group Board of Directors</b> approves the strategic goals and principles of risk management including the sustainable development targets.	<b>Audit Committee</b> reviews and approves the strategic goals and principles of risk management including the sustainable development targets.
	<b>Remuneration Committee</b> prepares and oversees the company's remuneration principles and practices, including compensation for the Group CEO and senior executives.	
	<b>CEO</b> has overall responsibility to lead the Leadership Team in its work to create, plan and implement the strategic direction of the group, securing that we reach our ambitious sustainability targets and respect good corporate governance.	
Sustainability working groups	<b>Lumene Group Leadership team (LLT)</b> is responsible for the management of the day-to-day business and efficient implementation of the strategies to maximise the group performance including our ambitious sustainability targets	
	<b>Sustainability steering group</b> is responsible for reviewing and refining proposals from the sustainability department, ensuring alignment with the company's strategic goals, before submission to the LLT and Board for decision-making.	
	<b>Sustainability function</b> is responsible for sustainability strategic planning, development and leading the initiatives. The function leads the double materiality assessment and reporting process ensuring processes and policies are in place, provides consulting, training and follow-up on sustainability targets.	
Organization	<b>Sustainability core teams</b> are responsible for executing the sustainability strategy within their respective functions. They take ownership of implementing initiatives, embedding sustainability goals into daily operations, monitoring progress, and driving continuous improvement in collaboration with the sustainability function.	
	<b>Business functions</b> integrate sustainability initiatives and targets into their annual planning, embedding them into their activities and processes.	
	<b>Managers</b> play a key role in leading by example, fostering a culture of sustainability, and ensuring their teams align with the company's sustainability objectives. Managers are also responsible for supporting their teams in setting and achieving sustainability goals.	
		<b>Employees</b> are encouraged to actively contribute to sustainability in their day-to-day work. It is highly suggested that every employee's development plan for 2024 includes at least one sustainability goal.

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# Stakeholder engagement

Open dialogue with our stakeholders across the value chain is essential for achieving our sustainability ambitions. Engaging with our stakeholders not only strengthens relationships but also provides valuable insights into our impacts, risks, and opportunities. We have identified seven key stakeholder groups with whom we communicate regularly, tracking their expectations, needs, and requirements through various channels.

Our stakeholder engagement includes both structured and ad hoc communication, complemented by regular stakeholder surveys. In 2024, the stakeholder survey revealed that most topics from the ESRS are considered important for Lumene Group to address. In follow-up interviews, stakeholders emphasised the significance of climate change, circularity, and supply chain working conditions, while also highlighting the need for collaboration and value chain cooperation.

Stakeholders most frequently access sustainability information through Lumene Group's website, social media platforms, and marketing campaigns. Feedback from customers and consumers plays a critical role in helping us meet their expectations and develop products that align with their preferences.

Internally, we systematically gather insights through quarterly eNPS surveys and an annual organizational capability survey to understand employee experiences and assess the quality of leadership.

In addition to conducting surveys, we also receive information through social media, and meetings with our stakeholders. Our stakeholder engagement also includes active membership of trade associations, responding to consultations and requests for information and answering customer surveys. We participate in benchmarking and transparency initiatives, including e.g. CDP and Responsible Care.

## Initiatives and Associations

We collaborate with several non-governmental organisations, research institutes, industry organisations, and associations as we recognise that they are important partners for us in developing and broadening understanding of our impacts and future expectations. We believe that collaboration with different entities across the value chain and beyond is needed to get input on societal and sustainability matters. The following list contains a selection of the key associations and institutes that we collaborate with.

- Finnish Cosmetic and Hygiene Industry Association
- The Chemical Industry Federation of Finland
- Responsible Care
- The Swedish Cosmetics, Toiletries and Detergents Association (KoHF)
- British Beauty Council
- The Finnish Allergy, Skin and Asthma Federation
- The Arctic Flavours Association
- The Finnish Association for Nature Conservation (FANC)
- Extended Producer Responsibility Associations
- Forest Stewardship Council®, FSC
- Finland The Association for Finnish Work
- Nordic Travel Retail Group
- Helsinki Region Chamber of Commerce
- DNV GL
- Finnish Quality Association Helsinki
- Vocational College and other vocational schools providing education in hairdressing & beauty care
- Oulu University
- VTT Technical Research Centre of Finland Ltd

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Key stakeholders	Engagement and channels for interaction	Key topics and concerns	Have we met the expectations of our stakeholders
Consumers	Consumer surveys, customer service at point of sales and online, social media, self-evaluation of products	Consumers expect safe, effective, environmentally and socially-conscious products, articulated through responsible marketing and clear product information. Consumers appreciate being heard and having influence. They expect business to minimise the environmental impact of products and processes. Lumene Group follows several policies to ensure product safety and a sustainable environment, for example cGMP ISO 22716 and Responsible Care. All marketing materials are supported by adequate and appropriate evidence including package labelling. All consumer feedback is processed.	We are recognised as a responsible brand with safe and effective products by our consumers. We are and need to continue improving on our diversity and inclusion performance.
Customers	Continuous dialogue, customer meetings, customer surveys and interviews	Customers around the world expect safe and environmentally friendly product selection. They value promoting trends and bringing innovations to create consumer buzz and support positive market development. The contribution to employment in the value chain is important to this stakeholder group.	We are further building a product assortment that considers sustainability aspects both environmentally and socially. We support our customers with their sustainability initiatives, e.g. acting to prevent climate change.
Partners (service providers, authorities, non-governmental and other organisations, unions)	Regular meetings, events and visits, activities in organisations	Our partners include e.g. advertising agencies, schools, universities, research centres, different associations and unions. They expect us to listen to our customers, treat our employees equally and take care of the environment. We function as an engaged participant, providing and receiving input on pertinent issues.	We engage through dialogue with our partners and conscientiously take a proactive role in sustainable development.
Media	Continuous and active dialogue with media and influencers through meetings, events, enquiries and press releases	Transparent and topical communication is expected by the media. In 2023, we launched a corporate website covering the whole Group for an enhanced stakeholder communication. We are often expected to be a local, Finnish expert on wide array of subjects related to beauty or consumer industry.	Using social media platforms, we shared real-time updates on environmental progress. Engaging in interviews, we provide insights into our sustainability journey. Collaborating with media partners, we produce educational content, amplifying our commitment to sustainable beauty awareness.
Employees	Continuous dialogue, employee surveys, performance and development reviews, internal meetings, (e.g. DE&I ambassadors), discussion forums	Employee experience, well-being and safety at work. Possibilities for personal development are important. Open financial information and minimising environmental impacts are expected from the employer. Lumene Group has an action plan to promote employee well-being, training and equality.	We are implementing our plan that is drawn according to the organisational Capability Surve and Culture Due Diligence project to provide a safe and great workplace for diverse talents.
Owners, investors and board	General meeting, board meetings, regular reporting and regular dialogue	Owners, funders and the board expect us to deliver sustainable and growing revenues together with financial returns. With our owner, Verdane, we share the principal of having sustainability as an integrated growth driver and being part of the solution to global challenges.	Maintaining the brand value through circular business model is crucial. LUMENE's focus is upon international growth in key product categories through selected market areas and digital channels.
Suppliers	Regular meetings, supplier audits, reporting	Suppliers we use include e.g. raw material suppliers, contract manufacturers, packaging manufacturers and factory maintenance partners. They expect responsible communications, boosting innovations, sustainable procurement and ensuring environmental responsibility. Lumene Group's Partner Code of Conduct also applies to the whole supply chain. Lumene Group is committed to follow the Act on the Contractor's Obligations and Liability on factory partners.	Long-term relations with our suppliers are important to create sustainable beauty products. We engage in collaborative efforts to develop technologies suitable for the creation of innovative products.

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# Economic impact

At Lumene Group, we believe that sustainable business practices are essential in improving long-term economic stability and creating value for every stakeholder. We carefully consider environmental, social and economic impacts in all aspects of our decision-making. By adopting a stakeholder focused approach Lumene Group aims to create a new narrative for business which prioritises improving communities and lives through stakeholder value, rather than solely generating profits for shareholders. Our commitment to strong governance and high social responsibility standards not only supports shareholder wealth but also enhances the overall attractiveness of the organisation.

Through Lumene Group's supply chain and distribution, we create economic value and support global job creation also at the level of small to medium sized enterprise. Stable and profitable business also contributes to Finland's economy. We are committed to boosting employment in Finland by choosing local partners and subcontractors whenever possible and reasonable.

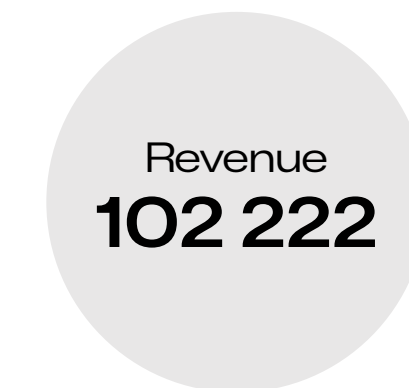
**Tax payments and policies**

Lumene Group is committed to complying with all applicable tax laws, rules, and regulations in every jurisdiction where we operate. We pay taxes in the countries where our business activities are conducted. Additionally, we ensure that we do not pay excess taxes and capitalise on tax deductions in accordance with local regulations.

In addition to direct income taxes, we contribute to society through pension and social security contributions, payroll taxes, value added taxes (VAT), customs and excise duties, real estate and environmental taxes. Payroll-related tax payments and VAT constitute the largest part of our tax footprint.

Our business models and operational locations are based on commercial reasons and taxes are paid according to value creation. Our transfer pricing policy is based on the arm's length principle, and we apply transfer prices in our intra-group transactions to reflect where the value is created, ensuring the right to tax the profits accordingly. We comply with the OECD Transfer Pricing Guidelines as well as local transfer pricing regulations in the countries where we operate. To ensure transparency in taxation, we are committed to complying with all applicable tax reporting obligations and promptly providing the necessary information to tax authorities when requested.

Lumene Group retained economic value 2024, thousand €



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# Reporting principles

This Lumene Group Sustainability Report 2024 has been prepared in accordance with Global Reporting Initiative (GRI) Standards, Core Option.

The “Lumene Group” refers in the report to LUMENE Holding Oy (ID 2377938- 7) and its subsidiaries LUMENE Oy (2377940-8), CUTRIN Oy (2443709-8) and LUMENE Eastern Holdings Oy (1925219-5) in Finland, IDA WARG Beauty Ab (559228-0191) in Sweden, and North America LLC in the USA. The Swedish beauty brand IDA WARG Beauty AB, acquired in early 2024, is included in the reporting, and any exclusions are clearly stated.

Lumene Group’s annual report consists of an annual business review, governance report, and sustainability report. Additionally, the Group’s financial statements are published annually in the trade register. These reports, published on a calendar-year basis, provide a comprehensive overview of our operations, financial performance, governance practices, and sustainability commitments.

The sustainability report contains information on Lumene Group’s sustainability performance in the period of January 1 to December 31, 2024. Some indicators also include historical data. The previous Sustainability Report 2023 was published in April 2024, and we publish corporate sustainability information annually.

In the report, we follow the Lumene Group’s Leader in circular beauty sustainability strategy. In addition to the standards reported in 2023, the following standards are now included:

- GRI 101: Biodiversity 2024,
- GRI 308: Supplier Environmental Assessment 2016, and
- GRI 414: Supplier Social Assessment 2016

### Restatements for the previous years’ reports:

- According to Lumene Group Emission Baseline Year Recalculation Policy, we have included the IDA WARG Beauty Ab’s emissions for years 2021-2023.
- For Scope 1, we have refined our calculations based on updated data from our oil supplier regarding the energy value of bio-oil. As part of this update, we also adjusted the consumption figures to ensure consistency with historical data, improving the accuracy of our reporting.
- For emission calculation, we have included the sold electricity to our partners during years 2020-2024 as part of our downstream leased assets emission category.
- In 2023, the median % of salary increases was calculated as an average, not median, and this is corrected to median (4,42% > 2,20%) in the 2024 report.

### Data collection and measurement

In this report, metric tonnes are used as the mass unit. The data for material usage is obtained from the SAP system, and an additional R&D

tool specific for cosmetics has been used for cosmetics formulations and ingredients. For packaging, the material data is based on sold products, and for ingredients the data is based on manufactured units.

The material circularity percentage is calculated using the CTI V4.0 framework for our own beauty brands LUMENE, CUTRIN, and IDA WARG Beauty. The data used in the calculations is retrieved from both internal systems and partner sources. The data regarding ingredient inflows, material usage, product compositions, product sales, and marketing material deliveries, is retrieved from the SAP system. The origin and biodegradability details of ingredients used in the products are based on the ingredient information provided by the suppliers and internally stored in a cosmetics ingredient managing platform. Waste quantities are based on the reports provided by our waste handling partners, or our own bookkeeping. As according to the CTI V4.0 framework, water is not included in the CTI calculations as an ingredient in the products. Water circularity is assessed separately and is based on water flow data retrieved from water meters in the headquarters and production.

After the acquisition of IDA WARD Beauty, we incorporated the brand’s emissions into our GHG inventory. For 2023 and 2024, we applied the same calculation methods to IDA WARD Beauty as to Lumene Group. To ensure consistency in our emissions reporting, we also retrospectively adjusted the emissions in our baseline year (2021) and the year 2022 by adding estimated IDA WARG Beauty emissions based on extrapolating the calculated 2023 emissions with corresponding net sales ratios for these years.

The energy consumption figures are obtained from web-based services from the suppliers, except for figures from Neste Oil consumption which are obtained from the invoices as kWh until 2023 and from oil meter readings as litres in 2024 and converted then into GJ. For the heating value conversion factor for oil, the source is Neste Renewable Diesel Handbook.

The employee-related data is derived from statistics collected by human resources. The data presented covers our permanent and temporary employees and is expressed total head count of active employees at year end. Health and safety data concerns our own employees, facility service employees on-site, employees in the on-site restaurant, and employees in production and at the outsourced warehouse. The environmental data including waste, GHG emissions, energy use and water consumption, are reported for our factory. The environmental efficiency indicators for energy, greenhouse gas (GHG) emissions and water consumption are based on manufactured units. Financial information originates from the financial reporting processes.

### Data on climate impact calculations

In 2021, we began calculating and monitoring the climate impact of our own operations and the entire value chain. In our emission calculation, all six Kyoto Protocol gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>) are considered. For greenhouse gas emissions, the data collection, management and handling, as well as the calculations and methodology (Scopes 1, 2 and 3) we follow the Greenhouse Gas Protocol corporate

standard, and it is based on the operational control approach. The data collection is done with a third-party services including consultation for data accuracy.

Emissions are calculated by multiplying the consumption or activity data value with an emission factor. The emission factors are chosen from databases like Ecoinvent, Ademe, Defra and through our service provider’s library, in which the factors are modelled based on scientific studies or international governing bodies. The GWP values used in the calculation is IPCC’s AR4 provided by national agencies such as FR ADEME or UK DEFRA. All energy types are included in the intensity ratios.

### Scope 1 – Direct emissions:

Direct greenhouse emissions that occur from sources that are controlled or owned by the organisation (e.g. emissions associated with fuel combustion in boilers, furnaces, vehicles). We do not use any gas to produce energy, and the company does not own any vehicles of its own. Refrigerant leaks have not occurred, but we actively track and prevent these occurrences. The oil we use is from a renewable source and the emission calculation is based on an emission factor from our energy provider’s certificate. We have biogenic emissions related to renewable oil and heat usage. This has been kept separate since the emissions do not constitute a major share of the total emissions.

### Scope 2 – Indirect emissions:

Indirect emissions comprise those from a secondary source, such as electricity and heat energy, but are linked to our own operations. Energy (electricity and heat) emissions are calculated using dual reporting method which includes a location-based method and a market-based method. Location-based method models the emissions from our energy consumption based on the power / distribution grid’s average emission intensity. Emission factors used are chosen from our emission calculation platform database. The market-based method models the emissions from the energy we have purchased, with an energy attribute certificate, GoO (guarantee of origin). The emission factor in the market-based method is zero, based on GoO-certificate.

Between 2020 and 2024, we sold electricity to three external parties. The invoiced consumption data was derived from readings of the respective electricity meters.

### Scope 3 – Value chain emissions:

Category 1 – Purchased goods and services: These emissions correspond to the purchased cosmetics ingredients, packaging materials and services for marketing, maintenance, health services, etc. For the raw materials, the emissions are calculated as sum of quantities of goods purchased (t) multiplied with the emission factor of the substance (tCO<sub>2</sub>e/t). For services, we are using mostly a spend-based method, where we use average emissions per monetary value of goods. However, as we aim for higher accuracy in our tracking, we are dynamically shifting towards an activity-based method. The water consumption data is obtained from water meter readings.

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Category 2 – Capital goods: This category covers emissions for machinery & equipment including our investments to our production and IT supply. We use an average spend-based method for production machinery and physical factors for IT machinery.

Category 3 – Fuel and energy-related activities (not included in Scopes 1 or 2): These are emissions which relate to transmission and distribution losses from the energy supply. These are not included in our Scope 1 emissions and are therefore included in Scope 3. These location-based emissions for our electricity, oil, and heat usage are calculated according to the electricity combustion in Finland and factors provided by energy providers.

Category 4 – Upstream transportation and distribution: These are the emissions related to our inbound logistics. Emission factors are based on distance, weights of goods transported, and the transportation method. The sources for emission factors are mainly the databases, but also service providers' specific factors based on scientific studies are used when available.

Category 5 – Waste generated in operations: Waste generated in our factory and headquarters. The data is categorised by the processing method, e.g. being recycled, incinerated, composted, construction waste, hazardous waste.

Category 6 – Business travel: Emissions corresponding to business travel of our employees. Flights and travelling by car are based on the kilometres travelled, while other categories (taxis, trains, hotel nights) are based on spend. Data is collected from our business travel management system.

Category 7 – Employee commuting: These emissions cover the employee commuting from and to our offices and factory. These emissions are calculated through a survey that our employees in all our offices answer. We also have separately calculated employee commuting emissions for our warehouse and catering partners.

Category 8 – Upstream leased assets: These emissions are related to our factory and headquarter rent, and to the sales offices we have in different markets. The emissions are calculated with a spend-based method. Additionally, we have included leased printers in the headquarters.

Category 9 – Downstream transport and distribution: Outbound logistics emissions related to transporting goods to our customers. Emission factors are based on distance, weights of goods transported and the transportation method.

Category 10 – Processing of sold products: Not applicable for our products.

Category 11 – Use of products: The use phase is not covered in our emission calculation. This could be energy related to the use of washing products like shampoos and facial cleansing products.

Category 12 – End-of-life treatment of sold products: For this category we have calculated the end-of-life treatment of our product packaging. The calculation is done based on market

shares and considering different end-of-life methods (recycling, incineration, landfill) depending on the materials. Since we aim using cosmetics ingredients which are naturally derived, we are not considering the end-of-life of the formulations. Since the packaging end-of-life emissions are only a small amount of our emissions, we assume that the emissions for the end-of-life for cosmetics ingredients are also minor.

Category 13 – Downstream leased assets: This category includes emissions associated with electricity use in rented office spaces. It covers electricity purchased by Lumene and used by partners renting office space within Lumene's facilities. While Lumene does not sell electricity as a business activity, these emissions are accounted for as part of the company's leased assets. Electricity consumption is tracked through metering.

Category 14 – Franchises: Not applicable for our business model.

Category 15 – Investments: Not applicable for our business model.

We have biogenic emissions related to renewable oil usage and the biobased packaging materials which are used in the LUMENE moisturizer jars. This has been kept separate as recommended by GHG protocol.

### **Reporting boundaries**

Lumene Group has both direct and indirect impacts on the material topics identified. The material topics and reporting boundaries are visible in the adjacent table.

### **External Assurance**

An independent third party, KPMG Oy Ab, has provided assurance for the Topic specific Disclosures on economic, social and environmental responsibility presented in the GRI index. The conclusions by KPMG Oy Ab are detailed in the assurance report. The assurance is commissioned by the operative management of Lumene Group.



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Theme	Material topic 2024	GRI Standard 2024	Boundaries	Policies and principles
<b>Leader in circular beauty</b>	Circular formulations & packaging	GRI 301: Materials Lumene Group	Lumene Group	Environmental policy, Circularity and product design policy, IPR-strategy, Quality policy
	Product safety	416: Customer Health and Safety 2016	Consumers	EU Cosmetics Regulation, ISO 22716 cGMP, PMS, ISO 9001, ISO 14001
<b>Climate action, CO<sub>2</sub> emissions &amp; biodiversity</b>	Climate and emissions	302: Energy 2016, 305: Emissions 2016	Lumene Group	Environmental policy, Science based targets initiative
	Biodiversity	101: Biodiversity 2024	Suppliers	Environmental policy, Biodiversity policy
	Waste management and recycling	306: Waste 2020	Lumene Group factory and headquarters	Environmental policy, waste handling instructions, recycling guidelines and training
	Water resources management	303: Water and Effluents 2018	Lumene Group factory and headquarters	Environmental policy, WaterSmart program, validated washing instructions, industrial waste water agreement
<b>Social accountability</b>	Sustainable sourcing	204: Procurement Practices 2016	Suppliers	Supplier strategy, Sourcing policy, Partner Code of Conduct
		GRI 308: Supplier Environmental Assessment 2016		
	Employee health and safety	403: Occupational Health and Safety 2018	Lumene Group our own employees, on-site external workforce, facility service personnel, on-site restaurant staff, and employees working in production and the outsourced warehouse.	OHS occupational safety action plan, OHS policy, Work risk assessment, Finnish laws and acts
	Diversity, equity and inclusion (DE&I)	405: Diversity and Equal Opportunity 2016	Lumene Group	Personnel strategy, equality and non-discrimination plan
	Investing in the work community	404: Training and education 2016	Lumene Group	Personnel strategy, equality and non-discrimination plan
	Transparent dialogue with our consumers	417: Marketing and labelling 2016	Consumers	Strategy, communication principles, annual calendar for campaigns and launches
418: Customer Privacy 2016		Consumers	Description of the Group's compliance with the GDPR, Information Security Policy	
<b>Corporate governance, business ethics</b>	Good corporate governance	205: Anti-corruption 2016	Lumene Group	Code of Conduct, Anti-corruption policy, Partner Code of Conduct
	Financial responsibility	201: Economic Performance 2016	Lumene Group	Strategy, 5-year business plan, budget, forecast

# Data in tables

## Direct economic value generated and distributed

	2018	2019	2020	2021	2022	2023	2024
<b>Economic value generated (EUR)</b>							
Revenues	70 217 018	74 670 187	68 137 758	74 395 473	78 987 208	83 000 828	102 222 987
<b>Economic value distributed (EUR)</b>							
Operating costs	50 424 468	51 760 640	47 474 111	49 688 548	44 719 458	56 373 297	70 235 060
Employee wages and benefits	18 632 589	17 116 867	16 023 853	18 641 228	17 835 899	20 216 14	22 363 880
Payments to providers of capital	3 537 414	3 337 637	3 329 422	3 371 979	469 867	55 899	422 093
Payments to government	113 311	221 935	195 514	371 356	339 629	-30 950	539 645
<b>Economic value retained (EUR)</b>	<b>-2 490 763</b>	<b>2 233 108</b>	<b>1 116 858</b>	<b>2 322 362</b>	<b>2 880 896</b>	<b>6 386 566</b>	<b>8 662 310</b>

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## Our people

Table 1: Employees per country and gender by employment contract

		Permanent		Temporary		Total
		Male	Female	Male	Female	
<b>Finland</b>	2024	53	241	0	23	317
	2023	55	221	2	18	296
	2022	53	228	4	25	310
	2021	52	251	2	17	322
	2020	50	241	0	14	305
<b>Other countries</b>	2019	41	231	0	10	282
	2024	9	29	0	0	38
	2023	6	17	0	0	23
	2022	3	17	0	0	20
	2021	3	11	1	0	15
	2020	4	7	0	0	11
	2019	3	8	1	0	12

Other countries include Sweden, UK, US, Estonia, Spain and Germany. They have been combined to give a coherent view on the employment spread. This reporting way also enables us to give information in confidential matter.

Table 2: Employees per country by employment type and gender (including only permanent employees)\*

		Full-time		Part-time			
		Male	Female	Variable hours		Fixed hours	
				Male	Female	Male	Female
<b>Finland</b>	2024	52	178	0	48	1	15
	2023	56	172	0	52	1	15
	2022	53	164	0	64	0	0
<b>Other countries</b>	2024	9	27	0	0	0	2
	2023	6	16	0	0	0	1
	2022	3	16	0	0	0	1

Includes only permanent employees. Due to a change in reporting methods, a longer history is not reported this year.

Table 3: Total Remuneration

	2022	2023 *)	2024*)
<b>Ratio of annual total compensation: highest -paid individual** / median of all other employees</b>	10,9	8,8	7,3
<b>Ratio of total compensation: blue collar men/women</b>	1,13	1,08	1,15
<b>Ratio of total compensation: white collar men/women</b>	1,20	1,28	1,31
<b>Ratio of total compensation: senior salaried men/women</b>	1,11	1,16	1,66
<b>Ratio of total compensation: men / women directors</b>	1,34	1,11	1,12
<b>Median of salary increases</b>	1,6 %	2,20%	3,5%

\*Total remuneration of the employees who have worked full time for the whole year. Employees from all regions included.

\*\*The highest paid individual did not get a pay raise in 2022-2024

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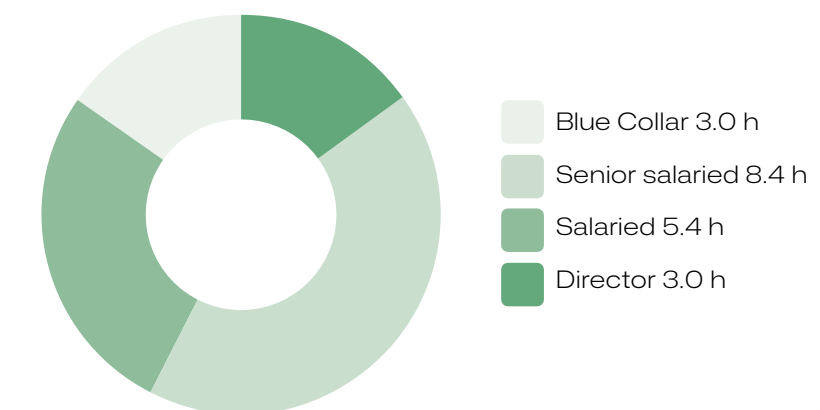
Table 4: Sickness absences

	Year	Sick leave days
Finland	2024	3308 (10,4 days/person)
	2023	3754 (12,3 days/person)

Average training hours (h) by gender

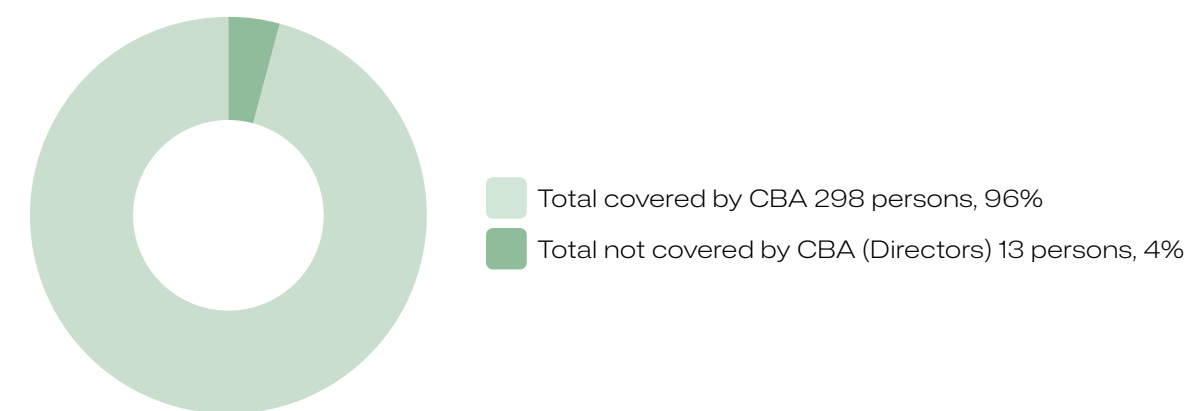


Average training hours (h) by employee group



Finland - covered by CBA 31.12.2024

96% of our personnel in Finland are covered by Collective Agreement.



# Healthy and safe workplace

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Table 1: Work time accidents, near miss, and safety observations

	Internal reporting system	Partner reporting	Total
<b>Near miss/pcs</b>	133	30	163
<b>Work time accident/pcs</b>	4	3	7
<b>Safety observation/pcs</b>	465	907	1372

Internal system reports include accounts from employees in Lumene Group, facility service, and in the factory and few accounts from on-site restaurant partners. The partner reporting observations are obtained separately from the outsourced warehouse and on-site restaurant partners.

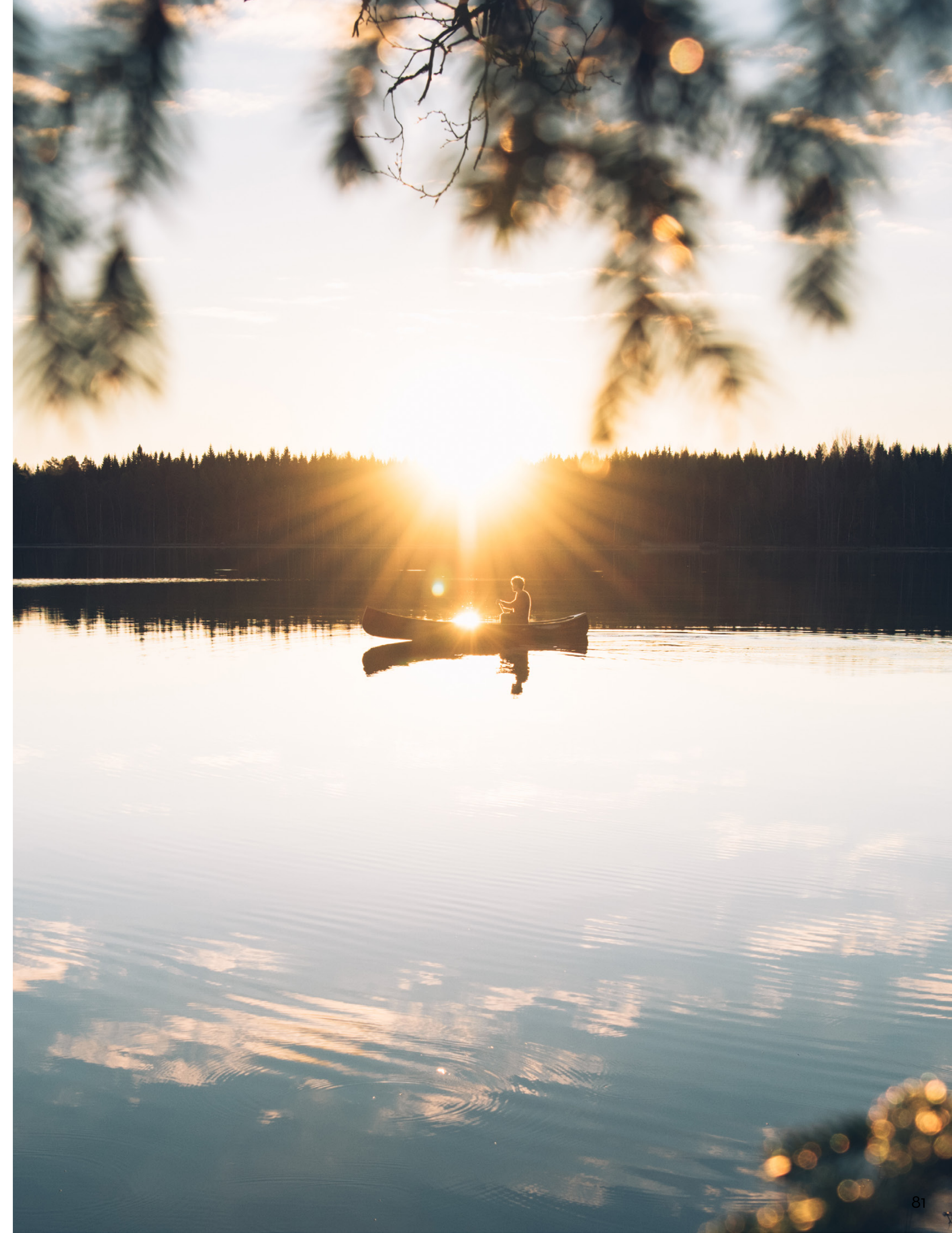
One work time accident was not included in the total reporting. That accident happened to external employee at our premises, but at occupational safety responsibility lied with the contractor's supervisors. Basic orientation of the site given to the contractor.

Table 2: Incidents regarding both Lumene Group and outsourced work

Year	The fatalities caused by work-related accident	Occupational ill health	High consequence injuries
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0

Table 3: Main types of work related injuries (internal reporting system and partner reporting)

Main types of work-related injuries on both own and workforce and outsourced employees	
Injuries caused by errandeous movement by an employee	Injuries caused by errandeous handling of equipment
Falling	Hitting/bruising oneself against against object
Burn injuries	Limb getting pinched between objects
Falling on an object	Stumbling on an object





# Partners & Code of Conduct

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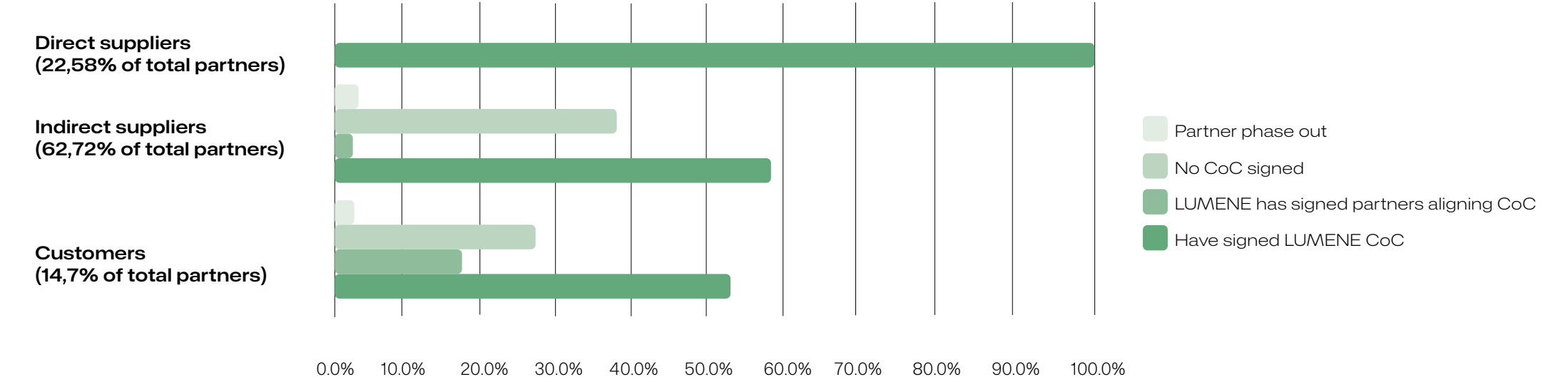
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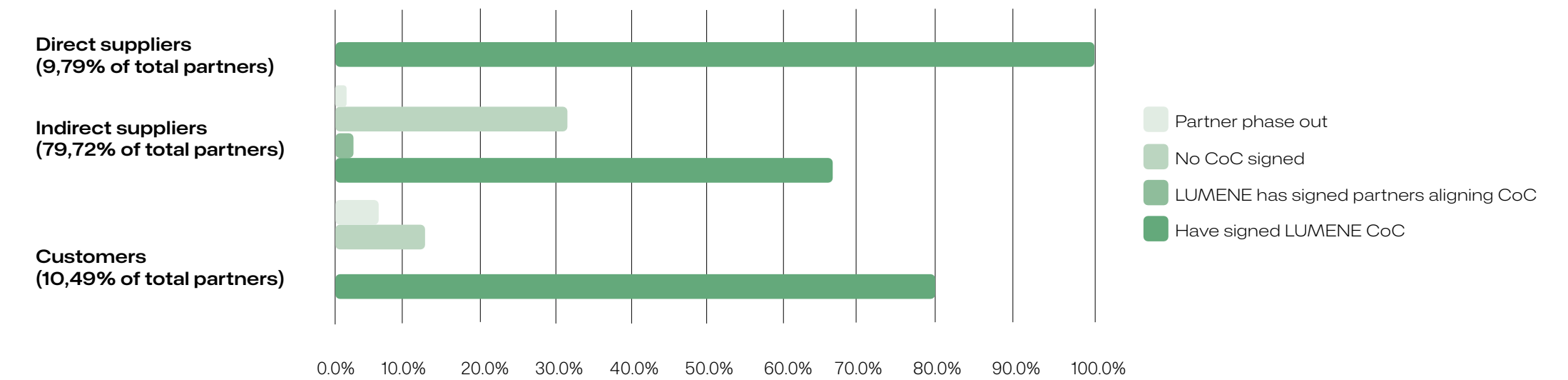
### Global total

	Customers	Indirect suppliers	Direct suppliers	Total
Total number of partners globally	41	175	63	279
Have signed LUMENE CoC	22	101	63	186
LUMENE has signed partner's aligning CoC	7	3	0	10
No CoC signed	11	66	0	77
Partner phase out	1	5	0	6



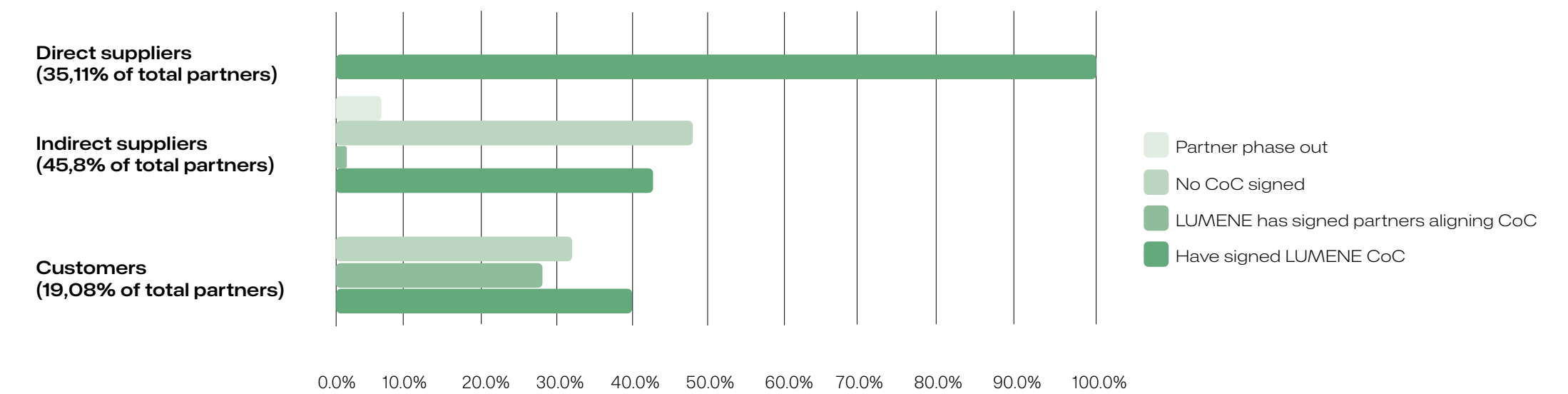
### Finland

	Customers	Indirect suppliers	Direct suppliers	Total
Total number of partners globally	15	114	14	143
Have signed LUMENE CoC	12	75	14	101
LUMENE has signed partner's aligning CoC	0	2	0	2
No CoC signed	2	36	0	38
Partner phase out	1	1	0	2



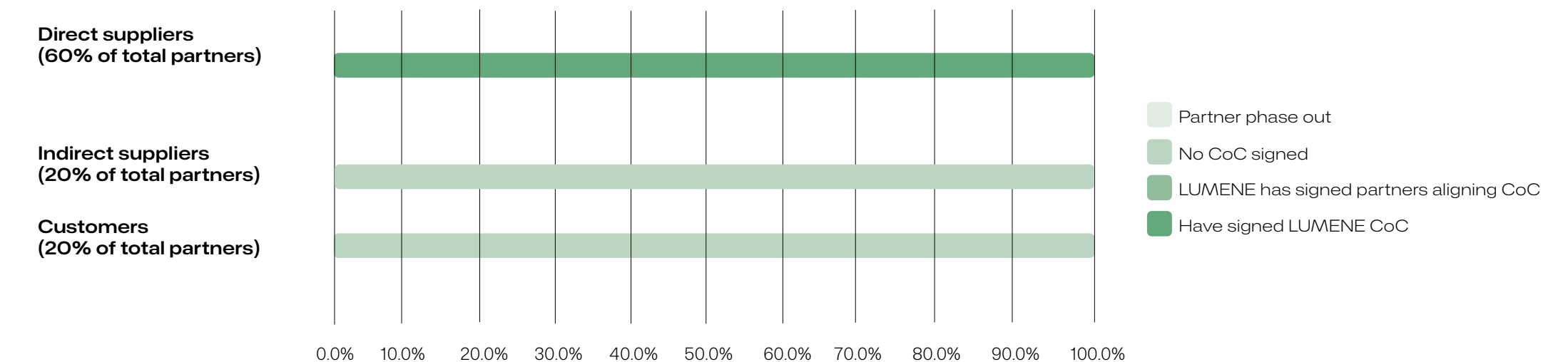
### Other EU

	Customers	Indirect suppliers	Direct suppliers	Total
Total number of partners globally	25	60	46	131
Have signed LUMENE CoC	10	26	46	82
LUMENE has signed partner's aligning CoC	7	1	0	8
No CoC signed	8	29	0	37
Partner phase out	0	4	0	4



### Other regions

	Customers	Indirect suppliers	Direct suppliers	Total
Total number of partners globally	1	1	3	5
Have signed LUMENE CoC	0	0	3	3
LUMENE has signed partner's aligning CoC	0	0	0	0
No CoC signed	1	1	0	2
Partner phase out	0	0	0	0



The total number and percentage of business partners\* that Lumene Group's Partner Code of Conduct, including anti-corruption policies and procedures, have been communicated to. The partners are presented as global totals and separately by regions. \*Lumene Group's largest partners with over 30k € in transactions. The IDA WARG Beauty business partners are excluded from the figures as the integration has not yet been finalized.

# Waste & water

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### Waste by fractions (tn)

	Energy waste	Paper	Cardboard	Wood	Glass	Organic food waste	Confidential materials	Plastic	Metal	WEEE	Disposals (incinerated)	Hazardous waste (incinerated)	Total
2020	75	8	47	29	5	10	3	5	406	2,5	60	10	660
2021	55	10	62	39	8	15	1	8	5	0,7	32	9	245
2022	54	8	62	32	4	24	1	6	5	0,8	82	13	292
2023	51	5	65	27	4,5	25	1	8	4,5	1	57	9	258
2024	68,5	6	74	39	4,5	17	1,5	16	17	2	28	11	284

### Waste and waste recovery

	Tonnes	Recycled (%)	Obtained as energy (%)	HAZARDOUS (% obtained as energy)
2020	660	87	11	2
2021	245	74	22	4
2022	292	77	19	4
2023	258	74	26	3
2024	284	62	38	4

### Water use distribution

	m3 spring water / M pcs produced	m3 tap water, third party fresh water / M pcs produced	m3 RO-water, produced water / M pcs produced
2020	4	1865	55
2021	4,5	1669	56
2022	4	1998	49
2023	4	1681	47
2024	3,5	1581	53

### Solids in waste water

	mg/l
2020	115
2021	125
2022	141
2023	118
2024	83

### Total water use

	m3	m3 per million products
2020	23 000	1 900
2021	23 000	1 700
2022	30 000	2 000
2023	26 000	1 700
2024	27 000	1 600



# Emission & energy



## GHG emissions by scope (tCO2e)

Direct and indirect GHG emissions, Scope 1 and 2	2021	2022	2023	2024	Comparison 2021-2024	%	Comparison 2023-2024	%
<b>1. Direct (Scope 1) total</b>	41,2	15,6	12,7	11,0	-30,2	-73,3%	-1,7	-13,2%
<b>2. Indirect (Scope 2) total</b>	697,4	712,8	677,6	642,4	-55,1	-7,9%	-35,2	-5,2%
2.1 Indirect GHG emission from purchased electricity (location-based)	243,1	240,9	237,2	179,3	-63,8	-26,2%	-57,9	-24,4%
2.1 Indirect GHG emission from imported electricity (market-based)	0	0	0	0	0,0	0,0%	0,0	0,0%
2.2 Indirect GHG emission from imported heat (location-based)	454,4	472,0	440,4	463,1	8,7	1,9%	22,7	5,1%
<b>Scope 1 &amp; 2 total</b>	738,6	728,5	690,2	653,3	-85,3	-11,5%	-36,9	-5,3%
<b>Scope 3 total</b>	10961,9	11631,4	11706,4	10610,4	-351,5	-3,2%	-1096,0	-9,4%
<b>Total</b>	11700,5	12359,9	12396,6	11263,7	-436,8	-3,7%	-1132,9	-9,1%

## Energy consumption

	2021	2022	2023	2024	Change 2021-2024 (%)	Renewable source (%)
<b>Electricity, MWh</b>	2 484	2 458	2 450	2 568	3,38%	100 (hydropower)
<b>District heating, MWh</b>	2 661	2 764	2 579	2 712	1,92%	100 (biofuel, heat waste)
<b>Light fuel oil, MWh</b>	755	858	695	603	-20,13%	100 (waste and residues)
<b>Total, MWh</b>	5 900	6 080	5 724	5 883	-0,29%	100
<b>Total, GJ</b>	21 240	21 889	20 605	21 178	-0,29%	100

	2021	2022	2023	2024
<b>Biogenic emissions (tCO2e)</b>	147,8	195,1	523,6	1164,8

## Indirect emissions, Scope 3 (tCO2e)

	2021	2022	2023	2024
<b>Purchased goods and services</b>	6613,0	8 821,9	9539,5	8251,5
<b>Capital goods</b>	941,6	156,9	121,3	332,1
<b>Fuel- and energy-related activities not included in scope 1 or scope 2</b>	123,3	119,5	115,9	53,7
<b>Upstream transportation and distribution</b>	283,4	144,9	143,8	112,1
<b>Waste generated in operations</b>	131,3	156,2	147,7	159,8
<b>Business travel</b>	836,4	349,5	243,6	328,7
<b>Employee commuting</b>	350,4	340,1	490,7	404,6
<b>Upstream leased assets</b>	835,3	338,0	146,6	63,8
<b>Downstream transportation and distribution</b>	437,4	783,6	456,6	316,0
<b>End-of-life treatment of sold products</b>	259,2	420,6	300,3	587,7
<b>Downstream leased assets</b>	150,7	0,1	0,3	0,4

## GHG Emissions Intensity

	2021	2022	2023	2024
<b>Produced, 1000 pcs</b>	12 213	13 925	15 368	16 836
<b>Emission intensity Scopes 1-2, 1000 pcs produced in Espoo factory*)</b>	0,06	0,05	0,04	0,04
<b>Emission intensity Scopes 1-3, all brands' net sales *) excluding IDA WARG Beauty company's office Scope 2 emissions</b>	0,14	0,14	0,13	0,11
<b>Produced, pcs</b>	12 212 881	13 925 371	15 368 027	16 835 821
<b>IWB electricity tCO2e</b>	0,3	0,4	0,4	0,4
<b>Net sales, all brands, 1000€</b>	82 627,0	89 965,0	94 168,0	102 229,0

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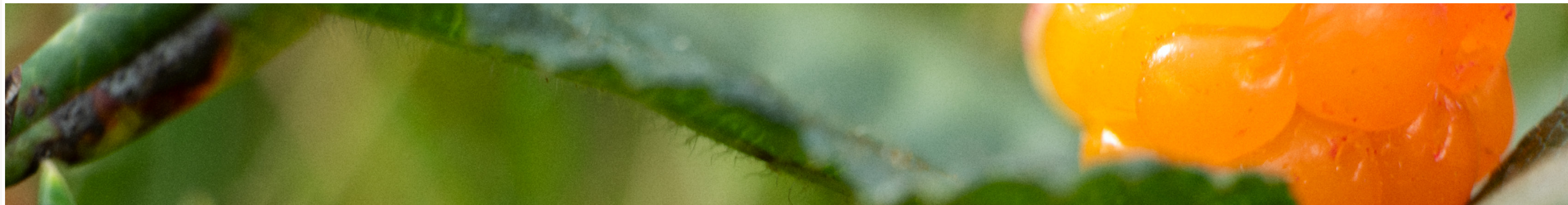
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# GRI index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	ASSURED	
<b>GENERAL DISCLOSURES</b>					
GRI 2: General Disclosures 2021	2-1	Organisational details	76		
	2-2	Entities included in the organisation's sustainability reporting	76		
	2-3	Reporting period, frequency and contact point	76		X
	2-4	Restatements of information	76		
	2-5	External assurance	95		
	2-6	Activities, value chain and other business relationships	22, 28, 36		
	2-7	Employees	56-59, 80		X
	2-8	Workers who are not employees	61		X
	2-9	Governance structure and composition	95		
	2-10	Nomination and selection of the highest governance body	93		
	2-11	Chair of the highest governance body	92		
	2-12	Role of the highest governance body in overseeing the management of impacts	70		
	2-13	Delegation of responsibility for managing impacts	70		
	2-14	Role of the highest governance body in sustainability reporting	71		
	2-15	Conflicts of interest	95		
	2-16	Communication of critical concerns	69		
	2-17	Collective knowledge of the highest governance body	70		
	2-18	Evaluation of the performance of the highest governance body	92		
	2-19	Remuneration policies	92		
	2-20	Process to determine remuneration	58, 70, 92		
	2-21	Annual total compensation ratio	79		X
	2-22	Statement on sustainable development strategy	27-29		
	2-23	Policy commitments	69		
	2-24	Embedding policy commitments	69-70		
	2-25	Processes to remediate negative impacts	70		
	2-26	Mechanisms for seeking advice and raising concerns	69		
	2-27	Compliance with laws and regulations	69		X
	2-28	Membership associations	72-73		
	2-29	Approach to stakeholder engagement	72-73		
	2-30	Collective bargaining agreements	58		X
<b>MATERIAL TOPICS</b>					
GRI 3: material Topics 2021	3-2	Process to determine material topics	70-71		
	3-2	List of material topics	70		
<b>BIODIVERSITY</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	51		
GRI 101: Biodiversity 2024	101-2	Management of biodiversity impacts	51	X	
	101-4	Identification of biodiversity impacts	51	X	
<b>ECONOMIC PERFORMANCE</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	74		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	74	X	
<b>PROCUREMENT PRACTICES</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	63		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	63	X	
<b>ANTI-CORRUPTION</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	69		
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	69, 82	X	
<b>MATERIALS</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	37-38, 41-43		
GRI 301: Materials 2016	301-1	Materials used by weight or volume	34	X	
	301-2	Recycled input materials used	34	Information unavailable. Information currently available for only packaging materials. For cosmetics ingredients upcycled raw materials for skincare product assortment available. For packaging materials, a more detailed breakdown is reported in percentages on page 16.	X
<b>ENERGY</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	46-47		
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	46-47, 84	X	
	302-3	Energy intensity	47, 84	X	
	302-4	Reduction of energy consumption	46-47, 84	The energy reduction is measured as a percentage change in energy consumption and thus includes the impact of external factors (such as weather).	X



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WATER AND EFFLUENTS					
GRI 3: Material Topics 2021	3-3	Management of material topics	50		
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	50, 83	X	
	303-2	Management of water discharge-related impacts	50, 83	X	
	303-3	Water withdrawal	50, 83	X	
EMISSIONS					
GRI 3: Material Topics 2021	3-3	Management of material topics	46-47		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	46-47, 84	X	
	305-2	Energy indirect (Scope 2) GHG emissions	46-47, 84	X	
	305-3	Other indirect (Scope 3) GHG emissions	46-47, 84	X	
	305-4	GHG emissions intensity	46-47, 84	X	
	305-5	Reduction of GHG emissions	46-47, 84	The reduction is measured as a percentage change in emissions and thus includes the impact of external factors.	X
WASTE					
GRI 3: Material Topics 2021	3-3	Management of material topics	49		
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	83	X	
	306-2	Management of significant waste-related impacts	49, 83	X	
	306-3	Waste generated	49, 83	X	
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 3: Material Topics 2021	3-3	Management of material topics	63		
GRI 308: Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	63	X	
OCCUPATIONAL HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3	Management of material topics	60-62		
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	60-62	X	
	403-2	Hazard identification, risk assessment, and incident investigation	60-62	X	
	403-3	Occupational health services	62	X	
	403-4	Worker participation, consultation, and communication on occupational health and safety	60-62	X	
	403-5	Worker training on occupational health and safety	62	X	
	403-6	Promotion of worker health	60-62	X	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	60-62	X	
	403-8	Workers covered by an occupational health and safety management system	61	OHS Management system not yet internally or 3rd party audited	X
	403-9	Work-related injuries	62, 81		X
TRAINING AND EDUCATION					
GRI 3: Material Topics 2021	3-3	Management of material topics	56		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	56, 80	X	
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3: Material Topics 2021	3-3	Management of material topics	57-58		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	57-58	X	
	405-2	Ratio of basic salary and remuneration of women to men	79	X	
SUPPLIER SOCIAL ASSESSMENT					
GRI 3: Material Topics 2021	3-3	Management of material topics	63		
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	63	X	
CUSTOMER HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3	Management of material topics	39		
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	39	X	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	39	X	
MARKETING AND LABELING					
GRI 3: Material Topics 2021	3-3	Management of material topics	39		
	417-2	Incidents of non-compliance concerning product and service information and labeling	39	X	
CUSTOMER PRIVACY					
GRI 3: Material Topics 2021	3-3	Management of material topics	67		
418: Customer privacy 2016	418 -1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	67	X	



## Independent Practitioner’s Assurance Report To the Management of Lumene Holding Oy

We have been engaged by the management of Lumene Holding Oy (business ID 2377938-7) (hereafter “Lumene”) to provide limited assurance on selected sustainability indicators (hereafter “Sustainability Information”) presented in Lumene Group’s Sustainability report 2024 for the reporting period 1.1.-31.12.2024.

**The Sustainability Information subject to the limited assurance consists of the following indicators:**

- General Disclosures GRI 2-3, 2-7, 2-8, 2-21, 2-27, 2-30
- Biodiversity GRI 101-2, 101-4
- Economic Performance GRI 201-1
- Procurement Practices GRI 204-1
- Anti-corruption GRI 205-2
- Materials GRI 301-1, 301-2
- Energy GRI 302-1, 302-3, 302-4
- Water and Effluents GRI 303-1, 303-2, 303-3
- Emissions GRI 305-1, 305-2, 305-3, 305-4, 305-5
- Waste GRI 306-1, 306-2, 306-3
- Supplier Environmental Assessment GRI 308-2
- Occupational Health and Safety GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9
- Training and Education GRI 404-1
- Diversity and Equal Opportunity GRI 405-1, 405-2
- Supplier Social Assessment GRI 414-2
- Customer Health and Safety GRI 416-1, 416-2
- Marketing and Labeling GRI 417-2
- Customer Privacy GRI 418-1 and
- Lumene’s own indicator: material circularity percentage (on page 34).

**Management’s Responsibilities**

The management of Lumene Holding Oy is responsible for the preparation and presentation of the Sustainability Information in accordance with the reporting criteria i.e. GRI Sustainability Reporting Standards and Lumene’s reporting guidelines presented on page 10 of Lumene Group’s Sustainability report 2024. This responsibility includes designing, implementing and maintaining internal control, maintaining necessary documentation, as well as making estimates relevant to the preparation of the Sustainability Information that are free from material misstatement, whether due to fraud or error.

**Independent Practitioner’s Responsibilities**

Our responsibility is to perform a limited assurance engagement and to provide an independent conclusion based on our engagement. We performed our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information”. This Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement. The nature, timing and scope of the limited assurance procedures are based on professional judgement, including an assessment of material misstatement due to fraud or error, and we maintain professional skepticism throughout the engagement. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

We are independent of Lumene in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG Oy Ab applies International Standard on Quality Management ISQM 1, which requires the authorized audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Description of the Procedures That Have Been Performed**

As the methods of obtaining evidence are more limited in a limited assurance than in a reasonable assurance, an assurance obtained is more limited than in a reasonable assurance. We have designed and performed procedures to obtain sufficient and appropriate evidence for limited assurance and to provide a basis for our conclusion, therefore we do not obtain all the evidence, which is required in reasonable assurance. While we consider the design of internal controls when determining the nature and scope of our assurance procedures, our limited assurance engagement is not included the testing of the operating effectiveness of internal controls. Our procedures did not include control testing or performing procedures related to combining and calculating data within IT systems. The limited assurance engagement consists of inquiries of individuals who are responsible for preparing the Sustainability Information and related information, as well as for carrying out analytical and other procedures.

In the engagement, we have performed the following procedures, among others:

- interviewed members of Lumene’s senior management and relevant personnel responsible for providing the Sustainability Information;
- assessed the application of the reporting principles of GRI Sustainability Reporting Standards and Lumene’s reporting guidelines in disclosing the Sustainability Information;
- familiarized ourselves through interviews with the key data management processes and working methods used to collect and consolidate the Sustainability Information;
- read the disclosed Sustainability Information and assessed its quality and definitions of reporting boundaries; and
- assessed the accuracy and completeness of the Sustainability Information through an inspection of the original documents and systems on a sample basis.

**Inherent Limitations of the Engagement**

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

**Conclusion**

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Information for the reporting period 1.1.-31.12.2024 subject to the limited assurance engagement is not prepared, in all material respects, in accordance with GRI Sustainability Reporting Standards and Lumene’s reporting guidelines.

**Helsinki, 8 April 2025**  
**KPMG Oy Ab**

**Heli Tuuri**  
Authorised Public Accountant

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# Governance principals at Lumene Group

This is the separate Corporate Governance Statement which is a part of the Company's annual stakeholder reporting. The Company's stakeholder reporting consists of annual, sustainability, governance and financial reports. The statement is reviewed by the Lumene Group's Board of Directors. This report is publicly available on the Group's website, [www.lumenegroup.com](http://www.lumenegroup.com) alongside the other required statements.

Since September 2021, the majority owner of the Lumene Group has been the Scandinavian-based private equity company, Verdane - a growth partner to ambitious companies that thrive in a sustainable world. The Lumene Group comprises the partner Company, Lumene Holding Oy, and its subsidiaries. The statutory governing bodies of the Lumene Group are the General Meeting of Shareholders, the Board of Directors, the Managing Director (CEO), and the Auditor.

The Lumene Group Code of Conduct and Lumene Group Partner Code of Conduct ensure the Group's operating capacities and efficiencies, risk identification, and development of appropriate responses to risks. The Group expects its partners to comply with sustainable operating principles relating to ethical, social, and environmental aspects.

## General meeting of shareholders

The General Meeting of Shareholders is the highest decision-making body of the Company. It provides the opportunity for shareholders to participate in the supervision and control of the company. The shareholders must meet at least once annually at a General Meeting convened by the Board of Directors. At such a General Meeting, matters and actions required by the Finnish Companies Act and the Company's Articles of Association, and any other matters submitted to the General Meeting, are to be raised and considered. During the Annual Meeting, shareholders can vote on current issues, such as appointments to the Company's Board of Directors. The Board of Directors nominates the Board Committees. The Company's business requirements, development and strategy are taken into account in the nomination of the Board. The composition of the Board must support the Company's strategy and business operations as well as stakeholder interests.

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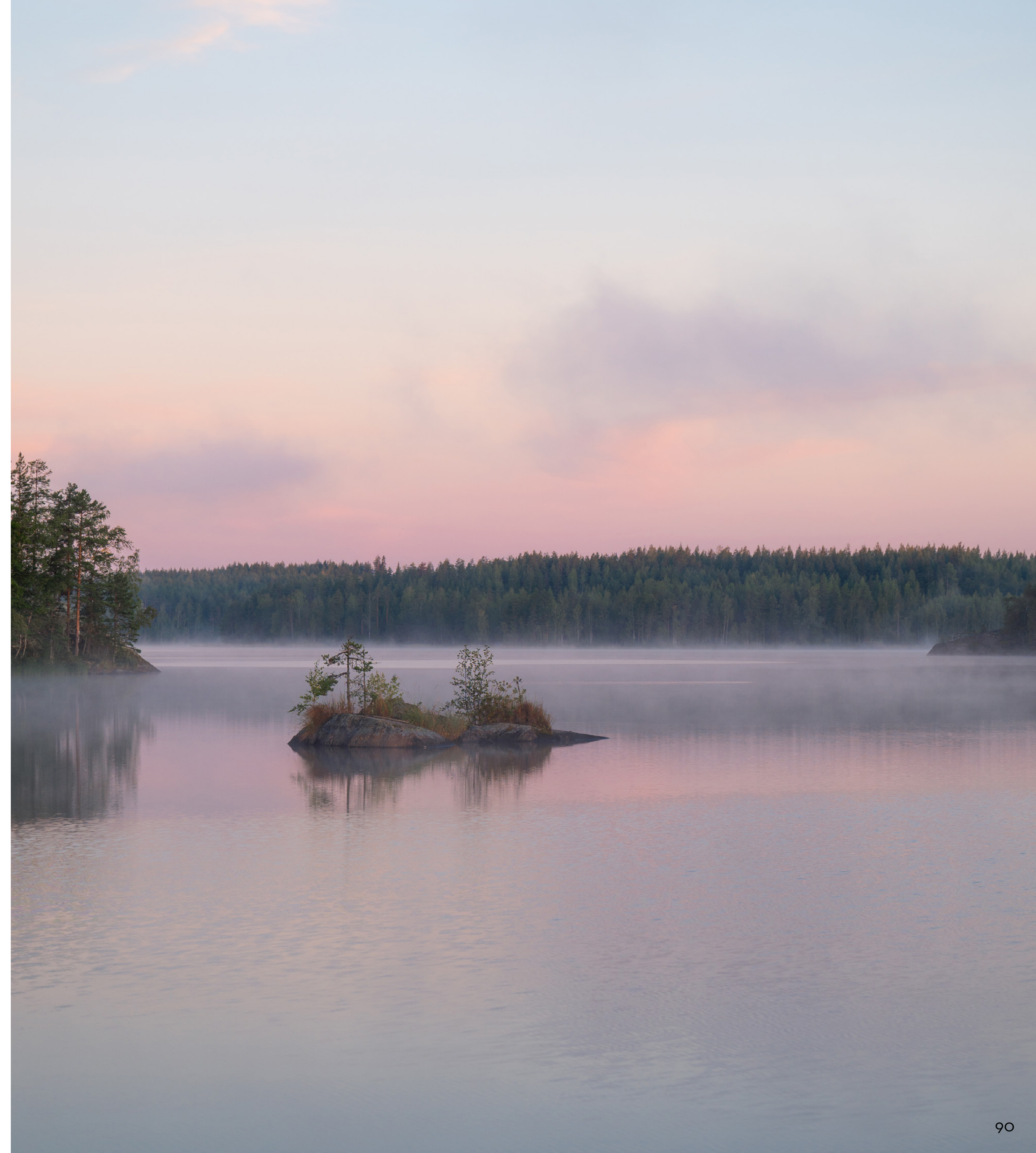
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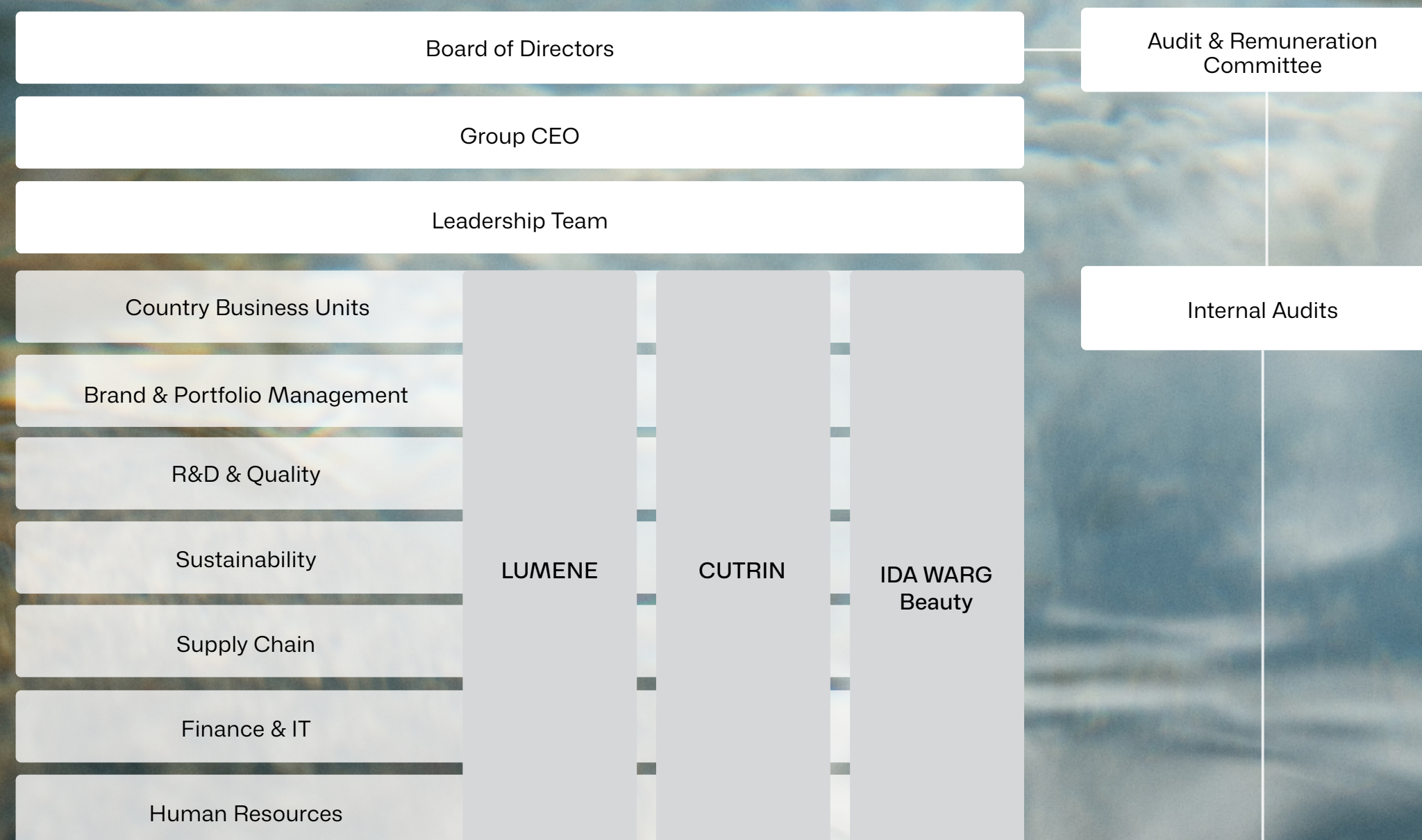
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# Governing bodies



Leadership and management

# The board of directors

The Board of Directors of the Company and the CEO have the overall responsibility for the management of the Company's business: The Board of Directors oversees the Company's operations and approves the strategic goals and principles of risk management. The Chairman of the Board is not, nor is any other Board member, a senior executive in the organisation.

The role of the Board of Directors of the Company is to guide the Company with the aim of maximising shareholder value while also taking into account the interests of all stakeholders. The Board of Directors supervises the management of the Company and presents its opinion on the financial statements and on the auditor's reports to the General Meeting.

Additionally, the Board of Directors approves Lumene Group's purpose, values and mission statements, and the processes and policies related to good corporate governance. The Board is also responsible for aligning the Group's sustainability strategy and goals related to sustainable development. Lumene Group's sustainability report is published on the Company website ([www.lumenegroup.com](http://www.lumenegroup.com)).

The Board of Directors must consist of no more than seven (7) members. The General Meeting elects the directors. The Directors must be elected for an ongoing basis. A diverse board is desired in order to include a rich mix of experience, tasks, positions, genders, cultures and nationalities. Diversity is seen as essential to supporting the Company in achieving its strategic goals and for the Board to fulfil its fiduciary responsibilities.

# Board meetings/main duties of the board

The Board of Directors will hold board meetings at least five times in every calendar year, or as often as the Chairman considers necessary. Prior notice needs to be given no less than ten business days prior to meetings, to all the relevant Directors (unless they agree otherwise). The Directors will be supplied with the agenda and all other relevant papers not less than two business days prior to the date set for any such meeting.

In accordance with the Finnish Companies Act (624/2006), a meeting of the Board of Directors of the Company is quorate if more than half of the Board members participate in the meeting. Disqualified Board members will not be counted for these purposes.

The Chairman can convene a meeting of the Board of Directors of the Company. A Board member and the Managing Director can also convene a meeting of the Board of Directors provided that at least half of the Board members approve.

The Board of Directors met officially five times in 2024 and held monthly business reporting meetings. Besides the regular Annual Meeting topics during the financial year, key priorities in 2024 included: updating the Group long-term growth strategy, regular corporate governance reporting, updating of risk assessment policies and processes in the Group, and annual business planning and budgeting, including reviewing long-term financial targets. Other priorities included reviewing organizational capability development plans, consolidating the Lumene Group legal structure, and integrating the acquired IDA WARG Beauty business.

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# Board committees

The Board currently has two committees: The Audit Committee and the Remuneration Committee. The committee members are nominated by the Board and have no decision-making power in the Company. The committees' duties are to assist, advise and recommend actions to the Board related to their own respected areas.

**Audit Committee**

The Audit Committee consists of three Board members. The Company CFO also participates in the meetings of this committee. The committee gathers at least four (4) times a year before each Board meeting - and additional meetings are held if needed. The main duties of the committee are to aid the Main Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting and internal control functions and risk management procedures of the Group.

The Audit Committee is responsible for ensuring that the Company operates in an ethical environment and complies with laws and regulations. Charged with oversight of financial reporting, risk management and internal controls, the Audit Committee is also responsible for assessing the public accounting firm that serves as the external auditor for the Lumene Group. Audit Committee makes the recommendation of the auditor for the Board of Directors, which again makes the recommendation for the Annual General Meeting. The Audit Committee also oversees the Company's whistleblowing practice.

**Remuneration Committee**

The Remuneration Committee consists of three Board members. The HR Director participates in their meetings on request. The committee gathers at least twice a year and additional meetings are held if needed. The main duties of the Remuneration Committee are to prepare and oversee the Company's remuneration principles and practices. The compensation and other financial benefits of the Group CEO and other senior-level executives are also the responsibility of the Remuneration Committee.

**Audit Committee on December 31, 2024 included:**

Albert Wiegman (Chairman) | Andreas Rosenlew | Nadia Söderling | Tiina Isohanni

**Remuneration Committee on December 31, 2024 included:**

Albert Wiegman (Chairman) | Andreas Rosenlew | Nadia Söderling

# Remuneration policies

Remuneration policies for senior executives are always outlined in the Lumene Group Remuneration Committee. Executive remuneration consists of a fixed salary and both short-term (STI) and long-term (LTI) incentive programmes. STI takes into account both the Company's financial performance and the individual performance of the Executive. The STI incentives are individual targets, which are always based on the Company's strategy and are set annually. Individual performance is measured against these and it is subject to approval by the Board of Directors.

# Board evaluation

The Board of Directors' performance is evaluated yearly. The evaluation is conducted via a Verdane Board Capability Survey to which each Board member and the CEO answers individually. The evaluation gives an overview regarding the functionality and performance of the Board of Directors and provides a reference related to the nominations and elections at the Annual General Meeting.

## Board of Directors



**Andreas ROSENLEW**

Born 1962  
MSc in Economics.  
Board professional and advisor.  
Independent member of the Board.  
Citizenship: Swedish & Finnish.  
Chairman of the Board since 2021.



**Cecilia NYTORP**

Born 1986  
MSc in Industrial Engineering and Management  
Dependent member of the Board, representing the controlling owner.  
Citizenship: Swedish.  
Member of the Board since 2023.



**Johan BERG**

Born 1961  
MSc in Economics  
Independent member of the Board.  
Citizenship: Finnish.  
Member of the Board since 2023.



**Tiina ISOHANNI**

Born 1958  
Licentiate of Philosophy (Chemistry)  
Independent member of the Board.  
Citizenship: Finnish.  
Member of the Board since 2023.



**Albert WIEGMAN**

Born 1952  
Fellow of the Chartered Institute of Bankers.  
Board professional and advisor.  
Independent member of the Board.  
Citizenship: British.  
Chairman of the Board from 2015-2021. Member of the Board since 2021.



**Nadia SÖDERLING**

Born 1993  
MSc in Economics and Business Administration  
Dependent member of the Board, representing the controlling owner.  
Citizenship: Finnish.  
Member of the Board since 2024.



**Morwenna WHITE**

Born 1969  
MA in French Literary Theory.  
Executive and Board professional.  
Independent member of the Board.  
Citizenship: British.  
Member of the Board since 2021.

# CEO

The CEO holds responsibility for the day-to-day business of the Company and for the direction of the Group's Leadership Team.

The Leadership Team creates, plans and implements the strategic direction of the Group, secures that the Company reaches its ambitious sustainability targets and respects good corporate governance.

The Group CEO is Adrian Innergård, M.Sc. (Econ.).

The Board of Directors appointed the CEO and also set the terms and conditions for the CEO's service contract.

# Lumene Group Leadership team

The Lumene Leadership Team (LLT) is responsible for leading the respective functions within the Group and for setting the cross functional corporate yearly agenda, the people agenda as well as the transformative agenda for the company. Their goal is to maximise the Group's performance including the achievement of business targets. The LLT meets regularly, holding both quarterly and weekly meetings to ensure consistent collaboration and decision-making.

**Lumene Leadership Team on December 31, 2024 included:**

Group CEO, Adrian Innergård  
 Vice President, R&D & Sustainability, Alain Mavon  
 CFO, Marika Nieminen  
 HR Director, Kirsi Utti  
 Supply Chain Director, Anna Huhtala  
 Vice President, Marketing & NPD, Maria Holmlund  
 Vice President, Sales & CCO, Johan Melin

Each member of the Leadership Team is responsible for their respective functions covering a broad set of KPIs and targets aligned with the long range plan of the company for the coming 5 years.

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## Lumene Group Leadership team



**Adrian  
INNERGÅRD**

Group CEO  
 Member of the Leadership Team since 2023.  
 Born 1980.  
 M.Sc. Finance & Accounting.  
 Overall business responsibility for the Group's operations.



**Alain  
MAVON**

Vice President, R&D & Sustainability  
 Member of the Leadership Team since 2022.  
 Born 1968.  
 B.Sc. Biochemistry.  
 M.Sc. Physico-Chemistry. Ph.D. Skin Science.  
 Responsible for R&D, quality and sustainability.



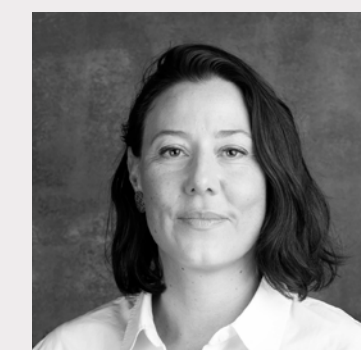
**Marika  
NIEMINEN**

CFO  
 Member of the Leadership Team since 2021.  
 Born 1983.  
 B.Sc in Economics.  
 Responsible for Finance and IT.



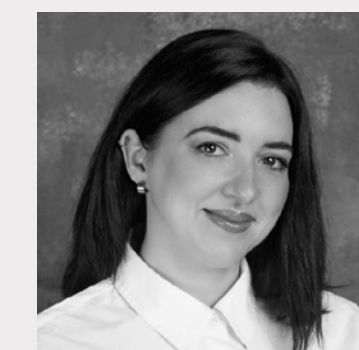
**Johan  
MELIN**

Vice President, Sales & CCO  
 Member of the Leadership Team since 2023.  
 Born 1982.  
 M. Sc. Industrial Economics  
 Responsible for the new international markets.



**Maria  
HOLMLUND**

Vice President, Marketing & NPD  
 Member of the Leadership Team since 2023.  
 Born 1978.  
 M.Sc. Economics and Business.  
 Responsible for Brand and Portfolio Management.



**Anna  
HUHTALA**

Supply Chain Director  
 Member of the Leadership Team since 2023.  
 Born 1985.  
 B.Sc. Business Administration.  
 Responsible for the Supply Chain.



**Kirsi  
UTTI**

HR Director  
 Member of the Leadership Team since 2021.  
 Born 1979.  
 M.Sc. Business Administration.  
 Responsible for Human Resources.

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## Reporting, controls and ethics

# Financial reporting

To ensure reliable financial reporting and compliance with laws and regulations as well as the Company's internal policies, Lumene Group operates in accordance with its internal control and risk management policies.

The Lumene Group complies with its financial reporting in accordance with the Finnish Accounting Act. The Group's accounting principles, controls and policies are in place to ensure that our reporting is reliable and complies with the laws and regulations, and in accordance with the Group's principles.

The Group's financial reporting is audited and supervised at two levels: entity as well as at Group level. The Audit Committee is responsible for overseeing the financial reporting process.

# Risk management

The Lumene Group's risk management is guided by the risk management policy approved by the Board of Directors, which defines the Company's risk management principles, objectives and responsibilities as well as the organisation and monitoring of the risk management process.

Risk management is a systematic activity, the purpose of which is to guarantee comprehensive and appropriate identification, assessment, management, and monitoring of risks and contingency plans. The aim of risk management is to ensure the successful execution of Lumene Group's strategy, meeting Group's sustainability targets, high customer loyalty and talent retention, profitability and the continuity of business and shareholder value in relation to all identifiable risks. This is carried out by monitoring and mitigating related threats and risks, and simultaneously identifying and managing opportunities.

Lumene Group's strategic targets and action plans are used as a basis for risk identification. Risk analysis is conducted as a self-assessment by the organisation. In assessing the impacts of a risk, its probability and impact on Group and its operations are considered. Separate risk analyses concerning significant projects may be conducted in accordance with Group's guidelines.

The responsibility for implementing risk management is within the Lumene Group Leadership Team. In addition, each employee must be aware of and manage the risks in their own operating environment. The Lumene Group's Risk Management Officer is responsible for coordinating the risk management process. The Risk Management Officer supports the identification, evaluation, and management of risks that may threaten the achievement of the Group's business targets. The Group's Audit Committee guides risk management and assesses the effectiveness of the Group's risk management in a way that supports the achievements of the Company's strategy. The Leadership Team reports to the Audit Committee and the Board of Directors on risks and risk management measures yearly.

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# Internal control

The Lumene Group's internal control policy, practices and processes are based on the Committee of Sponsoring Organisations of the Treadway Commission's internal control framework (COSO Internal Control, 2013).

The internal control system ensures Lumene Group's operating capacities and efficiencies, risk identification and development of appropriate responses to risks. In addition, the internal controls aim to improve the reliability of financial reporting and the compliance of operations, taking into account applicable regulations, legislation and Group's guidelines and policies.

Lumene Group does not have an internal audit organisation but all processes will be audited internally every 36 months by persons selected case by case for this purpose. The responsibilities for internal control fall mainly on the Board of Directors, CEO and LLT and Head of Functions accordingly.

**Board of Directors:**

- Approving internal control policy
- Overseeing the effectiveness of the internal control framework
- Approving the principles of risk management and strategic goals

**CEO and LLT:**

- Building and implementing the internal control framework throughout Lumene Group

**Heads of functions:**

- Overseeing the internal control framework in their respective areas of responsibility.

# External audit

In accordance with the Articles of Association, the General Meeting appoints the auditor of the Company. The Company shall either have one primary auditor and one substitute auditor or one auditor, provided that they are approved by the Chamber of Commerce.

The auditor is expected to be present at Board meetings when issues related to the audit are being discussed. Auditors report at least once a year on their findings.

The General Meeting elected the Authorized Public Accountant firm KPMG Oy Ab as the Company's Auditor. Authorized Public Accountant, Heli Tuuri acts as the signing audit partner. Authorized Public Accountant, Heli Tuuri acts as the signing audit partner.

# External assurances

In addition to the legal audit requirements our highest priority is to maintain and constantly ensure that the high quality of our products is not compromised. The Lumene Group has been complying with international ISO standards for decades.

**The following standards are currently complied with in our Group:**

ISO 9001 (Quality management system), since 1996, ISO 14001 (Environmental management), since 1998, ISO 22716 (Good Manufacturing Practices, GMP, for cosmetics) since 2020, SMETA since 2021, and B Corp certification since 2024.

An independent third party, KPMG Oy Ab, has provided limited assurance for Lumene Group's sustainability report for the GRI Topic-specific Disclosures on economic, social and environmental responsibility.

# Code of conduct

The Lumene Group is committed to conducting its activities in accordance with all applicable laws, regulations, best practices and principles set out in international conventions in particular with regard to ethics and business integrity, labour and social responsibility, and protection of the environment. Therefore, the Lumene Group expects its Partners to act accordingly and be committed to the Partner Code of Conduct and the principles set out in the United Nation's Global Compact and in relevant international conventions such as the United Nations Declaration of Human Rights and the Conventions of International Labour Organisation, as well and to ensure that their own partners also do the same when conducting business with the Lumene Group.

The Lumene Group selects its Partners carefully and engages in collaborative and open communication with them. The Lumene Group also expects Partners to comply with the sustainable operating principles relating to ethical, social, and environmental aspects set out in the Partner Code of Conduct, thereby ensuring responsible procurement, and enabling the Lumene Group to work towards achieving its sustainability objectives.

In 2024, Lumene Group did not receive reports through the whistleblowing channel. Had any reports been received, they would have been processed appropriately and presented quarterly to Lumene Group's Audit Committee and the Board by the Group CFO as part of our standard procedure.

From our direct procurement suppliers, 100% have committed to the requirements set in our Partner Code of Conduct. In 2024, we implemented EcoVadis to assess our suppliers' social and environmental

performance. The Lumene Group has goals from 2025 onwards to centralise indirect procurement and to set the same level of requirements as we do with our direct suppliers.

Compliance with the requirements is monitored by self-audits. Self-audits are required from 100% of our direct suppliers. Major suppliers are audited at the supplier's premises. Audits ensure that our suppliers are committed to general requirements, corporate social responsibility, environmental sustainability and good manufacturing practices.

# Conflicts of interest

No Lumene Group employee or any person directly or indirectly linked to the Company by control is allowed to:

- Make a financial gain, or avoid a financial loss, at the expense of the Company.
- Have an interest in the outcome of a service/transaction provided to/from a customer, which is distinct from the customer's interest in that outcome.
- Have a financial or other interest to favour the interest of a customer or group of customers over the interest of another stakeholder.
- To carry on the same business as the customer.
- Receive from a person/company other than the employing Company an inducement in relation to a service provided to the customer, in the form of monetary or non-monetary benefits or services.

Code of Conduct leads the way. Compliance with these business principles is an essential element in building our success.

**OUR BUSINESS PRINCIPLES:**

We comply with the laws and regulations of the countries in which we operate.

We respect human rights throughout our whole value chain.

We promote safe, healthy and equal working conditions.

We develop, manufacture, market and sell safe and sustainable beauty products and maintain good communication.

We establish mutually beneficial relationships with our business partners.

We fulfil our responsibilities in the societies and communities where we operate.

We promote continuous improvements to reduce our environmental impact.

We are committed to fair competition and avoid conflicts of interest.

We do not give or receive bribes or other improper advantages.

The Lumene Group is committed to conducting its activities in accordance with all applicable laws, regulations, best practices and principles set out in international conventions in particular with regard to ethics and business integrity, labour and social responsibility, and protection of the environment. For us at LUMENE, good corporate governance is not only about following the requirements set by laws but also about being accountable, transparent, fair and responsible in our daily operations.

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Lumene Group's Board of Directors is ultimately responsible for overseeing the Company's operations and approving the strategic goals and principles of risk management.

The Board currently has two committees: the Audit and Remuneration Committees. Both committees are composed of individuals who serve on an organisation's Board. The Audit Committee is responsible for ensuring an organisation operates in an ethical environment and complies with laws and regulations. Charged with oversight of financial reporting, risk management and internal controls, Audit committee is also responsible for suggesting the public accounting firms that serve as organisations' external auditors. The Remuneration Committee is responsible for preparing and overseeing the Company's remuneration principles and practices.

The CEO's primary responsibilities include guiding the Leadership Team in its work to create, plan and implement the strategic direction of the Group, in accordance with the strategy and objectives set by the Board of Directors - ensuring that we reach our sustainability targets and respect good corporate governance. The Lumene Group Leadership Team is responsible for the management of the operational business and efficient implementation of the strategies to maximise the Group's performance including the achievement of business targets.

A diverse group of young people, including men and women of various ethnicities, are laughing and clapping joyfully outdoors. They are wearing light-colored, casual clothing. The background shows a clear blue sky with some clouds and green foliage. The overall mood is happy and energetic.

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LUMENE  
GROUP