Annual Report *2025*

LUMENE GROUP

Annual Report *2025*

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

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A message from the CEO

Resilient *performance* through changing conditions

2025 was a strong year for Lumene Group despite a challenging operating environment. Although market dynamics shifted unexpectedly, we continued to grow, increasing net sales by 7%, strengthening our position with key customers, and advancing the foundations of our long-term growth strategy. At the same time, employee engagement improved and we achieved Great Place to Work Certification™.

For the first time in nearly two decades, the beauty category faced real headwinds as the shifting economic climate led to more or even a decline. As a result, the year began differently than anticipated. Early on, it became clear that the evolving landscape required us to re-evaluate and refine our original plans.

What followed was a demonstration of real agility. Teams across the company came together to rethink our plans and reshape our approach for the year. The speed and determination with which this work was done made all the difference. We entered the second half of the year with renewed focus and strengthened commercial execution in place, and it paid off.

As a result, our sell-out grew by 8%, demonstrating our ability to deliver results even in a challenging year. I'm incredibly proud of how the organisation responded with speed and commitment to doing what was required.

Winning in key markets

2025 was marked by resilient performance, with net sales reaching EUR 102 million, representing 7% growth, and EBITDA increasing to EUR 12 million, a 12% improvement. Growth was fastest in our prioritised key markets, growing by 10%. This reflects our strategy of building a strong Nordic foundation while selectively developing international growth markets where we can create meaningful impact and future growth.

The LUMENE brand strengthened its international presence with double-digit growth across Scandinavia, the UK, and the DACH region. IDA WARG Beauty continued its remarkable growth journey, particularly in Finland, and is quickly establishing itself as a leading brand in hair and body care. In addition, the introduction of CUTRIN into the retail channel in Finland laid an important foundation for a new long term growth pillar.

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> *"Growth* was fastest in our prioritised *key markets*, growing by 10%."

In a tougher-than-expected market environment in 2025, we delivered solid growth and outperformed the categories in which we operate, resulting in increased market shares. While this growth did not fully meet our ambitious Group-level targets, we did achieve our objectives in the strategic international markets, which are essential for delivering our long-term growth ambitions.

In parallel, we continued the most ambitious production investment program in our company's history and launched an insourcing initiative to bring selected IDA WARG Beauty hair care and self-tan products into our in-house R&D and production. Our ownership structure evolved, as Creades, a Swedish investment company, made a minority investment in the Group and joined the Board, represented by its CEO, John Hedberg. We also transitioned to IFRS reporting, improving comparability with international listed companies and supporting the Group's readiness for future strategic opportunities.

Powered by one winning team
None of these achievements would have been possible without the commitment of our people. Our team remains our greatest strength and the driving force behind our development. Culturally, 2025 was a breakthrough year. We embedded profitability as a shared cultural element, reflected in our 2025 financial results and shaping the ambition of our plans for 2026. Our people demonstrated the resilience and engagement needed to succeed in a demanding environment, and the agility the teams showed in turning the year around was exceptional.

Engagement across the Group continued to improve, with eNPS rising to +40 at the end of the year, illustrating steady progress towards our long-term target of +50. Being certified as a Great Place to Work® in both Finland and Sweden, underlines the strong culture we are building together.

Continuing our journey towards Nordic beauty leadership
As we move through 2026, our focus remains clear and grounded in our long-term ambition. The year will centre on strengthening progress across the core pillars of our strategy. We will strengthen the appeal and awareness of our brands in strategic growth markets, expand our presence in key categories, deepen our partnerships with retailers, and complete important production milestones. Equally important, we will focus on building a financially robust company by converting a greater share of our sales growth into profitability, enabling us to reach industry-average EBITDA levels and secure future competitiveness.

Finally, I would like to extend my sincere thanks to our employees, partners and all stakeholders. We are now three years into our long-term transformation, and I believe 2026 represents an important phase in that journey. We have built strong foundations, a clear direction and a capable team. With these elements in place, we are well positioned to continue building Lumene Group into the next big export success from Finland.

Adrian Innergård
CEO, Lumene Group

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Overview of the year

2025 in *figures**

102
Net sales, EUR million

7%
Overall global growth

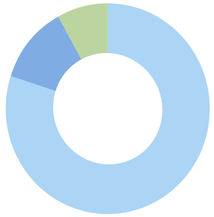
12
EBITDA, EUR million

10%
Growth, international markets

64%[1]
Total circularity, compared to a global average of 6.9%[2]

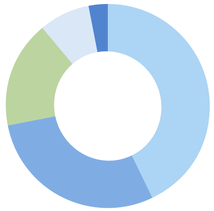
3%
Growth, home market (incl. subcontracting)

32
eNPS (annual average)



Lumene Group net sales by brand:

- LUMENE **78%** (incl. Subcontracting)
- IDA WARG Beauty **15%**
- CUTRIN & Promise **8%**

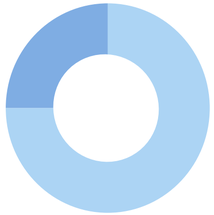


Lumene Group net sales** by business sector:

- Skincare **40%**
- Face makeup **30%**
- Hair care **18%**
- Color cosmetics **8%**
- Other **4%**

Lumene Group net sales by market:

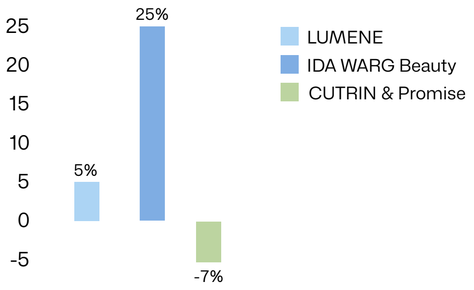
- Finland **47%** (incl. subcontracting)
- Rest of the Nordics **37%**
- Rest of the world (UK, GER, Poland, China, US) **16%**



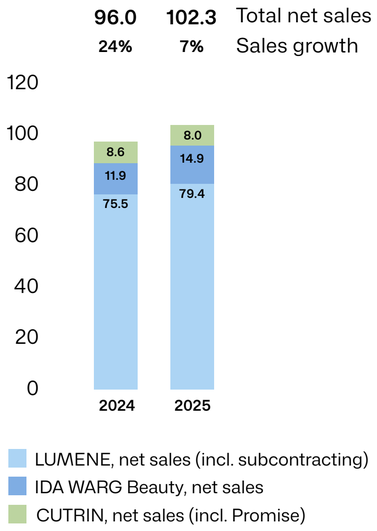
Lumene Group net sales** by channel:

- Brick & Mortar **76%**
- e-commerce **24%**

Overall growth by brand:



Development of net sales 2024-2025, EUR million:



2025 figures are prepared in accordance with IFRS. Comparative figures for 2024 have been converted to IFRS. Figures published in earlier annual reports were prepared under Finnish Accounting Standards (FAS).

*Organic growth, IWB acquisition included to the comparison numbers **Based on Net Sales FAS
[1] Calculated according to the CTI framework [2] Circularity Gap Report 2025

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Key events in 2025

A year of *expansion* and *strategic* progress

LUMENE expands globally
Lumene Group's biggest brand LUMENE continued its global growth by 5% and reached record net sales of EUR 79 million. The brand's strong performance was driven by double-digit growth across Scandinavia, the UK, and the DACH region, further strengthening its position as a leading Nordic beauty brand. International markets accounted for 49% of LUMENE's total net sales, underscoring the brand's growing momentum beyond its home market.

Growth of LUMENE hero products
LUMENE's hero product strategy continues to prove its effectiveness. The brand's top 10 products grew by 10%, outperforming the full portfolio, and now represent 26% of the brand's total business. This demonstrates the enduring popularity of LUMENE's most iconic products and their central role in driving the brand's overall performance.

A standout year for IDA WARG Beauty
IDA WARG Beauty continued its outstanding growth journey, delivering 25% growth and increasing net sales to EUR 15 million. Growth was driven primarily by the brand's expansion in Finland and strong performance in Sweden, especially in hair care, reflecting strong consumer demand and successful category development. Since joining the Group in 2023, IDA WARG Beauty has steadily strengthened its position as a key growth driver, now accounting for 15% of the Group's total net sales.

Investing in future growth
A major step in operational transformation was the start of the implementation of the EUR 10 million modernisation program for our in-house production facility in Espoo, Finland. The first two new production lines were introduced, increasing automation and expanding capacity by at least threefold. In parallel, supply chain digitalisation advanced and organisational capabilities were strengthened to support more efficient end-to-end planning. Together, these investments enable faster innovation, improve efficiency, and ensure a scalable, resilient foundation for future growth.

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Circularity continues to rise

Circularity rate increased by 2 percentage points in 2025, reaching 64%[1] for the Group. The improvement was driven by a higher share of renewable-based and biodegradable ingredients, and a rise in packaging recyclability. This progress reflects our long-standing dedication to responsible beauty and closed-loop practices across the value chain. Achieving a 64% circularity rate marks an important milestone towards a more regenerative and resource-efficient future, as we work towards our goal of 70% by 2030.

Officially Great Place to Work Certified™

Lumene Group was certified as a Great Place to Work® in both Finland and Sweden. The certification marks an important milestone in our ongoing organisational transformation and reflects long-term cultural development, strengthened leadership, modernised ways of working, and the fostering of shared values. An important indicator of this progress is the 85% employee approval rate, with respondents affirming that Lumene Group is a great place to work.

Evolving our CSR work

We strengthened the Group's social responsibility efforts through an updated CSR strategy focusing on human rights, employee and supply chain well-being, environmental impact reduction, and enhanced DEIB and mental health advocacy. As part of this ongoing work, the LUMENE brand partnered with Mieli Mental Health Finland on the Green Ribbon campaign and donated €15,000 to support Sekasin Chat, helping promote mental health awareness and reduce appearance-related pressures among young people.

Minority investment and revised board composition

Swedish listed investment company Creades made a minority investment in Lumene Group in Q1 2025, bringing additional expertise, networks, and resources to support our next phase of growth. Following the transaction, Creades CEO John Hedberg joined the Board, strengthening its strategic capabilities alongside the majority owner Verdane and our independent board members.

[1] Calculated according to the CTI framework

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Lumene Group today

Lumene Group in *brief*

Lumene Group is a Finnish beauty company rooted in Nordic nature, scientific expertise, and a long tradition of responsible product development.

We develop and manufacture high-performing, sustainable skincare, makeup, and hair care products. Our purpose, to empower Better Beauty Choices, reflects our commitment to creating products that combine efficacy, responsibility, and accessibility.

Our portfolio includes several leading Nordic beauty brands. LUMENE, our largest and Finland's number-one beauty brand, is recognised for its natural radiance, Nordic ingredients, and long heritage in skincare and face makeup. IDA WARG Beauty is a rapidly growing Swedish beauty brand offering vegan hair care, body care, and self-tanning products. CUTRIN is a salon-professional hair care brand pioneering Nordic bio-science innovation, and Promise is a salon-exclusive professional hair care brand designed for high performance with award-winning packaging design.

The Group employs more than 370 people globally. Our headquarters, in-house laboratory, and manufacturing facility are located in Espoo, Finland, where we produced approximately 17 million beauty products in 2025. In addition, we operate international offices in Sweden, Germany and the UK to support our local market operations.

We continue to rely primarily on our in-house manufacturing. More than 80% of our products are made in-house, enabling strong control over quality, safety, and sustainability. The remaining share of the portfolio is produced in collaboration with carefully selected European partners who meet our high standards for product integrity and responsible production.

Sustainability has been at the core of Lumene Group's philosophy for decades. We are recognised as a pioneer in circular beauty, utilising responsibly sourced and upcycled Nordic ingredients, minimising waste, and continuously improving packaging sustainability. Lumene Group is a certified B Corporation, demonstrating our commitment to high standards of social and environmental impact, transparency, and accountability.

The majority owner of Lumene Group is Verdane, a European private equity investor focused on long-term, sustainable value creation. In February 2025, Creades, a listed Swedish investment company, made a minority investment in the Group.

1970
Founded

Our HQ
Headquarters with in-house R&D and production located in Espoo, Finland

~ 370
Employees internationally

Key Markets:
- Finland
- Sweden
- Norway
- Denmark
- UK
- Germany
- Poland

+28
Markets worldwide, key markets included

~ 17 M
Annual production (units)

12
Patents

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Our values, purpose and vision

Our purpose

Better Beauty Choices

Our vision

To be the number 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

Strategic *progress* in a demanding market

Lumene Group's growth strategy continued to deliver in 2025, supporting our 2023–2028 ambition to double net sales and quadruple profitability. While progress is tracking slightly behind the base trajectory due to category slowdown, our underlying momentum remains strong, and performance continues to move in the right direction. Throughout 2025, we strengthened our market position, delivering steady growth despite a demanding operating environment, and reinforced our long-term foundation by improving employee engagement and increasing circularity.

Our strategy supports our long-term vision to become the number-one beauty company from the Nordics, recognised for our leading work in circular beauty among a wide international consumer group. To achieve this, we focus on five key pillars: consumers, customers, Finnish production and innovation, profitable growth, and our team.

In 2025, we advanced this strategy across our core markets, brands, and capabilities. Net sales reached EUR 102 million, reflecting 7% growth. Our prioritised international markets grew 10%, while our home market Finland continued to grow at a steady 3%. While not all targets were fully met, our performance remained strong relative to overall market development.

Make a difference to customers
Becoming the preferred category partner for our customers is a core pillar of our strategy. In 2025, we unlocked new distribution opportunities, strengthened commercial execution, and supported category performance in a challenging consumer environment. Leveraging our position as a trusted category builder, our sell-out grew by 8%, highlighting our ability to sustain growth as overall momentum moderated.

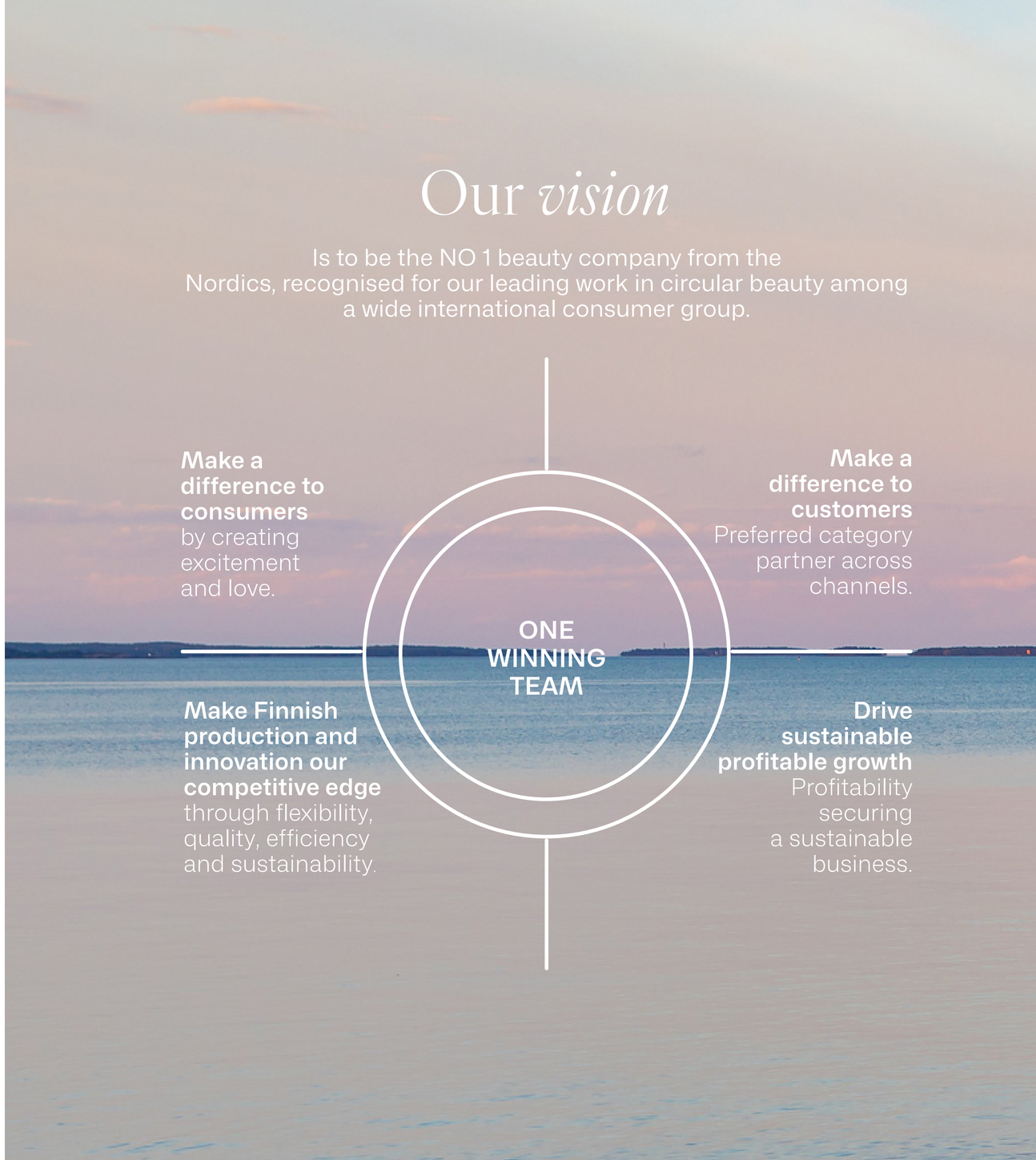
LUMENE's international business delivered double-digit growth, driven by strong performance in Scandinavia, the UK, and the DACH region. In the UK, growth reached 48% following the full-year impact of the 2024 Boots listing. In Norway and Denmark, bringing our operations back in-house after several years with a distributor model drove exceptional 188% year-on-year net sales growth, making this region one of our fastest-growing markets. This shift strengthened customer relationships, improved execution, and enabled a highly successful relaunch in both markets. In the DACH region, tripling shelf presence at Müller delivered 59% net sales growth, and we further expanded our footprint by entering Switzerland through our key partner Müller.

IDA WARG Beauty continued its remarkable journey, growing 25% in 2025. Performance was led by Finland, where net sales increased by 174% compared to 2024. The brand's colorful, eye-catching retail presence has also scaled rapidly, with distribution expanding from 60 stores in 2023 to 500 stores across Finland today.

The introduction of CUTRIN into the retail channel in Finland established a new strategic growth pillar for the coming years, and expanded the brand's reach to new consumer segments.

E-commerce remained strategically important, growing 17% across our key markets and partners. While e-commerce maturity varies significantly across markets, our performance continues to be strongest where online penetration is high, including the US, UK, and Sweden. We continued strengthening the foundation for future online growth in Finland, where the market remains predominantly store-driven but is gradually evolving.

Make a difference to consumers
Making a meaningful impact on consumers is another cornerstone of our strategy. In 2025, we deepened consumer relevance and strengthened the position of all our brands.



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LUMENE's refreshed brand identity, introduced in 2024, delivered strong results across campaigns, supported by a more data-driven media approach and an improved balance between brand building and activation. Strengthened influencer ecosystems, local brand ambassadors, and growing social communities further elevated consumer engagement. Continued improvements in physical distribution, commercial execution, and campaign performance also contributed positively. As a result, brand awareness continued to rise across markets, reaching an exceptional 99%* in Finland by late 2025.

LUMENE is now more widely available internationally than ever before, and consumers are choosing the brand more frequently. Hero products grew by 10%, outpacing both the wider LUMENE portfolio and the broader category, and now account for 26% of total LUMENE net sales.

In Finland, IDA WARG Beauty's brand awareness rose from 29% in Q1 to 39% in Q4 2025*, reflecting rapidly growing consumer interest following the integration. In Sweden, the brand's largest market, clear strategic focus on hair care, combined with increased media investment, expanded influencer collaborations, and broader use of user-generated content drove strong momentum throughout 2025. These investments strengthened consumer demand and deepened engagement in one of our most important Nordic markets.

In-house innovation and production as a competitive edge
Our in-house innovation and local production in Finland remain core competitive advantages for Lumene Group. In 2025, our R&D team further demonstrated the strength of our unique formulation philosophy. We introduced several significant innovations across brands and categories, including the LUMENE Wild Forces Volume Mascara and the renewed LUMENE Nordic Hydra [Lähde] range, developed with patent-pending hydration technology.

In sustainability, we made meaningful progress in reducing our environmental footprint and deepening circular practices across our products, packaging, and operations. Our material circularity percentage increased from 62 to 64, reinforcing our leadership position in circular beauty.

We also continued the major transformation of our in-house production facility, bringing the first two new production lines into operation. This work will continue through 2026 and is expected to be fully completed in 2027. These investments will improve manufacturing efficiency, strengthen profitability, and enhance competitiveness both in contract manufacturing and in producing our own brands.

In 2025, we also began integrating IDA WARG Beauty's R&D and production, focusing on key categories of hair care and self-tan. As part of the transition, we have improved the recyclability of the products and the overall sustainability profile. This transition strengthens our long-term profitability by increasing efficiency, building scale, and deepening integration across the Group.

Drive sustainable, profitable growth
Another strategic pillar is sustainable and profitable growth. Our focus is to strengthen data-driven decision-making, aligning the entire Group behind one set of numbers, and cultivating a shared mindset that places long-term profitability at the center of everyday choices. In 2025, we took significant steps in integrating this into the organisation.

Lumene Group reached all-time high net s ales of EUR 102 million and exceeded EUR 12 million in EBITDA for the first time. Profitability became not only a financial objective but a cultural one, with teams demonstrating stronger commercial thinking, greater accountability, and heightened cost consciousness. We also advanced efficiency by identifying savings in formulations, packaging, and procurement, with procurement initiatives laying important groundwork, and investment decisions becoming increasingly disciplined across functions.

Structural decisions also strengthened profitability. Bringing the business in Norway and Denmark back in-house improved our margins, while the integration of IDA WARG Beauty enhanced both scale and efficiency. Adding another growth brand to our organisation has strengthened revenue growth and profitability.

One winning team
Our people and culture remain a cornerstone of Lumene Group's strategic execution. Building on several years of investment in leadership and self-leadership, we expanded our focus in 2025 with the launch of the We Care program, a holistic approach to employee well-being. The program addressed themes ranging from inclusion and emotional well-being to ergonomics and the impact of AI, helping build resilience and an environment where people can thrive.

In 2025, Lumene Group advanced from AI exploration towards broader and more structured utilisation of artificial intelligence in our practical daily operations. Internal workshops and R&D-focused discussions were organised to explore future AI use cases in innovation and data-driven decision-making, and internal AI-based bots were developed to support daily operations. AI implementation was also addressed at the leadership level by including it in company strategy discussions and leadership forums, helping anchor AI adoption as a company-wide transformation rather than a purely technical initiative.

Employee engagement remained a priority, and we continued to make progress. Our eNPS reached +40 at the end of 2025, with a yearly average of +32, reflecting strong pride, motivation, and connection to our strategy. These results demonstrate the team's commitment and the positive momentum toward our long-term target of +50.

To further understand and benchmark our progress externally, we partnered with Great Place to Work®, conducting the global Trust Index® survey across all locations. Lumene Group was certified as a Great Place to Work® in both Finland and Sweden in our first year of participation, surpassing the 85% positive score required for certification. Our overall Trust Index® score reached 75%, confirming the strength and consistency of our workplace experience.

*Lumene Group Brand Health Survey (internal), 2025 data.

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Operating environment

Beauty market in transition

In 2025, the operating environment for the beauty industry shifted significantly from previous years. After nearly two decades of consistent category growth, the global beauty market shifted to slower growth for the first time since 2007. This marked a major turning point for the industry and was reflected across brands, categories, and channels.

As geopolitical uncertainty intensified, particularly in early 2025, consumers became more cautious. Many delayed discretionary purchases and prioritised savings, leading to increased price sensitivity and lower category growth. Retailers and manufacturers responded with deeper and more frequent discounting, and in several categories the share of volume sold on promotion rose significantly. This promotional intensity placed pressure on margins throughout the value chain.

These dynamics were especially evident in Lumene Group's largest and most mature markets, Finland and Sweden, where overall category trends have a disproportionate impact due to our significant market share. In contrast, effects were more modest in European growth markets, where our footprint remains smaller.

Regionally, one of the most notable shifts occurred in Asia. In China, domestic beauty brands surpassed international competitors in market share for the first time in 2025, driven by macroeconomic factors and a growing consumer and policy preference for local companies[1]. This structural change created a more challenging landscape for international companies and reduced the suitability of established go-to-market models across the region.

Consumers redefining value
2025 also marked the acceleration of several long-term consumer transitions expected to influence the beauty industry for years ahead. Consumers increasingly seek clear proof of product performance and a deeper understanding of the science behind formulations. This has fueled the rise of efficacy-focused beauty, where value is defined not only by results but also by broader aspects such as ingredient transparency, safety, and sustainability. Advanced technologies previously associated with luxury brands are now reaching the mass market.

At the same time, value is becoming more closely linked to sensorial and emotional experience. Consumers are looking for beauty products that offer moments of pleasure, well-being and self-expression, driving interest in indulgent fragrances, transformative textures, and uplifting brand narratives. Products that combine performance with enjoyment are gaining traction across multiple categories.

Digital transformation also continues to reshape consumer behaviour. AI-driven discovery is becoming a more common first point of contact between brands and consumers, influencing how people discover, evaluate, and interact with beauty products. While the full commercial impact is still evolving, the first touchpoint with a brand is more frequently AI-driven, impacting the fundamentals of the connection between a brand and its audience. As digital touchpoints become more automated, the role of physical retail as a source of human connection grows in importance. Brands are expected to deliver seamless, holistic experiences that integrate digital convenience with engaging real-world interactions.

Evolving retail landscape
Beauty retail is increasingly shaped by the interplay between online and in-store channels. While online remains a major driver of category growth, physical retail continues to provide meaningful value by enabling product trial, personalised guidance, and immersive brand experiences. Physical stores continued to evolve in 2025 into expert-led and experience-driven environments focused on inspiration, education, and brand connection rather than purely transactions. Consumers now expect personalised interactions and seamless integration between digital discovery and in-store journeys.

Strengthening systems and standards
Supply chain conditions remained relatively stable in 2025, with no major disruptions. Pricing and supply chain operations remained largely steady, supporting consistent service levels and operational performance throughout the year. Overall resilience has improved compared to pre-pandemic levels, supported by better visibility, supplier diversification, and enhanced planning capabilities. At the same time, supply chains face ongoing structural risks, including increasing complexity in multi-tier networks, heightened exposure to cyber and digital threats, and the growing impact of climate-related disruptions on logistics and production. As a result, continuous and proactive risk management has become an essential part of operational planning across the industry.

In parallel, EU regulatory activity affecting the cosmetics sector has tightened over the past year, reflecting a continued shift toward stricter oversight of substances used in cosmetic formulations. This trend is set to continue in 2026 due to expanded chemical safety requirements and broader sustainability expectations driven by Green Deal–related policies such as the Packaging and Packaging Waste Regulation (PPWR) and the strengthened rules on environmental marketing. While this increases regulatory complexity, it also creates opportunities for companies that proactively integrate sustainability requirements into formula and packaging design. Close monitoring of the evolving regulatory landscape remains critical to effective risk mitigation.

Together, these developments defined a more complex and faster-evolving operating environment for the beauty industry.

[1]) National Bureau of Statistics; Frost & Sullivan

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LUMENE

Unlocking the *power* of Nordic beauty

LUMENE is the Group's largest and Finland's number-one beauty brand, unlocking the power of wild Nordic nature for beauty that feels naturally good. In 2025, LUMENE advanced its Nordic leadership through growth, international expansion, and innovation.

LUMENE develops high-performing, award-winning skincare, face makeup, colour cosmetics, and hair care products, formulated with Nordic and naturally derived ingredients backed by advanced skincare science. The brand currently accounts for 78% of Lumene Group's total business.

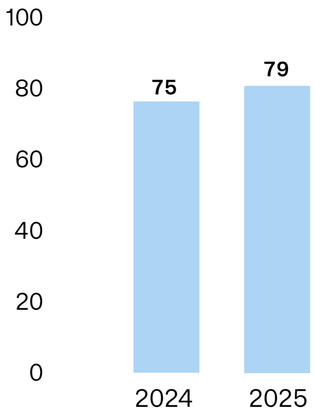
In 2025, LUMENE delivered 5% growth, reaching an all-time-high net sales level of EUR 79 million. The home market Finland, where LUMENE continues to lead the category, remained the largest market, representing 51% of total net sales, followed by the other Nordic markets at 31%, and the rest of the world representing 18%.

Accelerating global momentum
LUMENE's international markets became a key driver of growth in 2025, led by strong performance in the UK, Scandinavia, and the DACH region. Nearly 700 new points of sale opened across Europe, making LUMENE more widely available than ever before. In the UK, net sales increased by 53% following the full year impact of the 2024 Boots listing. In Norway and Denmark, bringing operations in house delivered 168% year on year net sales growth, making the region one of LUMENE's fastest growing.

In the DACH region, expanded shelf space at Müller generated 64% growth, and the brand strengthened its footprint further by entering Switzerland.

Hero strategy continued to prove highly effective. The strategy focuses on elevating a curated set of top-performing products to drive category growth and consumer recognition. Hero products grew 10% and now account for 26% of net sales. The Nordic Bloom [Lumo] skincare range continued to perform strongly, supported by rising consumer demand for longevity focused routines. Skincare infused face makeup remained a primary driver of consumer appeal.

Net sales, EUR million:



+5%
overall growth

78%
of Lumene Group net sales

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The hero CC franchise accelerated across Scandinavia and saw strong international momentum. The expansion of the CC Cream shade range enhanced inclusivity, supporting continued growth in face makeup.

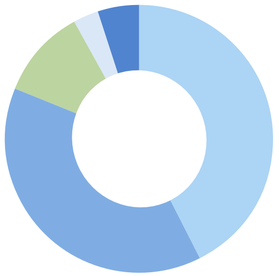
Innovation strengthening consumer love
Innovation remained central to performance, as LUMENE strengthened its position in high-performing, science-driven skincare and expanded its footprint across strategically important categories. Among the most significant launches of the year were the new renewed Nordic Hydra [Lähde] range, developed with patent pending hydration technology, the introduction of the Wild Forces Volume Mascara, and an extended offering in hair care.

The Wild Forces Volume Mascara marked an important step in building a long term presence in the eye makeup category, forming the foundation for a continued mascara innovation pipeline and strengthening competitiveness in this strategic segment. The 360° global launch became LUMENE's most successful mascara introduction to date, and the product is now a core part of the mascara portfolio.

The hair care category, introduced in 2024, continued to establish itself as a future growth pillar. The launch of the Nordic Volume range, together with new innovations such as Hair Mist, Oil, and Serum, supported wider distribution in Finland and beyond.

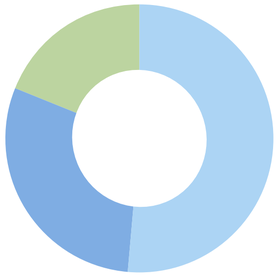
LUMENE's refreshed brand identity, introduced in 2024, continued to deliver strong results. More data driven media planning, strengthened influencer ecosystems, local brand ambassadors, and growing social communities elevated engagement across markets. Combined with improved commercial execution, stronger retail partnerships, and expanded physical distribution, these efforts increased brand visibility. Brand awareness continued to rise in Finland, Sweden, and Norway, with further momentum in international markets.

Sales** by business sectors:



- Skincare **43%**
- Face makeup **39%**
- Color cosmetics **10%**
- Hair care **3%**
- Other **5%**

Sales by market:



- Finland **51%**
- Rest of the Nordics **31%**
- Rest of the world (UK, GER, Poland, China, US) **18%**

*Lumene Group Brand Health Survey (internal), 2025 data.
**Based on Net Sales FAS

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IDA WARG BEAUTY

Joyful beauty powered by focus and growth

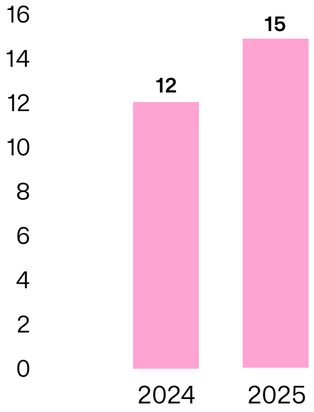
IDA WARG Beauty is a fast-growing Swedish beauty brand, known for its effective, feel-good products, playful designs, and delicious scents. In 2025, the brand delivered strong growth, building brand momentum across the Nordics.

Founded in 2018, IDA WARG Beauty offers an energising beauty experience built around high-quality self-tan, hair care, and body care products, attracting consumers who value both performance and joy in their daily routines. Since becoming part of Lumene Group in 2023, the brand has accelerated its growth and now stands as the Group's second-largest brand, representing 15% of total net sales.

Focused strategy driving strong growth
IDA WARG Beauty continued its remarkable growth journey in 2025, delivering 25% growth. The brand entered the year fully committed to its core categories: hair care, body care, and self tan, all of which performed strongly throughout the year.

Growth was especially strong in Finland, where net sales increased by 280% and brand awareness reached 39%, reflecting rapidly rising consumer interest. Retail presence has expanded significantly across Finland, with distribution growing from 60 stores in 2023 to 500 stores in 2025, greatly

Net sales, EUR million:



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enhancing national visibility and availability. In its home market of Sweden, IDA WARG Beauty maintained strong momentum supported by impactful marketing and retail activations that increased visibility and strengthened brand awareness. Net sales grew by 5%, driven by strong performance in hair care. While Sweden remains the brand's most important market, growth across the wider Nordics is accelerating, supported by rising awareness, expanded distribution, and a clear focus on the brand's key product categories.

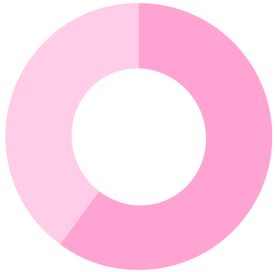
A significant milestone in 2025 was the transition towards producing IDA WARG Beauty products at Lumene Group's facility in Finland, focusing on the key categories hair care and self-tan. This shift enhances product recyclability and strengthens the brand's overall sustainability profile as production gradually moves in-house.

Beauty with joy and purpose

Innovation remained central to IDA WARG Beauty's growth in 2025, highlighted by two key hero-range launches: Moisture Curl Defining Hair Jelly and Repair Hair Oil. Both launches generated wide consumer interest and created a halo effect across their respective ranges.

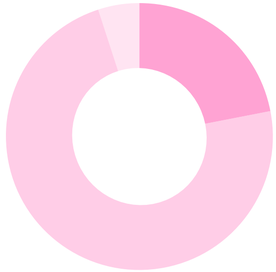
Born in the social space, IDA WARG Beauty continued to evolve how it connects with consumers across both digital and physical touchpoints. As real-life interaction grows in importance, the brand focuses on creating joyful, consistent experiences everywhere, from Instagram conversations to the retailer shelf. Community-driven storytelling and creator collaborations remain central to the brand's communication strategy. A standout initiative in 2025 was the Pride partnership in Sweden and Finland, standing out as a strong expression of the brand's inclusive values.

Sales** by business sector:



- Hair Care **60%**
- Body Care **40%**

Sales by market:



- Finland **21%**
- Rest of the Nordics **73%**
- Rest of the world (travel retail, Germany, CEE, other international) **6%**

**Based on Net Sales FAS

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CUTRIN

Evolving Nordic *professional* hair care

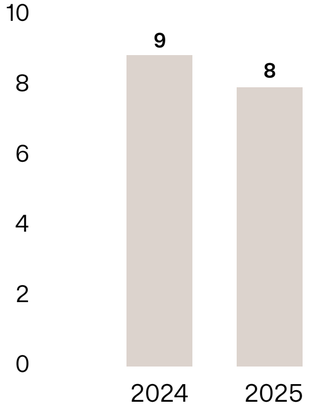
CUTRIN is a salon-professional hair care brand pioneering Nordic bio-science. In 2025, CUTRIN strengthened its awareness and relevance, supported by enhanced consumer marketing and increased visibility through its expansion into the retail channel in Finland.

With over 50 years of experience, CUTRIN combines the best of Nordic ingredients with advanced hair technologies, delivering high-performing products that care for both hair and scalp. In 2025, Cutrin Oy acquired the Finnish salon-exclusive professional hair care brand Promise. Together, CUTRIN and Promise represented around 8% of the Group's net sales in 2025.

Expanding into the retail channel
As the salon industry faced a more challenging operating environment than expected, our professional hair care brands, CUTRIN and Promise, saw global net sales decline by 7% in 2025. In the home market of Finland, however, the professional hair care portfolio achieved 2% growth, supported by CUTRIN's expanded offering for retailers and increased investment in consumer marketing.

Despite the difficult market conditions, CUTRIN advanced key strategic initiatives during the year. The expansion into wide retailer distribution in Finland put its growth strategy into practice, aiming to ensure continued growth with professional hair care in the brand's key markets. To support the increased availability, CUTRIN launched targeted consumer marketing to reach new audiences, drive sell-out, and reinforce brand awareness and relevance. In Norway, CUTRIN also strengthened its presence in the salon channel through its distributor.

Net sales, EUR million:



-7%
overall growth

8%
of Lumene Group net sales

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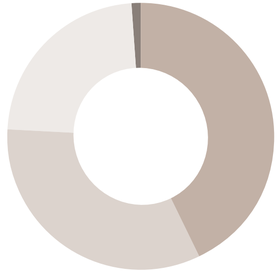
Brand renewal and strategic repositioning
During the year, CUTRIN embarked on an extensive brand refresh initiative that will continue into 2026. The renewal includes a new long-term brand strategy and a refreshed visual direction, further reinforcing CUTRIN's position as the Group's professional Nordic hair care brand and sharpening its bio science-driven positioning. The refresh began in late 2025 and will be rolled out gradually.

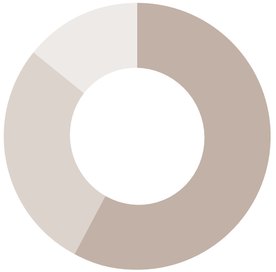
Toward the end of the year, CUTRIN introduced a new high-performing team structure to support the brand's transformation. This strengthened cross-functional ways of working and improved agility across marketing, sales, product development, and channel execution, ensuring the brand is well positioned for continued growth in 2026 and beyond.

Sales** by business sector:



- Wash & Care **43%**
- Colour **32%**
- Styling **23%**
- Other **1%**

Sales by markets:



- Finland **60%**
- Rest of the Nordics **27%**
- Rest of the world (travel retail, CEE, other international) **14%**

PROMISE
In April 2025, Lumene Group acquired Promise, a Finnish salon-exclusive hair care brand dedicated to providing high-quality products at accessible prices. The acquisition was completed through Lumene Group's subsidiary Cutrin Oy, which had already been responsible for the brand's product development, manufacturing, and distribution since 2022.

Promise offers a comprehensive portfolio of salon-exclusive hair care, including shampoos, conditioners, styling products, and colour-toning treatments. The majority of the brand's products are manufactured at Lumene Group's facility in Espoo, Finland.

Promise continues to focus on serving professional salons exclusively, reinforcing its commitment to supporting hairdressers and the professional community.

*Lumene Group Brand Health Survey (internal), 2025 data.
**Based on Net Sales FAS

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Local innovation and production

Expanding capabilities

In-house product development and local production remain a cornerstone of Lumene Group's identity and competitiveness. Manufacturing in Espoo, Finland, ensures full control over quality, sustainability, agility, and product safety, which are key strengths in a fast-evolving global beauty landscape.

Innovation is deeply integrated into Lumene Group's operations, supported by in-house R&D and close collaboration between product development, sustainability, supply chain, and marketing teams. More than 80% of our products are manufactured in-house in Finland, strengthening the connection between formulation expertise and manufacturing excellence.

R&D: Driving sustainable, high-performing beauty
Lumene Group continued to strengthen its position as a Nordic pioneer in responsible and science-driven beauty. In 2025, we increased our innovation focus on hair care. In response to strong consumer demand, new formulations and product concepts were developed for all four of our brands, supporting our continued multi-category growth. Another highlight of the year was the launch of the LUMENE Wild Forces Volume Mascara, featuring Nordic Birch Betulin Powder, an upcycled ingredient that enhances product performance while advancing circularity. The integration of IDA WARG Beauty into our operations broadened our R&D scope and accelerated the development of future innovations. We also deepened collaborations with academia and local industry players, to advance innovation with Nordic and upcycled ingredients.

In 2025, we strengthened our leadership in circular beauty. Our circularity rate increased by 2 percentage points to 64%, driven by a higher share of renewable-based and biodegradable ingredients and a rise in packaging recyclability. Since 2023, we have utilised the CTI framework to assess our circularity prior to the introduction of the Global Circularity Protocol at the end of 2025. This proactive approach demonstrates our commitment to transparent, data-driven circularity assessment and ensures strong alignment with emerging global standards.

In the second half of 2025, we completed the B Corp pilot audit and and continued preparing for renewal of our certification under the new standard, scheduled for mid-2026. Our deep commitment to sustainability, circularity, and responsible innovation, supported by a close partnership between R&D and production, has strengthened our employer brand and helped attract new people, while ensuring we continue delivering high-performing and sustainable beauty products.

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In-house production is our strategic advantage.

Local production: scaling for future growth
Our own production facility manufactured approximately 17 million skincare, makeup, and hair care products in 2025. Production is one of our strategic pillars and a defining capability that differentiates us in the global beauty industry by providing full control and confidence over quality, safety, and consistency of our products. Keeping the value chain in-house remains a cornerstone of our long-term competitiveness and growth.

A multi-year modernisation of the Espoo production facility, launched in 2024, continued throughout 2025. This EUR 10 million program is designed to ensure that production can scale efficiently as demand grows and our multi-brand portfolio expands. The investment covers equipment renewal, automation development, digitalisation, and the modernisation of core processes. As part of the renewal, all main production lines are being upgraded, with two new primary lines made operational during 2025. Once the program is completed by the end of 2026, 80% of all equipment will have been renewed. The updated lines will deliver significant improvements in production efficiency, energy efficiency, and scalability, ultimately tripling total production capacity compared to previous levels.

A strong, efficient, and modern supply chain is an essential competitive advantage. In 2025, we initiated the implementation of a new end-to-end supply chain planning process, supporting better forecasting, higher transparency, and more predictable operations as the group expands into new markets. We also successfully integrated IDA WARG Beauty into the supply chain, and our international growth brought increased volume and operational complexity, making 2025 a transformative and exceptionally active year for operations.

Quality and product safety remain at the heart of our work. We strictly adhere to cGMPs (Good Manufacturing Practices for cosmetic products), with reference to ISO 22716 certification, and comply fully with EU Cosmetics Regulation requirements to ensure consistency, safety, and the highest production standards.

Sustainability in production and supply chain operations are described in more detail in the sustainability section of this report.

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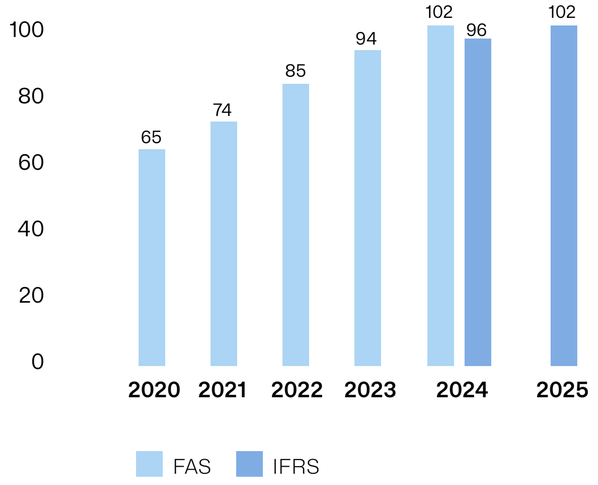
Financial Reporting Standards

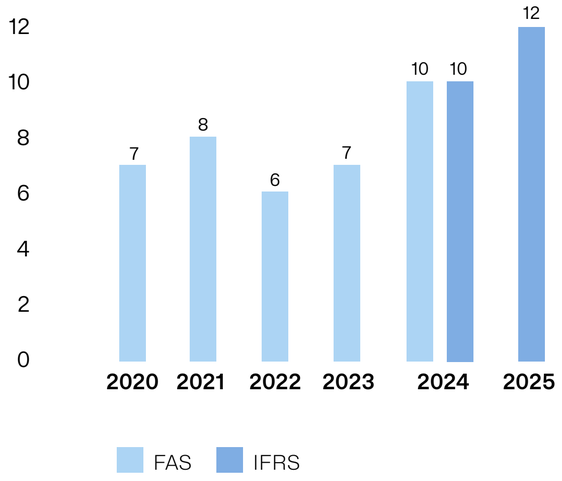
Starting in 2025, Lumene Group adopted International Financial Reporting Standards (IFRS).
This page includes figures prepared under both FAS and IFRS, as indicated in the charts below.

Group net sales, MEUR



Group net sales are presented in accordance with IFRS and reflect deductions such as discounts, rebates, and returns. Certain promotional costs are classified as sales deductions to provide a more accurate view of net sales.

Group EBITDA, MEUR



Sustainability Report

Sustainability report

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Sustainability strategy

Leading *circular* beauty

Since 2023, our sustainability strategy has been built on the following three pillars:

- Leading in circular beauty by embracing circular economy principles in our product development and product lifecycle.
- Driving climate action by reducing our GHG emissions and supporting wetland restoration.
- Expanding our social accountability through employee engagement, fostering inclusivity across our business, and strengthening our responsible supply chain.

Corporate governance and strong business ethics provide the overarching framework that guides our sustainability management and communication.

Lumene Group has been B Corp certified since 2024. In April 2025, B Lab launched the new B Corp standards, and during late 2025, we participated in a pilot audit led by B Lab to test the implementation of this renewed framework. The successful completion of the pilot confirms that our sustainability strategy is well aligned with the new B Corp standards, demonstrating our readiness to renew our B Corp certification by mid-2026.

Achieving 64% material circularity
In 2025, Lumene Group achieved 64% material circularity, compared to the 62% and 55% in 2024 and 2023 respectively, meaning that we are on track to reach our 70% circularity target by 2030. The 2 percentage point improvement of our total material circularity results from an increase in the share of materials in the biological cycle compared to technical materials (see diagram p 31) – this means that in comparison to previous years, in 2025 our material flows consisted of more of our actual circular beauty products than materials for packaging or marketing. 2025 also saw a 2 percentage point increase of the share of renewable-based and biodegradable ingredients in our formulas, and a 7 percentage point improvement in total packaging recyclability, driven by our emphasis on designing for recyclability.

Beyond the improvement in these percentages, we always ensure that infusing circularity is never at the expense of product performance – it can even improve it. As an example, we use betulin in our Wild Forces mascaras as this naturally derived triterpene with wax-like benefits contributes to the mascara build-up on the lashes for long-lasting volume creation. This illustrates our way of leading circular beauty - formulating with upcycled Nordic ingredients that make our products more circular while answering our consumers' primary demand: uncompromising product performance.

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As an interesting development, in the end of 2025, the new Global Circularity Protocol (GCP) was officially launched at COP30. This science-based globally aligned framework is developed by WBCSD and the One Planet Network, marking a major step toward unified global circularity governance. The aim of the GCP is to help companies measure, manage, and communicate circularity performance through standardised metrics and harmonized reporting. Interestingly for us, the WBCSD's CTI V4.0 framework we have been using to assess our material circularity, stands as the foundation for GCP material circularity indicators, meaning we are well in line to begin operationalising GCP.

Reducing carbon footprint

In 2025, our total GHG emissions rose by 4% from 2024 figures, primarily due to a planned temporary increase in our capital goods emissions, associated with our factory modernisation project. These upgrades, while increasing our footprint in the short term, are critical in enhancing operational efficiency, reducing energy intensity, and enabling future emission reductions. Despite the temporary increase, our Scopes 1, 2 and 3 emission intensity per net sales remained stable allowing us to maintain the achieved 24% reduction in total GHG emissions compared to our 2021 baseline.

While not connected to our GHG emission calculations, we continue to support regenerating natural wetland ecosystems in collaboration with FANC, the Finnish Association of Nature Conservation. Wetlands are unique ecosystems well known for acting as potent carbon sinks. Restoring these areas contributes to our climate work and biodiversity preservation while protecting the natural habitats of many ingredients we use in our formulations, such as cloudberries and cottongrass.

Promoting well-being and ethical practices across our value chain

At Lumene Group, we are committed to the well-being of our own employees and the employees in our supply chain. Health and safety remain central to our sustainability strategy and we continuously aim to develop our work environment. In 2025, we were able to measure great outcomes from this work as our eNPS score rose to +40 (+27 in 2024), and we achieved the official Great Place to Work certification already on our first year of application.

Our ethical practices are guided by the Lumene Group Code of Conduct and the Partner Code of Conduct, which are further reinforced by a strong speak-up culture that encourages employees to bring up any concerns. We also prioritise diversity, equity, inclusion and belonging (DEIB) externally through an inclusive product portfolio and diverse representation. These commitments are reflected in our ranking by the Finnish Innovation Index (FII) where we placed fourth in 2025.

Our Corporate Social Responsibility (CSR) policy also focuses on ethical practices, DEIB initiatives, and strengthening community impact. In 2025, we continued pursuing the social and environmental initiatives focused on supporting disadvantaged youth, mental health, and climate work through key partnerships with organisations such as the Girl's House of Espoo, Pride in both Helsinki and Stockholm, and the Finnish Association for Nature Conservation.

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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 accountability.

Goal

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

AS MEASURED BY CTI TOOL

Reducing CO_2 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 to achieve the following by 2028 and beyond:

eNPs >+50

Great place to work >90

Status 2025

64% (2024: 62%)

Absolute emissions: 4%
Emission intensity change: 0% (compared to 2024)
-24% (compared to 2021)

88%

+32

85%

SDG link*)

CTI framework including our brands LUMENE, CUTRIN, IDA WARG Beauty, and Promise
*Sustainable Development Goals (SDGs) are guiding our sustainability work. In 2019 selected SDGs help us embed sustainability across all three sustainability pillars.

Leading Circular Beauty

LUMENE
GROUP

LUMENE GROUP

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From linear to circular economy

Our journey to *circularity*

As the world faces accelerating challenges like climate change and resource depletion, the traditional take-make-waste model is no longer sustainable. The urgency of these challenges calls for a paradigm shift: we must do more with less. This is where the concept of a circular economy becomes invaluable.

The circular economy represents a transformative economic model that minimises waste and resource use by aiming to maximise material efficiency and the lifespan of products and materials. It is not only a sustainable alternative - adopting a circular economy also offers 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 to foster innovation and resilience in the changing environment.

Leading circular beauty
At Lumene Group, circularity is not a new concept. In 2001, we introduced our first upcycled ingredient: the cloudberry seed oil, derived as a side-stream from the food industry. Today, we incorporate over 30 upcycled ingredients into our formulations. Also, our packaging design emphasises circularity by utilising renewable and recycled materials and designing the packaging for easy recyclability.

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. In our first assessment in 2023, we achieved a circularity percentage of 55% - an impressive figure in contrast to the 6.9% circularity of the global economy (Reference: Circularity Gap, 2025). In 2025, the assessment considers the data from all four Lumene Group's brands, LUMENE, CUTRIN, IDA WARG Beauty, and Promise. The material circularity percentage for Lumene Group lands at 64% material circularity.

Circularity at the core of innovation
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 circularity metrics already during the product development phase. This metric is also integrated into the decision-making process in new product development, and the business case evaluation for new product launches.

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Material circularity

Data *driving* the design

Lumene Group is leading in circular beauty. We have an active and data-driven approach in both designing our products with circular principles, and in tracking our progress by measuring our achieved material circularity.

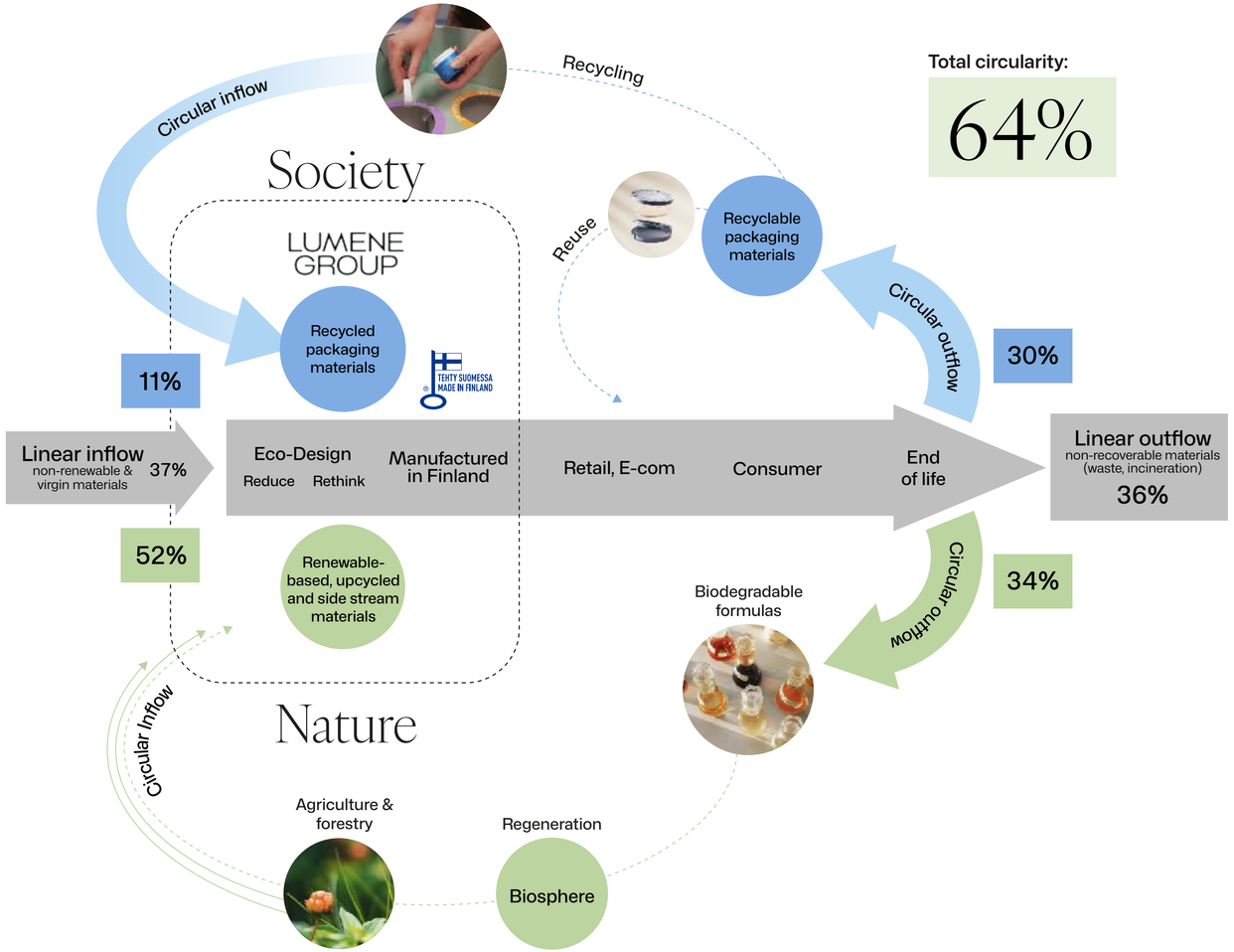
Since 2023, we have utilised the CTI framework in assessing our material flows. The group level material circularity percentage is calculated through assessing hundreds of thousands of individual data points each year.

Circular materials come from recycled or renewable-based sources and upcycled valorised waste streams. 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 may be used multiple times, preventing them from ending up as landfill or being incinerated after their initial use.

From inflow to outflow
At Lumene Group, our circularity performance is measured with the Circular Transition Indicators (CTI) framework. The CTI assessment considers the individual circularity attributes of each element in our products 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. The full CTI assessment calculates the circularity percentage offering a comprehensive view of our current material circularity level. For example, in 2025, the total mass of renewable-based packaging materials and in-house production cosmetic raw materials was 1 462 249 kg and the amount of recycled packaging materials was 174 252 kg. Our total material usage in 2025 was 2 053 439 kg.

In 2025, the assessment revealed that we have 63% circular inflow and 84% circularly designed outflow potential. Considering 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 2025 lands at 64% -over nine times the global average (Reference: Circularity Gap, 2025).

Our circular value chain
This year, we also upgraded our circularity diagram to best illustrate both the biological and technical cycles. The visual respects the widely recognised butterfly diagram by the Ellen MacArthur Foundation, while staying in line with the principles of the CTI framework. The new original diagram, presented on the right, highlights the various materials flow, and the transition from linear economy to circularity, while integrating our circular value chain and product lifecycle. These aspects are highly relevant to our cosmetics products in the fast-moving consumer goods sector.



Circular Value Chain

Lumene Group Circularity Value Chain diagram, including both biological and technical cycles, transition from linearity to circularity, and main material flows with 2025 percentages.

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Promoting circular beauty

Nordic Hydra *relaunch*

The Nordic Hydra relaunch shows that circular beauty can be truly innovative, drawing inspiration from the Finnish nature while delivering high-performance results for the skin.

As an original discovery, our R&D team demonstrated that two Nordic ingredients boost the efficacy of hyaluronic acid by further promoting the skin's self-hydration capabilities.

The resulting Nordic Hyalu-Birch technology combines triple hyaluronic acid with birch leaf extract and xylitol. Together, these ingredients activate the skin's own hydration mechanisms through a synergistic increase in loricrin expression. Loricrin is a key protein that strengthens the skin barrier and supports the skin's ability to self-hydrate and prevent water evaporation, making this technology a true game-changer for long-lasting hydration.

Circular beauty delivering high-performance results for the skin
This patent-pending innovation (FI20255240) is introduced into our Nordic Hydra range, where all products feature the Hyalu-Birch technology and deliver clinically proven instant hydration lasting up to 72 hours.

97% **naturally derived raw materials**

The total material circularity percentage for the serum is 66%, with 96% circular formulation and 52% circular packaging. For the moisturiser, the total material circularity percentage is 83%, with 93% circular formulation and 64% circular packaging. These products have on average 11% upcycled ingredients and contain up to 97% of naturally derived ingredients. Both the serum and the moisturiser are 100% vegan.

Recyclable packaging made with recycled materials
The fully recyclable serum packaging is 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 eco-designed moisturiser jar uses 44% less material than the previous version, reducing its carbon footprint by 38%*. Made from 97% bio-attributed plastic sourced from Nordic forest industry sidestreams, its monomaterial design makes it easy to recycle as plastic.

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

*A verified third-party Life Cycle Assessment according to ISO 14040:2006 and ISO 14044:2006

TRIPLE HYALURONIC ACID

XYLITOL

NORDIC BIRCH LEAF EXTRACT

Circular Hydration
Beyond the performance, Nordic Hydra products are eco-designed to embrace our circularity principles. Both formulations are enriched with upcycled humectants sourced from vegetable oils and sidestreams of the sugarcane industry. They also feature naturally derived betaine, recovered from sugar beet molasses and vinasses through an eco-efficient process that transforms agricultural by-products into high-value skincare ingredients. This plant-based osmolyte helps safeguard skin cells against environmental stress, supporting both skin resilience and a more sustainable ingredient lifecycle.

Sustainable production
These products are manufactured in the Lumene Group factory in Kauklahti, Espoo, Finland. The production is powered by 100% renewable hydropower and clean district heating.

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Formulations and ingredients

Powered by the Nordic nature

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.

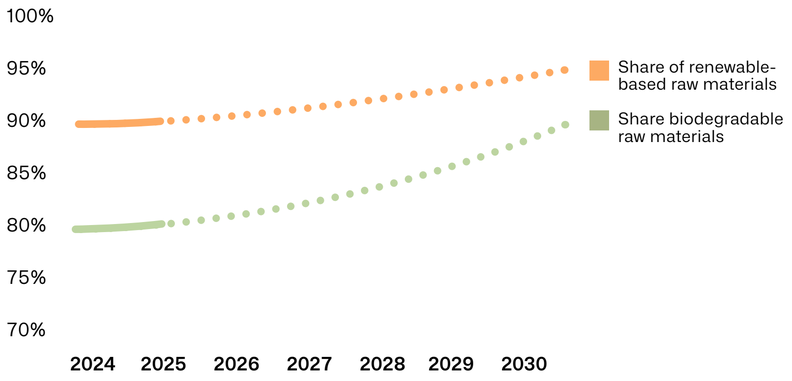
Renewability and biodegradability evaluations have been carried out for our raw material assortment in 2025. In 2025, the share of biodegradable raw materials used in our production was 82% (excluding water) while 91% were renewable-based. In our journey to reach 70% material circularity by 2030, we have set a target to have 90% biodegradable (excluding water) and 95% renewable-based raw material assortment.

Lumene Group specialises 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.

In 2025, the share of *renewable-based* raw materials used in our production was 91%.

Formulation goals and status



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Prioritising natural origin

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 2025, we had replaced more than 98% (by volume) of our raw materials containing palm oil with Mass Balance certified quality.

We have removed solid microplastic particles from the majority of our 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, synthetic UV filters and naturally derived mineral UV filters are both subject of debate when it comes to their environmental impacts. As mineral filters often compromise skin feel, leading consumers to prefer products formulated with chemical filters, we have intentionally selected a limited combination of synthetic UV filters that balance safety, sensorial quality, and efficacy. Ultimately, we believe it is more important to apply a pleasant, easy-to-use product that provides reliable sun protection than a product with high natural content that consumers find unpleasant 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.

Our 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. We 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 colours 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. Ida Warg Beauty formulas are vegan.

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.

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Product safety

Safe by design, *trusted* by consumers

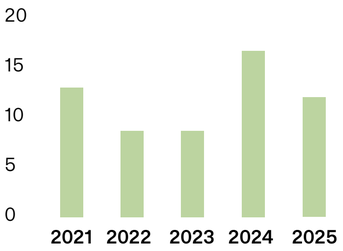
Consumer safety is our top priority in developing, manufacturing, and marketing our products.

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 and assured by Quality Assurance 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 12 reactions per million sold products. No serious undesirable effects have been 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 during the reporting period.

Reported skin reactions per millon sold products



R&D

We carry out various types of safety-related research during the product development. We analyse trends and take special notice of consumer satisfaction. A safety assessment is performed for all products.

PRODUCTION

We follow Good Manufacturing Practice (cGMP) in the production to ensure the products meet all the requirements set for them in terms of quality and safety. The quality of the products is ensured at the production stage by co-operation between production and quality assurance. cGMP is certified ISO 22716 and LUMENE has ISO 9001 and ISO 14001 certifications.

USAGE

After the products are released on the market, we continue to make Post Market Surveillance (PMS) to monitor the safety of our products. All customer claims relating to skin reactions are evaluated by an expert team. If some products show an increase the number of claims, R&D starts corrective and preventative actions. There have been zero serious undesirable effects.

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We do not test on animals

Beauty rooted in *responsibility*

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 region by the 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

Less materials, *lower* impacts

Circularity is a key focus in our packaging choices. Minimising the environmental impact and ensuring product safety are top priorities in selecting our packaging materials. We want 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 development. 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.

Progress toward our packaging objectives
Lumene Group established ambitious packaging sustainability objectives in 2018 for the year 2025, which were updated in 2024 to extend to 2030. For both sets of objectives, our focus is on reducing the amount of materials used, as well as having circular materials both in the inflow and outflow of product packaging. Since 2018, we have been working to reduce the use of plastic materials in our packaging. By 2025, we had reduced the amount of plastic per product sold by 16% compared to 2018.

We achieved this by focusing on our best-selling products, with one of our most significant projects being the eco-design of our 50ml moisturiser jar, which now contains 44% less plastic. (See also the page "Promoting Circular Beauty")

Extending the lifespan of packaging plays a significant role in advancing circularity. However, the unique challenges of the cosmetics industry, 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 maximising recyclability, complemented by the ongoing evaluations of reuse models for selected product categories to ensure the safety, quality, and practicality of these solutions.

Since 2018, we've *reduced* plastic use by 16% in LUMENE products through circular *packaging* design.

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Lumene Group's *packaging development* strategy

		RECYCLED & RENEWABLE		REUSABLE & RECYCLABLE
	REDUCTION	**SOURCE OF PLASTIC PACKAGING**	**SOURCE OF FIBRE PACKAGING**	**RECYCLABILITY**
OBJECTIVE 2025	Use 20% less plastic in LUMENE packaging by 2025 (compared to year 2018).	Source of plastic: 80% of plastic packaging is recycled or bio-based.	Source of fibre packaging: 100% of folding and corrugated boxes are certified.	Maximise the recyclability of all packaging. Make strategical LUMENE skincare packaging 100% recyclable by 2025.
OBJECTIVE 2030	Reduce amount of packaging materials & smaller carbon footprint.	Source of plastic: 100% of plastic packaging is recycled or bio-based.	Source of fibre packaging: 100% of folding and corrugated boxes are certified.	100% of all packaging material reusable, recyclable or compostable.
WHERE WE ARE IN 2025	Amount of plastic per sold LUMENE product: -16% compared to year 2018	Source of fibre packaging: 100% of folding and corrugated boxes are certified. Recycled: 26% Renewable: 11% Total: 37%	Folding boxes: 94% Corrugated boxes: 77% Total: 83%	Recyclable components (contain less than 5% of materials other than the majority material): 86%
WHY IS IT IMPORTANT?	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.	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.	Reusability and recyclability are key to circular packaging design. We currently focus on maximising recyclability to enhance circularity. This includes designing packaging with end-of-life considerations and ensuring recyclability through monomaterial packaging design.

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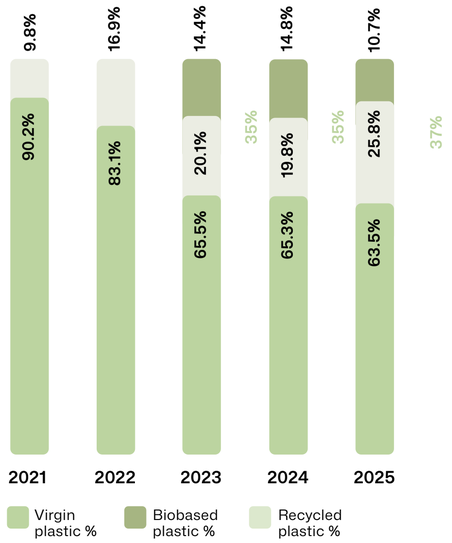
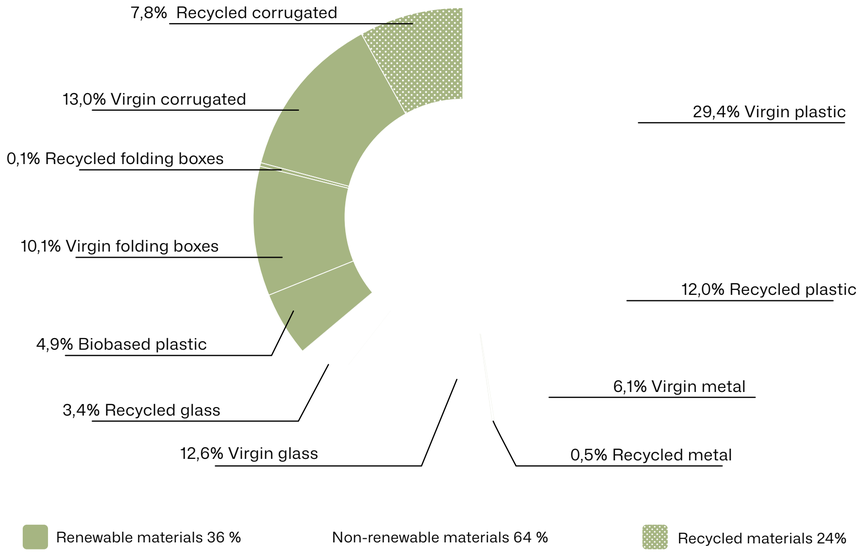
Circular packaging across our brands
We aim to be at the forefront of circular packaging innovation across our brands. Aligned with the EU Packaging and Packaging Waste Regulation (PPWR), we prioritise the use of recycled and renewable materials, making sure our packaging is optimally recyclable while also incorporating innovative reusable solutions. We believe the PPWR fosters innovation in the value chain and inspires circular solutions.

By collaborating with partners, we continually seek out new circular materials and technologies, with a strong focus on reducing GHG emissions throughout the entire life cycle from extraction of raw materials to manufacturing, and to the end-of life of the packaging. Packaging-related emissions present a significant opportunity for us to reduce our company's overall emissions. Guided by our Lumene Group circularity objectives and the PPWR, we are committed to delivering responsible cosmetic products in carefully considered packaging, helping to support a more circular and resource-efficient future for the beauty industry.

RECYCLED AND BIOBASED PLASTIC (%)



PACKAGING MATERIAL USAGE 2025



Case

In 2025, Lumene Group participated in two leading circularity programs, strengthening our commitment to sustainable innovation. Through the Nordic Circular Design Programme, we collaborated with leading experts and organisations, including Ethica, Cradlenet, the Norwegian Center for Circular Economy, and the Danish Design Center, to explore new ways of integrating circular economy principles into our product development and operations. Workshops and panel discussions provided valuable opportunities for knowledge sharing and partnership building across the Nordics.

Additionally, our involvement in the Circular Economy GO (CEGO) programme enabled us to work alongside Finnish companies, further deepening our dedication to a more sustainable future through shared learning and new perspectives.

Nordic Circular Design Programme

CEGO Circular Economy GO

Climate action and *biodiversity*

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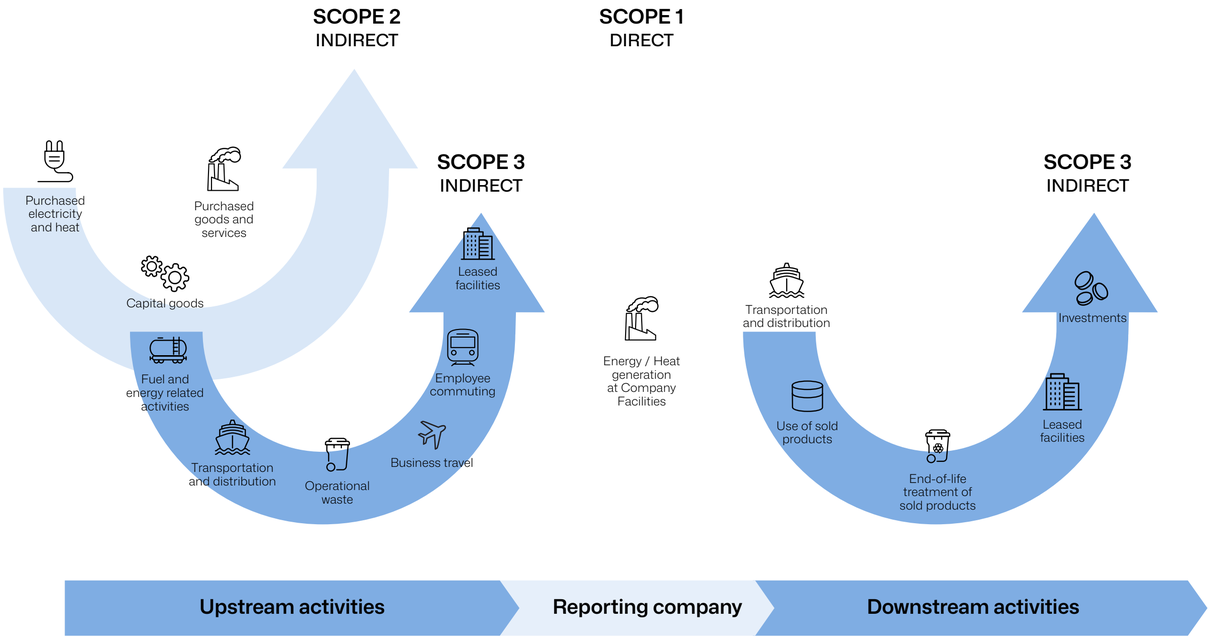
Climate objectives

Circular choices for *climate impact*

During 2025, the visible climate change impacts continued to intensify. For the first time, a three-year period from 2023 to 2025 exceeded 1,5°C rise above pre-industrial levels, and 2025 ranked among the three warmest years ever recorded.

In response to this accelerating climate urgency, Lumene Group continued to advance the science-based climate targets we established in 2023. We aim to reduce our Scope 1, 2, and 3 CO_2e emissions by 42% by 2030 from the 2021 baseline, a target approved by the Science Based Targets initiative (SBTi) for SMEs and aligned with the Paris Agreement's 1,5°C pathway. As our company continues to grow, we intend to set updated SBTi targets as a corporation.



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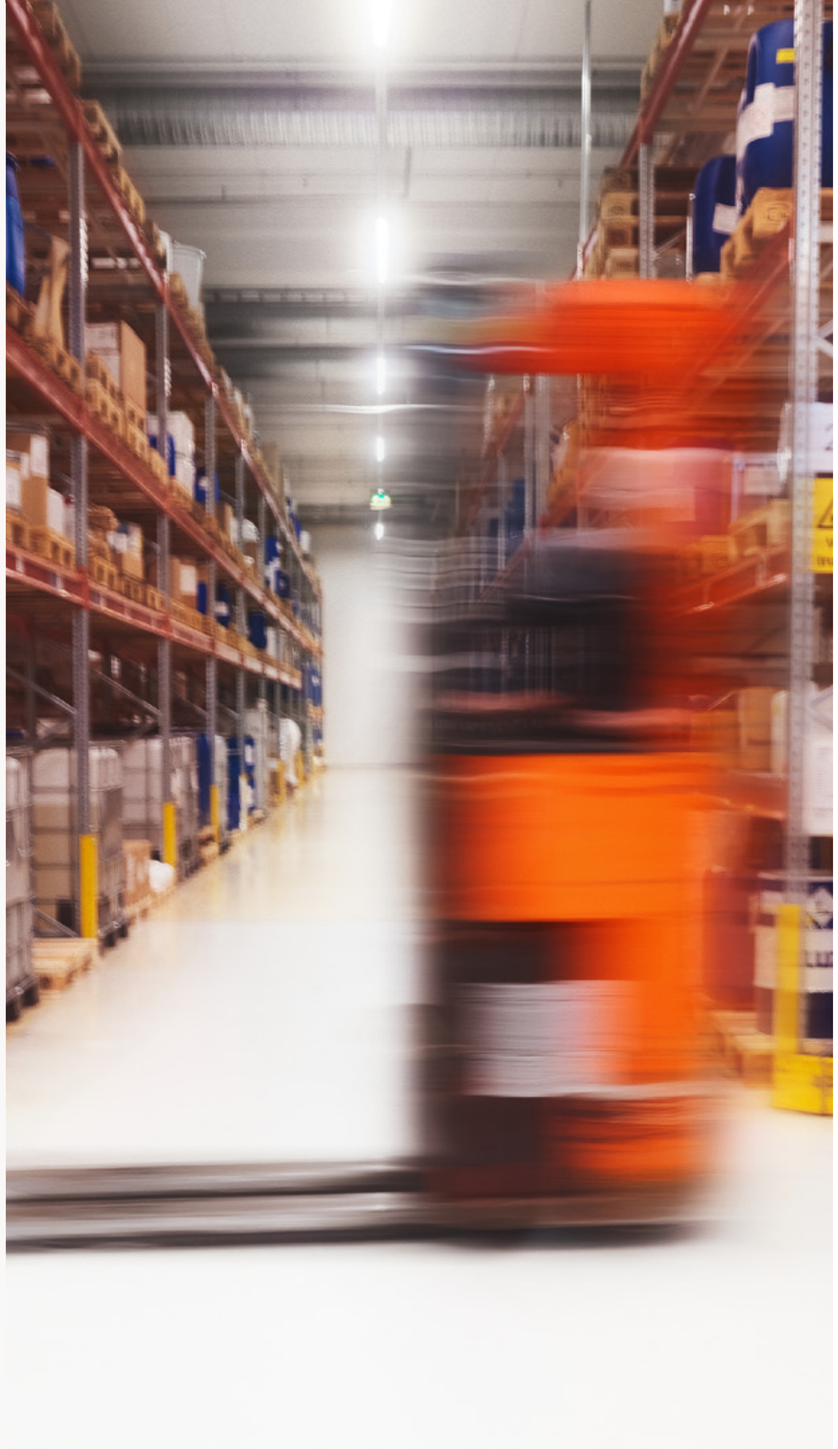


Our factory operates on 100% renewable energy.

Energy use and operational emissions (Scope 1 and 2)
Throughout 2025, our factory continued operating on 100% renewable energy. This long-term transition to renewable and bio-based energy sources is the primary reason our operational emissions remain very low. Our Scope 1 emissions were 10,7 tCO_2e, and Scope 2 emissions 562 tCO_2e, creating 5% of Lumene Group's total emissions. Hydropower continues as the energy source for all electricity used in our factory premises, and renewable district heat further supports our low-emission operations.

Despite slightly reduced production volumes in 2025, our Scope 1 and 2 GHG intensity decreased by 14% compared to 2024. This improvement reflects the impact of the ongoing factory modernisation, with increased automation and continued improvements in metering systems, allowing more accurate monitoring and optimisation of energy use across the facility.

Scope 3 emissions
Scope 3 emissions remained the dominant part of our carbon footprint. In 2025, Scope 3 emissions totalled 10,919 tCO_2e, representing 95% of Lumene Group's total emissions. This represents a 5% increase compared to 2024. Having already achieved low Scope 1 and 2 emissions through the use of renewable-based energy sources, the majority of our climate impacts are derived from our value chain activities.

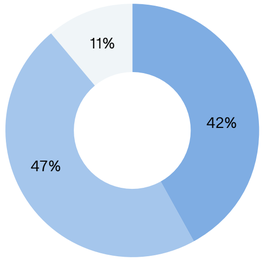
The Scope 3 category covers emissions from ingredients, packaging materials, inbound and outbound transport, services, IT equipment, capital goods, leased assets, employee commuting, business travel and end-of-life treatment of packaging. Product use-phase and ingredient end-of-life emissions are not included.

Purchased goods and services
Purchased goods and services continue to be the largest contributors within our Scope 3. Emissions linked to formulation ingredients decreased by 14% during the year, whereas emissions related to services and packaging increased slightly.

Throughout 2025, our circularity and emission simulation tool helped us assess the emission impacts of formulation and packaging choices already in the new product development phase. For service providers' emissions, when supplier-specific data was not available, we relied on industry-average data from the CDP to ensure accuracy in our service-related emission calculations.

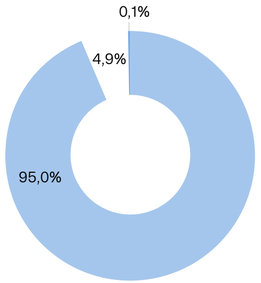
Logistics and employee travel
Transportation-related emissions increased in 2025 after the reductions achieved in 2024. An active business year, higher shipment volumes, and the need for faster transport options contributed to a 9% increase in the upstream transportation and distribution emissions. Also, the downstream transportation category emissions increased. While improved planning had helped reduce logistics emissions in 2024, the pace and intensity of our operations in 2025 temporarily reversed this trend.

Employee travel related emissions decreased overall. Business travel declined slightly due to continued attention to cost-efficient and targeted travel planning. Employee commuting emissions also decreased, supported by the expanded e-charging infrastructure in our premises, and a broader transition toward lower-emission commuting options in Finland and Sweden.



2025 energy shares of the factory

- Renewable heat 42%
- Renewable electricity 47%
- Renewable oil 11%



Scope 1-3 distribution 2025

- Direct (Scope 1) total 0,1%
- Indirect (Scope 2) total 4,9%
- Scope 3 95,0%

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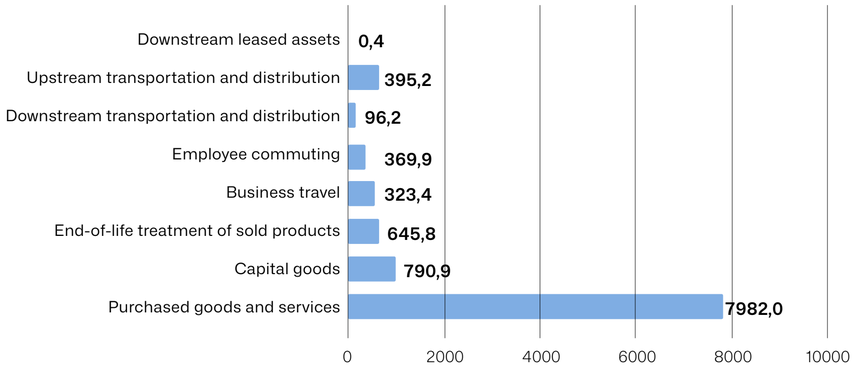
TOTAL EMISSIONS AND EMISSION INTENSITY
Driven by the increase in our capital goods emissions deriving from the investments in our factory modernisation, our overall GHG emissions increased by 4% compared to 2024. The emission intensity of Scopes 1, 2 and 3, measured per net sales, still remained unchanged compared to 2024 indicating an improvement in manufacturing energy efficiency. This allowed us to maintain the achieved 24% reduction in our total GHG emissions in comparison to our 2021 baseline.

Capital goods
In 2025, we continued our factory modernisation and invested significantly in new manufacturing equipment. These investments caused the capital goods emissions to temporarily double compared to the 2024 level, but are expected to contribute to lower manufacturing emissions in the coming years. These investments therefore temporarily increase our GHG footprint but are essential for enhancing our operational efficiency, increasing energy savings, and reducing energy intensity in the long term.

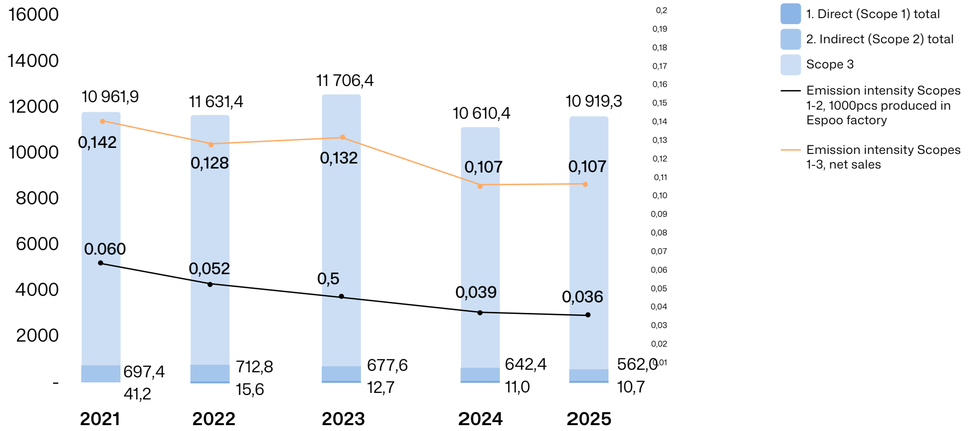
Roadmap to decarbonisation
During 2025, we completed a detailed study of our factory's heating, ventilation, cooling, and automation systems to support our near-term Scope 1 and 2 emission reduction targets. The study identified opportunities for improved system controls and evaluated scenarios for transitioning from district heating to geothermal solutions, providing a strong basis for future energy-efficiency and emission-reduction measures.
We also conducted a comprehensive project to support our Scope 3 emission reduction targets. The project included a full review of Lumene Group's GHG inventory and a FLAG screening, which confirmed that our operations are not subject to FLAG requirements. The project established a structured framework for defining Scope 3 engagement and decarbonisation levers to be aligned with the SBTi Corporate Net-Zero Standard, strengthening our long-term roadmap toward net zero.

A key focus of our long-term strategy is the transition towards a circular business model, including increased use of non-virgin and side-stream materials. Deeper supplier engagement with service providers and material manufacturers will be essential in reducing emissions throughout the value chain.

Lumene Group
Scope 3 (tCO2e) 2025



Lumene Group GHG emissions
and intensity 2021-2025 (tCO2e)



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Waste management

Closing the *loop*

As part of our ongoing commitment to circularity, Lumene Group has set an ambitious goal to achieve a zero waste* target by 2035 in our own operations.

In 2025, we begun a process of evaluating possible waste management partners to ensure a full alignment with our circularity objectives. Additionally, we conducted a review of our energy waste accumulation in our factory as an initial step in developing our roadmap to becoming a zero-waste company.

We are committed to effective waste management and recycling practices. All waste generated in our operations, including laboratory, production facility, and offices, is sorted into more than 15 fractions. We aim to continuously minimise waste generation and reduce material loss in the production. Proper sorting practices are crucial for efficient waste management, with particular emphasis on source separation of waste. Recycling and waste management training is provided to all new employees during their induction.

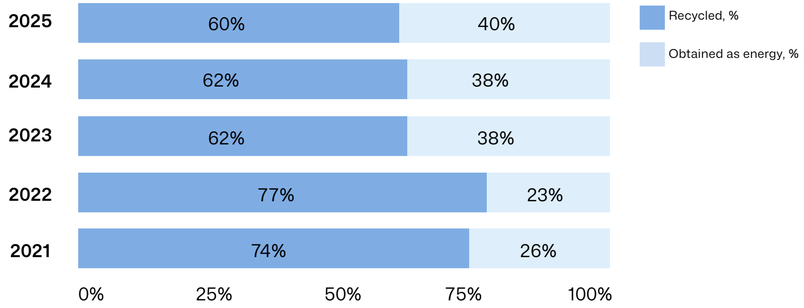
In 2025, our most substantial waste streams consisted of transportation packaging for ingredients, packaging materials for finished products, and wooden pallets, which together accounted for approximately 60% of our total waste generated.

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, when necessary, converted into energy. Our goal is to increase the share of recycling, and we are constantly seeking new projects to enhance our recycling efforts.

In 2025, our facilities generated a total of 264 tonnes of waste, of which cardboard accounted for the largest fraction. Lumene Group outsources waste management to selected specialised and legally authorised companies. 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.

* Avoiding and eliminating waste through reduction, reuse, and recycling, aiming for at least 90% diversion from landfill and incineration.

Waste recovery



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Water resources

Respecting every drop

Managing water resources is a top priority for Lumene Group as we rely on utilising 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 facility through a reverse osmosis (RO) treatment. 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 water authority. As such, tap water is used for washing the production machinery and utensils.

Annual water use metrics
In 2025, our total tap water withdrawal was approximately 24 000 m³, all of which was fresh water. This quantity is slightly less than in the previous year and reflects the decrease in our production compared to 2024. Over recent years, our typical annual water withdrawal has ranged from 23 000 m³ to 30 000 m³.

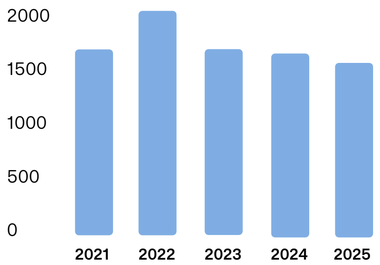
Most of the water we withdraw is used for cleaning the production equipment. We minimise unnecessary water use through effective washing protocols. However, we cannot overly optimise water use, as maintaining production hygiene and cleanliness is essential for product safety. Our reverse osmosis system is validated to ensure the water used in our products meets high-quality standards. In 2025, we used 874 m³ of RO water for products. In recent years, we have increased water metering in our production facility and identified that optimising the RO reject water fraction could help reduce overall water consumption.

Additionally, in some of our products we use pure Arctic spring water from Southern Lapland, Finland. This groundwater, also used municipally, is not considered to be from a water stress area. In 2025, we utilised only 7 m³ of spring water, reflecting our focus on prioritising local high-quality water sources.

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

Our production has sealable sewers to prevent unsuitable substances from entering the municipal treatment plant.

Water withdrawal,
m3 per million products



We have procedures and equipment in place for potential leaks, and we regularly train for these scenarios. In 2025, there were approximately 110 mg of solids per litre of wastewater, which is well under the limit set by the local municipal wastewater treatment plant. For over ten years, we have consistently stayed below this limit due to our effective wastewater handling practices, such as developing the washing procedures of production equipment.

Lumene WaterSmart programme
In 2010, LUMENE launched the WaterSmart programme aiming to reduce the company's water withdrawal. Through the programme, we wanted to encourage both consumers and other cosmetics companies to develop a more sustainable attitude towards water, and to reduce their water footprint.

Using the **WWF Risk Filter Suite v2.0**, we conducted a water risk assessment for our manufacturing site. The assessment studied both operational and basin related risks through physical, regulatory, and reputational aspects. Only low to very low risks were identified in both basin and operational risk scores, mainly relating to the volume of water withdrawal, and chemical use in our operations.

We are committed to the ongoing development of our water management processes to ensure the continued safety of our operations.

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Biodiversity

Circular Beauty *Supporting* the Nature

At Lumene Group, we recognise that biodiversity is the basis of our lives. It is invaluable for human life as we depend on the existing diversity. The preservation of biodiversity is therefore becoming increasingly important, impacting 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, adopting more sustainable practices in the use and sourcing of raw materials to conserve resources. We at Lumene Group 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 impacts, can contribute to mitigating biodiversity loss. By integrating circular and 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.

Circularity 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. This means partnering with suppliers who are 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 sustainably 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. In 2024 we carried out an 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.

To continue this work, during 2025, we conducted a biodiversity risk assessment of our production facilities using the WWF Risk Filter suite. The assessment evaluated physical and reputational risks under eight categories, ranging from provisioning services to socioeconomic factors. The assessment results for our manufacturing site varied from very low to medium risks, mainly arising from the Espoo region ecosystem condition and pressures on biodiversity.

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

Photo: Luonnonsuojeluliitto

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Case

Wetland restoration

For over a decade, Lumene Group has been collaborating with FANC, the Finnish Association for Nature Conservation (Suomen Luonnonsuojeluliitto) and sponsoring the restoration of several wetland areas in Southern Finland, including Rusalansuo in Pieksämäki, Savansuo in Miehikkälä, and Piitsonsuo in North Karelia.

These wetlands were seriously damaged by forestry and ditching several decades ago. The original wetland species had disappeared, and the dried peat layers of the wetlands were disappearing and releasing their carbon storage into the atmosphere. The restoration efforts allow these areas to return to their natural state restoring the local biodiversity and transforming the wetlands back into carbon sinks.

Based on the peer reviewed scientific research made in nearby wetlands similar to Piitsonsuo, FANC estimates that the restored Piitsonsuo wetland area alone will prevent at least 1 100 000 kg of CO_2 from being released into the atmosphere within the next ten years.

Globally, we do our best to ensure biodiversity respectful sourcing in our value chain. We have already measured that 83% of all fibre-based materials we source are from certified deforestation-free sources. Our goal is to increase this to 100% by 2030.

Photo: Luonnonsuojeluliitto

Case

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

In July 2025, we organized our traditional voluntary work day where our Espoo office's staff is invited to spend a summer day, or just a short moment, outside working for a good cause – weeding out lupines and other invasive species.

Lupines and Himalayan balsam are beautiful, but harmful species whose spread in Finland threatens our native ecosystems. Therefore, every summer we join Espoo City's community efforts to control the spread of these species and set to clear out the factory premises and neighbouring lots.

These annual events not only help control the spread of harmful invasive species but also bring our community closer together over 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

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Corporate social responsibility

Better beauty choices

With sustainability at the heart of our strategy, Lumene Group is committed to enhancing the well-being of our employees, communities, and the environment. As a B Corp certified company, our growth is designed to contribute positively to the surrounding society and create long-term value for all stakeholders.

We strive to be recognised as a fair and inclusive employer and partner wherever we operate, ensuring that respect for human rights and fair employment practices remain central to our business. Our Human Rights Statement and both the Lumene Group Code of Conduct and Partner Code of Conduct set clear expectations for fair treatment, inclusion, and integrity across our operations and value chain. These principles guide how we work with employees, partners, and suppliers, embedding responsible practices into sourcing, governance, and everyday decision-making.

Our Corporate Social Responsibility (CSR) policy outlines our efforts to give back to society. We uphold strong work ethics, people policies, and DEIB (Diversity, Equity, Inclusion, and Belonging) initiatives, conducting business with integrity and transparency. Through social initiatives and charitable contributions, we aim to positively impact the communities where we operate.

Strengthening our CSR plan
Lumene Group's CSR strategy is rooted in our purpose of promoting beauty and well-being while respecting people and the planet. In 2025, we strengthened our approach by integrating ethical practices, social responsibility, and environmental sustainability even more closely into our core business operations. Our updated CSR plan builds on four strategic pillars that guide our actions and commitments: circularity, mental health, community support, and Lumene Group as an employer.

We continue to advance environmental sustainability and circularity across our value chain, reinforcing our commitment to responsible beauty. At the same time, we focus on creating a fair and inclusive workplace where employees feel engaged and supported, promoting well-being and maintaining strong health and safety practices.

Our commitment to surrounding communities is reflected in partnerships and initiatives that foster inclusion and equality, from product donations and local collaborations to volunteer programs and student engagement. Mental health remains a cornerstone of our approach and includes partnerships and well-being initiatives designed to build awareness and resilience. Underlying these pillars is our commitment to diversity, equality, inclusion, and belonging (DEIB). The updated plan will be fully in action in 2026.

This holistic approach ensures transparency and accountability in everything we do. Our purpose is clear: to offer better beauty choices through ethical practices, positively impact communities, and minimise our environmental footprint.

Advancing our DEIB work
In 2025, we updated our DEIB work and strategy across the organisation and built a comprehensive plan to further embed diversity, equity, inclusion and belonging principles into everyday practices. These actions were informed by an extensive DEIB audit carried out in the spring in collaboration with Equality Inc. The audit included a thorough review of internal documentation as well as interviews with key employees whose roles and expertise provided essential insights into equality, non-discrimination and DEIB within the organisation.

In 2025, we renewed our DEIB Ambassador Group, originally founded in 2022. The group now includes 20 voluntary DEIB Ambassadors from across different teams, who meet regularly to advance diversity, equity, inclusion and belonging to ensure these themes remain part of the organisation's daily agenda. Additionally, we provided the ambassadors with a comprehensive training programme delivered by external trainers, enabling them to deepen their understanding of key DEIB topics.

To truly serve the communities in which we live and work, our products and services must reflect and represent global diversity. Our vision and values are represented in our culture of trust and respect, our diverse workforce, inclusive product portfolio, and our marketing strategy. We concentrate on raising awareness and deepening our knowledge through education, strengthening inclusion through psychological safety, and further building DEIB into our services, product portfolio, marketing and community.

96% of *employees* stated that "people here are treated *fairly* regardless of their sexual orientation".

Great Place to Work® Trust Index™ employee survey

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LUMENE GROUP RANKS FOURTH IN SOCIAL INNOVATION IN THE FINNISH INNOVATION INDEX

Consumers continue to recognise Lumene Group among Finland's most innovative companies. In the latest Finnish Innovation Index (FII) by Hanken School of Economics, Lumene Group ranked fourth in social innovation. The index is based on over 12 000 consumer responses from 4 300 customers who evaluated 80 companies on innovativeness, attractiveness, and social impact. This recognition reflects our positive impact on society and the environment, and is especially important to us as it comes directly from consumers.

We view DEIB as an ongoing commitment that requires the engagement of the entire organisation. We strive to cultivate a workplace where diversity is embraced, equity is strengthened, and everyone feels respected and included. We 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.

Supporting mental health

In 2025, we launched a major collaboration with Finland's largest mental health organization, Mieli ry. As part of this, LUMENE brand donated 15 000€ to support Sekasin Chat, a nationwide chat service for 12–29-year-olds that supports mental well-being. This donation enabled approximately 1 500 conversations with young people. As a part of this, Lumene Group also offered employees the opportunity to train as volunteers for the Sekasin chat during working hours.

To deepen our understanding of mental health challenges, LUMENE conducted a survey in December 2024 on appearance-related pressures among 16–28-year-olds. One of the most concerning findings was that 92% of women aged 16–28 have experienced appearance-related pressures at least occasionally*. The survey received also some media and social media attention, helping us raise awareness of appearance-relates pressures and mental health, while reinforcing our role as Finland's market leader in beauty.

Additionally, LUMENE participated in the Green Ribbon campaign to further support the mental health work in Finland and reduce appearance-related pressures. In 2026, we will continue to raise awareness and expand mental health initiatives across the Nordic markets.

Supporting the surrounding society

A well-functioning society is essential for business success. 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 2025, our charitable activities focused on supporting disadvantaged children and youth, mental well-being of young people, and 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. For the first time, both LUMENE and IDA WARG Beauty brands participated in Pride Stockholm, the largest Pride festival in the Nordics. To mark their debut at Stockholm Pride, the brands hosted a series of inclusive events from a joyful pool party event for influencers to a pre-parade gathering before joining the Pride Parade in a co-branded truck. We also continued our years-long cooperation with the Finnish Association for Nature Conservation (FANC) to protect biodiversity.

Lumene Group also supported Joulupuu ry, a Finnish non-profit dedicated to helping disadvantaged children and youth year-round. This included a monetary donation and employee participation in Christmas gift donations to bring joy during the holidays.

* Study conducted by LUMENE with the support of Mieli ry in December 2024. Carried out by Nsight via an online panel (n=1,022, ages 16–28, all genders). Sample quota-based on age and gender; margin of error ±3.06%.

OUR CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Our Corporate Social Responsibility (CSR) policy outlines our commitment to giving back to society and conducting business with integrity and transparency. We uphold strong work ethics, people policies, and DEIB (Diversity, Equity, Inclusion, and Belonging) initiatives, ensuring fair treatment of all stakeholders and positively impacting the communities where we operate.

Key focus areas of our CSR policy include:

- Adhering to our Code of Conduct and requiring the same from our business partners.
- Enabling our employees to grow their skillsets and competences to face future needs.
- Creating a great employee experience, measured quarterly through the Employee Net Promoter Score (eNPS) and annually by the Great Place to Work study.
- Implementing a DEIB strategy and development programme led by our ambassadors.
- Striving to be seen as a preferred employer within our sector, measured using Universum's study.

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Our people

The *core* of our culture

Lumene Group is on an ambitious culture journey, grounded in a strong base of shared values and commitment.

Our goal is to create an environment where innovation, inclusivity, and collaboration thrive, supporting both our people and our business growth. Our common values are a central part of our culture. Values are the core principles that guide our actions, behaviours and decision making. We at Lumene Group encourage employees to lead their work through our values.

Leading the culture through engagement
To gain deeper insights into our culture, we partnered with Great Place to Work® and conducted the global Trust Index™ survey across our organization. The results were outstanding: Lumene Group is now officially Great Place to Work Certified™ in both Finland and Sweden, a milestone that reflects the strength of our workplace culture. Our Trust Index is 75% (average of all positive statements), and the Great Place to Work statement ("Taking everything into account, I would say this is a great place to work.") stands at 85%.

Pride stands out as our strongest area, showing how deeply we value the work we do, the products we create, and the teams we are a part of. This shared pride fuels our culture and drives us forward together. We see these findings as a roadmap for continuous improvement. Initiatives to enhance equity and collaboration are already underway, ensuring that every voice is heard and every contribution valued.

Our progress is reflected in our employee experience metrics. At the end of 2025, our eNPS reached an impressive +40, showing strong engagement and pride across the organization. The average eNPS for the year was +32. We will continue to carry out Employee Net Promoter Score (eNPS) and the Trust Index™ survey annually, ensuring transparency and continuous improvement.

Leadership development
Leadership plays a key role in shaping our culture, which is why we continue to invest in leadership development, even with a strong leadership behaviour result of 78%. Leadership behaviour measures employees' experience of management behaviour and its impact on the organisation's strategy and values. In 2026, we will strengthen this focus through continuous People Manager Forums to ensure they have the tools and capabilities to lead effectively and inclusively.

We will also continue to develop our performance management cycle to ensure that everyone knows their goals, receives the support they need, and is able to succeed. To strengthen this, we are integrating Situational Leadership principles to provide the right support at the right time for everyone.

Living by our values
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 with internal events. In an international business environment, we see the need to meet in person during our annual Kick Off in Finland. This helps us encourage employees to get to know each other better and get aligned on our shared strategy.

To boost our employees' well-being, we launched our We Care program during 2025. Throughout the year, we approached employee well-being comprehensively by addressing themes such as generational expectations of working life, the role of volunteer work, inclusion, the impacts of artificial intelligence on daily work, the role of emotions in well-being, principles of early support, and practices related to ergonomics and brain health.

Our culture journey is ongoing. With the foundation of our values, trust, pride, and teamwork, and the recognition of being a Great Place to Work, we are confident in our ability to lead the culture forward and create an environment where everyone can thrive.

We are at 85% and *aiming* for 90% of employees seeing us as a *great place* to work.

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Crucial pillars of employee wellbeing
The Lumene Group's sick leave rate of 2,31% reflects the impact of our long-term efforts to support employee well-being. The extended right to short-term absence with a manager's approval (up to 7 days) and the use of partial sick leave have also significantly reduced the number of sick leave cases. Supervisors, occupational health professionals and HR work closely together to prevent health risks and maintain work ability. We provide tailored measures and work modifications for partially disabled and senior employees.

Lumene Group supports employees through different stages of their lives. Family leave and paid carer's leave are widely used in all employee groups and provide flexibility during various family situations. The company maintains zero tolerance for harassment, bullying or discrimination of any kind. Employee feedback strongly supports our zero-tolerance approach.

According to our employee survey 96% feel that people are treated fairly regardless of sexual orientation, 89% answer this for race and gender related questions, and 83% remark fair treatment regardless of age. These indicators demonstrate that employees consistently experience an inclusive and respectful work environment. Employees are encouraged to report any concerns to supervisors, shop stewards, HR or occupational safety representatives, or use the Whistleblowing channel that is available on the company intranet and internet pages.

Our commitment to Fair Pay
Lumene Group pays all employees at least the minimum wage specified by the collective agreements, or the legislation of each country we operate in. The HR team is responsible for executing fair remuneration politics. During the year 2026 the Equal Pay and Pay Transparency Directive will be implemented, and we also focus on recognition as an integral enabler of engagement. Attractive and equal pay is especially important in our efforts to recruit more diverse, international talents to add new skills and experience to Lumene Group's current workforce. When planning changes to the current policies, staff representative bodies are always included.

Lumene Group upholds the freedom of association and recognizes the collective bargaining rights of employees. Lumene Group's employees in Finland are covered by three different collective agreements. In other countries where Lumene Group operates, the workforce is still relatively small and not unionized. Globally the portion of employees that are covered by collective agreements is 84%.

Ensuring ethical compliance
All our employees are required to go through our Code of Conduct training, to honour our commitment to fostering a culture of integrity and ethical behaviour. Our goal is to expand our employees' competencies and facilitate knowledge sharing across the organization.

Lumene Group does not accept any forms of forced labour or child labour. Active and continuous cooperation with employee representatives ensures regular dialogue on matters related to employment and working conditions.

Head Count per gender

Female 304 **82%**
Male 66 **18%**

Employees by employment type

Permanent 344 **93%**
Fixed term 26 **7%**

Employees by working time

Full time 294 **94%**
Part-time, fixed 19 **6%**

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Health and safety

The beauty of a *safe* work environment

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 achieve their best performance while maintaining a healthy work life balance.

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. To further strengthen our processes, we are aiming to develop our management system to align with ISO 45001. In preparation for this, we completed a gap analysis in June of 2025. Based on this analysis, we have formed a plan to further develop key areas to support our journey towards the ISO 45001 certification. Our goal is to obtain the certification during 2027 to further demonstrate our commitment to a safe and healthy work environment.

Continuous monitoring
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 for all our employees.

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.

We have processes to identify possible health and safety hazards and potential risks in the work environment through risk assessments, safety observations, and by investigating near-miss reports and work-related accidents. These are always documented and handled in dedicated OHS systems, that help us recognise high-consequence risks and necessary preventive measures to avoid 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 are further assessed to ensure the continuous improvement of our processes. As an example, using safety glasses has been made mandatory based on reported safety observations in both the laboratory and production site.

To ensure the quality of our OHS management, we employ procedures, such as the 5 Whys to determine the root causes of observed issues and analyse the reports to determine appropriate corrective and preventive actions. The relevant personnel, 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 employee representatives are elected among the personnel in an open election. 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 11 meetings during 2025.

We believe that employee participation and consultation ensure successful implementation of our OHS procedures. Therefore, in addition to the Committee meetings, the OHS matters are discussed with employees at different levels in EHQS Bi-weekly meetings and in 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 daily management sessions, where the production workers and work management discuss these topics 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.

Enhancing safety
2025 was the first full year of utilising our new OHS reporting system that has improved the quality of reports and documentation capabilities. As a result of the system's enhanced accessibility and an awareness campaign launched in parallel with the new system in 2024, we are pleased to see a continued high level of reported observations. With the campaigns launch, 2024 saw a substantial increase in the number of reported observations, rising to 1535, with 2025 levels staying satisfyingly high at 1379. To further support this, a new high-level risk identification process and template were piloted in the production during 2025.

The received reports are processed in an evaluation phase, where the reported incidents and observations are reviewed. The deviations are discussed daily at a supervisory level in production as well as at the employee level in the daily meetings. Additionally, the production holds frequent joint briefings where these deviations are addressed. In case of a serious work accident, the OHS manager ensures that separate notifications are provided. Additionally, all serious work-related accidents are communicated to all employees during monthly Town Hall meetings. In 2025, there were no serious work accidents.

Training
Organisational training is crucial in ensuring safe and healthy work environment and work practices. We recognise the orientation programme along with continuous training as one of the most prominent factors in increasing both mental and physical safety. The new employee induction programme is important for the whole working

We aim to achieve *ISO 45001* health and safety certification by 2027.

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environment. In addition to ensuring new employees are provided with all necessary information, it is key to acknowledge them as an asset for recognising opportunities for improvement in the work environment.

Actively maintaining the skills acquired in safety trainings is important. We regularly train our production employees and promote occupational safety across the entire personnel through active communication. In 2025, a new mandatory OHS training module was created for Lumene Group's e-learning platform. The module will launch early 2026 providing OHS training for the whole personnel.

Contractors
We also recognise our responsibility in the health and safety of our partners. The OHS management system encompasses all activities and employees whom Lumene Group identifies as closely linked to our operations. This includes our own employees, on-site external workforce, contractors, visitors, facility service personnel, onsite restaurant staff, and the external workers in our outsourced warehouse.

Lumene Group manages the external employees working in production, while the warehouse, facility services, and restaurant employees are managed by a service provider in accordance with an agreement with Lumene Group. These four mentioned external employee groups comprise a total of 62 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, apart from the warehouse staff whose number is determined as an FTE average across the reporting period. The largest outsourced worker groups are the production and warehouse employees. The number of employees are considered stable within and between reporting periods with no notable fluctuations. 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.

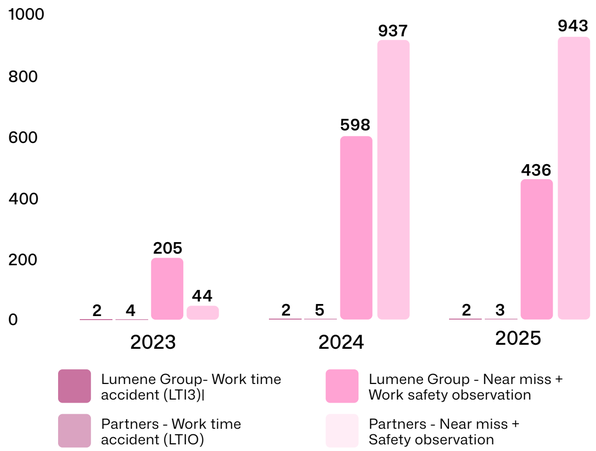
Lumene Group's largest outsourced partners operate in the logistics, catering, and health care industries. 15% of all our outsourced partners have implemented an OHS management system.

Occupational health care
Occupational health care is arranged with an external service provider in Finland. We provide a range of services to support 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 premises. Regular meetings between the HR team and the service provider ensure the quality of services. In addition to online 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 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.

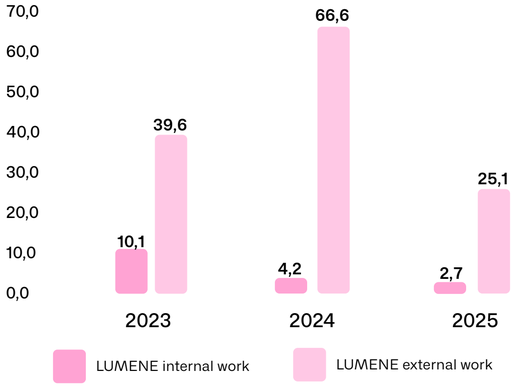
Upon encountering potential risks, near miss situations, or work-related accidents, employees are encouraged to primarily report them using the designated online platform, but may also report them directly to the management, HR, or worker representatives. Following an active campaign on the importance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

In 2025, there were 2 workplace accidents in Lumene Group internal work. The incidents were investigated and prompted actions, such as a reevaluation of operational conditions in a factory post, and the creation of new work instructions, for which the staff received training.

Lumene Group safety data
(Figures reported by Lumene Group and by partners)



Lost time incident frequency (LITF) on LUMENE internal and external work



Calculating the Lost Time Injury Frequency (LTIF) for incidents per 1 000 000 work hours, the frequency in 2025 for Lumene Group internal work is 2,7 deriving from 2 LTI in approx.743 000h. With similar calculations, the LTIF on outsourced work is 25,1 for 3 LTI in approx. 120 000h. The LTIF calculation is based on statistical theoretic work hours."

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Sustainable procurement

Trusted *partners* for Nordic beauty

We strive to build a resilient supplier network that not only fulfills our business requirements but also reflects our values and commitment to social and environmental responsibility.

We believe that active collaboration with suppliers drives meaningful, positive change. Through transparent and constructive dialogue, we foster ethical, long-term partnerships that create mutual value and shared success. The Lumene Group Supplier Hub, launched in 2025, serves as a central platform for engaging, informing, and collaborating with our key suppliers on daily topics. It enables transparent communication, information sharing, and continuous improvement across our supply chain.

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.

Updated during 2025, 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. All our direct suppliers have signed the Lumene Group Partner Code of Conduct.

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, 8% was spent locally in Finland, while 80% was spent in the rest of Europe. Our spend from risk countries, directly or indirectly through Finnish or European distributors, was 3%*. 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 based on the risk assessments and criteria from several recognized sources, such as UNEP, Amfori, and Transparency.org.

Supplier assessment
Lumene Group uses the EcoVadis supplier rating platform to evaluate suppliers across governance, social, and environmental sustainability criteria. This initiative has strengthened our sustainable supplier management in accordance with our ESG standards.

In 2025, 88% of our direct procurement spend (excluding 7 phasing out suppliers for IDA WARG Beauty), was covered by EcoVadis. This equals 70 suppliers. We require EcoVadis assessment from suppliers with an annual spend of over thirty thousand euros, and from all suppliers defined as potential risk suppliers. We accept group-level EcoVadis ratings; however, based on potential risk assessments, a site-specific rating may be required from our suppliers. In 2025, we began managing suppliers' corrective ESG action plans through the EcoVadis platform, enabling us to set clear improvement targets and systematically track progress and follow-up actions.

While no significant actual or potential negative impacts were identified regarding environmental or social aspects, one supplier was requested to create corrective action plans due to its strategic role for Lumene Group. This corresponds to 0,9% of our suppliers. In 2025, there was no need to terminate any relationships due to supplier performance.

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

Indirect procurement
We have increased centralised support for indirect procurement and aligned it 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.

* partly included in spend from Finland and Europe

We focus on local, long-term supplier partnerships to ensure quality and sustainability, with systematic onboarding for new partners. The majority of our suppliers are based in Europe. We are working with approximately 100 first tier suppliers, and for raw materials we have approximately 150 second tier raw material manufacturers. Our supply chain emphasizes safety, environmental compliance, and transparency, supported by EcoVadis sustainability assessments since 2024.

Sustainability *governance*

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Ethics and compliance

Values *guiding* our ways of working

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 in accordance with 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 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, Competition law policy, Policy against bullying and harassment and the Human Rights Statement, form the basis of our ethical foundation. In addition, we have several internal policies and guidelines to support our work in areas such as 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, both approved by the Lumene Group Board of Directors (hereafter referred to as 'the Board'), establish the standards for ethical behaviour 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 guidelines apply to all Lumene Group employees. Employees are required to sign the Code of Conduct agreement when they are hired. We also have a training platform that includes a dedicated Code of Conduct training module for employees and enables us to effectively track and address training. Currently, 91% of office employees, 71% of blue-collar employees, and 80% 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 any negative impacts and maximise the positive impacts on both our business and the society.

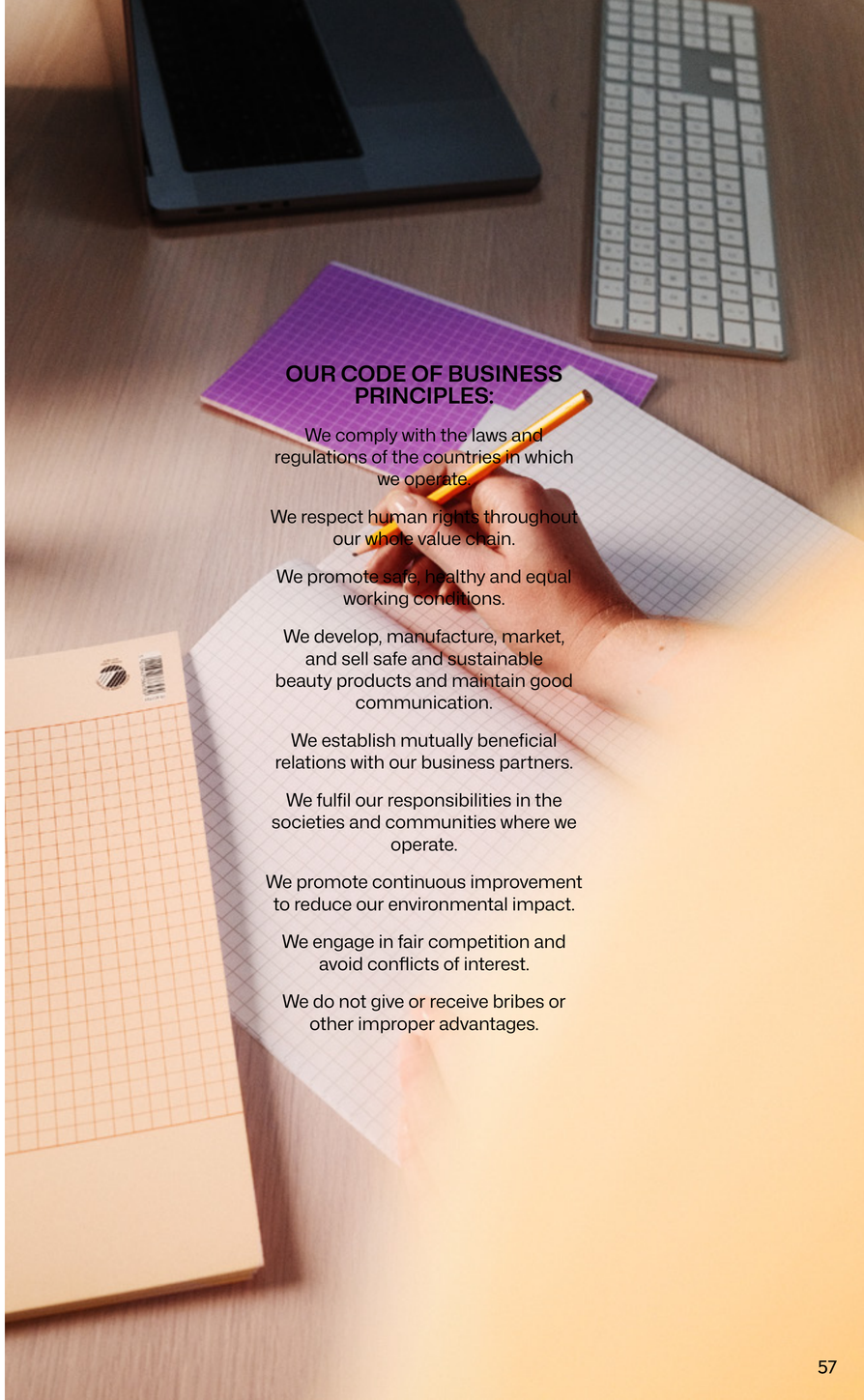
The Lumene Group Partner Code of Conduct lays the foundation for our supply chain due diligence and indicates what we expect from our suppliers. It covers topics related to business ethics, as well as social and environmental responsibility. To ensure the Code remains relevant and effective, we regularly review and refine it to address evolving global challenges and standards. Major suppliers are also 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. In 2025, we conducted several supplier audits, updated the Partner Code of Conduct to align with new sustainability standards, and revised the Supplier Self-Audit Questionnaire. In addition, we began enhancing our risk identification process within the supply chain.

Lumene Group finalised a 4-pillar SMETA audit in 2021 to further deepen the understanding of labour standards, working conditions, environmental performance, and ethics in the business and supply chain.

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. The Lumene Group anti-corruption policy elaborates on 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. As this topic is important to us, we are updating our anti-corruption policy in 2026 and will also provide relevant training to all our employees.

We also require commitment to anti-corruption from our business partners and other third parties who operate for Lumene Group. For this reason, 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.



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 improvement 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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The process of requiring this commitment from our partners commenced in 2023 and remains an ongoing project. Our goal is to ensure all suppliers working with us have committed to our Partner Code of Conduct.

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 associated with non-compliance include administrative fines, damages or compensation claims, potential criminal liability, and reputational harm arising from failure to comply with environmental, product, or other applicable laws and regulations.

We have further strengthened our expertise and commitment to compliance during 2024–2025 by recruiting two professionals who now form our internal Legal and Compliance team. Lumene Group has an effective Compliance program approved by our Board. In addition, the Compliance and Ethics Committee, comprising experts from various fields, was established in 2025 to complement our compliance work and enhance knowledge sharing.

During 2025, Lumene Group had no significant cases of non-compliance with laws or regulations that resulted in fines or claims, 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 with the management or Lumene Leadership Team. We have a continuous process of consulting 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 on our Group's website for our external stakeholders providing a separate channel for them to report any 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 in question feels they cannot be open with their concern. In 2025, Lumene Group received one actual whistleblowing report through the whistleblowing channel regarding suspected discrimination. The report was received in December 2025 and closed after investigation in February 2026. The case has been presented to the Lumene Group's Audit Committee and the Board by the Group CFO as part of our standard procedure. Stakeholder satisfaction levels are being assessed following the completion of the process. In addition, the whistleblowing channel received one regular message to the HR, which was rejected as a grievance and directed to the proper channel for processing. In addition to these, there were no additional reports leading to completed grievances for the year.

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Sustainability across our *value chain*

The Lumene Group sustainability strategy is the backbone of the company's sustainability work. 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 strategy with company-level objectives, 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 and CEO have the overall responsibility to manage the company's sustainability efforts. 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: the Audit and the 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 is also 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 work through collaborative meetings and daily operations, with sustainability goals integrated into employees' development objectives. Training and supervision by the sustainability function ensure the implementation of relevant processes and practices.

Identifying material topics
Lumene Group's sustainability work is focused on the material topics on which our company has the biggest impacts. We follow the global megatrends and trends in the sustainability field, changes in legislation, and gather input from our stakeholders. 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 in order to gain a comprehensive view of the beauty industry.

Lumene Group already finalised the double-materiality assessment (DMA) within the framework of the European Sustainability Reporting Standard (ESRS) in 2024 and was prepared to report in alignment with the European Corporate Sustainability Reporting Directive (CSRD) in 2025. The European Commission EU-level "Omnibus" update to simplify the requirements and raise the thresholds leaves us currently out of scope for ESRS reporting. We have therefore decided to continue reporting under the GRI framework.

The DMA process in 2023 included workshops where internal experts from all functions analysed Lumene Group's environmental, social, and economic impacts, risks and opportunities by mapping the value chain. In 2024, the DMA was further developed with a stakeholder survey and interviews, integrating external feedback into the assessment. The Leadership Team finalised the DMA setting materiality thresholds, which were approved by the Board at the end of 2024.

Through the CSRD DMA process, two previously reported GRI topics were assessed to fall outside the materiality thresholds. The topics "Investing in the work community" and "Transparent dialogue with our consumers" were determined to be non-material during the DMA assessment. The remaining eleven material topics proved to be well aligned with the renewed B Corp standards as we participated in a recertification pilot in late 2025. The current topics under the B Corp framework align with the material topics identified in our DMA process.

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 they were in 2023, given the strong alignment with the CSRD DMA's topics.

Material topics for 2025 GRI reporting
The updated set of material topics fully supports our three-pillar sustainability strategy. The eleven material topics continue to be highly relevant and form the foundation of our GRI disclosures:

Environmental
- Biodiversity
- Climate and emissions
- Circular formulations & packaging
- Product safety
- Waste management and recycling
- Water resources management

Social
- Diversity, equity and inclusion (DE&I)
- Employee health and safety
- Sustainable sourcing

Corporate governance, business ethics
- Financial responsibility
- Good corporate governance

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Upstream	Lumene Group own operations	Downstreams
Enviromental		
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	
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)

In 2025, 57% of our employees had at least one sustainability related objective.

Top Management	**Lumene Group Board of Directors** approves the strategic goals and principles of risk management including the sustainable development targets.	**Audit Committee** reviews and approves the strategic goals and principles of risk management including the sustainable development targets.
		Remuneration Committee prepares and oversees the company's remuneration principles and practices, including compensation for the Group CEO and senior executives.
	CEO 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.	
	Lumene Group Leadership team (LLT) 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	
Sustainability working groups	**Sustainability steering group** 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 the Board for decision-making.	
	Sustainability function 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.	
	Sustainability core teams 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.	
Organization	**Business functions** integrate sustainability initiatives and targets into their annual planning, embedding them into their activities and processes.	
	Managers 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.	
	Employees are encouraged to actively contribute to sustainability in their day-to-day work. It is highly encouraged that every employee's development plan includes at least one sustainability goal.	

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Stakeholder engagement

Shaping *sustainability* through dialogue

Open dialogue with our stakeholders across the value chain is essential for achieving our sustainability ambitions.

Engaging with our stakeholders not only strengthens the relationships but also provides valuable insights into our impacts, risks, and opportunities. We have identified five primary key stakeholder groups with whom we communicate regularly, tracking their expectations, needs, and requirements through various channels. Additionally, we have defined seven secondary stakeholder groups with whom the engagement is slightly less frequent.

Our stakeholder engagement includes both structured and ad hoc communication, complemented by regular stakeholder surveys. Our latest stakeholder survey in 2024 revealed that stakeholders consider a wide range of sustainability topics 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. As a proud B Corp, we are also a member of the B Corp Beauty Coalition. Additionally, we participate in other benchmarking and transparency initiatives, including e.g., CDP and Responsible Care.

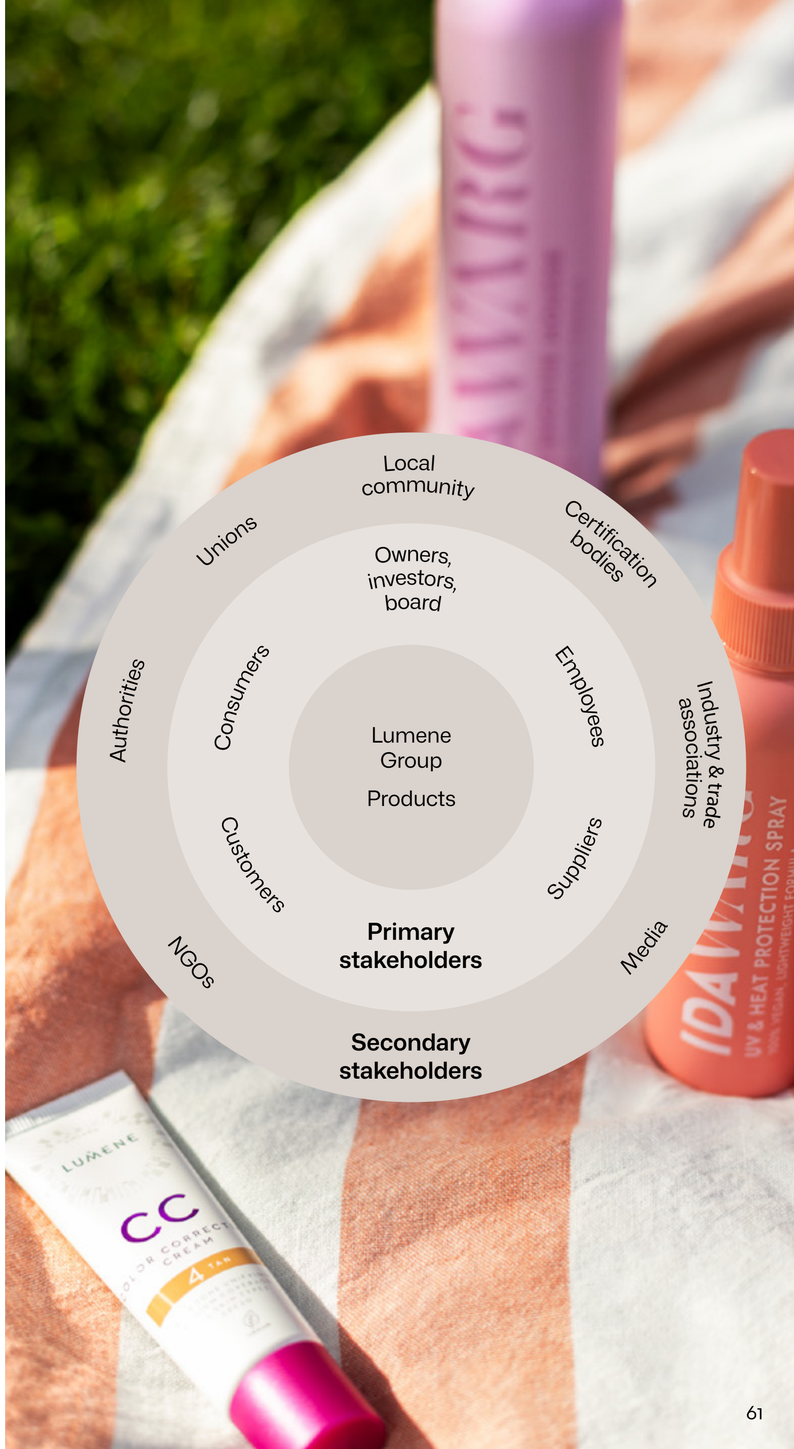
Lobbying and advocacy
Lumene Group does not support political parties or candidates and does not make financial or in-kind contributions to political parties or candidates.

Lumene Group did not engage in direct lobbying in 2025. Lumene Group is a member of the Finnish Cosmetic and Hygiene Industry Association. We also hold a board position within the association. We regularly review the association's lobbying positions to ensure alignment with our values and this policy and reserve the right to publicly distance ourselves from any activities that conflict with our principles.

In 2025, the Association's advocacy work related to the cosmetics industry focused on the evaluation and simplification of the Cosmetic Products Regulation (EC) No 1223/2009, the Urban Waste Water Treatment Directive (EU) 2024/3019, and the potential new hazard classification of ethanol. The association conveyed the cosmetics industry's messages to national ministries, officials, and the permanent representation of Finland to the EU. The association reports its lobbying activities to the Finnish Transparency Register. The Association is a member of A.I.S.E., Cosmetics Europe and the Chemical industry Federation of Finland.

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 our 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.

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



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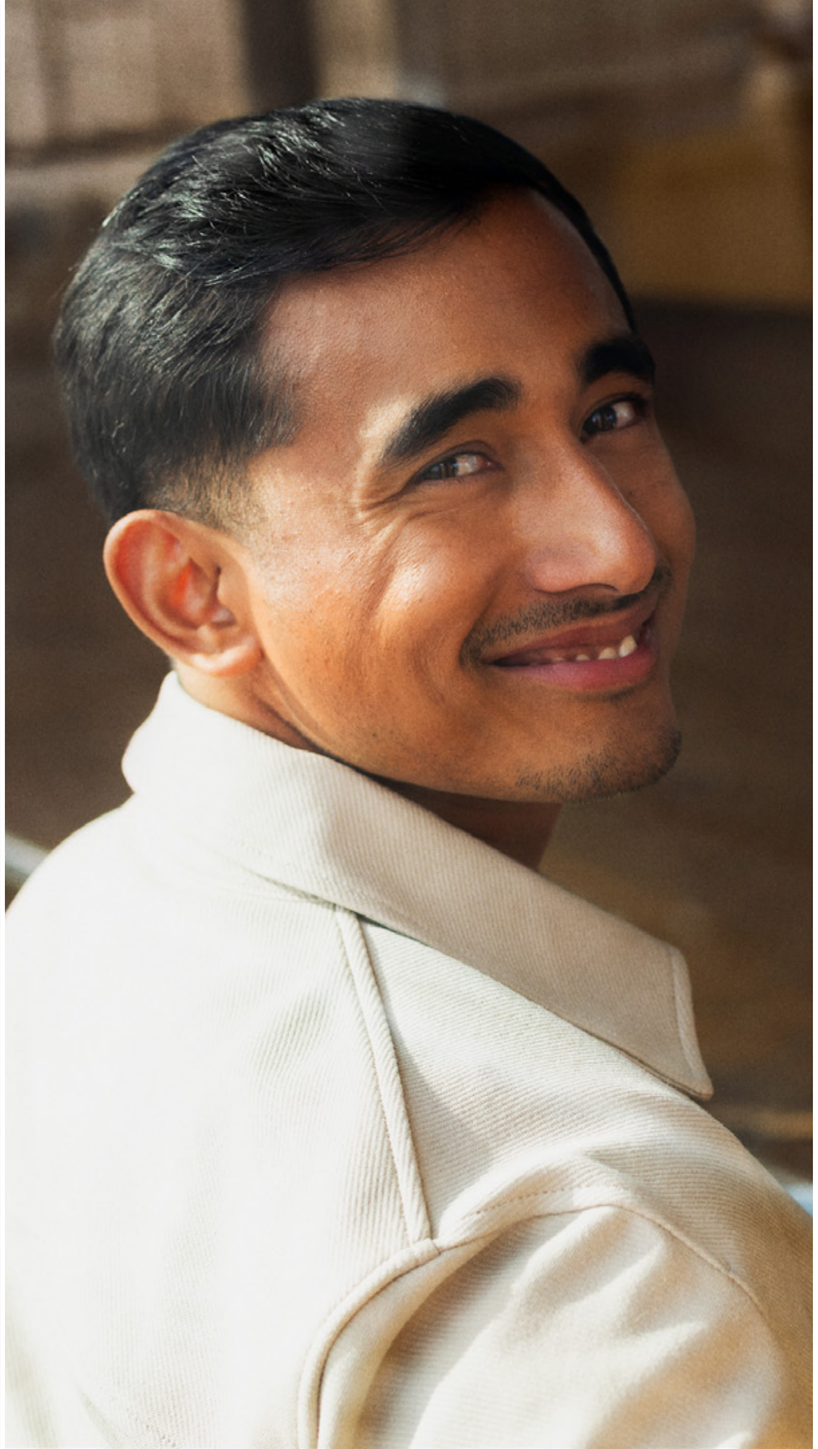

Economic impact

Accounting *accountability*

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 enterprises. 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 2025, thousand €

Revenue
102 073

Operating costs
-65 901

Salaries
-24 603

Taxes and capital providers
1918

Community investments
-89

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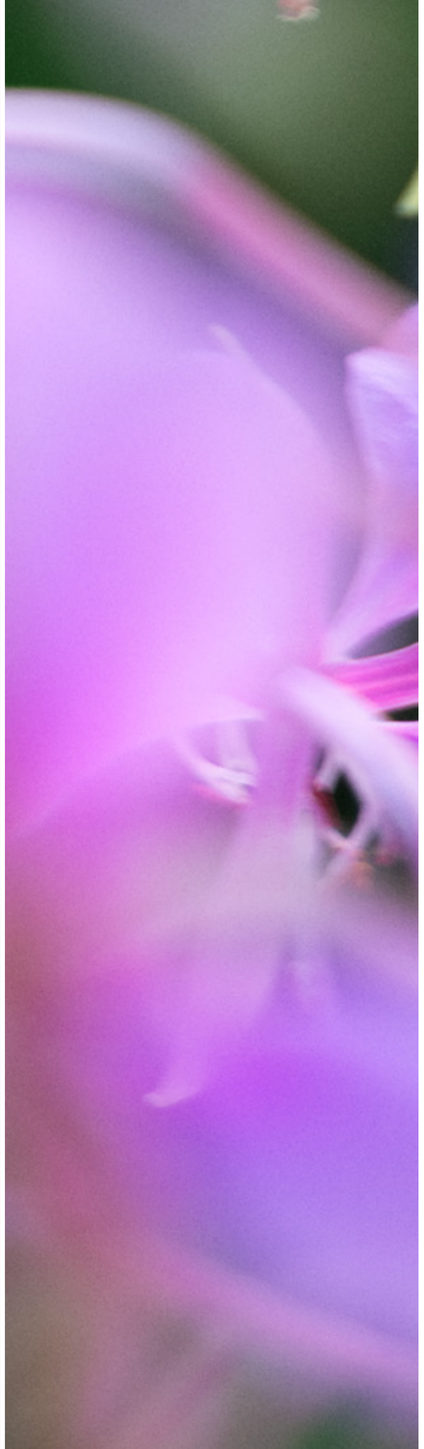

Reporting *principles*

This Lumene Group Sustainability Report 2025 has been prepared in accordance with Global Reporting Initiative (GRI) Standards.

The "Lumene Group" refers in the report to Lumene Group Oy (3208686-5) and its subsidiaries Lumene Oy (2377940-8), Cutrin Oy (2443709-8) and Lumene Eastern Holdings Oy (1925219-5) in Finland, Lumene Group Sweden AB (559228-0191) in Sweden, and North America LLC in the USA.

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, 2025. Some indicators also include historical data. The previous Sustainability Report 2024 was published in April 2025, and we publish corporate sustainability information annually.

In the report, we follow the Lumene Group's Leader in circular beauty sustainability strategy. Three GRI disclosures were excluded from the 2025 sustainability report, based on the DMA process detailed under "Identifying material topics" (p. 59):

- GRI 404: Training and Education 2016,
- GRI 417: Marketing and Labeling 2016,
- 418: Customer privacy 2016.

Restatements for the previous years' reports:

- Emission data for 2022-2024: Correction on the distinction between upstream and downstream transportation emissions in our Scope 3 inventory. Minor corrections have been made to service-related emissions.
- Emission data for 2023-2024: Updated the service providers' emission intensity based on the emission survey data.
- The 2023 waste data has been updated to correct classification and reporting inconsistencies.
- 2025 pay ratio methodology updated to align with GRI requirements; 2024 data restated and 2022–2023 figures removed due to non comparability.
- One high consequence injury related to Lumene Group external workforce has been added to the year 2024.

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, IDA WARG Beauty, and Promise. 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.

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 2025 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 (CO2, CH4, N2O, HFCs, PFCs, SF6) 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.

In 2025, we sold electricity to two 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)

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multiplied with the emission factor of the substance (tCO2e/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.

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.

Theme	Material topic 2025	GRI Standard 2025	Boundaries	Policies and principles
Leader in circular beauty	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
Climate action, CO2 emissions & biodiversity	Biodiversity	101: Biodiversity 2024	Suppliers	Environmental policy, Biodiversity policy
	Climate and emissions	302: Energy 2016, 305: Emissions 2016	Lumene Group	Environmental policy, GHG Protocol, Science Based targets initiave
	Waste management and recycling	306: Waste 2020	Lumene Group factory and headquarters	Environmental policy, waste handling instructions, waste reporting instruction, recycling guidelines and training
	Water resources management	303: Water and Effluents 2018	Lumene Group factory and headquarters	Environmental policy, WaterSmart programme, validated washing instructions, industrial waste water agreement
Social accountability	Sustainable sourcing	204: Procurement Practices 2016 GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016	Suppliers	Sourcing policy, Category strategies, Partner Code of Conduct, Sourcing & procurement work instructions
	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 policy, OHS action plan, Work risk assessment, Routine against substance abuse and other addictions, OHS reporting instruction, OHS onboarding, 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
Corporate governance, business ethics	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

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Emissions

Direct and indirect GHG emissions (Scope 1 and 2)	2021	2022	2023	2024	2025	Comparison 2021–2025 tCO_2e	%	Comparison 2024–2025 tCO_2e	%
1. Direct (Scope 1) total	41,2	15,6	12,7	11,0	10,7	-30,5	-74,0%	-0,3	-2,5%
2. Indirect (Scope 2) total	697,4	712,8	677,6	642,4	562,0	-135,4	-19,4%	-80,3	-14,3%
2.1 Indirect GHG emission from purchased electricity (location-based)	243,1	240,9	237,2	179,3	182,7	-60,4	-24,8%	3,4	1,9%
2.1 Indirect GHG emission from imported electricity (market-based)	–	–	–	–	–	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	379.3	-75,0	-16,5%	-83,7	-22,1%
Scope 1 & 2	738,6	728,5	690,2	653,3	572,7	-165,9	-22,5%	-80,6	-14,1%
Scope 3	10,961.9	10 811,6	11 732,7	10 330,8	10 919,3	-42,7	-0,4%	588,4	5,4%
Total	11,700.5	11 540,1	12 423,0	10 984,2	11 492,0	-208,6	-1,8%	507,8	4,4%

Indirect emissions, Scope 3 (tCO_2e)	2021	2022	2023	2024	2025
Purchased goods and services	6 613,0	8 002,1	9 565,8	7 971,9	7 982,0
Capital goods	941,6	156,9	121,3	332,1	790,9
Fuel- and energy-related activities not included in scope 1 or scope 2	123,3	119,5	115,9	53,7	106,4
Upstream transportation & distribution	283,4	845,0	545,2	364,0	395,2
Waste generated in operations	131,3	156,2	147,7	159,8	143,2
Business travel	836,4	349,5	243,6	328,7	323,4
Employee commuting	350,4	340,1	490,7	404,6	369,9
Upstream leased assets	835,3	338,0	146,6	63,8	66,0
Downstream transportation and distribution	437,4	83,5	55,3	64,1	96,2
End-of-life treatment of sold products	259,2	420,6	300,3	587,7	645,8
Downstream leased assets	150,7	0,1	0,3	0,4	0,4

GHG emissions intensity	2021	2022	2023	2024	2025
Emission intensity Scopes 1–2, 1000 pcs produced in Espoo factory*	0,060	0,052	0,045	0,039	0,036
Emission intensity Scopes 1–3, 1000 pcs produced in Espoo factory	0,96	0,83	0,81	0,65	0,72
Emission intensity Scopes 1–3, net sales	0,142	0,128	0,132	0,107	0,107

	2021	2022	2023	2024	2025
Biogenic emissions (tCO_2e)	147,8	195,1	523,6	1 164,8	927,3

Energy consumption

	2021	2022	2023	2024	2025	Change 2021-2025 (%)	Renewable source (%)
Electricity, MWh	2 480	2 460	2 450	2 570	2 500	0,6	100 (hydro)
District heating, MWh	2 660	2 760	2 580	2 710	2 222	-16	100 (biofuel, heat waste)
Light fuel oil, MWh	755	858	695	603	588	-22	100 (waste and residues)
Total, MWh	5 900	6 100	5 700	5 900	5 310	-10	100
Total, GJ	21 200	21 900	20 600	21 200	19 116	-10	100

Sold electricity, MWh
(excluded from LG's consumption figures)

2021	53
2022	77
2023	63
2024	54
2025	57

Energy intensity

	2021	2022	2023	2024	2025
Total, GJ	21 240	21 889	20 605	21 178	19 116
Intensity, GJ/million €	257	243	219	207	179
Intensity, GJ/1000 products	1,53	1,43	1,34	1,26	1,20

Energy shares 2025, Finland (headquarters & factory)

	MWh	Share, %
Electricity, 100 % renewable	2 490	47
Heat, 100 % renewable	2 197	42
Oil, 100 % renewable	588	11
Total	5 275	

Energy shares 2025, Sweden office

	MWh	Share, %
Electricity, 100% renewable	9,7	28
Heat, 100% renewable	24,5	71
Oil, 100% renewable	0,5	1
Total	34,7	100

* excluding Sweden office's Scope 2 emissions

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Waste & Water

Waste by fraction, tn

	Incinerated waste	Paper	Cardboard	Wood	Glass	Biodegradable waste	Confidential waste	Plastic	Metal	WEEE	Concrete**	Disposals	Hazardous waste	Total
2021	54,5	10,3	62,4	39,1	7,7	15,4	0,9	8,6	4,4	0,7	0	32,4	8,9	245
2022	54,7	7,6	61,9	32,4	4,2	23,9	0,9	6,2	4,6	0,8	0	82,0	13,0	292
2023	50,5	4,3	73,4	30,8	6,6	25,7	1,2	11,8	5,5	1,0	0	39,8	8,4	259
2024	68,5	6,1	73,7	38,7	4,6	17,2	1,6	16,2	17,1	1,8	0	27,9	10,7	284
2025	48,6	3,6	73,0	39,1	4,5	17,7	1,7	12,5	6,5	1,1	0,2***	50,9	5,0	264

*2023 waste amounts across different fractions have been adjusted for increased accuracy.
**Concrete is reused as a landscaping material.
***From the disposal of a specific interior element.

Waste recovery

	Recycled, %	Obtained as energy, %
2021	74%	26%
2022	77%	23%
2023	62%	38%
2024	63%	37%
2025	60%	40%

In 2025 we launched our Zero Waste target and aim recycle at least 90% of our waste by 2035.

Waste intensity

OBJ	2021	2022	2023	2024	2025
tn	245	297	259	284	264
Intensity, tn/million €	2,97	3,30	2,75	2,78	2,47
Intensity, tn/million products	17,59	19,34	16,87	16,87	16,53

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
2021	4,5	1 669	56
2022	4,2	1 998	49
2023	3,9	1 681	47
2024	3,4	1 581	53
2025	0,4	1 517	55

Water

	Withdrawl/ m3	Consumption/ m3
2021	23 302	846
2022	30 744	816
2023	25 882	781
2024	26 673	956
2025	24 242	881

Solids in waste water

	mg/l
2021	125
2022	141
2023	118
2024	83
2025	110

Total water intesity

	m^3	m^3 per million products	m^3 per million
2021	23 302	1673	282
2022	30 744	2 002	342
2023	25 882	1 685	275
2024	26 673	1 584	261
2025	24 242	1 518	226

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Employees per country and gender by employment contract

		Permanent		Temporary		Total
		Male	**Female**	**Male**	**Female**	
Finland	**2025**	56	242	1	24	323
	2024	53	241	0	23	317
	2023	55	221	2	18	296
	2022	53	228	4	25	310
	2021	52	251	2	17	322
Other countries	**2025**	9	37	0	1	47
	2024	9	29	0	0	38
	2023	6	17	0	0	23
	2022	3	17	0	0	20
	2021	3	11	1	0	15

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.

Total Remuneration

	2024	2025
Ratio of annual total compensation: highest -paid individual / median of all other employees	7,3 The highest paid individual did get a pay raise in 2024	9,6 The highest paid individual did get a pay raise in 2025
Ratio of total compensation: blue collar women/men	0,87	0,86
Ratio of total compensation: salaried women/men	0,76	0,65
Ratio of total compensation: senior salaried women/men	0,60	0,87
Ratio of total compensation: director women/men	0,89	0,73
Median of salary increases	3,5%	3,0%

Total remuneration, except for the median of salary increases, has been calculated for employees who have worked full time for the whole year. Employees from all regions included. In 2025, calculation methodology for the ratio of total compensation was updated to align with the requirements of the GRI Standard, and the 2024 figures were retrospectively adjusted accordingly. Lumene has monitored the pay ratio since 2022; however, due to the methodological update, the figures for 2022 and 2023 are not comparable and are therefore no longer disclosed in the reporting.

Employees per country by employment type and gender (including only permanent employees)*

		Full-time		Part-time			
				Variable hours		Fixed hours	
		Male	**Female**	**Male**	**Female**	**Male**	**Female**
Finland	**2025**	55	176	0	50	1	16
	2024	52	178	0	48	1	15
	2023	56	172	0	52	1	15
	2022	53	164	0	64	0	0
Other countries	**2025**	9	36	0	0	0	1
	2024	9	27	0	0	0	2
	2023	6	16	0	0	0	1
	2022	3	16	0	0	0	1

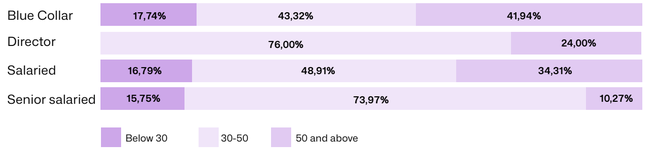
*Includes only permanent employees. Due to a change in reporting methods, a longer history is not reported this year. Data is reported by headcount and at the end of reporting year.

Sickness absences

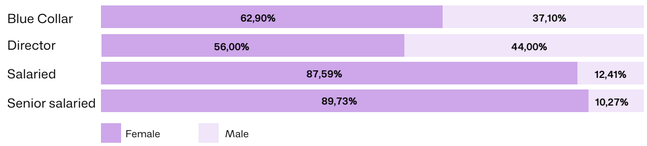
Reporting has changed 2025, previous years data was available only for Finland.

	Year	Sick leave days
Lumene Group	**2025**	2 146 (5,8 days / person)
Lumene Group Finland	**2024**	3 308 (10,4 days/person)
	2023	3 754 (12,3 days/person)

Employee group & age



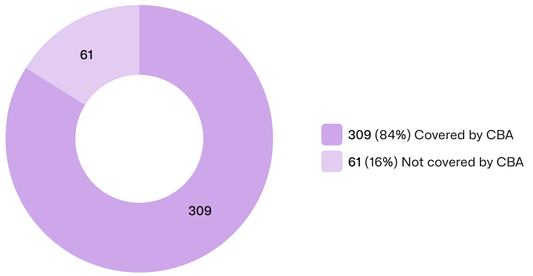
Employee group & gender



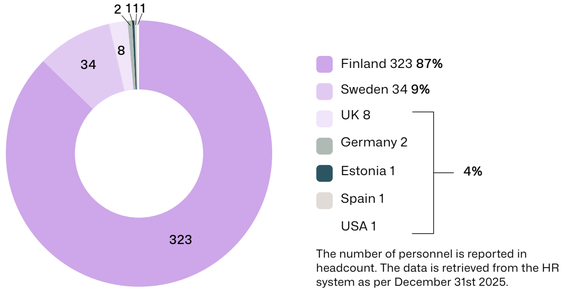
*405-1a Governance bodies are considered to be group "Director".

31.12.2025 84% of our personnel in all countries

(vs. previous reporting; Finland) are covered by Collective Agreements.

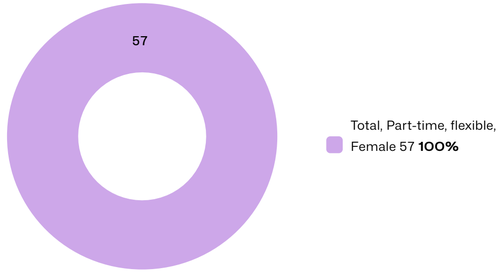


Employees by country



The number of personnel is reported in headcount. The data is retrieved from the HR system as per December 31st 2025.

Non-guaranteed hours employees by gender 31.12.25



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Healthy and *safe* workplace

Work time accidents, near miss, and safety observations

	Internal reporting system	Partner reporting	Total
Near miss/pcs	88	11	99
Work time accident/pcs	3	2	5
Safety observations/pcs	411	869	1 280

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.

Incidents regarding both Lumene Group and outsourced work

Year	The fatalities caused by work-related accident	Occupational ill health	High consequence injuries
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	1
2025	0	0	0

For 2024, one high-consequence work-related injury involving an external employee has been added to the reporting. The rate of high-consequence work-related injuries for external workers per 1 000 000 hours worked was 13,3.

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 erranous movement by an employee		**Injuries caused by erranous handling of equipment**
Stumbling on an object	Burn injuries	Limb getting pinched between object
Foot injured by a object	Falling	

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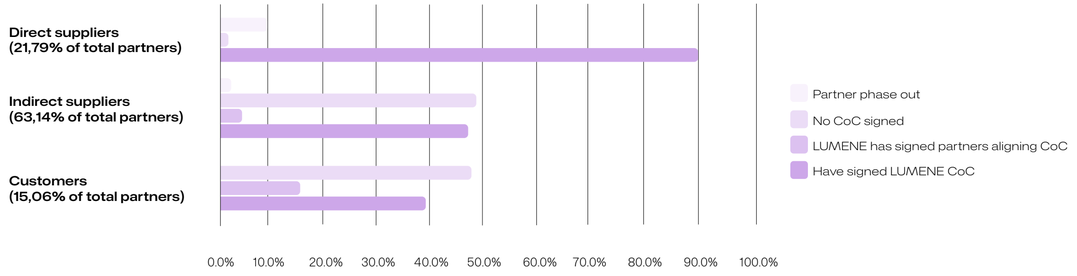
Partners & Code of Conduct

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.

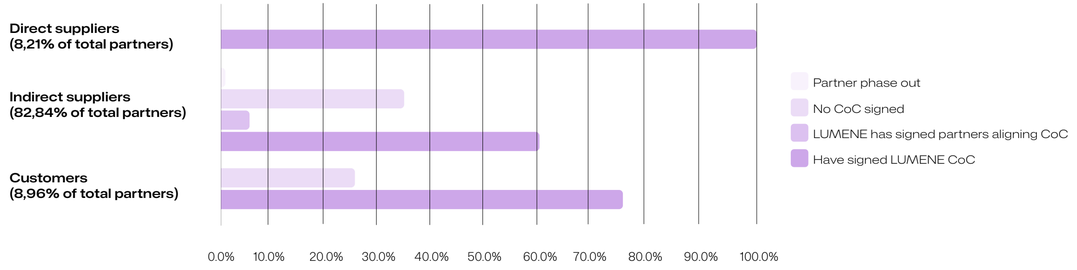
Global total

	Customers	Indirect suppliers	Direct suppliers	Total
Total number of partners globally	**47**	**197**	**68**	**312**
Have signed LUMENE CoC	18	91	61	**170**
LUMENE has signed partner's aligning CoC	7	8	0	**15**
No CoC signed	22	94	1	**117**
Partner phase out	0	4	6	**10**



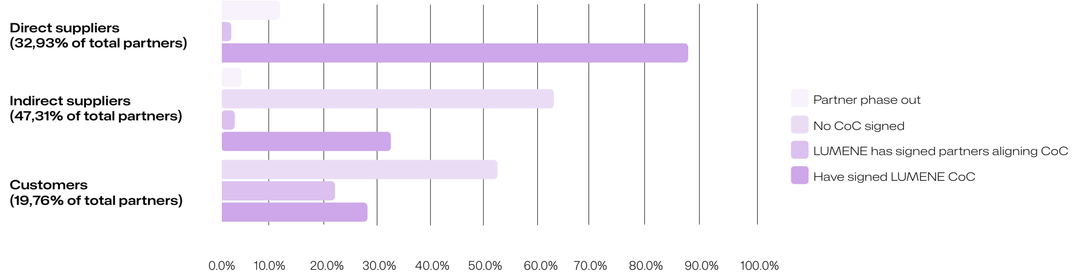
Finland

	Customers	Indirect suppliers	Direct suppliers	Total
Total number of partners globally	**12**	**111**	**11**	**134**
Have signed LUMENE CoC	9	66	11	**86**
LUMENE has signed partner's aligning CoC	0	6	0	**6**
No CoC signed	3	38	0	**41**
Partner phase out	0	1	0	**1**



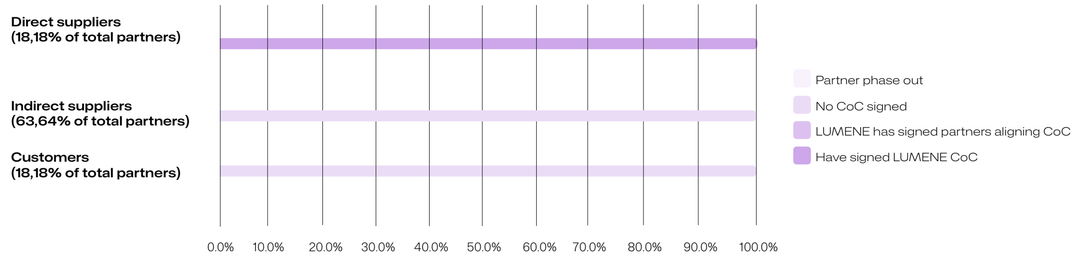
Other EU

	Customers	Indirect suppliers	Direct suppliers	Total
Total number of partners globally	**33**	**79**	**55**	**167**
Have signed LUMENE CoC	9	25	48	**82**
LUMENE has signed partner's aligning CoC	7	2	0	**9**
No CoC signed	17	49	1	**67**
Partner phase out	0	3	6	**9**



Other regions

	Customers	Indirect suppliers	Direct suppliers	Total
Total number of partners globally	**2**	**7**	**2**	**11**
Have signed LUMENE CoC	0	0	2	**2**
LUMENE has signed partner's aligning CoC	0	0	0	**0**
No CoC signed	2	7	0	**9**
Partner phase out	0	0	0	**0**



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GRI content index

Lumene Group Sustainability Report 2025 has been prepared in accordance with Global Reporting Initiative (GRI) Standards for the period January 1 – December 31, 2025. Used GRI 1: Foundation 2021.

GRI STANDARD/ OTHER SOURCE		DISCLOSURE	LOCATION	OMISSION	ASSURED
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1	Organisational details	64		
	2-2	Entities included in the organisation's sustainability reporting	64		
	2-3	Reporting period, frequency and contact point	64		X
	2-4	Restatements of information	64		
	2-5	External assurance	73		
	2-6	Activities, value chain and other business relationships	31, 55		
	2-7	Employees	51-54, 68		X
	2-8	Workers who are not employees	54		X
	2-9	Governance structure and composition	77		
	2-10	Nomination and selection of the highest governance body	78-79		
	2-11	Chair of the highest governance body	78-79		
	2-12	Role of the highest governance body in overseeing the management of impacts	60		
	2-13	Delegation of responsibility for managing impacts	60		
	2-14	Role of the highest governance body in sustainability reporting	61		
	2-15	Conflicts of interest	81		
	2-16	Communication of critical concerns	58, 78		
	2-17	Collective knowledge of the highest governance body	60		
	2-18	Evaluation of the performance of the highest governance body	78		
	2-19	Remuneration policies	78		
	2-20	Process to determine remuneration	60, 78		
	2-21	Annual total compensation ratio	68		X
	2-22	Statement on sustainable development strategy	25-28		
	2-23	Policy commitments	65		
	2-24	Embedding policy commitments	57-58		
	2-25	Processes to remediate negative impacts	57		
	2-26	Mechanisms for seeking advice and raising concerns	58		
	2-27	Compliance with laws and regulations	58		X
	2-28	Membership associations	61		
	2-29	Approach to stakeholder engagement	61		
	2-30	Collective bargaining agreements	52		X
MATERIAL TOPICS					
GRI 3: material Topics 2021	3-2	Process to determine material topics	59, 65		
	3-2	List of material topics	59, 65		
BIODIVERSITY					
GRI 3: Material Topics 2021	3-3	Management of material topics	46		
GRI 101: Biodiversity 2024	101-4	Identification of biodiversity impacts	46		X
ECONOMIC PERFORMANCE					
GRI 3: Material Topics 2021	3-3	Management of material topics	62		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	62		
PROCUREMENT PRACTICES					
GRI 3: Material Topics 2021	3-3	Management of material topics	55		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	55		X
ANTI-CORRUPTION					
GRI 3: Material Topics 2021	3-3	Management of material topics	57-58		
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	57, 70		X

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MATERIALS					
GRI 3: Material Topics 2021	3-3	Management of material topics	33-34, 37-39		
GRI 301: Materials 2016	301-1	Materials used by weight or volume	31	The total amount of non-renewable materials used in 2025 is 591 190 kg.	X
	301-2	Recycled input materials used	31	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 39.	X
ENERGY					
GRI 3: Material Topics 2021	3-3	Management of material topics	41 - 43		
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	41 - 43, 66		X
	302-3	Energy intensity	43, 66		X
	302-4	Reduction of energy consumption	41 - 43, 66		X
WATER AND EFFLUENTS					
GRI 3: Material Topics 2021	3-3	Management of material topics	45		
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	45, 67		X
	303-2	Management of water discharge-related impacts	45, 67		X
	303-3	Water withdrawal	45, 67		X
EMISSIONS					
GRI 3: Material Topics 2021	3-3	Management of material topics	41-43		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	41-43 66		X
	305-2	Energy indirect (Scope 2) GHG emissions	41-43 66		X
	305-3	Other indirect (Scope 3) GHG emissions	41-43 66		X
	305-4	GHG emissions intensity	41-43 66		X
	305-5	Reduction of GHG emissions	41-43 66	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	44		
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	44, 67		X
	306-2	Management of significant waste-related impacts	44, 67		X
	306-3	Waste generated	44, 67		X
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 3: Material Topics 2021	3-3	Management of material topics	55		
GRI 308: Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	55	Information incomplete. The assessment does not currently cover the extended supply chain, and therefore significant actual or potential impacts beyond Tier 1 suppliers have not been systematically identified. During 2026, are expanding the coverage to our largest Tier 2 suppliers.	X
OCCUPATIONAL HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3	Management of material topics	53-54		
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	53-54		X
	403-2	Hazard identification, risk assessment, and incident investigation	53-54		X
	403-3	Occupational health services	53-54		X
	403-4	Worker participation, consultation, and communication on occupational health and safety	53-54		X
	403-5	Worker training on occupational health and safety	53-54		X
	403-6	Promotion of worker health	53-54		X
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53-54		X
	403-8	Workers covered by an occupational health and safety management system	53-54	Information incomplete. OHS management system not yet internally or 3rd party audited. Internal audit to be completed during 2026.	X
	403-9	Work-related injuries	54, 69		X
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3: Material Topics 2021	3-3	Management of material topics	68		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	68		X
	405-2	Ratio of basic salary and remuneration of women to men	68		X
SUPPLIER SOCIAL ASSESSMENT					
GRI 3: Material Topics 2021	3-3	Management of material topics	55		
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	55	Information incomplete. The assessment does not currently cover the extended supply chain, and therefore significant actual or potential impacts beyond Tier 1 suppliers have not been systematically identified. During 2026, are expanding the coverage to our largest Tier 2 suppliers.	X
CUSTOMER HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3	Management of material topics	35		
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	35		X
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	35		X

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KPMG

Independent Practitioner's Assurance Report

To the Management of Lumene Group Oy

Scope of Assurance
We have been engaged by the management of Lumene Group Oy (business ID 3208686-5) (hereafter "Lu-mene") to provide limited assurance on selected sustainability information specified below.

Information Subject to Assurance:
The sustainability information presented in Lumene Group's Sustainability Report for the reporting period January 1–December 31, 2025 subject to the limited assurance (hereafter "Sustainability Information") con-sists of the following information:

- General Disclosures GRI 2-3, 2-7, 2-8, 2-21, 2-27, 2-30
- Biodiversity GRI 101-4
- 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
- Diversity and Equal Opportunity GRI 405-1, 405-2
- Supplier Social Assessment GRI 414-2
- Customer Health and Safety GRI 416-1, 416-2 and
- Lumene's own indicator: material circularity percentage (on page 31).

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 January 1–December 31, 2025 subject to the limited assurance engagement is not prepared, in all material respects, in accordance with the Report-ing Criteria defined later in the report.

Basis for Conclusion
We performed the assurance of the Sustainability Information as a limited assurance engagement in compli-ance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Independent Prac-titioner section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our con-clusion.

Independent Practitioner's Independence and Quality Management
We are independent of the company 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 authorised 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.

Management's Responsibilities
The management of Lumene Group Oy is responsible for the preparation and presentation of the Sustaina-bility Information in accordance with the reporting criteria i.e. in accordance with GRI Sustainability Reporting Standards and Lumene's reporting guidelines presented on page 64 of Lumene Group's Sustainability Report ("Reporting Criteria" in this assurance report). This responsibility also includes such internal control as the management determines is necessary to enable the preparation of Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of Sustainability Information
It is characteristic to reporting on sustainability information that reporting of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty. The determination of green-house gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

Responsibilities of the Independent Practitioner
Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the Sustainability Information subject to the limited assurance is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the Sustainability Information.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the Sustainability Information, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of ex-pressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed
The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance proce-dures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. The procedures performed in a limited assurance engagement primarily consist of making inquiries and applying analytical procedures. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included, among others, the following:

Our procedures included, among others, the following:

- We interviewed Lumene's management and persons responsible for collecting and preparing the Sus-tainability Information.
- Through interviews we gained understanding of the key processes and practical procedures related to collecting and consolidating the Sustainability Information.
- We assessed the accuracy of the Sustainability Information through an inspection of the background documentation and documents prepared by the company on a sample basis and assessed whether they support the presented Sustainability Information.
- We assessed the application
- We assessed the application of the reporting principles of the Reporting Criteria in disclosing Sustaina-bility Information.

Helsinki, 13 May 2026
KPMG OY AB

Heli Tuuri
Authorised Public Accountant

Corporate *Governance*

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Corporate Governance overview

Governance *principles*

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 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. In February 2025 our ownership evolved as Creades, a Swedish investment company, made a minority investment in the Group.

The Lumene Group comprises the parent Company, Lumene Group 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 sets the ethical standards that guide how all employees, leaders, and board members act, ensuring responsible, lawful and value-driven decision-making across the business. The Partner Code of Conduct extends these expectations to suppliers and other partners, defining clear requirements on business ethics, human rights, labour practices, and environmental responsibility.

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. It decides on matters defined in the Finnish Companies Act and the Articles of Association, including the adoption of financial statements, use of profit, election and remuneration of the Board and auditor, and the discharge of the Board and CEO from liability. Shareholders may also request matters within the Meeting's competence to be placed on the agenda.

The Annual General Meeting is held once a year within six months of the financial year-end, while Extraordinary General Meetings are convened for specific matters when required.

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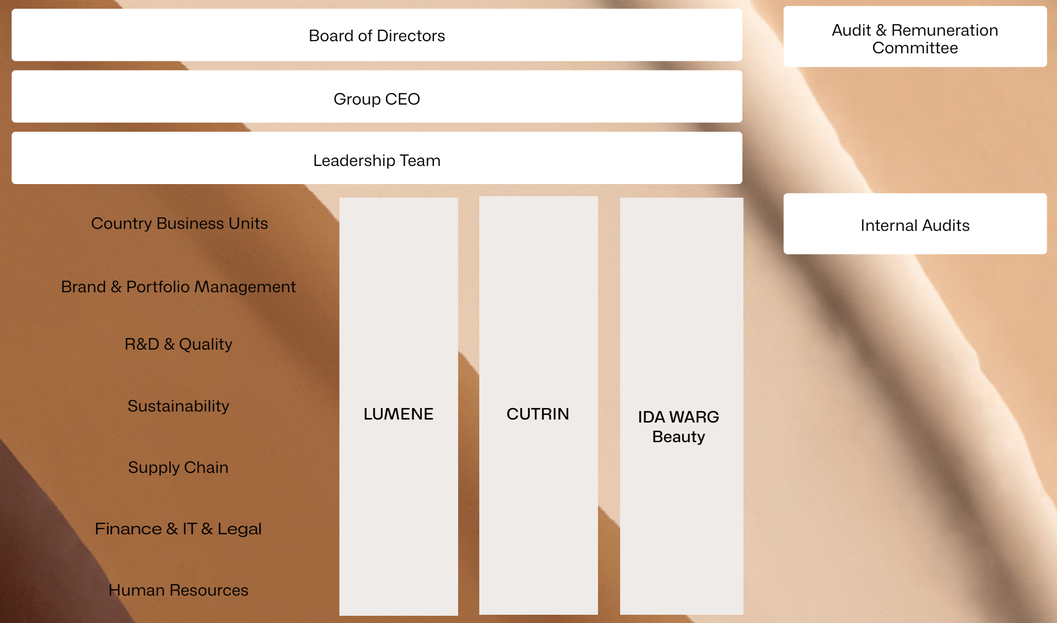
Governing bodies



Leadership and management

The board of *directors*

The Board of Directors oversees Lumene's operations, approves the Company's strategy, values and key policies, and ensures effective risk management. It supervises the CEO, reviews financial and sustainability reporting, and ensures that the Company's administration and governance practices are properly organised. The Board's tasks are described in detail in its Rules of Procedure.

The role of the Board is to act in the best interests of the Company and all its shareholders, promoting long-term value creation while taking into account the interests of all stakeholders.

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).

The Board of Directors consists of up to seven (7) members. The members of the Board of Directors are elected by the Annual General Meeting. Members are appointed on a continuing basis. The members must have sufficient expertise, competence and experience in matters related to the Company's industry and business operations, and each member must have adequate time to attend to their Board duties. 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

According to the Rules of Procedure the Board of Directors will hold board meetings at least five times in every calendar year, and if necessary, more often. The Board convenes when decided by the Chair or at the request of a Board member or the CEO. Additionally, the Board holds monthly business calls.

The Board of Directors shall have a quorum when more than half of its members are present. A decision of the Board is adopted if supported by more than half of the members present. In the event of a tie, the Chair has the casting vote. A Board member facing a conflict of interest cannot participate in the decision-making.

The Board of Directors had 17 recorded meetings in 2025. Besides the regular annual meeting topics during the financial year, key priorities in 2025 included: updating the Group long-term growth strategy, regular corporate governance reporting, annual business planning and budgeting, including reviewing long-term financial targets. Other priorities included reviewing organisational capability development plans, strengthening the compliance program, and consolidating the Lumene Group legal structure.

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Board *committees*

The Board has established two committees: the Audit Committee and the Remuneration Committee. The members are appointed annually from among the Board, and the committees assist, advise, and make recommendations to the Board within their respective areas. The committees have no independent decision-making authority.

Audit Committee
The Audit Committee consists of three Board members. The Company CFO and the secretary of the Board also regularly participate in the meetings of the committee. The committee gathers at least four (4) times a year before each Board meeting, and additional meetings are held if needed. The Audit Committee's work is guided by its Rules of Procedure.

The Audit Committee's role is to support the Board by overseeing the Company's financial and sustainability reporting, monitoring financial performance, and reviewing key reports before they are submitted to the Board. It also monitors the statutory audit and the assurance of sustainability reporting, assesses auditor independence and performance, and prepares the proposal for the auditor for the Annual General Meeting. In addition, the Committee oversees the sustainability strategy, internal control and risk management systems, compliance processes and policies, related-party matters, and the whistleblowing system.

Remuneration Committee
The Remuneration Committee consists of three Board members. The Committee gathers at least twice a year, with additional meetings held when necessary. The Remuneration Committee's work is guided by its Rules of Procedure.

The Remuneration Committee's role is to support the Board by preparing proposals on the remuneration of Board members for the Annual General Meeting and by assisting the Board in matters relating to the remuneration of the CEO and the senior management. The Committee also prepares remuneration and incentive schemes, including short-term incentives and management incentive plans, and monitors the competitiveness and development of these schemes. The Committee evaluates the performance of the CEO and the Leadership Team and presents its observations and recommendations to the Board.

The Audit Committee on December 31, 2025 included:
Andreas Rosenlew | Nadia Söderling | Tiina Isohanni

The Remuneration Committee on December 31, 2025 included:
Andreas Rosenlew | Nadia Söderling | John Hedberg

Remuneration *policies*

Remuneration policies for Leadership Team members are always outlined by the Remuneration Committee. Executive remuneration consists of a fixed salary and both short-term (STI) and long-term (LTI) incentive programs. The 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 the Verdane Board Capability Survey, which each Board member and the CEO completes individually. The evaluation gives an overview regarding the functionality and performance of the Board of Directors, including an assessment of the CEO's performance and the collaboration between the Board and the CEO, 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.

Tiina
ISOHANNI

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

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.

John
HEDBERG

Born in 1972
MSc in Economics and Business Administration
Dependent member of the Board, representing the minority owner.
Citizenship: Swedish.
Member of the Board since 2025.

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.

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CEO

The CEO is responsible for the day-to-day management of the Company and for leading the Leadership Team. The Leadership Team creates, plans, and implements the strategic direction of the Group, ensures that the Company reaches its ambitious sustainability targets and adheres to good corporate governance.

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

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

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 drive 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, 2025 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.

Lumene Group Leadership team 2025

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

Executive Vice President
Sales and Commercial
Member of the Leadership Team since 2023.
Born 1982.
M. Sc. Industrial Economics
Responsible for the new international markets and Procurement.

Maria
HOLMLUND

Executive Vice President
Global Marketing
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

Chief People Officer
Member of the Leadership Team since 2021.
Born 1979.
M.Sc. Business Administration.
Responsible for Human Resources.

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Financial reporting

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

In 2025, Lumene Group transitioned its financial reporting from Finnish Accounting Standards (FAS) to International Financial Reporting Standards (IFRS).

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 the 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 with 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 the 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 n a case-by-case basis 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.

External assurancies

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 operating in full compliance with applicable laws, regulations, and internationally recognised standards. Our approach is grounded in strong ethics, business integrity, respect for human and labour rights, social responsibility, and environmental protection.

We expect our partners to uphold the same standards. The Lumene Group selects its partners carefully and seeks relationships built on transparency and open dialogue. In year 2025 updated 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. All Lumene Group direct suppliers have signed the Lumene Group Partner Code of Conduct.

Compliance with the supplier requirements is monitored by self-audits and site-audits. Self-audits are required from all direct suppliers with a yearly spend over 30k€. 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

In 2025, Lumene Group received one report through the whistleblowing channel. It has been processed appropriately and presented to Lumene Group's Audit Committee and the Board by the Group CFO as part of our standard procedure.

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, human rights, 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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