



# Lumene Holding Oy

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Disclosure Report

Date Submitted: March 14th, 2024



## Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

### B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

- 1) Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's [certification process](#)
- 2) Breaches of the B Corp Community's core values as expressed in our [Declaration of Interdependence](#)

**This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.**



# Disclosure Questionnaire

## Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Energy and Emissions Intensive Industries</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Water Intensive Industries</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input type="checkbox"/>	<input checked="" type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



## Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Other</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

# Disclosure Questionnaire Statement

**Disclosure Questionnaire Category: Environmental Intensive Industries - Energy and Emissions Intensive Industries**

<b>Topic</b>	Energy and Emissions Intensive Industries
<b>Summary of Issue</b>	<p>As a personal care product manufacturer, Lumene holding Oy operates in an industry that is energy and emissions intensive. The company's primary contributors to its carbon footprint in 2022 was Scope 3 emissions, 9 999 tCO<sub>2</sub>e and it represents 97.9% of total emissions of LUMENE Group. Typically, the share of Scope 1 &amp; 2 and Scope 3 is 20:80, but due to effective reduction work for Scopes 1 and 2, the company's emissions are mainly derived from Scope 3.</p>
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	<p>100% of the company's revenue comes from the sale of manufactured personal care products. Their emissions intensity for Scopes 1,2 &amp; 3 is as follows:</p> <ul style="list-style-type: none"> <li>• GHG intensity, tCO<sub>2</sub>e/manufactured product (Scope 1 and 2) was 0,000015 CO<sub>2</sub>/\$million of revenue</li> <li>• GHG intensity, tCO<sub>2</sub>e/manufactured product (Scope 3) was 0,0007 CO<sub>2</sub>/\$million of revenue</li> </ul>
<b>Impact on Stakeholders</b>	<p>Energy intensive manufacturing activities pose an environmental risk due to the emissions produced by such energy use. The extent of environmental impact is dependent on the energy sources utilized and management practices in place to manage energy use. Lumene Holding Oy uses 99% energy from renewable sources and 1% from fossil fuels (oil).</p>
<b>Management Practices</b>	<p>The company has set climate targets. Lumene aims to reduce their CO<sub>2</sub> emissions (Scope 1, 2, 3) by 42% by 2030 and this science-based climate target is approved by the Science Based Targets initiative. Their climate actions are aligned with the Paris Climate Agreement's 1.5°C.</p> <p>In 2023, the company made an efficiency improvement investment to its steam production which resulted in a decrease in oil consumption. During the year, the company also continued updating their traditional lighting to LEDs in the factory and office premises which further decreased their electricity consumption.</p>
<b>Report</b>	<a href="#">Lumene Group Sustainability Report</a>

# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Environmental Intensive Industries - Water Intensive Industries

<b>Topic</b>	Water Intensive Industries
<b>Summary of Issue</b>	As a personal care product manufacturer, Lumene holding Oy operates in an industry that is water intensive. Approximately 65% of the water consumed by the company is used to wash the production equipment.
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	<p>100% of the company's revenue comes from the sale of manufactured personal care products.</p> <p>Lumene calculates and reports their water consumption on an annual basis / million pcs products produced. In 2023 the amount was 1685 m3/ million pcs produced, which was lower than in 2022 (2002 m3 / million pcs produced).</p> <p>The company's total tap water consumption was approximately 26,000 m3 in 2023 all of which was where all water was fresh water. This quantity is fairly normal, depending on the amount of production that increased from 2022. Typical annual consumption in recent years has been 20 000 – 25 000 m3.</p>
<b>Impact on Stakeholders</b>	<p>As a water intensive industry, the personal care product manufacturing industry poses risks such as water stress or depletion of local water sources if water use is not appropriately managed.</p> <p>The company uses fresh Finnish tap water, the origin of which, for the capital area of Finland, is lake Päijänne in central Finland. The Päijänne Tunnel leads raw water from Lake Päijänne to the Helsinki region. It secures access to sufficient, clean raw water for more than one million residents. Tap water in Espoo is surface water and also third-party water governed by the municipal water supplier.</p> <p>In addition, the company uses pure Arctic spring water sourced from Finnish Lapland. Currently Finland is not considered as a water stressed area. Water scarcity is classified as low and there is a 1% chance that a drought will occur in the coming 10 year (see link below)</p>
<b>Management Practices</b>	<p>The tap water the company uses is further purified at their factory by reverse osmosis.</p> <p>In 2010, LUMENE launched the LUMENE WaterSmart program with the aim to reduce water consumption. Through the program, LUMENE</p>

	<p>encouraged both consumers and cosmetics companies to develop a more sustainable attitude towards water and to diminish their water footprint.</p> <p>Approximately 65% of the water consumed by the company is used to wash the production equipment. Unnecessary water use is prevented by good washing instructions. However, the company indicates that the use of water cannot be over-optimised, as production hygiene and cleanliness are particularly important to ensure product safety as currently the company has no reduction target in water. But the company has concern to use the water as minimus as they can</p>
Report	<p><a href="#">Lumene Holding Sustainability Report</a></p> <p><a href="#">Think Hazard Water Scarcity in Finland</a></p>



# Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Others - Operations in high risk contexts

<b>Topic</b>	Application of moratorium on companies operating in Russia and Belarus
<b>Summary of Issue</b>	<p>Lumene Holding Oy used to sell and market hair care, skincare, and makeup products in Russia. The company had its own D-to-C (direct-to-consumer) channel and had a few pop-up stores. It also had a fully functioning subsidiary that included sales, marketing, finance, and logistics activities. In Belarus, the company had a distributor. Since December 2022 the company no longer has any operations in Russia and Belarus:</p> <p>B Lab has implemented a <a href="#">Moratorium</a> for companies operating in Russia &amp; Belarus and is currently developing standards for companies operating and/or existing operations in high-risk contexts (including Russia). Whenever new risk standards are available, Lumene Holding Oy will have a grace period of one recertification cycle to comply with the requirements.</p>
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	<p>In 2021, the company's subsidiary located in Russia had 75 employees and generated 12.3% of the company's overall revenue.</p> <p>Since December 2022, the company has not had any operations in Russia and Belarus anymore, all employee contracts were terminated and the revenue coming from this location is 0%.</p>
<b>Impact on Stakeholders</b>	<p>High-risk contexts are characterized by institutional weakness, political instability, insecurity, armed conflict, widespread violence, or other risks of harm to people. Business can cause, contribute to, or be directly linked to a myriad of human rights abuses and environmental harms. Because respect for human rights is the internationally recognized minimum or "floor" for responsible business conduct, a business cannot be a force for good if it causes, contributes or is directly linked to human rights violations.</p> <p>In response to <a href="#">B Lab's moratorium on companies operating in Russia and Belarus</a>, B Lab is in the process of developing standards for companies operating in high-risk contexts. The moratorium states, "Companies are required to suspend their operations while also avoiding the negative potential impacts of their decision by maintaining their support for their key, non-complicit stakeholders in Russia or Belarus (at the expense of the company), by for example continuing to financially support their employees and not terminating their contracts."</p>



	After B Lab's standards are published, all applicable companies, including certified B Corps, will be expected to meet the new standards (certified B Corps have a grace period of one recertification cycle). "
<b>Implemented Management Practices</b>	<ul style="list-style-type: none"> <li>• As a result of Russia's invasion of Ukraine, the company stopped having operations in Russia and Belarus in December 2022,</li> <li>• In order to mitigate the negative impacts on employees affected by the conflict and terminations, Lumene offered them better termination agreements that would have been required by the local legislation. Local legislation would have required the company to compensate from three to six monthly average salaries as severance payment for all terminated employees, the exact amount depending on each employee's individual situation after the termination. Lumene however, decided to compensate all employees with eight average monthly salaries,</li> <li>• All locally required practices were done towards Lumene's former employers. Relocation from Russia was not possible because traveling to/from Russia was prohibited by the Finnish government. Also, as the company's financial situation changed rapidly and dramatically with the war, there were no possibilities of creating new positions,</li> <li>• There is no intention of selling the company as Lumene has no ongoing business and it is not willing to sell the rights to its brand to operate in Russia. Lumene is currently trying to find ways to get the equity transferred to Lumene Oy and after that, will seek to close the company entirely.</li> </ul>
<b>Report</b>	<ul style="list-style-type: none"> <li>• <a href="#">LUMENE GROUP TO WITHDRAW FROM THE RUSSIAN MARKET</a></li> <li>• <a href="#">Reports - Lumene</a></li> </ul>