



transmeri

Sustainability Report

2023

Sustainability Report 2023

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Transmeri – The Best Home for Brands

Our Sustainability Report for 2023 reflects our continued commitment to sustainable business activities and our progress toward achieving our objectives.

I am delighted and proud to present Oy Transmeri Ab's Sustainability Report for 2023. Over the past year, we have continued to engage in sustainable and responsible business activities, and this report demonstrates our progress in achieving the related objectives. We are a 96-years-old family-owned business that has always been guided by our interest toward innovative ideas and a desire to offer products that are interesting to consumers.

In 2023, we sold almost 12 million products to our customers in Finland, the Baltic region, and Sweden. Thus, we make numerous assortment decisions within our procurement each year, and our actions affect the day to day lives of consumers.

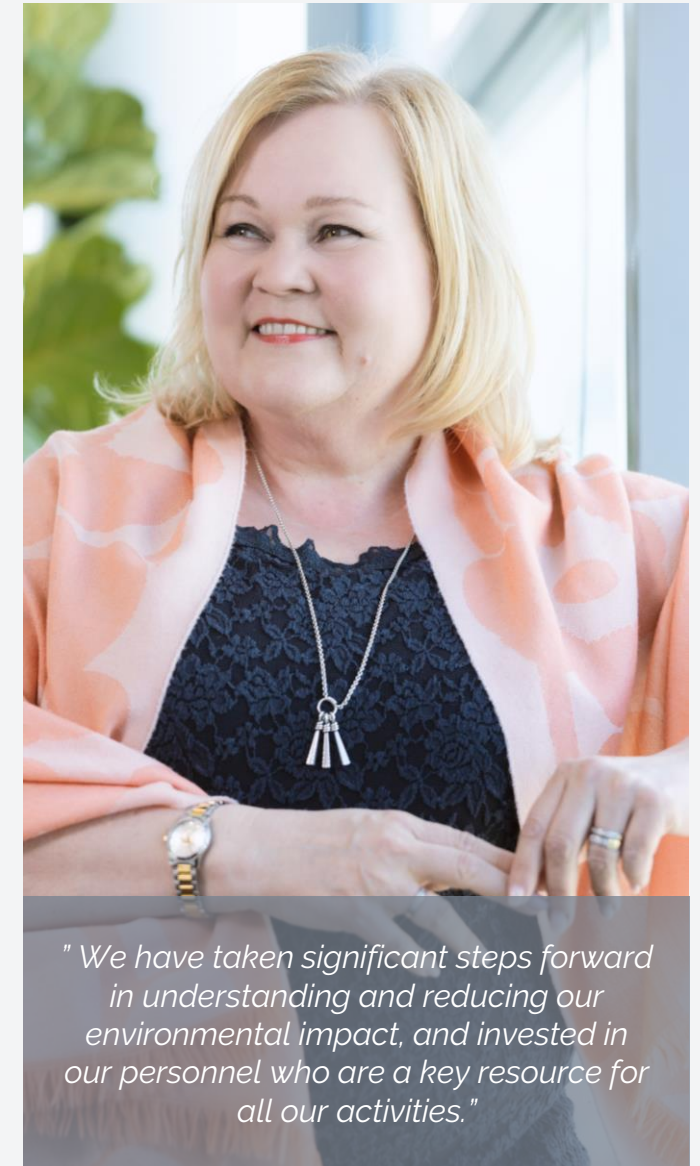
Oy Transmeri Ab has always aimed to actively promote sustainability, and 2023 was no exception. We have taken significant steps forward in understanding and reducing our environmental impact, and invested in our personnel who are a key resource for all our activities.

By focusing on environmental matters, we have been able to reduce our carbon footprint by 18 percent from the previous year. This achievement is a result of our commitment to renewable energy sources, improvement of energy efficiency, and sustainable procurement practices. In terms of social aspects, we have continued our investments in the wellbeing of our personnel. Examples of this include our extensive employee benefits or the two days off just before Christmas given to our employees as a Christmas gift.

This report is not just a written account of our achievements but also a learning opportunity. We recognize the fact that there is still a lot of work to be done, and we are committed to continuing to improve our operations for a more sustainable future.

I want to thank all our stakeholder groups for their support and commitment to our shared goal. Together we can achieve even greater things. I hope that this report provides you with valuable information and inspires you to continue working toward sustainability with us.

Sari Rosin,
Managing Director
Oy Transmeri Ab



"We have taken significant steps forward in understanding and reducing our environmental impact, and invested in our personnel who are a key resource for all our activities."

Greetings From the Sustainability Team

Sustainability is a part of our business strategy and thus an integral element of our activities. We improve the sustainability of our activities one step at a time, working toward the goals we have specified.

We are living in the time of a sustainability shift, and we are on a journey toward a more sustainable future – at Transmeri, we want to promote this journey through our actions. Sustainability is a part of our business strategy, and thus it guides our activities both now and in the future. In addition to reducing the impact of our activities, we also want to support the consumers in making more sustainable consumption choices by introducing products that support sustainable development to the market each year, and by providing instructions for the appropriate use of our products.

The future holds both general legislative changes and changes that affect our sector and calls for further development from the perspective of sustainability. These changes provide us with multiple opportunities to further develop our work on sustainability and achieve the objectives we have set, but they can also pose challenges. We continue to monitor the development of the sector and legislation on the global, EU, and national levels, and we are prepared to develop and adapt our operation to respond to these changes.

In 2023, we updated our Sustainability Program and its goals toward a more concrete direction for 2024–2030. Our key sustainability themes included climate work and sustainable procurement, products, and packaging, as well as our personnel. Our Sustainability Program is ambitious, but it guides us to focus on the aspects of our sustainability work that are the most essential in terms of our activities and our stakeholders. Thus, in the context of our work on sustainability, we aim to take concrete action to achieve to objectives we have set and communicate our successes to our stakeholder groups.

Sustainability work as a whole consists of persistent long-term work and continuous development. Cooperation with our stakeholders and our value chain is essential to achieving our sustainability goals and developing our sustainable business activities further. We are fully committed to sustainability, and we are enthusiastic about developing our activities toward a more sustainable direction, which also provides added value to our stakeholders.

Katia Gustafsson
Business Director

Taru Karlsson
Sustainability and
Communications Manager

" Sustainability is a part of our business strategy, and thus it guides our activities both now and in the future."

Katia Gustafsson, Business Director



" We are fully committed to sustainability, and we are enthusiastic about developing our activities toward a more sustainable direction."

Taru Karlsson, Sustainability and
Communications Manager

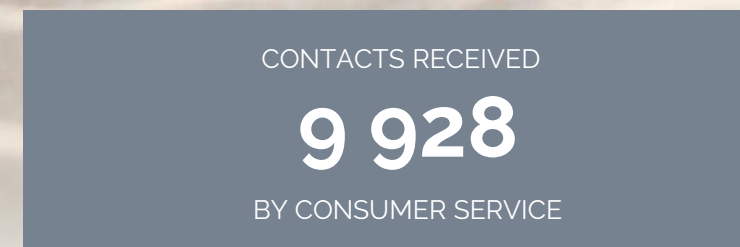
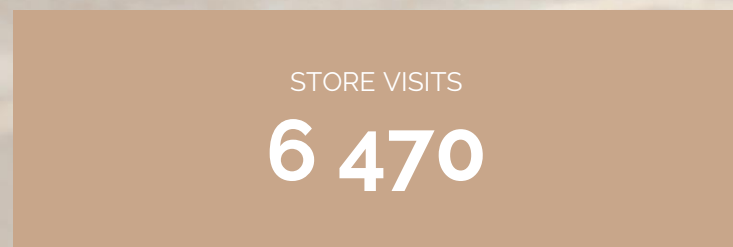


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Transmeri's Strategy

Better Choices, Every Day

Oy Transmeri Ab is a Finnish family-owned business founded in 1928 that imports and markets consumable goods and cosmetics and develops inhouse brands. We are a sales and marketing organization, and we represent several world-famous brands in the Nordic countries and the Baltic region.



Our Strategy Supports Sustainability

In our strategy, sustainability means focusing on business opportunities that are more sustainable for the environment and thus enable a better life for people. We believe this to be a necessity both today and in the future.



SUSTAINABILITY



PROFIT IN
THE LONG-TERM



BRAND BUILDING



DEVELOPMENT OF RENEWAL
CAPABILITY



DIGITALIZATION



CUSTOMER-ORIENTED
APPROACH



STRENGTHENING OUR MARKET
POSITION IN THE NORDIC COUNTRIES
AND THE BALTIC REGION



GROUP SYNERGIES



FINNISH
MANUFACTURING

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Transmeri's Values



Continuity Through Shared Values

Our day-to-day operation is guided by our shared values: **ahead of time, together, prosperously**.
By acting in accordance with our values, we can focus on continuity and profitability.

AHEAD OF TIME

RENEWAL AND
DEVELOPMENT

TOGETHER

LEARNING TOGETHER AND
MOVING IN THE SAME DIRECTION

PROSPEROUSLY

SUCCEEDING SUSTAINABLY AND
PROFESSIONALLY

Fair Business Activities

Ethical operation is of primary importance to us in terms of both business activities and the society at large. Our work and decision-making are guided by our shared rules and ethical principles. Our staff is 100% committed to our ethical principles. We also aim to continue to engage with our partners to ensure their commitment to ethical operation.

EQUALITY & PARITY

Fair treatment of individuals and the promotion of equality in working life form the starting point of Transmeri's work for equality and parity. The implementation of parity is assessed as part of our annual working atmosphere survey, and by interviewing both supervisors and representatives of the personnel. Detailed guidance for responding to discrimination and harassment has been drawn up and supervisors have received training for such situations. Our early support model and recruitment practices were also updated taking into account the requirements of the Finnish Non-discrimination Act.

CODE OF CONDUCT

Our entire personnel has made a commitment to our ethical principles, and each new Transmeri employee receives an introduction to these principles. Commitment to ethical principles is monitored on an annual basis. For our suppliers, we have implemented a **Supplier Code of Conduct**, which forms part of all agreements concluded with suppliers. In the future, we will continue to engage with our partners to further increase their commitment to our Code of Conduct and ethical principles.

BSCI PARTNER COMPANY

Transmeri Oy is a member of amfori and has made a commitment to amfori Business Social Compliance Initiative (amfori BSCI). With the BSCI system, we aim to manage our supply chain and ensure that internationally recognized employment regulations are adhered to. With regard to our own-brand products manufactured in risk countries, 100% of the factories used are BSCI audited.

WHISTLEBLOWING

Relating to the implementation of EU Directive 2019/1937 on the protection of persons who report breaches of Union law (Whistleblowing Directive), Transmeri Group as established an anonymous **whistleblowing channel**. This channel can be used by both employees of Transmeri Group and external parties to report suspected misconduct. A link to the channel can be found on our website at www.transmeri.fi.



Our Ethical Principles



1. RESPECT FOR HUMAN RIGHTS AND DIGNITY



2. COMPLIANCE WITH LAWS AND REGULATIONS



3. PROHIBITION OF THE USE OF CHILD LABOR



4. PROHIBITION OF FORCED LABOR AND DISCIPLINARY ACTION



5. DECENT WORKING CONDITIONS AND WAGES



6. PREVENTION OF DISCRIMINATION



7. THE RIGHT TO ORGANIZE AND UNIONIZE



8. ENSURING OCCUPATIONAL HEALTH AND SAFETY



9. PROTECTION OF THE ENVIRONMENT



10. DATA PROTECTION



11. ETHICAL BUSINESS PRACTICES

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Factors of Transmeri's Success

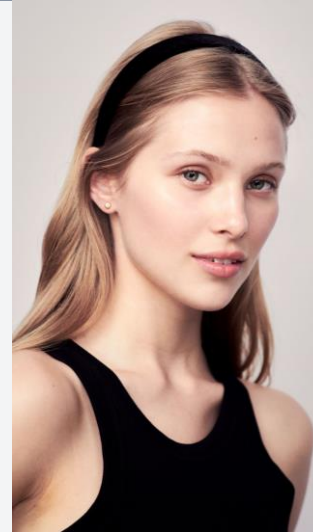
Top Brands as Creators of Success

Well-known and successful brands create great conditions for success. Included here is a list of the brands we represented in 2023.

COSMETICS AND HYGIENE

CHANEL
Guerlain
Kenzo
Oscar de la Renta
Issey Miyake
Narciso Rodriguez
Givenchy
CLEAN
Hollister
Guess
Police
Jeanne Arthes
Trind
Wella

OGX
Maui
Humble Brush
Furla
DKNY
Bioeffect
Louis Widmer



NATURAL COSMETICS

Mádara
Mossa
Whamisa
Esse
Biosolis
Khadi
Novexpert
Nurme
Cattier Paris
Patyka
Haut-Ségala
Sapientic
True Organic of Sweden

Urang
Cosnature
lavera
benecos
Egyptian Magic
Tash Sisterhood
Aimée de Mars
Couleur Caramel
Green Skincare



WELLBEING AND FOOD

Scholl
Weetabix
Alpen
Little's
Wellibites
Soyappétit
Fru Crew



HOME AND GARDEN

Duck
Glade
Mr Muscle
Ecover
Pledge
SC Johnson Metallikiilot

OFF!
Raid
Baygon
Roundup
Substral
Silvalure
Green Protect



OWN BRANDS

Biozell
Ibero
TAIKA
Lemon Juice & Glycerine
Medisoft
Suomalainen tehopesut



Year 2023 – Introduction to our Renewal Ability

In 2023, we were more focused than ever on the skills and competence we need to ensure that we are the best partner to our clients and a great employer to our personnel.

The importance of renewal at this point in time was highlighted in numerous conversations within different group companies. This is why renewal capacity was determined as the key competence to be developed further in group companies. We considered renewal from various different perspectives. We were especially receptive to comments from the customers of our group, who contributed to increasing our understanding of the necessity of renewal in this time. We also learned that each encounter with a customer is a learning opportunity for both parties, and with each encounter we should be able to provide the customer with new, fresh ideas to try.

Another important perspective to renewal was provided on the multiple occasions we invited all supervisors in the group to discuss the theme together. Renewal requires that we are able to carry out our core activities smoothly, thus ensuring enough time and resources for development and improvement. The old and the new must be balanced, which calls for management. Hence, the year comprised an exceptional number of training events intended for supervisors on topics beyond renewal as well.

Perhaps the most important lesson of the year was realizing the importance of encounters between people. In this time of hybrid work, it is important to notice the situations where meeting another person face to face is irreplaceable. Development and analyzing ideas from a new perspective can in particular be challenging in remote meetings; the best ideas are often born through information interaction with colleagues at the coffee machine, for example. I believe that as a responsible company, we and all our supervisors should be able to ensure that there is a sufficient number of such encounters between people.

At the same time, we can also learn that while renewal often means letting go of something old, it is important that we recognize the things that should be kept and treasured. Transmeri's 95th anniversary party organized for our personnel at the beginning of the year was a good reminder of this. The fact that our company has reached this age proves that on our journey we have been able to identify the things that need renewal and those that should be treasured.

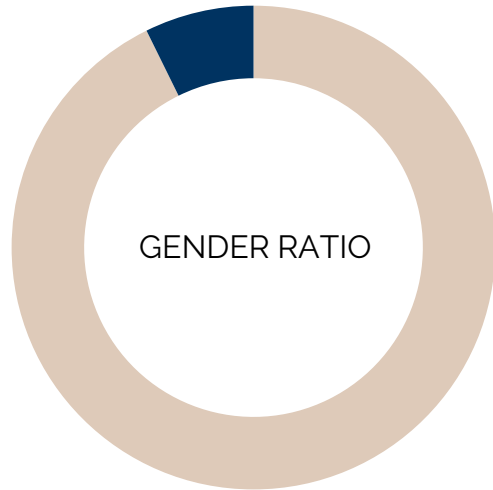
And we will continue our journey of renewal toward our 100th anniversary in 2028.

Anne-Mari Huuhtanen
Oy Transmeri Group Ab, HR Director

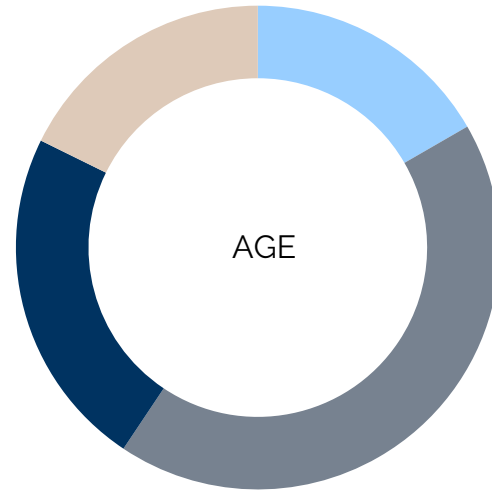


"Perhaps the most important lesson of the year was realizing the importance of encounters between people."

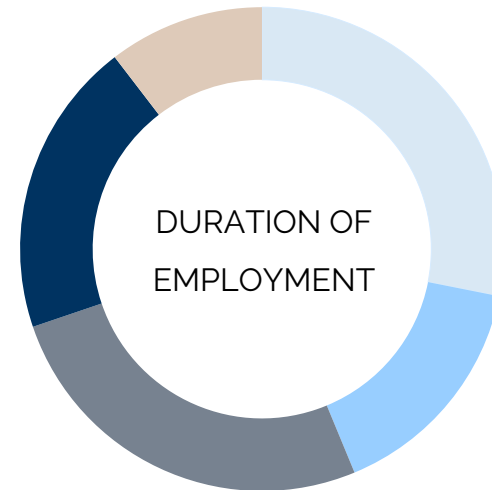
Personnel in Numbers 2023*



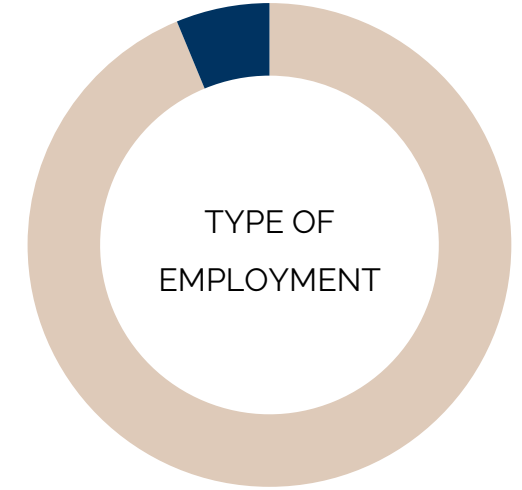
- Women 93%
- Men 7%



- Under 25 0%
- 25 - 35 16%
- 35 - 45 43%
- 45 - 55 23%
- Over 55 18%



- Under 2 yrs. 28%
- 2 - 5 yrs. 16%
- 5 - 10 yrs. 26%
- 10 - 20 yrs. 20%
- Over 20 yrs. 10%

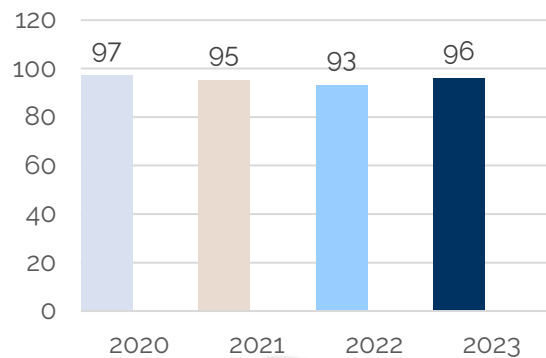


- Permanent 94%
- Fixed-term 6%

* The presented figures apply to employees in Finland.

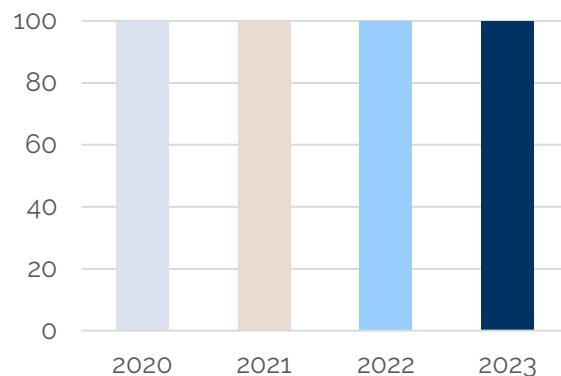
Personnel Statistics 2020–2023*

NUMBER OF PERSONNEL



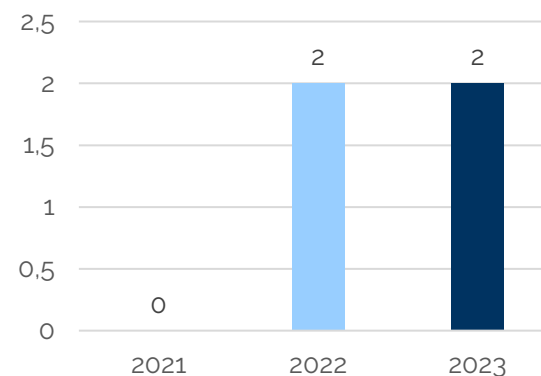
In 2023, we employed 96 people.

ANNUAL PERFORMANCE REVIEWS %



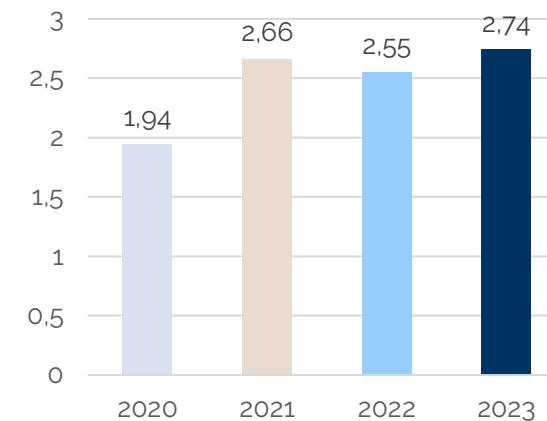
100% of our personnel take part in annual performance reviews with their supervisors.

NUMBER OF OCCUPATIONAL ACCIDENTS



The number of occupational accidents in 2023 was two.

ABSENCE DUE TO ILLNESS %



The rate of absence due to illness in 2023 was 2.74%.

* The presented figures apply to employees in Finland.

A stack of five smooth, grey stones is balanced on a sand dune. The sand has been ruffled into concentric, wavy patterns that recede into the background. The lighting is soft and warm, creating a serene and balanced atmosphere.

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Transmeri's Sustainability Program

Sustainability Program 2024–2030

In 2019, Transmeri determined its first strategic responsibility themes as part of the development of corporate sustainability. The sustainability program and themes were updated in 2023.

The strategic sustainability themes were chosen based on current megatrends, societal expectations, changes impacting the sector, and the views and hopes of stakeholders. Our corporate sustainability work is based on a framework that consists of the UN Sustainable Development Goals. We have identified Goals 8, 12, and 13 as having the most significance for our business activities.

In 2023, we updated our Sustainability Program by setting more concrete goals for our strategic themes and creating action plans for achieving those goals. In addition to climate work, our most important strategic sustainability themes include procurement, products, and packaging, as well as our personnel.

The EU Corporate Sustainability Reporting Directive (CSRD) will apply Transmeri Oy through the Transmeri Group in 2026. We have already begun our preparations for the reporting required by the directive on the group level, and we will, for example, utilize the information from the Double Materiality Assessment in Oy Transmeri Ab's own sustainability work.



TOWARD A LOW-EMISSION FUTURE

Neutralizing the emissions from our operations by 2030
(Scope 1 & 2)

40-percent reduction in value chain emissions by 2035
(Scope 3*)



SUSTAINABLE PROCUREMENT, PRODUCTS, AND PACKAGING

Sustainable procurement

Sustainable and safe products

Sustainable packaging



OUR PERSONNEL IS OUR KEY ASSET

Our personnel's wellbeing

Supporting the renewal ability and training of our personnel

CODE OF CONDUCT

* Transportation and distribution, business travel and employee commuting.

Preparing for CSRD* Reporting on the Group Level

Oy Transmeri Ab is part of the Transmeri Group, which is subject to the CSRD obligations. As a result of this, Transmeri Oy will contribute to the development of CSRD reporting and later the actual reporting as part of the group.

Transmeri Group will first report on sustainability under the directive in the spring of 2026. Transmeri Group will continue to develop our sustainability work and reporting abilities to meet the CSRD requirements.

Transmeri Group has monitored the development of EU Corporate Sustainability Reporting Directive actively over the past few years. The group launched a Double Materiality Assessment as required by CSRD in the fall of 2023, and it was completed in February 2024. The development of reporting and sustainability work will continue throughout the group with regard to the identified essential themes.

Transmeri Group has also wanted to gain a better understanding of the relationship between its business activities and EU taxonomy and its six environmental goals, even though the reporting obligation does not require the group to do so at this time. Transmeri Group has assessed its business activities and investments against the financial functions and criteria listed in the EU taxonomy in early 2022 and 2024. The group will continue to monitor the development of EU taxonomy and to improve its reporting capabilities further.

* CSRD (Corporate Sustainability Reporting Directive) is the EU Directive on corporate sustainability reporting.



Double Materiality Assessment

Transmeri Group has carried out a group-wide Double Materiality Assessment that meets the CSRD requirements. The assessment was carried out in cooperation with direct subsidiaries, including active engagement of internal stakeholder groups.

External stakeholders, such as customers and suppliers, were also interviewed. General expertise in the sector and on sustainability themes was sought through inclusion of NGOs and advocacy groups.

As a result, the identified essential themes were approved in a joint workshop that included the management of the parent company and subsidiaries and other key personnel in terms of sustainability.

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Transmeri's Sustainability Goals







Turning Goals Into Action

Sustainability work is part of our daily activity, and its continuous development form part of our work. The background work for developing the program continues on a yearly basis.

Factors that impact the way we update our goals include societal expectations, changes impacting the sector, and the views and hopes of our stakeholder groups. The enclosed chart presents our achievement of goals for 2023, the progress of our sustainability program, and the goals we have set for the coming years.

YK	THEME	SUSTAINABILITY GOAL	TARGET YEAR	INDICATOR	PROGRESS IN 2023 AND FUTURE MEASURES
13 ILMASTOTIEKDJÄ 	Toward a low-emission future	<p>Active reduction of emissions from properties, transport, and mobility and compensation of the remaining emissions by 2035.</p> <p>1. Reducing emissions from properties, own means of transport, and purchased energy to zero by 2030 (Scope 1 & 2).</p> <p>2. A 40-percent reduction in absolute emissions from transportation and distribution, business travel and employee commuting by 2035 compared to emissions in 2022 (Scope 3).</p>	2030 2035	Reduction in emissions (and tCO ₂ e) as a percentage	<p>In 2023, our calculated emissions amounted to 432.18 tCO₂e. Our calculated emissions were reduced by 18.2% in total from 2022.</p> <p>It is our objective to reduce the emissions from our activities (Scope 1 & 2) to zero by 2030, and to achieve a 40-percent reduction in our calculated Scope 3 category emissions by 2035 when compared to emissions in 2022.</p>
12 VASTOIKELISET KULUTTAMISTA 	Sustainable procurement	<p>100% of Transmeri suppliers have made a commitment to our Supplier Code of Conduct or a similar set of operating principles.</p> <p>100% of cooperating partners (purchases in excess of 15 thousand euros) have made a commitment to our Ethical Principles.</p>	Continuous 2025	Percentage of all Percentage of all	<p>The 100% goal was achieved in 2023.</p> <p>57% achieved in 2023. We will continue to engage without partners in 2024 to ensure commitment to our Ethical Principles.</p>

YK	THEME	SUSTAINABILITY GOAL	TARGET YEAR	INDICATOR	PROGRESS IN 2023 AND FUTURE MEASURES
12 VASTONALLISTA KEHITTÄMISTÄ 	Sustainable procurement	100% of own brands are covered by BSCI auditing for factories in risk countries, and the audited factories have received a general rating of C or higher.	Continuous	Percentage of all suppliers from risk countries	The goal was achieved in 2023: Each factory within the scope of BSCI auditing has been audited. In the future, we will only make purchases from suppliers in risk countries within the scope of BSCI auditing.
		We aim to introduce amfori BEPI (Business Environmental Performance Initiative) in 2024 and increase the number of suppliers in risk countries that have committed to BEPI in the future.	Continuous	Percentage of all suppliers from risk countries	BEPI will be introduced in 2024. We will encourage and support our suppliers in risk countries to make a commitment to the BEPI principles, which are aimed at reducing the environmental impact of suppliers.
		We will also review the procurement chains of our own brands in order to increase transparency.	Continuous	Number of reviewed products per year	Reviews will commence in 2024. We will produce annual reports on the progress.
12 VASTONALLISTA KEHITTÄMISTÄ 	Sustainable and safe products	Zero product recalls.	Constant	Number of product recalls	There were 7 product recalls in 2023.
		Annual target for wastage is max. 0.1% of products sold.	Continuous	Percentage of wastage / year vs. total products sold over the year	The share of wastage in 2023 was 0.18% of products sold. We will continue to minimize wastage through assortment management, for example.
		We will introduce consumer product options that support sustainable development as part of our ongoing operation and support sustainable consumption.	Continuous	Number of products that support sustainable development Number of guidances issued in support of sustainable consumption	17 new products that promote sustainable development were added to Transmeri's assortment in 2023. We will continue to introduce consumer products that support sustainable development. We will support consumers in sustainable consumption by providing information on the appropriate use of our products.

YK	THEME	SUSTAINABILITY GOAL	TARGET YEAR	INDICATOR	PROGRESS IN 2023 AND FUTURE MEASURES
	Sustainable packaging	Wherever reasonable and possible, we will increase the share of recycled materials . We prefer alternatives to plastic packaging materials in a material efficient manner , but in such a way that the quality, freshness, or safety of our products is not compromised.	Continuous	The share of recycled material used for product packaging of own brands	This objective will guide our product packaging choices wherever possible. The share of recycled and alternative packaging materials will be increased.
		We have drawn up a plastics strategy for the coming years and set goals for plastic packaging 1. Plastic packaging 100% recyclable by 2026 2. 50% of virgin plastics replaced by 2028	2026 2028	1. Number of recycled packages 2. Amount of virgin plastics used for product packaging	In 2023, 71% (in units) of the product packaging of our own brands (Biozell, TAIKA, Lemon Juice & Glycerine, Medisoft) were recyclable, and 13% were made using recycled plastic or biobased materials. Material surveys and specification of product-specific objectives for own brands will continue in 2024.
		Recycling instructions have been produced for each product we sell, and the instructions can be found in the packaging, our website, our online store by 2025.	2025	Number of recycling instructions produced per year vs. total number of products	In 2023, recycling instructions are included in the packaging of nearly all own brand cosmetic and hygiene products (TAIKA, Medisoft, Lemon Juice & Glycerine, Medisoft). We will continue to review the situations with regard to recycling instructions for the packaging of imported products in 2024. The progress of this objective will be monitored on an annual basis.
	Our personnel is our key asset	Our goal is to ensure a wellbeing, motivated, and competent personnel. We monitor the wellbeing and job satisfaction of our personnel annually.	Continuous	eNPS, min. target 20	In 2023, eNPS was 15. We monitor the wellbeing and satisfaction of our employees annually through eNPS.
		The development of the competence and renewal ability of our personnel through suitable training programs.	Continuous	A specific indicator will be determined in 2025. E.g., hours of training per year	We will begin assessing training needs based on job descriptions in 2024 and create a competence development model no later than 2025.
		Mobilizing our sustainability strategy among the personnel and ensuring their sustainability competence.	Continuous	Percentage of employees who have completed sustainability training.	In 2024, we will create a sustainability training program that will be completed by each employee. Our goal is to ensure that all employees have completed sustainability training by the end of 2025.

Toward a Low-Emission Future

Our goal is to actively reduce emissions from properties, transport, and mobility and compensate for the remaining emissions by 2035. We will primarily aim to achieve this goal by focusing on renewable energies and optimizing transport and mobility.

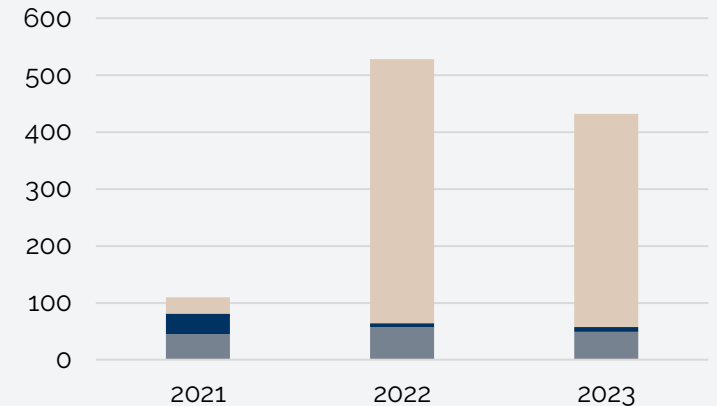
Our emissions inventory was launched in 2019, and it was expanded to its current extent in 2022 (Scope 3 categories: transportation and distribution, business travel and employee commuting). In 2023, emissions from our offices in Sweden and the Jolie store were included in our emissions calculations, which means that our emissions are now fully accounted for in the calculated categories. Our greenhouse gas emissions are calculated in accordance with the GHG Protocol.

Our climate target was revised in 2023 from our previous 2030 target for carbon neutrality. Under the previous target, we would have had to compensate for most of our Scope 3 emissions. We still aim to reduce our Scope 1 and 2 emissions to zero by 2030. With regard to Scope 3 emissions, our goal is to reduce our calculated emissions by at least 40% from the level of emissions in 2022 by 2035. Our updated target is still ambitious but more realistic, as Scope 3 emissions make up more than 85% of the emissions generated by our activities. In line with our target, we aim to avoid and reduce Scope 3 emissions by, for example, optimizing goods transport and switching to green logistics as the sector improves in the future.

Calculated emissions were reduced by 18% in 2023.

Our total emissions for 2023 amounted to 432.18 tCO₂e, which was 18.2% less than the previous year (calculations include Scope 1 and 2 as well as Scope 3 categories: transportation and distribution, business travel and employee commuting). The greatest reduction in emissions was seen in Scope 3, and particularly in the transportation and distribution category. For purchased energy (Scope 2), we favor renewable energy. Our offices in Finland and Sweden and the Jolie store also use renewable energy. The current vehicle policy of our company enables us to reduce our direct Scope 1 emissions to zero by the target year as well. Our policy steers vehicle procurement toward electric cars or cars fueled by renewable biodiesel.

TRANSMERI'S CALCULATED EMISSIONS (tCO₂e)



- Transportation and distribution, business travel, employee commuting * (Scope 3) **
- Purchased energy (Scope 2)
- Direct emissions (Scope 1)

* For Scope 3, the 2021 figures only include employee commuting.

** Scope 3 calculations are based on emission coefficients that account for the life-cycle emissions of fuel and electricity (Well-to-Wheels or WtW). The corresponding life-cycle coefficients have also been updated for 2022, which explains the slight difference from the previously reported figures. The updated coefficients impact all calculated Scope 3 categories.

Emission Trends in 2023

Scope 1 & 2 Emissions in 2023

Scope 1 & 2 emissions amounted to 57.55 tCO₂e in total, which corresponds to 13% of Transmeri's calculated emissions. Scope 1 emissions, which consists of the emissions generated by vehicles owned by the company, were reduced by 14.5% from the previous year, despite an increase in the number of vehicles. This was caused by the increased use of full-electric and biodiesel vehicles. With regard to purchased energy (Scope 2), our emissions increased due to the inclusion of emissions from our Swedish office in the calculations and the adjustment made to emissions figures for the Jolie store to rectify the energy consumption for 2022–2023.

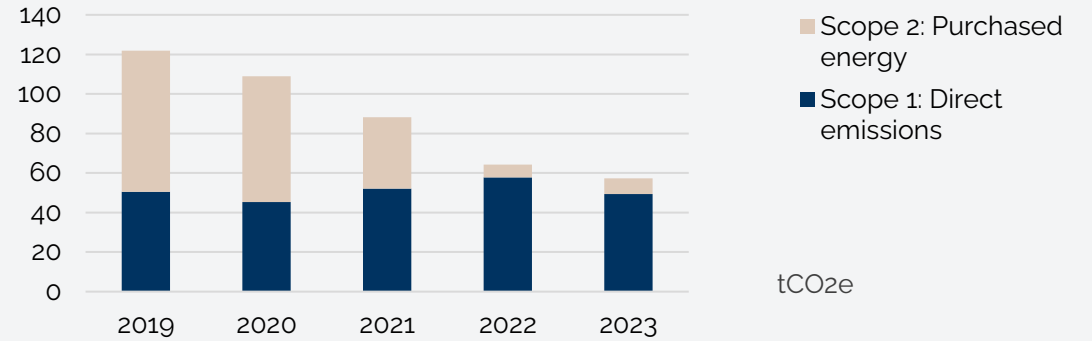
Scope 3 Emissions in 2023

For Scope 3 emissions, the calculated categories included transportation and distribution, business travel and employee commuting. Scope 3 emissions amounted to 374.62 tCO₂e, which corresponds to 86.7% of Transmeri's total emissions. Transportation and distribution accounted for 65% of Scope 3 emissions. Emissions from transportation and distribution were reduced by nearly 27% from the previous year. The reasons for this included streamlining of our brand portfolio, more efficient control of cosmetics and food brands, for example, and the balancing of inventories.

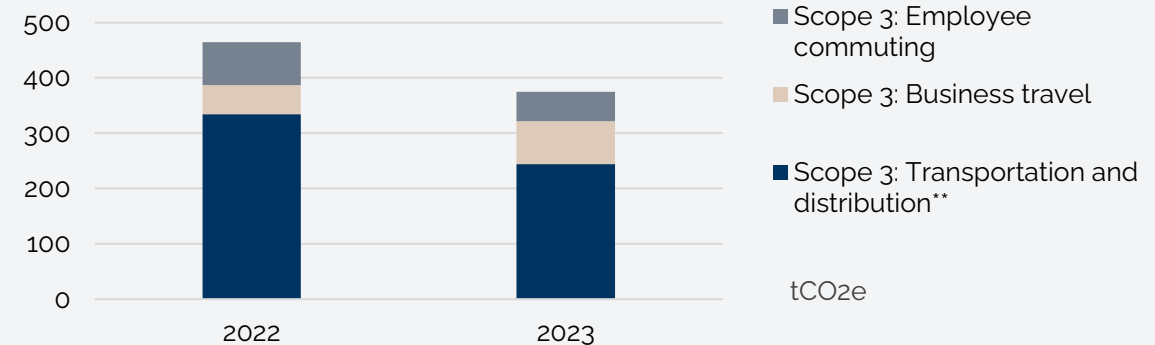
Emissions from business travel came to 76.99 tCO₂e, which was 45% more than in 2022. The change in emissions was a result of the revival in business travel following the coronavirus pandemic.

Emissions from employee commuting amounted to 53.21 tCO₂e, which meant a 31% reduction from the previous year. In 2023, electric vehicles were added as an option in the employee commuting survey, which meant that the more accurate survey data contributed to the reduction in emissions. The number of kilometers traveled by passenger car was reduced from the previous year, while passenger-kilometers by public transport increased by 15%.

TRANSMERI'S CALCULATED SCOPE 1 & 2 EMISSIONS (tCO₂e)



TRANSMERI'S CALCULATED SCOPE 3 EMISSIONS* (tCO₂e)



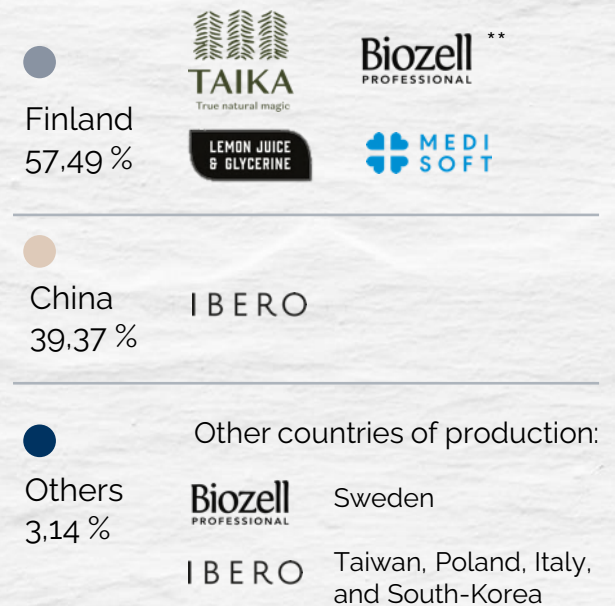
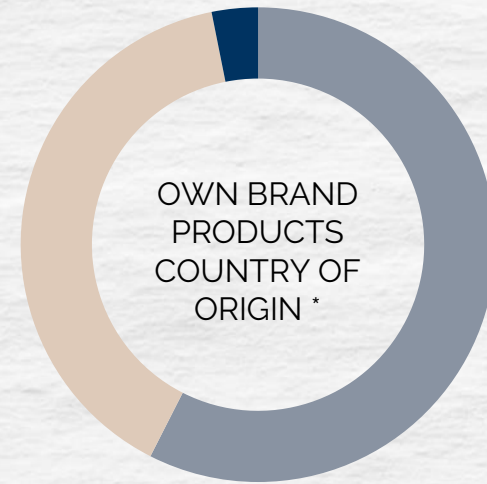
* Scope 3 calculations are based on emission coefficients that account for the life-cycle emissions of fuel and electricity (Well-to-Wheels or WtW). The corresponding life-cycle coefficients have also been updated for 2022, which explains the slight difference from the previously reported figures. The updated coefficients impact all Scope 3 categories of transport emissions.

** For transportation and distribution emissions, calculations are based primarily on emission data provided by the transport companies and secondarily on consumption-based emission coefficients, which increases the accuracy of our emissions calculations substantially.

Sustainable Procurement

As a responsible partner, we aim to ensure sustainable manufacturing both domestically and in risk countries. Our success in 2023 and our future targets are presented below:

- 100% of all Transmeri suppliers are committed to our **Supplier Code of Conduct** or a similar set of ethical guidelines in 2023, which was our goal. We will continue to engage with our suppliers in the future to ensure their commitment, and the Supplier Code of Conduct is made part of all new agreement concluded with suppliers.
- In the future we will further engage with all our **partners to ensure their commitment to our Ethical Principles**. In 2023, 57% of our partners had made a commitment to comply with the Ethical Principles.
- 100% of products from our own brands are manufactured in amfori **BSCI audited factories** with a general score of C or higher. We began auditing our partner factories in 2015 and reached our goal of 100% coverage in 2022.
- We aim to introduce **amfori BEPI** (Business Environmental Performance Initiative) in 2024. BEPI is used to mitigate the environmental impact of factories operating in risk countries.
- In the future, we want to increase the transparency of the procurement chains of our own brands. We will begin to review these procurement chains in more detail in 2024, and we will report annually on our progress.



* Shares by sales.
** 99.3% of production came from Finland in 2023.

Assortment Decisions and Sustainable Consumption

Offering consumers products that support sustainable development is one of our sustainability goals, and it is prioritized in the context of our assortment decisions. We also want to increase consumer awareness of sustainable consumption with regard to our products.

We expand our assortment each year with new products that contribute to sustainable development in various ways. Our criteria for sustainable development products includes, for example, various official certificates, more sustainable packaging solutions, sustainable sourcing of raw materials, more sustainable production methods, and carbon footprint analyses for the products. **In 2023, we added 17 new products that support sustainable development to our assortment, including Ecover detergents and a TAIKA face oil, which is an Ecocert certified cosmetic product.**



For the brands we represent, the carbon footprints of Esse and Lavera, as well as our own brand TAIKA *, have been calculated and offset.

The extensive range of our Jolie online store offers consumers a channel for making sustainable choices. The responsible assortment of the Jolie online store includes both certified natural cosmetic products and products that meet the certification criteria, but also a wide assortment of other cosmetic products, detergents, hair products, and beauty care products.

With regard to our products, we want to support sustainable development by, for example, instructing customers in their appropriate use. Our assortment also includes various cosmetic, household, and garden products offered to consumers in refill packaging. We aim to provide more information that supports sustainable consumption through our brands websites, for example.

TAIKA

* The 2023 emissions from Transmeri's TAIKA products were compensated for with a purchase of certified carbon credits in a Ugandan afforestation project that is part of the TIST program (VCS 005). Product-specific carbon footprint calculations were carried out in 2022–2024.

Read more: taikanatural.fi



OUR ASSORTMENT GREW BY MORE THAN

17 PRODUCTS

THAT SUPPORT SUSTAINABLE DEVELOPMENT IN 2023

BRANDS PRODUCED IN FINLAND * ACCOUNT FOR

18%

OF TURNOVER



NATURAL COSMETICS ** ACCOUNT FOR

51%

OF COSMETIC BRANDS

CARBON FOOTPRINT CALCULATED AND OFFSET FOR

3

BRANDS



* Some or all products of the brand made in Finland.

** Percentages based on number of brands.

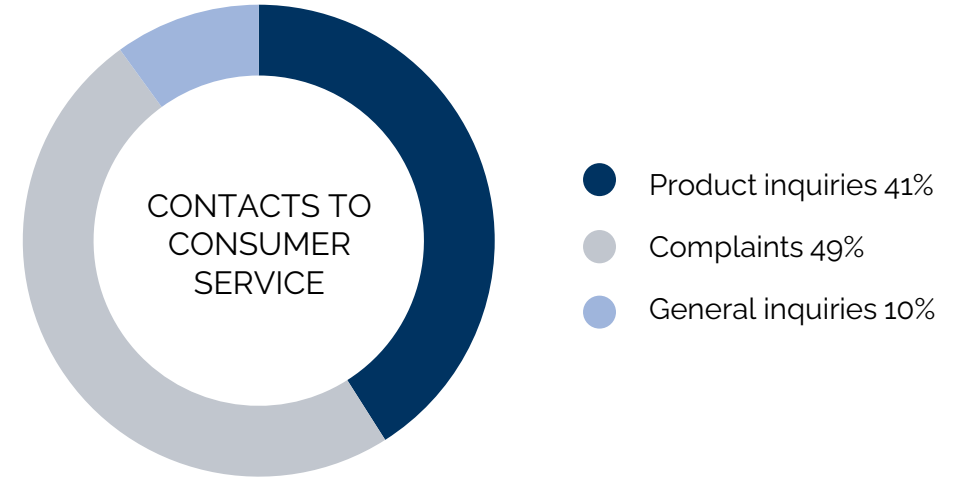
Safe Products for Consumers

Transmeri is responsible for the legality and safety of all products it sells. Transmeri operates in multiple sectors, each of which is subject to specific legislation, regulations, and standards in addition to common laws. Our consumer service provides support to consumers and provides assistance with any product-related questions.

Product safety requires continuous training and up-to-date information on legislation, which is ensured by specialists within our organization who actively monitor legislation that applies to product contents and packaging labels, for example. The safety of Transmeri's food products is guaranteed through rigorous quality control and well-functioning processes carried out in cooperation with food manufacturers. All cosmetic and hygiene products sold by Transmeri are subject to strict control by inhouse specialists and authorities before they are placed on the market. This allows us to make all possible efforts to ensure the validity and safety of our products.

Accordingly, we have chosen the number of product recalls as an **indicator of product safety**. Our continuous target is zero product recalls. In 2023, the number of product recalls for Transmeri was 7.

Recalls per year	2020	2021	2022	2023
	2 pcs.	1 pcs.	48 pcs.	7 pcs.



CUSTOMER SATISFACTION

- In 2023, our consumer services received a total of 9 928 contacts: The number of contacts for Transmeri's consumer service was 4 627, and the number of contacts for the consumer service of our online cosmetic store was 5 301.
- Only approximately one third of all contacts pertaining to our online cosmetic store included complaints, one quarter consisted of product inquiries, and the remaining contacts were mainly inquiries relating to online orders and deliveries.
- The particularly low return rate of our Jolie and Natural Goods Company (up to 04/2023) online stores is an indicator of customer safety.

Wastage Report 2023

Concerns about the environmental impact of wastage has long been a consideration in Transmeri's activities, and we are always aiming to reduce wastage.

We have implemented several measures to minimize wastage. In particular, we have invested in assortment management and predictability systems, which have a key role in preventing wastage.

We have been able to reduce wastage through new brick-and-mortar and online stores that specialize in selling goods that would otherwise go to waste. More traditional avenues for reducing wastage have included Transmeri's own online stores and numerous charities. New channels for reducing wastage are actively sought out during the year.

Our definition of wastage includes all unsold products in Transmeri's assortment that would have been usable had a reason for product destruction not existed. Our annual target for wastage is max. 0.1% of products sold. The share of wastage in 2023 was 0.18% of products sold.

The most common reason for product destruction concerns safe use of the product, which comprises such factors as expiry dates, spoilt batches, or damaged packaging. As a manufacturer and importer of products, ensuring that consumers can use our products safely is our responsibility.



- Hair care products 1.32%
- Beauty care products 28.5%
- Cosmetic products 52.36%
- Natural cosmetics 0.02%
- Home and garden products 17.8%

Appropriate sorting of wastage and the related reporting are included in our annual wastage report.

Mixed municipal waste disposed of as wastage consisted of color cosmetics, skin care products, beauty care products, and detergents.

Hazardous waste accounted for 18.91% of all wastage, of which perfumes comprised 12.03% in 2023. Other items considered hazardous waste disposed of as wastage included repellents, household chemicals, and aerosol containers.

All hazardous waste is recycled and disposed of appropriately through our environmental partner Kiertö ympäristöpalvelut oy.

SHARE OF WASTAGE OF PRODUCTS SOLD:

2023: **0,18%**

Annual target: **0,1%**

Sustainable packaging

The environmental impact of product packaging is significant. To reduce this impact, we regularly examine better alternatives for the materials used for product packaging, outer protective packaging, and sales packaging. We have also drawn up a plastics strategy for the coming years, which guides our choice of materials.

Transmeri's plastics strategy is based on the global target of a general reduction in the amount of plastics used. In line with the sustainability goals we have set, it is our aim to favor packaging materials that provide an alternative to virgin plastic in the production of our own brands, while still ensuring that the quality, freshness, or safety of our products is not compromised. We set targets for the recyclability of the packaging of our own brands products and for reducing the amount of plastics used for the first time in 2021. We had begun to reduce our use of plastics years earlier, and we continue to use less and less plastic each year.

Recycling Plastics and Materials

The recyclability of plastics is essential for ensuring that plastics can be recovered and reused. Not all plastics are bad, and sometimes it is even necessary to use plastic for safety reasons, for example.

In line with the EU plastics strategy, we have made the recyclability of plastics our priority one target. This means that we replace the plastics used for our packaging with plastic qualities that are suitable for recycling. This means that our goal of providing recycling instructions for all product packages and packaging materials plays a key role in consumer communications.

In 2023, recycling instructions for the packaging were included in nearly all product packages from our own brands. We aim to add recycling instructions for Ibero's packaging materials, for example, and review the recycling instruction situation as it pertains to the packaging used for our client brands.



Plastic alternatives used in Ibero products:

Plant fiber composites: brushes, hair brushes, combs, reading glasses

Bamboo: brushes, hair brushes, combs, hair ties, and washing supplies

Recycled PET bottles: hair ties, scrunchies and reusable cotton pads, hair brushes

Fibers manufactured from recycled car tires: hair ties

Bio-based and biodegradable materials: hair clips, makeup sponges

Plastics Strategy 2028

In 2023, we revised our plastics strategy to include more realistic target years and action plans. Our primary goals are to ensure that the plastic packaging used for our own brands is 100% recyclable and replace 50% of virgin plastic with alternative materials by the target year.



* TAIKA, Biozell, Lemon Juice & Glycerine, Medisoft

** Ibero products are not included in own brand plastic packaging.

***) PVC plastic 03 mixed plastics 07 cannot be sorted as plastic packaging for disposal

Sustainable Production and Key Flag Products

Domestic production provides employment in Finland, ensures transparent manufacturing, and allows for controlled and responsible working conditions. Transmeri's assortment includes several products and brands that have been awarded the Key Flag Symbol.

Transmeri's own brands Lemon Juice & Glycerine, Medisoft and TAIKA for the most part, Biozell aerosols *, and Suomalainen are manufactured in a Transmeri Logistics production plant in Vantaa, Finland. Biozell hair coloring products are manufactured elsewhere in Finland by a contract manufacturer. The plant in Vantaa also produces products for many of our international brands under a license, which allows for a significant reduction in the carbon footprint of said products and creates job in Finland. The production plant invests in environmental matters in an active and planned manner. Each year, the plant undergoes an ISO certificate audit (ISO 9001 Quality Standard, ISO 14001 Environmental Management System, and ISO 22716 Good Manufacturing Practices for Cosmetics) and the Ecocert certification process for natural cosmetics.

DOMESTIC PRODUCTION POWERED BY GREEN ENERGY

All electricity consumed in Transmeri's plant facility is produced using renewable energy sources, and the facility is heated using environmentally friendly recycled heat with an emission level of 0 kg/MWh. Transmeri Logistics has also made a commitment to the Responsible Care program, which is coordinated by the Chemical Industry Federation of Finland.

* In 2023, 0.7% of production came from Sweden. In 2024, Biozell production is fully located in Finland.



OUR KEY FLAG PRODUCTS

- Lemon Juice & Glycerine – skincare products for hands, feet, and body
- Medisoft – skincare products and hand disinfectants
- TAIKA natural cosmetic products
- Biozell hair care and styling products
- Suomalainen detergents
- Mr Muscle and Pledge household care products
- Raid, OFF!, and Baygon insecticides and insect repellents



Our personnel is our key asset

We have made personnel one of our key strategic sustainability themes, as we consider our personnel to be a facilitator of a healthy work community, successful business activities, and our sustainable approach.



The rapidly developing world and global changes also have an impact on our work, and they challenge our employees to renew and learn new things. We want to support the renewal ability of our personnel, the development of competence, and wellbeing at work.

We aim to carry out a review of the need for skills upgrading among our personnel in 2024, and this review will be used to create a model for skills upgrading in 2025. We also want to develop the sustainability competence of our personnel further to ensure that each of our employees can provide their contribution on our journey toward our sustainability goals. In support of this, we will prepare a sustainability training program in 2024 with the aim of ensuring that each Transmeri employee will complete it in the future.

Job satisfaction among our personnel will be assessed with a Signi job satisfaction survey, where employees are asked a variety of questions pertaining to the aspects of their work they consider to have the most significance for them. This survey will provide valuable information that we can use to develop our activities as an employer. The key annual indicator for job satisfaction is eNPS (employee Net Promoter Score), which measures the likelihood of employees recommending their employer as a place of work. Our annual eNPS target is set at 20, and our score in 2023 was 15.

We support the wellbeing of our personnel both at work and in their free time. We offer an extensive range of highly-rated employee benefits.

transmeri

Sustainable Acts by Transmeri in 2023



Transmeri Shares the Good Forward Each Year

At Transmeri, we want to share our good fortune with others, which is why we donate various products to worthy causes each year. In 2023, we made more than 24 000 product donations.

In 2023, we donated products to support refugees, people of limited means, children with cancer, young and unhoused people, and homeless animals in Bulgaria. Our donations have included hygiene products, detergents, and sunglasses and readers. The associations we support by donating products carry out valuable work both domestically and internationally. In addition to product donations, we also supported Mieli ry in their work to promote mental health among young people.



Cooperation With Future-Makers

We actively engage with those who create the future and cooperate with educational institutions.

For several years now, we have worked with students from universities of applied sciences. We want to offer a front row seat to future employees and learn more about the lessons and frameworks taught to students in the sector today. In 2023, we offered five traineeships to students from universities of applied sciences and contributed to two thesis projects.

OWN BRANDS AND BRANDS WE REPRESENT

Sustainable Acts by Our Brands in 2023



BIOZELL

The bottle used for Biozell KIDS Balsam Spray is now made from 100% recycled materials. Waste bottles that would otherwise have been destroyed were used for Biozell KIDS Shampoo and Biozell 500-ml campaign products.



BIOZELL

Cases for the new Biozell Nordic Color permanent hair dyes are made from PEFC certified paperboard.



LAVERA

Lavera received the German Sustainability Award 2023 as recognition of their work on sustainability.



LAVERA

In 2023, Lavera increased the share of recycled plastics used in the packaging of their Hydro Refresh products, which are now made with 90–100% recycled materials.



LAVERA

In February 2023, Lavera and the Lavera Thomas Haase Foundation donated 8 700 trees to the Life Terra foundation and the Federation of French Scouting.

BRANDS WE REPRESENT

Sustainable Acts by Our Brands in 2023



SCHOLL

The plastic blister packs used for Scholl Liquiflex and Plantar Fasciitis insoles were replaced with FCS Mix certified cardboard packaging.



OGX

OGX has ceased using black plastic globally and reduced the amount of non-recycled plastics used by approximately 75 000 kg by selling its products in clear PET bottles instead of opaque PET bottles.



WEETABIX

Known for its local production, the packaging used by Weetabix is now 100% recyclable, which has reduced their carbon footprint by 15%. The Weetabix Food Company has saved more than 5 million liters of water in their production process.



DUCK

The plastic used for all Duck toilet cleaner bottles contain 50% recycled plastic. The share of recycled plastics used for Duck's biodegradable toilet cleaner bottles increased to 50%. The plastic is collected within 50 kilometers of ocean-bound waterways and coastlines in cooperation with Plastic Bank. The cooperation's objective is to prevent plastic waste from reaching the oceans.



OFF!

Sales unit packaging of insect repellents and insect control products manufactured in Finland have been developed. The internal corrugated sections were replaced by recycled fibers and the virgin paperboard used on the package surfaces is now FSC certified. Written recycling instructions were also added to OFF! repellent sales unit packaging.

BRANDS WE REPRESENT

Sustainable Acts by Our Brands in 2023



COULEUR
CAMEL

COULEUR CAMEL

The plastic packaging used for Couleur Caramel products is made from PLA plastic (Polylactic Acid), which is suitable for recycling or composting (in accordance with national recycling instructions). The plant-based PLA plastic manufactured through a fermentation process is the first natural alternative for polyethylene.



GUERLAIN
PARIS

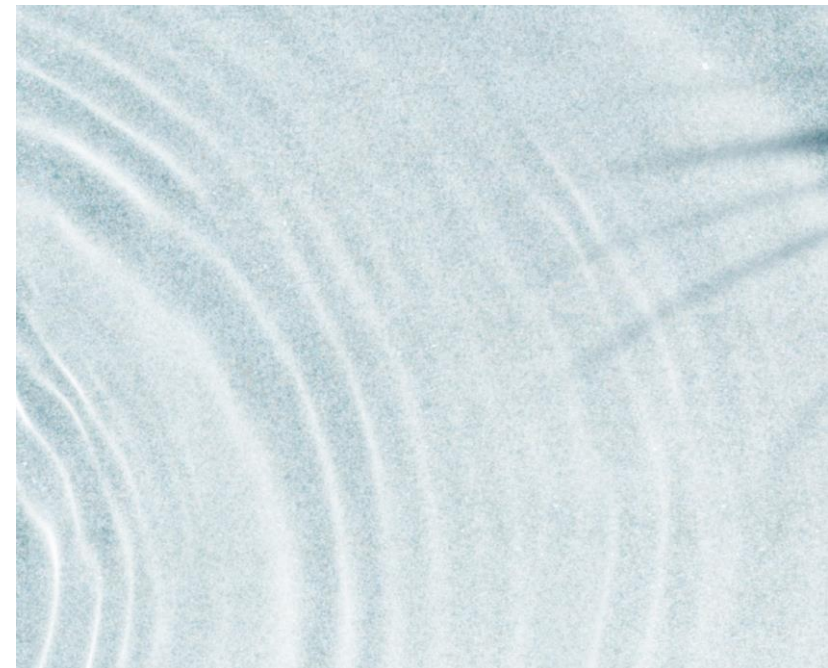
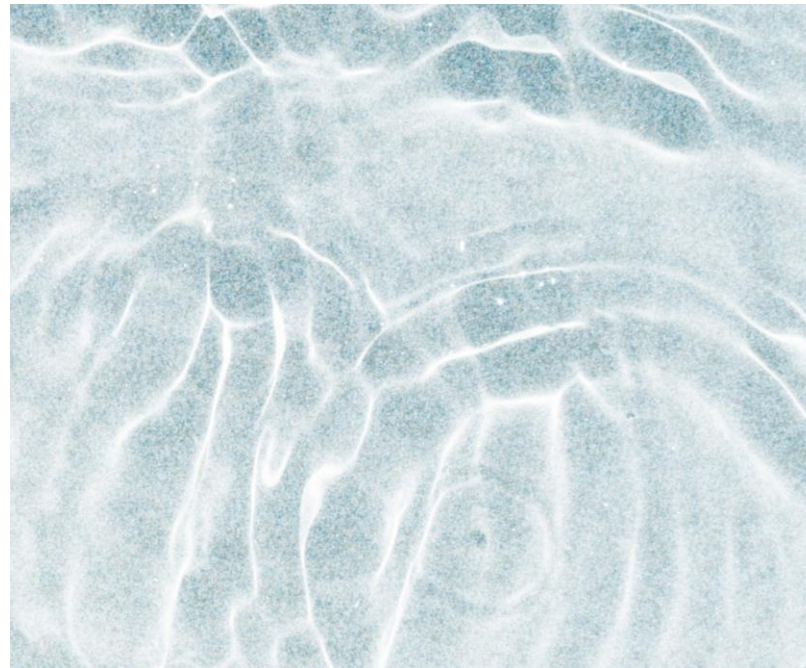
GUERLAIN

The Aqua Allegoria Forte fragrances serve as a strong symbol of Guerlain's commitment to sustainability, and more than 90 percent of the ingredients used are of natural origin*.

* In accordance with the ISO 16128 standard, water is included in the calculations

Aqua Allegoria fragrances are delivered in a reusable and recyclable glass bottle, which is made in France using at least 15% of recycled glass.

The alcohol used in Aqua Allegoria fragrances is 100% organically produced.



The background features a light grey gradient with dried, brown fern fronds on the left and right sides. A large, smooth, grey stone is positioned horizontally across the bottom center of the page.

Transmeri

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