



Sustainability Report 2020

transmeri

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A Sustainable Home for Brands

We are a 92-year-old family-owned company that has always been interested in new things and has a desire to launch products that appeal to consumers. Even though corporate sustainability has always been a part of the way we operate, we have now elevated it to the core of our business in an entirely new way.

We want to be ambitious in developing our sustainability practices forward, and communicate even more actively about the measures that we as a company and our brands are taking. In our portfolio we have 90 brands, most of which are globally recognised consumer brands. In our position as an importer, we get to be a part of the sustainability programs of our brands, which gives us a real vantage point over the issue.

In the autumn of 2019, Transmeri defined its strategic sustainability themes as part of broader developments in corporate sustainability. We choose to follow the UN's sustainable development program, which presents us with a long-term global framework. We have identified two of the goals as crucial for our business operations: Responsible consumption and production and Climate action.

In 2020 we sold 14.4 million products to customers in Finland, Sweden and the Baltics. We make a huge number of product assortment decisions over the course of a year. By having a responsible supply chain we ensure that consuming the brands we represent is sustainable.

There are no shortcuts to sustainability. Clarity of long-term goals and concrete actions are what matter in sustainability work. It is also crucial that all 97 of us Transmeri people participate in the development of sustainable practices with enthusiasm and persistence. We wish to be the best and most sustainable home for brands both today and in the future.

Sari Rosin,
CEO

A woman with long dark hair, wearing a dark, long-sleeved dress, stands in a lush, sun-dappled forest. She is looking slightly to her right. The forest floor is covered in ferns and other green plants, and sunlight filters through the trees, creating a bright, natural atmosphere.

Transmeri's Strategy, Values and People

Beauty for everyday life since 1928

Oy Transmeri Ab is a Finnish family-owned company founded in 1928 that imports and markets daily goods and cosmetics. We are a sales and marketing organisation, and we represent numerous world-famous brands in the Nordics and Baltics.

Our extensive product assortment consists of both new items and familiar brands that have already served Finns in their everyday lives for a long

time. Transmeri is known especially for cosmetics. Our assortment contains brands ranging from selective and semiselective cosmetics to natural cosmetics, which has been in focus for us in recent years.

In addition to cosmetics we offer accessories and beauty tools, food, personal hygiene products, home care products, pet supplies, gardening products, repellents and pesticides.

We serve both companies and private consumers.

In 2020, our turnover was some 40.9 million euros and we employed 97 persons. Annually, our sales personnel conducts over 6 000 store visits and over 4 000 consumers contact our consumer service.

OUR VISION:

To create success stories of local and global origin.

OUR MISSION:

A pioneer of beauty and good everyday life - since 1928.

TURNOVER:

40.9
MILLION EUROS

BUSINESS PROFIT:

940
THOUSAND EUROS

WE EMPLOY

97
EMPLOYEES

BRANDS

90

MILLION PRODUCTS SOLD

OF THE PRODUCTS OF OUR OWN BRANDS

58 %

ARE MADE IN FINLAND

Our strategy supports sustainability

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



SUSTAINABILITY



PROFIT IN THE LONG-TERM



OWN BRANDS



**"RAPID PROTOTYPING"
COMPANY CULTURE**



DIGITALIZATION



B2C



GEOGRAPHICAL EXPANSION



GROUP SYNERGIES



LOCAL PRODUCTION

Continuity through shared values

Our shared values - **ahead of time, together, prosperously** - steer our daily operations. By acting in accordance with our values we focus on continuity and profitability.

Taking care of personnel well-being, customer satisfaction and the profitability of our business enables the continuity of our operations and cooperation with our partners.

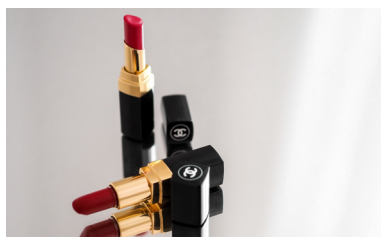
As a family-owned company we are committed to long-term ownership and value long-lasting partnerships. We firmly believe in the power of cooperation and interaction with our stakeholder groups. We strive to continuously develop our practices and promote the themes of corporate sustainability throughout our value chain.

To us, corporate sustainability means constant vigilance with regard to the changing needs, challenges and expectations of society and the environment, and the development of shared solutions. We want to be worthy of trust: ethical operation in both business operations and in society in general is a matter of honour for us.



Top brands as creators of success

Well-known and successful brands create great conditions for success. In addition to cosmetics, our product categories include accessories and beauty tools, hygiene products, foods, home care products, pet supplies, gardening products, repellents and pesticides. The following is a list of our largest brands.



SELECTIVE COSMETICS

Chanel
Clean
Givenchy
Guerlain
Guess
Hollister
Issey Miyake
Jeanne Arthes
Kenzo
Narciso Rodriguez
Oscar de la Renta
Police
Replay
So...?
Stendhal
Trind
Ultrasun



NATURAL COSMETICS

Absolution
Alima Pure
Benecos
Biosolis
Cattier Paris
Esse
Khadi
Kjaer Weiss
Lavera
Mádara**
Mossa
Novexpert
Nurme
Patyka
Taika*
True Organic of Sweden
Urang
Whamisa



BEAUTY AND HYGIENE

Biozell*
Eau de Cologne
Humble CO
Ibero*
Illodin
Lemon Juice & Glycerine*
Maui
Medisoft*
OGX
Playboy
Wella
Ultrasun



HOME AND GARDEN

Autan
Baygon
Duck
Glade
Jalo*
Mr Muscle
Pledge
OFF!
Raid
Roundup
Silvalure
Substral
Tehopesut*
TomCat



FOOD

Alpen
Farm Brothers
Little's
Soyappétit*
Tony's Choclonely
Weetabix
Weetos

* Transmeri's own brand

** We own some 23 % of Mádara Cosmetics AS's shares.

Fair business operations

We are a part of amfori's Business Social Compliance Initiative (BSCI). With the BSCI corporate sustainability system we strive to control our supply chain and ensure the realisation of internationally recognised labour laws.

Transmeri Oy has been a member company of amfori's BSCI initiative since 2017, and Ibero, a Transmeri brand, has been a member since 2015. With regard to high-risk countries, our goal is to manufacture all the products of our own brands in factories that are 100 % BSCI audited by the end of 2022.

We are implementing the Supplier Code of Conduct in 2021. We also have the goal that by the end of 2022, 90 % of Transmeri's partners are committed to the same Supplier Code of Conduct or equivalent ethical principles.



Transmeri's ethical principles

Ethical operation in both business life and society in general is of paramount importance to us. Shared rules – our ethical principles – guide all of our work and decision-making.



1. RESPECT FOR HUMAN RIGHTS AND DIGNITY



2. ADHERENCE TO LAWS AND REGULATIONS



3. PROHIBITION OF THE USE OF CHILD LABOUR



4. PROHIBITION OF FORCED LABOUR 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. ENSURING DATA PRIVACY AND PROTECTION



11. ETHICAL BUSINESS PRACTICES



WE EMPLOY

97

EMPLOYEES

DEVELOPMENT DISCUSSIONS ARE HELD WITH

100 %

OF EMPLOYEES

SICK DAYS

1.94 %

Our personnel pull together

"The year 2020 was also made exceptional by the COVID-19 situation. Our main efforts in personnel well-being focused on managing the pandemic.

The company took a proactive communication stance regarding the pandemic, its development and safe working methods. This ensured clear operation models and instructions.

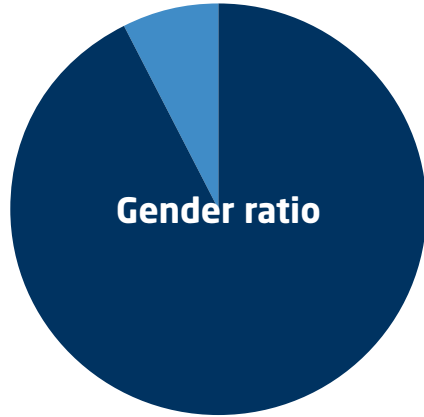
There was a lot of remote work and the tools needed for that work were made immediately available. Separate instructions and operation models were created for those who could not work remotely due to the nature of their work.

Occupational health services were expanded and face masks were procured for use at the office. Personnel events were also organised to improve communality while working remotely.

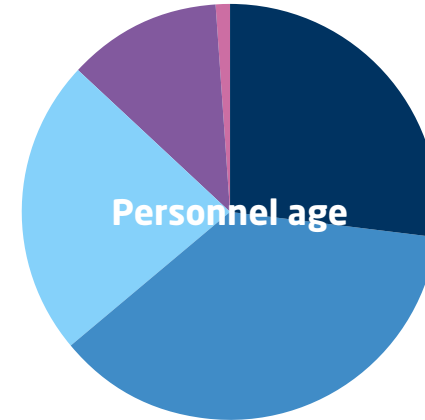
The pandemic year facilitated the development of an extensive online training offering for 2021 to help our personnel develop."

Anne-Mari Huuhtanen,
HR Director

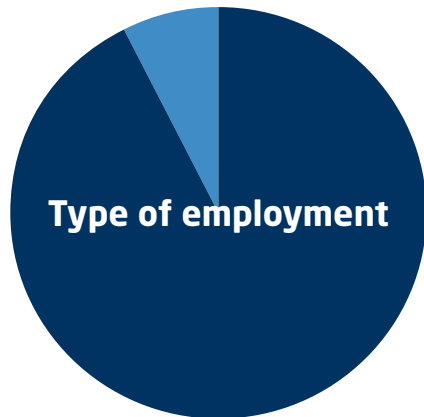
Personnel in numbers



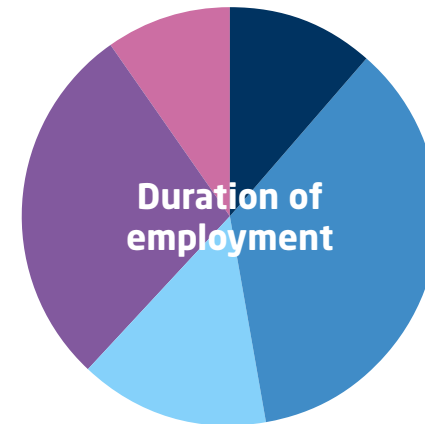
● Women: 93 % ● Men: 7 %



● Under 25 y/o : 1% ● 25 - 35 y/o: 27 % ● 35 - 45 y/o: 37 % ● 45 - 55 y/o: 23 % ● Over 55 y/o: 12 %



● Permanent: 93 % ● Fixed-term: 7 %



● Under 2 y: 12 % ● 2 - 5 y: 36 % ● 5 - 10 y: 15 % ● 10 - 20 y: 28 % ● Over 20 y: 10%

Transmeri's equality plan

The starting point of Transmeri group's equality plan, which was completed in 2012, is the just treatment of the individual and the promotion of equality in working life. In 2019 the equality plan was complemented with a parity plan.

The goal of the equality plan is to reach equality in terms of employment conditions, work-related responsibilities, placement into various work tasks, training and career development opportunities and salaries. Factors related to a person's background, ethnic origin, gender, religion, parental status or personal attributes must never place a person in an unequal position.

The realization of equality is monitored with personnel surveys conducted every 1-2 years. Equality is also annually evaluated in meetings with the labour protection and workplace steward organisation.





Transmeri's Sustainability Program

Transmeri's sustainability program

As part of its efforts to develop corporate sustainability, Transmeri defined its strategic sustainability themes in the autumn of 2019. We chose the UN's internationally known goals for sustainable development as the framework for our sustainability work.

The UN's sustainability goals provide us with a global long-term framework for developing our

corporate sustainability. They also make it easier for us to communicate Transmeri's sustainability goals to other operators in our supply chain.

When drafting the strategic sustainability themes, attention was paid to current megatrends and social expectations towards companies operating in our field. The goals reflect the desire for sustainability across our entire corporate group. We also charted the views and expectations of our most significant stakeholder groups,

i.e., customers, clients and staff, with regard to sustainability.

In order to turn the goals into reality, we have created a five point sustainability program that is based on the UN's goals number 12: Responsible consumption and production and number 13: Climate action. This program also acts as the foundation for the practical goals and measures of Transmeri's corporate sustainability.

UN'S SUSTAINABILITY GOAL	TRANSMERI'S SUSTAINABILITY PROGRAM		
12: Responsible consumption and production	1. Responsible procurement	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 
	2. Product packaging		
	3. Product assortment decisions		
	4. Product safety and wastage		
13: Climate action	5. Carbon neutrality		



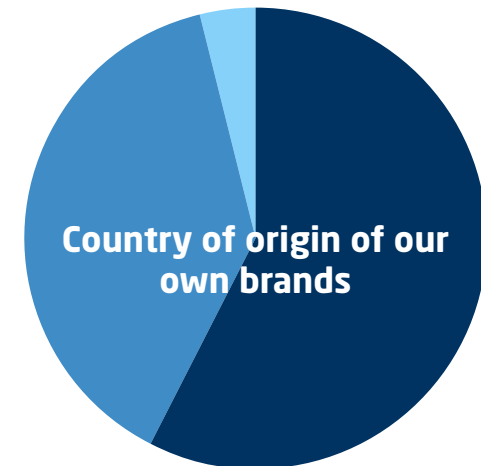
Sustainable procurement

For us, sustainability means constant work towards sustainable solutions and continuously taking the environment and the needs and expectations of society into account. As a sustainable partner we strive to ensure sustainable manufacturing not only in Finland but also in so-called high-risk countries. 58 % of the products of our own brands are made in Finland and 39 % are made in China.

Our goal is that by the end of 2022, 90 % of Transmeri's partners are committed to the Supplier Code of Conduct or equivalent ethical principles. Furthermore, by the end of 2022, we aim to produce all of the products of our own brands that are manufactured in high-risk countries in factories that have been 100 % BSCI audited with an overall grade of C or above.

A TOTAL OF
134
SUPPLIERS

45
SUPPLIERS IN HIGH-RISK
COUNTRIES



● Finland 57.6 % ● China 38.6 % ● Other* 3.8 %

*Other countries: Estonia, Sweden, Italy, Greece, Poland, Lithuania, Slovakia and Taiwan.

Product packaging

Our view is that brands are responsible for facilitating sustainable choices. How products are packaged is essential for their environmental impacts.

We prefer recycled materials and plastic alternatives whenever it is possible and reasonable - without compromising the product's quality, freshness or safety. We strive to ensure that all the products we sell have recycling instructions either on the packaging, on our websites or on our online stores by 2025. Regarding our own brands, we are to set goals for the recyclability of plastic packaging and the reduction of the use of plastic by the end of 2021.

MILESTONES OF OUR OWN BRANDS IN 2020

- Taika natural cosmetics packages are made of bio-based and recycled plastics.
- Suomalainen Tehopesu spray bottles are made of 100 % recycled plastic.
- The refill pack of Lemon Juice & Glycerine liquid soap was changed from a plastic bottle to a refill bag that can fill two bottles and uses 80 % less plastic.
- Ibero reduced the use of plastic in packaging by switching to using cardboard in eyewear hang tags and makeup brush packaging, for example.
- Ibero's products also make use of plastic alternatives:
 - Plant fibre composite: makeup and hair brushes, combs, sun and reading glasses
 - Bamboo: makeup and hair brushes, combs, hairbands, cleaning accessories
 - Recycled PET bottle material: hair ties and scrunchies, reusable cotton pads



Product assortment decisions

Our choices are guided by sustainability and a customer-centric view. When forming our product assortment, we strive to also offer an ecological, healthy or responsible alternative for each product. We also bring ecological product innovations to the market.

Our assortment contains numerous sustainable brands. Of the brands we represent, Alima Pure, Esse and Lavera are carbon neutral. Transmeri's own natural cosmetics brand Taika is also carbon neutral. Our assortment also includes sustainable food, such as the Fair Trade certified Tony's Chocolonely chocolate.

Our online stores offer consumers a way to make sustainable choices. They only sell certified natural cosmetics or other cosmetics that fulfill the certification criteria for natural cosmetics.



Photo: Lavera



NUMBER OF BRANDS

90



OF FOOD BRANDS,

28 %

ARE FAIR TRADE OR ORGANIC



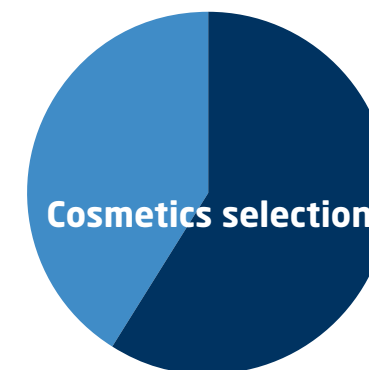
14 %

OF BRANDS ARE MADE IN FINLAND*



4 %

OF BRANDS ARE CARBON NEUTRAL



- Natural cosmetics brands 59 %
 - Other cosmetics brands 41 %
- Percentages calculated from the number of brands.

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

CASE

Natural Goods Company

TRANSMERİ'S RESPONSIBLE ONLINE STORE

- The goal of the Natural Goods Company online store is to effortlessly steer consumers to make sustainable choices.
- Making sustainable choices is easy: there are search filters for carbon neutral, zero waste, Finnish and vegan products.
- 13 % of offered brands are carbon neutral.
- Plastic is not used in order packaging.
- Boxes are reused for packaging online orders whenever possible.
- Products returned by customers are put back on sale as soon as possible to minimize wastage.
- Record low product return percentage.

Sustainable Key Flag Symbol products

Finnish manufacturing employs Finns, the production processes are transparent and the working conditions are controlled and sustainable. Transmeri's assortment contains numerous products and brands that have been awarded the Key Flag symbol for Finnish origin.

Transmeri's own brands Lemon Juice & Glycerine, Medisoft and Taika are made in Transmeri Logistics' production facility in Vantaa. Environmental factors are actively and systematically taken into account at the factory. In November 2020, the facility was audited for ISO certificates (ISO 9001 quality standard, ISO 14001 environmental management system standard and ISO 22716 standard for good manufacturing practices for cosmetics).

The factory property only uses electricity produced using renewable forms of energy and it is heated with eco-friendly renewable heat that produces 0 kg/MWh of emissions. Transmeri Logistics is also committed to the Responsible Care program coordinated by the chemical industry.



SOME OF OUR KEY FLAG PRODUCTS

- Lemon Juice & Glycerine hand and foot creams and hand soaps
- Medisoft hand sanitizers, creams and washing liquids
- Taika range of natural cosmetics
- Suomalainen cleaning agents
- Biozell toners and haircare products
- Numerous Mr. Muscle, Pledge, Off!, Baygon and Raid products





CASE

Medisoft

FINNISH HAND SANITIZER PROTECTS HEALTH AND EVERYDAY LIFE

- The COVID-19 pandemic caused an unprecedented spike in the demand for hand sanitizer products in 2020. This spike was also very evident in the demand for Transmeri's own Medisoft brand.
- Even though the pandemic made raw materials and components more scarce in the spring, the factory of Transmeri Logistics managed to produce a record amount of hand sanitizers.
- Medisoft products were extensively shipped to grocery stores to facilitate the hand hygiene of Finnish consumers.



Product safety in practice

Product safety means that Transmeri is responsible for the legality and safety of all the products it sells. Transmeri operates in a number of sectors that are governed by their own laws, statutes and standards in addition to general legislation.

The specialists in our organisation are constantly being trained according to new demands and they follow the legal developments of their field, bringing these changes to, e.g., product compositions or packaging details within the given transition periods.

The product safety of Transmeri's food products is ensured with careful quality management and functional processes. We are in constant

cooperation with food manufacturers to ensure the safety and high quality of the products. Furthermore, our organic food brands are overseen by the Finnish Food Authority. All technochemical products sold by Transmeri go through rigorous controls by the authorities and Transmeri's own specialists before they are released onto the market. This is done to ensure the legality and safety of the products using all available means.

We have chosen the number of product recalls as the measure of our product safety. Our goal is always zero recalls. We are heading in the right direction as the number of recalls was cut in half in 2020 (in 2019 there were four recalls, in 2020 there were only two).

● Reclamations 45% ● Product queries 41% ● Other 13%

CUSTOMER SATISFACTION

- In 2020, our consumer service was contacted 2 326 times. 1 049 of these concerned reclamations, 975 were product queries and 302 concerned something else.
- The customer service of our consumer online stores was contacted some 4 600 times in 2020. Some 8.2 % of the contacts concerned reclamations.
- The especially low product return percentage of the Jolie and Natural Goods Company online stores is a statement of customer satisfaction.

Minimization of wastage

Wastage is a waste of time, effort, money and natural resources. We strive to minimize food and product wastage in numerous ways and we are constantly developing new solutions to anticipate consumption and optimize the size of orders.

Predicting consumption is often difficult. Accurate demand forecasting has a significant effect on wastage. If wastage is created, we turn to our removal channels to ensure that the products do not go to waste. We are closely cooperating with operators specialising in the sale of surplus and remnant batches both home and abroad.

We also sell surplus batches in "friend sales" and to our personnel to avoid having to scrap the products. Remnant batches are also donated to charity. We intend to focus on wastage reduction in more detail in 2021 by producing a wastage report.

WE REDUCED WASTAGE IN 2020

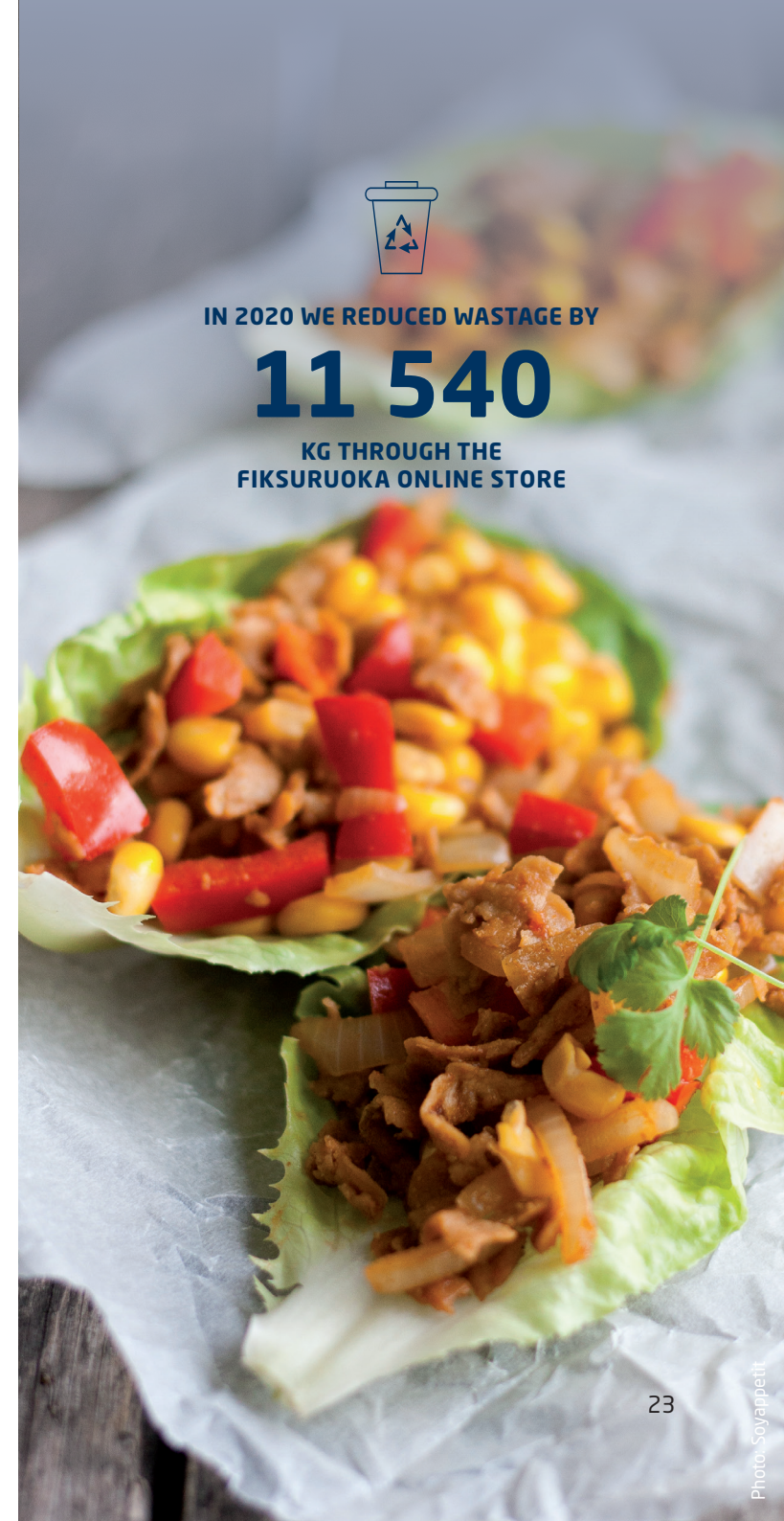
- Products close to their expiration date are sold at a discount to consumers on the jolie.fi and naturalgoodscompany.com online stores. The consumers are made aware of the closing expiration date.
- "Friend sales" are used to sell safe but slightly flawed products, such as crooked Taika and Lemon Juice & Glycerine lotion tubes.
- Products were donated to Finnish charities such as Hope Ry, Apuna Ry, HurstinApu and HESY.
- Products close to their expiration dates and remnant batches of products removed from our selection are also sold to the Fiksuruoka online store that sells wastage food.



IN 2020 WE REDUCED WASTAGE BY

11 540

KG THROUGH THE
FIKSURUOKA ONLINE STORE



Carbon neutrality

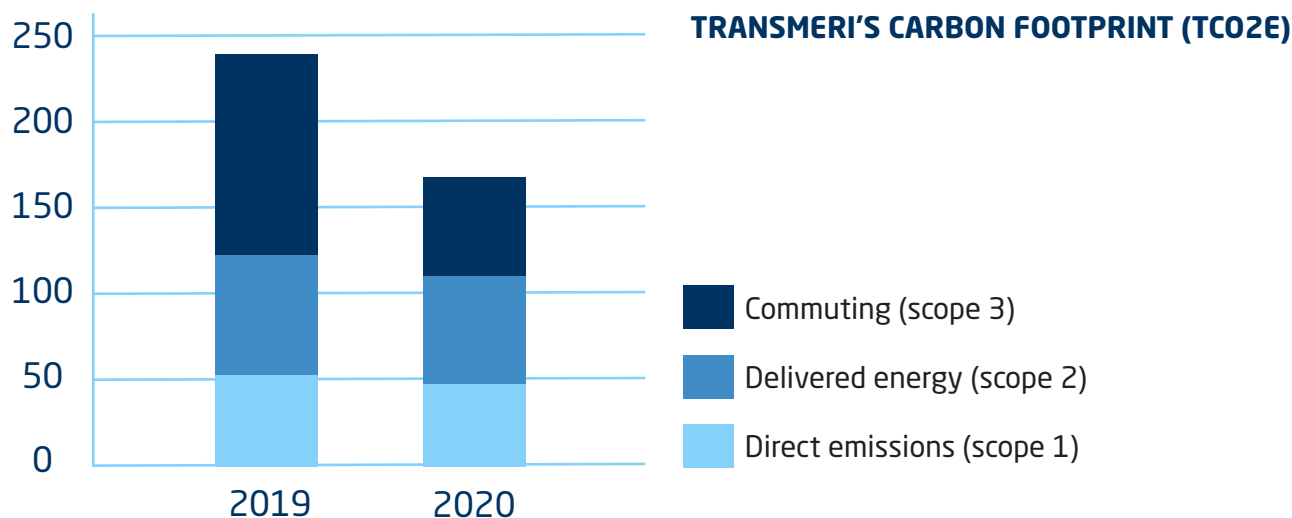
We aim to be carbon neutral by 2030 with regard to our properties, commutes and transportation. We strive to reach this goal primarily via energy-efficiency and by preferring renewable energy.

We have surveyed the carbon dioxide emissions of our operations in 2019 and 2020. Our emissions primarily consist of the direct emissions of company cars and the indirect emissions of energy delivered to Transmeri's headquarters in Espoo and to our three natural cosmetics stores in Helsinki. The indirect emissions are caused by

the electricity consumption and district heating of these locations.

The COVID-19 pandemic made the year 2020 exceptional as the company implemented a personnel-wide recommendation to work from home immediately in the early stages of the pandemic in March. This resulted in a significant reduction in the carbon footprint for 2020 when compared to the previous year. It is clear that our carbon footprint is to grow over the next few years as the world rebounds from the pandemic while our own emission calculations are simultaneously expanded.

Transmeri's carbon footprint in 2019 and 2020 is presented below using the Greenhouse Gas Protocol standards and instructions. Scope 1 and scope 2 are actual numbers while scope 3 presents an estimate of commute emissions for use in a future scope 3 emission calculation. An external partner has been consulted to produce the calculations. We aim to expand our calculations to also include scope 3 emissions in 2021.



CASE

Taika

CARBON NEUTRAL FINNISH NATURAL COSMETICS

- In 2020 we launched Taika, a new Ecocert-certified range of natural cosmetics manufactured in Finland.
- The vegan and carbon neutral Taika products are manufactured in Transmeri Logistics' production facility in Vantaa, which only uses electricity produced using 100 % renewable energy.
- Other significant emissions of the Taika range are compensated for at least twice over.
- The emission estimate includes the manufacture of raw materials, packaging and the products themselves, as well as transportation from supplier to customer, packaging operations of subcontractors, product storage and the disposal of packaging.
- Taika is COSMOS NATURAL certified by Ecocert Greenlife according to the COSMOS standard. This certification guarantees eco-friendliness throughout the production chain. Ecocert supervises and reviews the content, raw materials, production processes and packaging of the products.





Transmeri's Sustainability Goals

Transmeri's sustainability goals

We systematically advance our corporate sustainability efforts on the basis of stakeholder cooperation and a materiality analysis conducted in 2020. Sustainability work is a continuous effort. Our goal is to entrench sustainability ever deeper into the operations of our organisation and our stakeholder groups.

UN'S SUSTAINABILITY GOAL	TRANSMERI SUSTAINABILITY PROGRAM	TRANSMERI SUSTAINABILITY GOAL
12: Responsible consumption and production	1. Responsible procurement	90 % of Transmeri's suppliers are committed to the Supplier Code of Conduct or equivalent principles by the end of 2022.
		All of our own brands are covered by BSCI auditing with regard to factories in high-risk countries, and the overall grade of used factories is C or higher by the end of 2022.
	2. Product packaging	Increasing the share of recycled materials whenever it is reasonable and possible. We prefer plastic alternatives in product packaging in ways that do not compromise the quality, freshness or safety of the product.
		By the end of 2021 we will have set goals for the recyclability of plastic packaging used by our own brands and for reducing the use of plastics.
		All of the products we sell have recycling instructions either on the packaging, on our website or on our online stores by 2025.
	3. Product assortment decisions	We bring ecological product innovations to market and offer consumers more sustainable choices as a continuous part of our operations.
4. Product safety and minimization of wastage	Zero product recalls (continuous goal).	
	In 2021 we will create a wastage report that specifies the place where our products ultimately end up. Based on this report we set a concrete goal for the minimization of wastage.	
13: Climate action	5. Carbon neutrality	Carbon neutrality of our premises, commuting and transportation by 2030 at the latest.



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