

Lumon Annual Review 2023

LUMON



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Executive summary

From the CEO

“We are looking ahead with optimism.”

We are delighted to share with you our first Annual Review report. As a family-owned private business, this is the first time we have produced such a comprehensive report of our activities for external audiences, but we feel that this is the right time to do so, given the increasing global demand for Lumon’s product and our enhanced professionalism as an organization.

The global pandemic demonstrated that products like ours, which improve livability of homes, are needed all over the world. The business environment was challenging last year, as the surge in home improvement during the pandemic subsided, and the construction industry in Finland declined. However, the past years have shown that balconies and other private outdoor spaces should not only exist, but also be carefully designed and equipped to become multifunctional outdoor living spaces. Glazed spaces offer the opportunity to enhance residents’ urban living, while also making cities more sustainable. The past year has been a time for us to review our processes and prepare for future growth. In difficult times following the pandemic boom, it is more crucial than ever to look forward.

One thing I am very proud of is our customer and employee satisfaction. Our employee satisfaction score (eNPS) stayed at a high level of 45, one of the best in the industry.



At the same time, our customer satisfaction reached one of the highest points in our history – 71. The numbers show that despite constant change in our environment, two things remain important: our staff and our customers. High quality operations are the promise of our company, and we will uphold it for years to come.

In 2023, safety was a key topic, and it will continue to be. Our goal is that every Lumon employee arrives at work healthy and leaves the same way. We are monitoring this constantly, developing our safety culture on the basis of valued feedback. Lumon has also been actively involved in promoting the Eurocode for balcony glazing, as well as increasing its contribution to the sustainability and well-being benefits of retractable balcony enclosures.

Lumon’s activities are guided by our values: we keep our promises, we are always near, and we build the future together. We cherish them, and they direct the daily work of every Lumon employee. We continue to focus on the future of sustainable outdoor living in urban environments. This first annual report by Lumon is a statement of our ongoing commitment to openly communicate and share the impact that we have had and that we aspire to have on the world we belong to.

In 2024, we will complete some exciting projects, further expanding our market presence around the world. Lumon’s products are sustainable, smart and they have the potential to transform city landscapes. Our journey has lasted over 45 years, but this time is more thrilling than ever.

I want to thank all our customers, employees, and stakeholders – we keep on working to build the future together.

Jussi Kinnunen, CEO of the Lumon Group

Chairman's statement

"2023 was a year of building the future for our customers"



The last year was in many ways challenging in the construction industry. At the same time, we have seen the market stabilize quite a lot already and now there are starting to be hopeful signals for the future. We were able to maintain and even improve our profitability in 2023, a result we can be proud of. We also continued extensive investments into our business, celebrating the grand opening of our new 30-million-euro production facility in Spain at the beginning of the year. The year of the grand opening also aligned with the 30th anniversary of our Spanish operations.

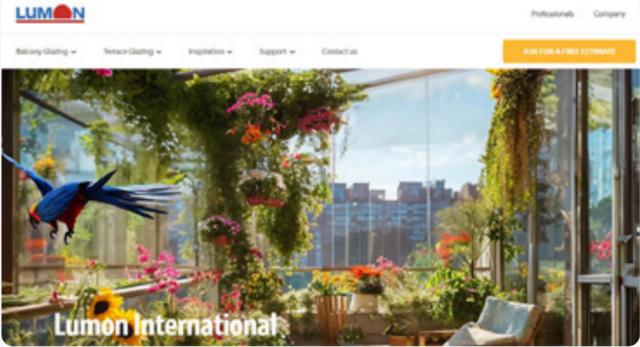
In addition, 2023 marked many other significant achievements for Lumon. We launched our new customer value proposition "More Room for Life". It engagingly captures the feedback we receive from our customers in the field and the benefits they receive. To underline our commitment to sustainability, Lumon's operations were audited for sustainability by ThirdRock, helping to secure concrete actions for reaching sustainability targets. Since the early 1990's Lumon has brought benefits for our consumer and developer customers, for example in the form of energy saving and noise reduction. We will continue that work to improve our own operations and bring our customers even better products and more sustainable solutions.

Tapani Kinnunen, *Chairman of the Board*





Highlights 2023



New website launched
Sustainability sites as a new feature



More than 600 projects completed, providing energy saving, lengthened maintenance cycles, and noise reduction

Vogelsang, Stuttgart
In this new-build project the balconies facing an underground railway line had to be equipped with effective sound insulation. Lumon Railing and retractable glazing were therefore installed on 34 balconies.

Bohdalecké Kwarteto, Prague
There is a noisy street with trams in front of the building. Lumon Glazing and Railing were installed to reduce the noise levels and provide residents a covered space to enjoy outdoor living.



Value Proposal -launch
"More room for life"

Cetelem Consumer Award
For innovation and focus on customer experience in Spain

No accidents in Kouvola assembly and logistics

Antequera factory Grand Opening
New glazing factory in Antequera, Spain



Poland expansion
New subsidiary established and B2C business ramp-up

Celebrating Lumon Careers

- 4 persons to achieve 30 yrs at Lumon
- 7 persons to achieve 20 yrs
- 16 persons to achieve 10 yrs

Visor Terra blind collection launched, made from recycled material



ThirdRock Compliance Audit
Advantage level reached

EPD published
Environmental product declarations for main products manufactured in Kouvola

Key figures 2023

39.000

Better homes built with Lumon Glazing solutions

80.000

Railing meters installed

150.000

Visor Blinds delivered

181.6 M€

Group revenue

70 %

Equity ratio

5.5 M€

Investments

44 M€

Tax footprint

71

NPS

45

eNPS

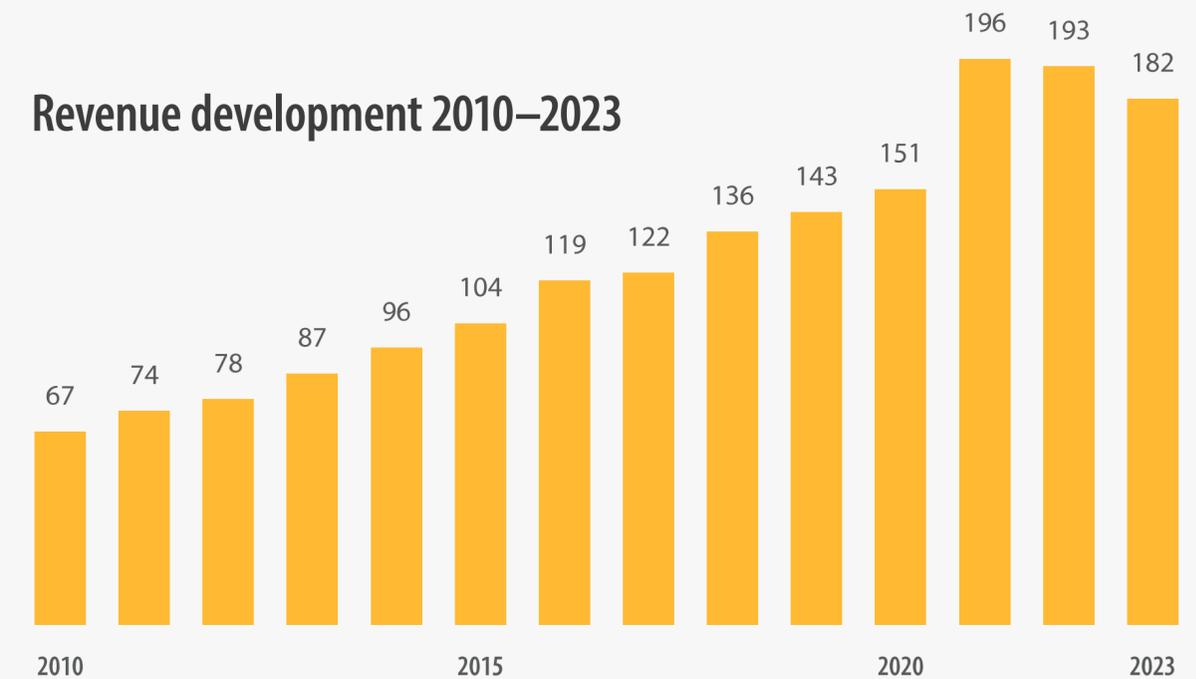
24.5

Accident frequency rate

1.237

Average headcount

Revenue development 2010–2023



Group profit 2022–2023







Business and Strategy

Lumon's vision and strategy: by becoming the best and most desired, Lumon wants to achieve its financial, customer satisfaction and employee satisfaction goals.

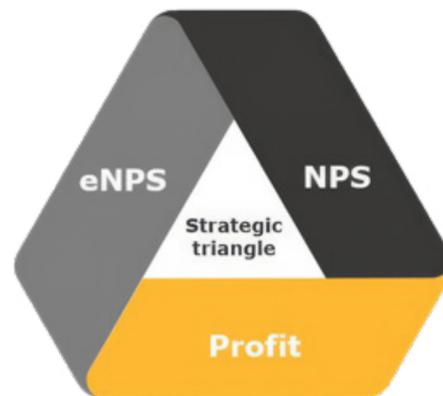
For the 2021-2024 strategic period the main strategic choices of Lumon are: competitive advantage through customer centered business, profitably growing sustainable business, One Lumon culture and Must-Win battle projects to support our strategy. In 2023, Lumon started to prepare for the next strategic period 2025-2030.



Better homes. Better life. Better world.

Lumon owners want to build a company which **makes this world a better place to live**, developing its operations for generations to come as a sustainable and trustworthy employer. This gives root to Lumon's mission: Better Homes, Better Life, Better World.

The Corporate Purpose of Lumon is defined through our customer value promise: More Room for Life. We are in the business of making balcony and terrace glazing products to simply allow for better use of balconies and terraces for all. Often weather conditions, for example, limit the use of balcony and terrace spaces, but protected with Lumon glazing, spaces are transformed to become usable and efficient.



Focus on balcony and terrace glazing business – country specific customer strategies

Lumon's corporate strategy is defined to be in the business of balcony and terrace glazing, delivering associated products such as blinds to enhance the utility of the main glazing products. Lumon operates both in the new construction and renovation markets.

The customer strategy is depending on the country market. Lumon sells directly to consumers, and to housing companies and associations. Additionally, Lumon supplies projects to developers, general contractors, and ready-made house manufacturers. Depending on the market, Lumon may also be represented by resellers.

The competitive strategy of Lumon is based on high value and high quality, which includes all aspects of sustainability, well defined strategic target markets, high volume and multi-site production, including licensed manufacturing.

Customer insight

Lumon made the best impression regarding the system, and of the communication, so we decided to work with Lumon. Working with Lumon was very cooperative and uncomplicated. ”

Ulf Högemeister, Construction Manager, domoplan Baugesellschaft mbH, Berlin, Germany

One Lumon Picture defines the strategic approach to guide our everyday work

Mission

Better Homes

Better Life

Better World

Vision

The best and the most desired



Values

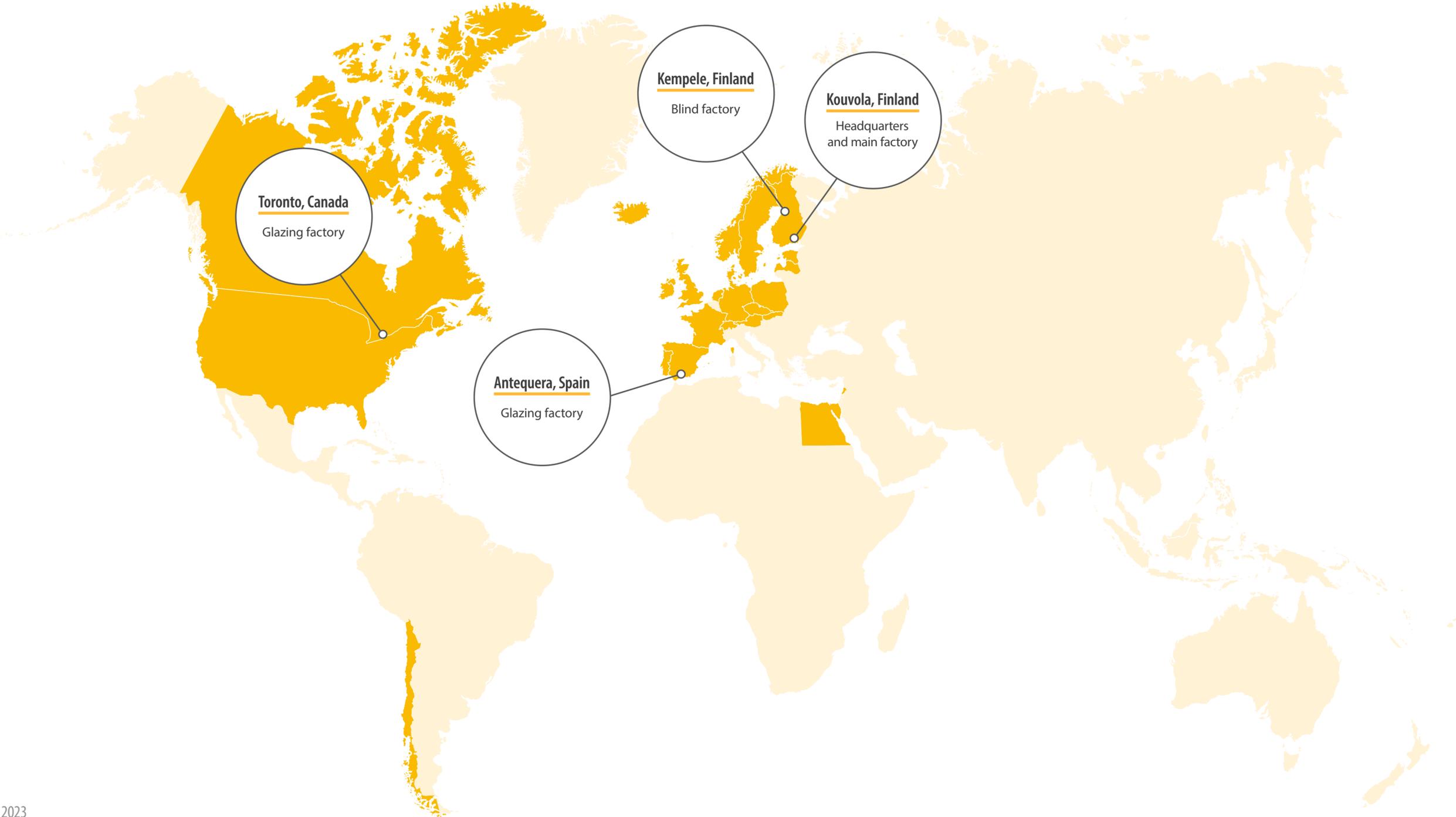
We are always near

We keep our promises

We build the future together

“Together we can reach our destination”

Multi-national company - Lumon is a Finland-headquartered group serving customers in more than 20 countries



Grand opening of the Lumon Antequera Factory in January

On 20th of January 2023, Lumon's newest production plant celebrated its grand opening in Antequera, Spain. The new factory enables Lumon to be closer to its customers in Spain and Southern Europe and reduce delivery times while improving delivery reliability and sustainability.

The first foundation stone of the Antequera factory was laid in May, 2021 and production began in August 2022. The 25,000 m² plant is equipped with the most technically advanced equipment to meet the demands of its ability to produce 6,000 glass panels per week. The investment in the factory was €30M.

The grand opening event accompanied invited guests of 400 people including Lumon stakeholders from different fields as well as Lumon own personnel. The President of the Andalucía region, Juan Manuel Moreno, being among the guests meeting with Lumon Board of Directors and Leadership Team.

CEO of the Lumon Group Jussi Kinnunen rejoiced: "This is the first time we have established a production facility of this size outside Finland and I'm very excited that the whole investment project was completed on budget and on time. This factory is a continuation of Kouvola's production facilities, and they can be said to be the most modern balcony and terrace glazing factories in the world."

Javier Martínez, Country Manager of Lumon Spain, said: "There are very special days, and Friday 20th January 2023 was one of them. We who work at Lumon have a mission to make better homes, better life and a better world. However, we can't succeed alone; we do it together with our customers, suppliers, partners, authorities, families, and colleagues worldwide. Thank you all from the bottom of my heart! We're now ready to achieve our mission more sustainably than ever."





Sustainability at Lumon

In 2023 Lumon defined its Sustainability Horizon: **Our goal is to be the leading provider of sustainable living solutions in the balcony and terrace glazing industry.**

Lumon Group has brought up environmental sustainability benefits of its products already for the past 20 years, particularly those benefits provided to residents. The main purpose of Lumon's products - of course - is to bring more room for life, meaning that you can take your balcony and terrace areas into active everyday use with the addition of glazing. Although the spaces remain officially as outdoor spaces, utility and flexibility of the space is transformed. Otherwise, the balcony and terrace spaces may be made in vain, which does not support modern sustainability thinking.



Glazing offers multiple benefits

Studies made in the Tampere University Built Environment faculty in early 2000's showed that by glazing balconies, you can save up to 16% on heating energy in Northern Europe. Thereafter a study was made, according to which the balcony structures achieve 5-10 years longer maintenance cycle, doubling the lifetime of balconies, and the renovation need is postponed if the balconies are protected with balcony glazings. Also, the noise damping effect of glazing was recognized to be significant, which makes it possible to use glazed balconies as a buffer against traffic noise in busy street areas - while creating more room for life, more usable room for all.

Work safety is important for us

As a family-owned company, Lumon has always paid a lot of attention to its people. Work safety is recognized as an especially important topic in the construction industry. One example of how Lumon has developed its safety culture in the recent years is through the automation of manufacturing processes to benefit work safety. The automation essentially lowers the physical load of manufacturing work with heavy profiles and glass panels. Respectively, Lumon is developing the installation processes to be easier and more efficient. One can say that Lumon's products are optimized for easy installation.

Certified operations and playing fair

In the social aspect of sustainability development, Lumon has further acquired the ISO45001 and ISO14001 certificates for its operations in Finland. Prior to this, Lumon had already acquired the ISO9001 quality system certificate for its manufacturing operations. Lumon has always wanted to follow the local rules and regulations in all countries of its operations. This is one of the essential parts of Lumon's long-term development on the basis of our value "We build the future together." From the governance development perspective, the control of suppliers as well as analysis of customers' sustainability from a business perspective have risen as important aspects of business development.

The war in Ukraine caused Lumon to gradually close business operations in Russia, already monitoring regulation changes carefully before. This is an area which is challenging for the law-enforcement authorities, too, but Lumon is trying to do its fair share as a part of sustainable business development, implenting practices to foresee potential risks.

Continuing focusing on sustainability by setting clear targets and measurement practices

Lumon has identified sustainability as one of the competitive factors in our international business development. Coming from Finland, the world's most happy country in several consecutive years, we have a strong foundation for that. Some years ago we began to build sustainability as a competitive edge by establishing the Lumon Group Sustainability Program, which sets up the targets, organizes projects and follows up the results for sustainability development. It is a program, which is over-arching all parts of organizations, with the goal that sustainability development is an embedded integral part of all business process development.

Local legislation is common for construction industry

Whilst sustainability on a global level - as defined by the United Nations, for instance - is understood quite well in the same manner, Lumon has realized that there are some national flavors in the regulations. This makes the sustainability development at Lumon quite rich in its different aspects and multi-faceted considerations.

Lumon sustainability horizon drives our actions

As part of this development, the Leadership Team of Lumon Group has defined the Sustainability Horizon for Lumon. The word horizon describes the fact that even if there are goals set, this is a never-ending process, like sailing to the horizon in the world seas.

The Lumon Group Leadership Team has defined the Lumon Sustainability Horizon as follows: Lumon wants to be the leading provider of sustainable living solutions in the balcony and terrace glazing industry.

Concretely, this means that the idea of Lumon is to make it possible for building living space in a sustainable manner, so that the end-customers can make use of the space in a safe, environmentally sustainable way long into the future. This is part of our customer value proposition: More Room for Life.



Environmental responsibility

Lumon promotes environmental sustainability by both improving its own products and operations but also by being part of making buildings more sustainable with its high-quality products.

Lumon has been providing long-lasting products since 1990, and since then, Lumon has been helping customers to save energy and reduce noise with its smart glazing solutions. In 2023, Lumon also published the Environmental Product Declaration (EPD) as one of the first in the balcony and terrace industry.

It is the intention of Lumon that the end-customer would get value throughout the product life cycle, which is decades long. Lumon is proud that our first ever balcony glazing installed in June 1990 is still in use and operational. In product development we emphasize ease of use, safety, durability and aesthetic appearance of the product.



Glass and aluminum are transferred to better homes, better life and a better world

While Lumon products are made of glass and aluminum, which are relatively energy-intensive to produce, their carbon handprint can exceed their carbon footprint in just a few years of use. This can be achieved in less than four years for example because of reduced heat loss. The studies have shown up to 16% heating energy savings in apartment buildings with balcony glazing.

According to an academic study, in Finland a block of flats built before 2010 has an average heating energy saving gain of 5.9% with glazed balconies. In Southern European weather conditions the energy savings come both from heating energy savings but even more so from cooling energy savings, particularly if there are Visor blinds installed to reduce the heating effect of the sun. Related to cooling, there is an overall goal in Europe to reduce the use of cooling systems, too.

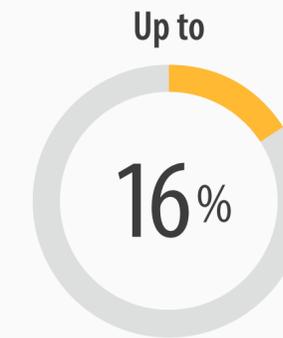
Furthermore, according to studies in Tampere University faculty of Built Environment, Lumon type of balcony glazing also protects the concrete structures of balconies behind the railing and glazing so that without renovation, the maintenance period is extended by 5-10 years. According to current design rules of balconies in Finland, the balconies with Lumon glazings and railings have a targeted lifetime of 50-100 years.

Aluminum and glass are fully recyclable materials. Whilst we are minimizing the CO2 emissions in our own manufacturing processes (Scope 1 and 2), Lumon is actively studying the availability of post-consumer recycled materials to be used in our products. We have already one product, where that goal is essentially reached: the Visor Terra family of blinds. In Visor Terra products the fabric is 100% made of used material, which essentially reduces the CO2 emissions for Scope 3, too.

Lumon eRailing is in-build possibility to add solar panels in buildings to generate electricity

In 2022, Lumon introduced an even more ground-breaking product, the Lumon eRailing. With Lumon eRailing, energy is not just saved, but the eRailing actually provides the possibility to generate electricity. Instead of using standard lamination folio in the laminated glass of the railings, the railings have embedded solar cells, turning sun rays into electrical energy. This is a unique feature. Moreover, the area of railings in a typical lowrise apartment is approximately three times bigger than the roof area, where solar panels could additionally be installed. This way, the energy generation potential of a single home is significantly improved.

Lumon products are creating great benefits for our customers and the planet



heating energy savings

Source: Hilliaho, Kimmo. (2017). Energy Saving Potential and Interior Temperatures of Glazed Spaces: Evaluation through Measurements and Simulations (p. 251-258). Tampere University of Technology. Publication 1480.



recyclable materials

Source: Environmental Product Declaration: Lumon Balcony, façade and terrace products: Modular product group EPD.



noise reduction

Source: Kananen, Anttoni. (2015). Designing balcony glazing's sound insulation based on laboratory measurements. Master's Thesis in Finnish.



extended balcony maintenance period

Source: Mattila, Jussi. (2007). Effect of Balcony Glazing on the Durability of Concrete Structures in Nordic Climate. In Portugal SB07. Sustainable Construction. Materials and Practices. Challenge of the Industry for the New Millennium, International Conference on Sustainable Construction, Lisbon, Portugal 12-13-14 September 2007 (pp. 241-248).

Product life cycle - From materials and components to value-added products and services



1. Materials and supplies

- Glass
- Fabrics
- Aluminum profiles
- Metal components
- Plastic components
- Other components and equipment
- Packing materials



2. Manufacturing

- Processing
- Assembly
- Packing



3. Delivery & Installation

4. Life-cycle services & aftersales

- Maintenance services
- Additional products
- Extended guarantee

More than 90% of the main raw materials for Lumon products come from suppliers in the EU/EEA area and the handprint of Lumon glazing exceeds its footprint in less than four years on average in Nordic-type weather conditions.

The concrete frame in a block of flats creates approximately 80% of the CO₂ emissions of the whole building in its building phase. Lumon products are thus included in the 20% along with the windows, doors, kitchens, HVAC systems and other components of the building.

According to Lumon EPD, the main CO₂ emissions come from the over 90% of glass and aluminum, with approximately same levels from both.

Suppliers from the EEA

The EU, and hence the EEA (European Economic Area) have some of the strictest regulations in ESG. Due to this, Lumon has chosen to use suppliers from the EEA for all its main materials in its factories in Europe.

To secure its material supplies, Lumon aims to have several suppliers for its materials and components used for the manufacturing of Lumon products. Lumon has defined processes for supplier acceptance and evaluation, as well as risk management for regular evaluation of supply chain risks.

Glass and aluminium are 100% recyclable

As a raw material, glass is 100% recyclable, and it can be re-used as part of other construction materials. Aluminum is also 100% recyclable. The post-consumer use of recycled aluminum for windows or glazing is still being developed.

Over half of all the aluminium currently produced in the European Union already originates from recycled aluminium. Recycling aluminium saves 95 percent of the energy required and the GHG (greenhouse gas) emitted for the primary production. In the aluminium profiles sourced by Lumon the share of recycled material was 18% in 2023.

Additionally, Lumon sources its glass mainly from European glass manufacturing plants. Lumon is building a plan to increase the share of low carbon glass in its production.

Glass is a resource-efficient material which is made of natural and locally sourced materials, such as sand and recycled glass. Glass is a fully recyclable material, which can be recycled in a closed loop. Thanks to glass recycling, significant amounts of raw materials are saved, and natural resources are preserved.

Glass industries are investing significant resources in intensive programs to develop new lower carbon products, to improve recyclability and effective recycling, as well as to improve the energy efficiency of manufacturing sites. Development is done according to the industries' best practices and development. Glass is also seen as a strategic material for renewable energy technologies that will enable the climate neutral transition, being the material that provides energy savings in our homes, offices, and in the transport sectors.

Reducing and optimizing packaging materials

In 2023 Lumon started a project to build a road map for future packaging aiming at reducing the amount of packaging materials, optimizing the use of recyclable, renewable and environmentally friendly materials, and considering reusing of the materials in use. The project covers all Lumon's global operations and it also considers maintaining high quality standards and decreasing reclamations.

Lumon is also studying the best logistic solutions and reducing environmental effects of transportation of goods.

Lumon's climate action roadmap for factories was created and the first EPD was published

Lumon's climate commitment:

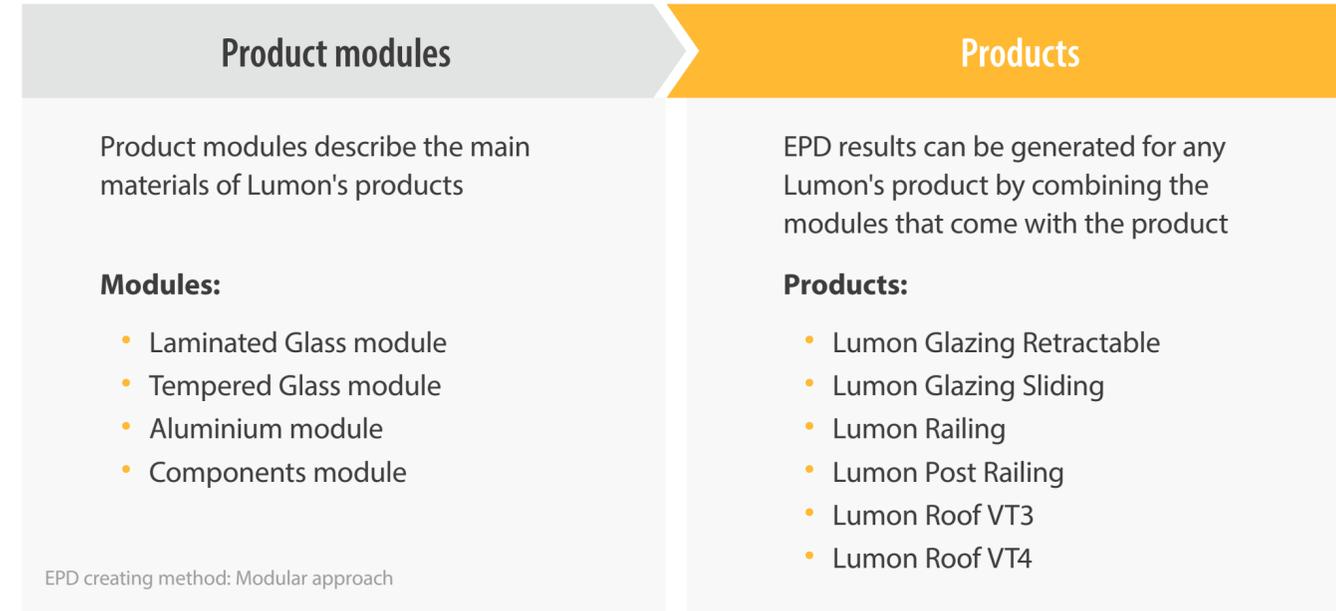
*“Lumon Group Factories to **reduce their CO2 emissions** of Scope 1 and 2 by 80% by the end of 2025 compared to year 2022.*

Together with consulting companies, Lumon has developed a roadmap to ensure emission reductions in factories, namely in Scope 1 and 2. Collaboration with main suppliers has been initiated to mitigate scope 3 in the coming years as well. All GHG emissions and their sources will be analyzed during 2024, while scope 3 materiality analysis is conducted.

Environmental Product Declaration (EPD)

The EPD for Lumon products produced in Kouvola factory was developed with a modular approach by Granlund. All main substances of glass products and their packaging were analyzed with 2022 data. This modular product group EPD shows the raw material composition and technical information and includes the life-cycle assessment.

Lumon has also started to develop additional EPDs, and will continue to publish them for the remaining product lines and production units.



EPD information

Construction products EPDS may not be comparable if they do not comply with EN 15804 and if they are not compared in a building context.

EPD program operator	Building Information Foundation, RTS, Malminkatu 16 A, 00100 Helsinki, Finland
EPD standards	This EPD is in accordance with EN 15804+A2 and ISO 14025 standards.
Product category rules	The CEN standard EN 15804 serves as the core PCR. RTS PCR 2020.
EPD author	Natalia Pennanen, Anni Viitala, Granlund Oy, Malminkaari 21, 00701 Helsinki, Finland
EPD verification	Independent verification of this EPD and data, according to ISO 14025: External verification
Verification date	7.9.2023
EPD verifier	Heini Koutonen, Nordic Offset Oy Keilaniementie 1, 02150 Espoo, Finland
RTS EPD number	RTS_257_23
Publishing date	3.10.2023
EPD valid until	3.10.2028



Social responsibility

At Lumon, we care about our employees' wellbeing and safety, taking corporate social responsibility seriously in everything we do. At the same time, we guarantee that our products are safe and ethically produced, and we know our supply chain.



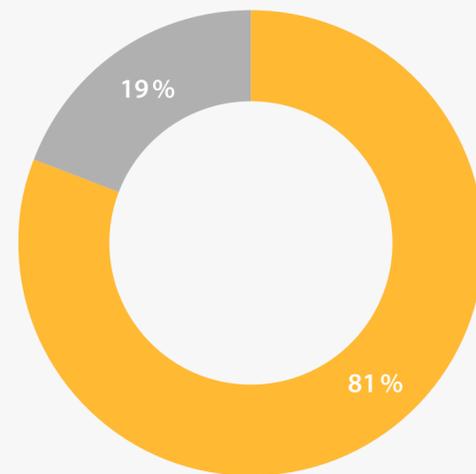
Lumon people 2023

Headcount

1237

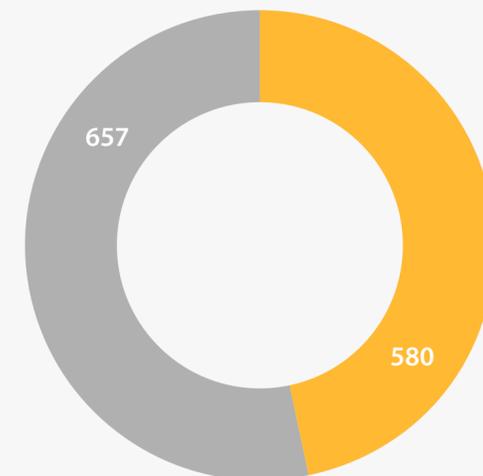
By gender

● Women ● Men



By position

● Blue collar ● White collar



Celebrating Lumon Careers



4 people to achieve

30 yrs

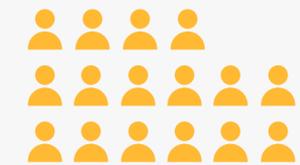
at Lumon



7 people to achieve

20 yrs

at Lumon



16 people to achieve

10 yrs

at Lumon

ENPS

45

global average from three different surveys

Sick leaves

4,5 %

Accident frequency rate

24.5

Safety walks

1890

Safety observations

1873

Valuing our people

We want to be a responsible and trustworthy employer. We believe that the talent development of our staff, focus in working safety, ensuring employee satisfaction, and supporting employee wellbeing create the basis for sustainability and providing the best service for our customers.

The best is achieved by learning together

The cornerstone of our operations is our people, and it is of utmost importance to us at Lumon that they are motivated and happy in their jobs. To support that, we want to provide thorough onboarding to give a kick-start to our colleagues in their new careers. During employment, we also offer versatile training opportunities from internal eLearnings to externally organized certification courses in support of personal and professional growth. We strongly believe in work-based and peer-to-peer learning, and our employee value proposition: The best is achieved by learning together.

In 2023, we improved our learning and development plans and started to focus on especially sales staff trainings via offering self-reflection questionnaires as the basis for personal development plans. In addition, we launched a possibility to every Lumon employee to improve their language skills by offering a year-long course in one language. All together, seven different language options were offered, and 40% of Lumon people registered in the first two months.

We want to support students in the beginning phases of their careers, and we offer internship and thesis opportunities for young professionals. Our goal is to have one trainee or intern per ten new hires.

Spotlight:

Every day at work at Lumon helps me to understand the Finnish working culture, especially through the high standards of trust and respect shown amongst my peers and supervisor. This helps me to better integrate into the working community. I have a positive impression and would recommend Lumon to my friends and international talents.”

Rushitha Fonseka

Spotlight:

In November, we celebrated Take Your Child to Work Day as a part of UN's Children's Rights Week 🧡

These young artists of the future had the chance to participate in activities for a portion of their parents / caregivers' workday. The most favored activity was drawing on the glass panels, of course. We build the future together.



Health and well-being at work

We support the health and well-being of our employees by providing employee healthcare benefits. Preliminary care efforts include collaboration with employee healthcare partners to conduct training sessions on ergonomics and other related healthcare-workshops.

In addition to healthcare benefits, we want to be a family-friendly organization. We understand our people will be at their best when they have time to relax and be with their loved ones. For example, we offer paid one day leave for new grandmothers and grandfathers to have an ability to meet their newly born grandchild.

Constantly following the pulse of our people

Lumon is measuring its employee satisfaction with eNPS survey regularly, as we want to ensure everyone feels they are part of their teams and can affect their work. We conducted three global employee satisfaction surveys in 2023 asking variety of topics from eNPS to supervisor's performance and equal treatment of employees. Despite the challenging year the eNPS score remained above 40 in all surveys, peaking in May and being then at the level of 49.

Our target for sick leaves was 2,5% for 2023 but the actual amount was 4,5%. We are constantly working together with employees, supervisors, and occupational healthcare providers to minimize the sick leaves in 2024.

Equality and Code of conduct

We believe that a workplace where employees are treated equally is crucial for creating a positive and productive environment. We have an equality plan that addresses key issues such as salary and other terms of employment. We are committed to promoting equality at every level of our organization, and we believe that by doing so, we can create a workplace that is truly inclusive and welcoming to all. We are happy to have people of different origins and nationalities working for us. In 2023 we started to focus more carefully on diversity, equality and inclusion and a solid improved plan in these issues for 2024 was created.

Customer insight

We were very charmed by the Lumon concept, and it was going to suit us financially, but also aesthetically. ”

Mark Peters, General Contractor, Stam en de Koning BV, Eindhoven, Netherlands

Customer insight

Strongly recommend Lumon glass enclosures to everyone, especially those who enjoy barbeque year-round and spending time on the terrace. ”

Jari-Jukka Kallunki, Salo, Finland

We have a comprehensive employee code of conduct that sets out the standards that all our employees are expected to uphold in their work. This includes promoting diversity, respecting human rights, and avoiding any form of discrimination or harassment. We also expect our employees to act with integrity, honesty, and transparency in all of their dealings, both with our customers and with each other. By adhering to our employee code of conduct, we are not only fulfilling our social responsibilities as a company, but we are also creating a positive work environment that fosters collaboration, innovation, and creativity. The employee code of conduct is accepted by all new employees.

Safety at the core

Our goal is that every Lumon employee comes to work healthy and can return home feeling the same way.

Development of work safety in all levels

In safety-, health- and well-being matters we highlight pre-empting actions, and these are a part of our operations' yearly planning. We always consider a safe working environment in our work and develop it together with our colleagues. Lumon has an audited ISO45001 Health and Safety development system in the Finnish operations. In addition, we have a comprehensive work safety development program for all our operations, and we comply with local laws and regulations in all the countries where we operate.

Preventing accidents to happen

We emphasize that our personnel must use protective equipment and work in a safe manner. We do not allow neglecting safety and do not allow risk-taking. We take preventative measures in safety by conducting safety walks on work sites and production facilities, by keeping safety on the agenda of team meetings, and by learning from past incidents. Safety observations are a part of our everyday responsibility, as well as the reporting of close-call situations.

In 2023, 1873 safety observations were reported, and 1890 safety walks conducted in all Lumon Group companies. The accident frequency rate was 24,5, which was unfortunately above our target of 15. Safety issues were covered in business steering meetings monthly, and, for example, in Finland the safety committee met 12 times. All accidents were analyzed to ensure similar types of accidents can be prevented in the future.

Examples of safety developments in 2023:

- Using safety shoes with friction soles during installation has reduced accidents due to slipping by 40 %
- We have paid more attention to the ergonomics of lifting work, the aids used at work and safe working methods
- We have paid more attention to proactive safety such as safety observations and walks

We will emphasize safety in 2024 and our target for accident frequency rate is below 15. We also target to have one safety observation per month per person. As for safety walks, depending on the role, we aim to have 1 - 4 per month. Our leadership team members are also committed to conducting one safety walk each quarter.



Spotlight: Lumon Group's assembly factory in Kouvola, Finland celebrated accident-free year in September 2023

As a result of years of systematic work in creating a safety culture, where all employees are involved in the development of safe working practices, the assembly factory was able to celebrate the accident-free 12 months in September 2023.

One of the examples of regular safety practices in the assembly factory has been the quarterly vote for the best safety observation where the winner is rewarded with a small token of appreciation. The first award was for safety regarding commute, the second for hazards related to the transfer of large glass, and the third for safety issues concerning production machinery. The observations were clearly made in a wide range of situations and environments in which staff work during the day.

There has also been an emphasis on proactive improvement. Mirrors have been added to areas where visibility is poor when walking, railings have been added to the waste disposal platforms, cleanliness has been improved, and loose parts have found their place. All these aspects come together to build a better and safer future.



Advancing sustainability across our value chain

We are committed to ethical and responsible business practices throughout the world. We want to know our suppliers and partners and work only with companies that share high ethical standards similar to Lumon's.

In 2023, to emphasize our commitment to sustainability, we launched a comprehensive partner code of conduct that outlines the behavior and practices we expect from those who do business with us. All our major suppliers received the partner code of conduct and are expected to comply with it.

Customer insight

My expectations have been well met and the cooperation is very good. The consulting by Lumon was great, the product has a good quality and the installation work is carried out professionally by their partner Huber Kontech. ”

Pirmin Wagner, Project Manager, Rudeka Generalbau AG, Zwingen, Switzerland

Customer insight

The versatility of this type of glazing enables us to achieve energy efficiency in multiple ways. During winter, it allows for complete closure without compromising the quality of the landscape, while also maximizing solar gain through the greenhouse effect created within the gallery. ”

Claudi Aguiló, Architect, DataAE, Barcelona, Spain

The partner code of conduct is now part of all our new procurement contracts requiring our suppliers to comply with it. In the future, we will require all our resellers, suppliers and other partners to adhere to the partner code of conduct.

Lumon Group's procurement teams have deep collaboration with our suppliers and regularly meet with the partners to ensure the business is done according to the agreed principles. In 2023, three critical supplier audits were carried out. Respectively, in 2024, we will conduct a minimum of six supplier audits, and in the coming years, our plan is to carry out at least four major supplier audits per year.

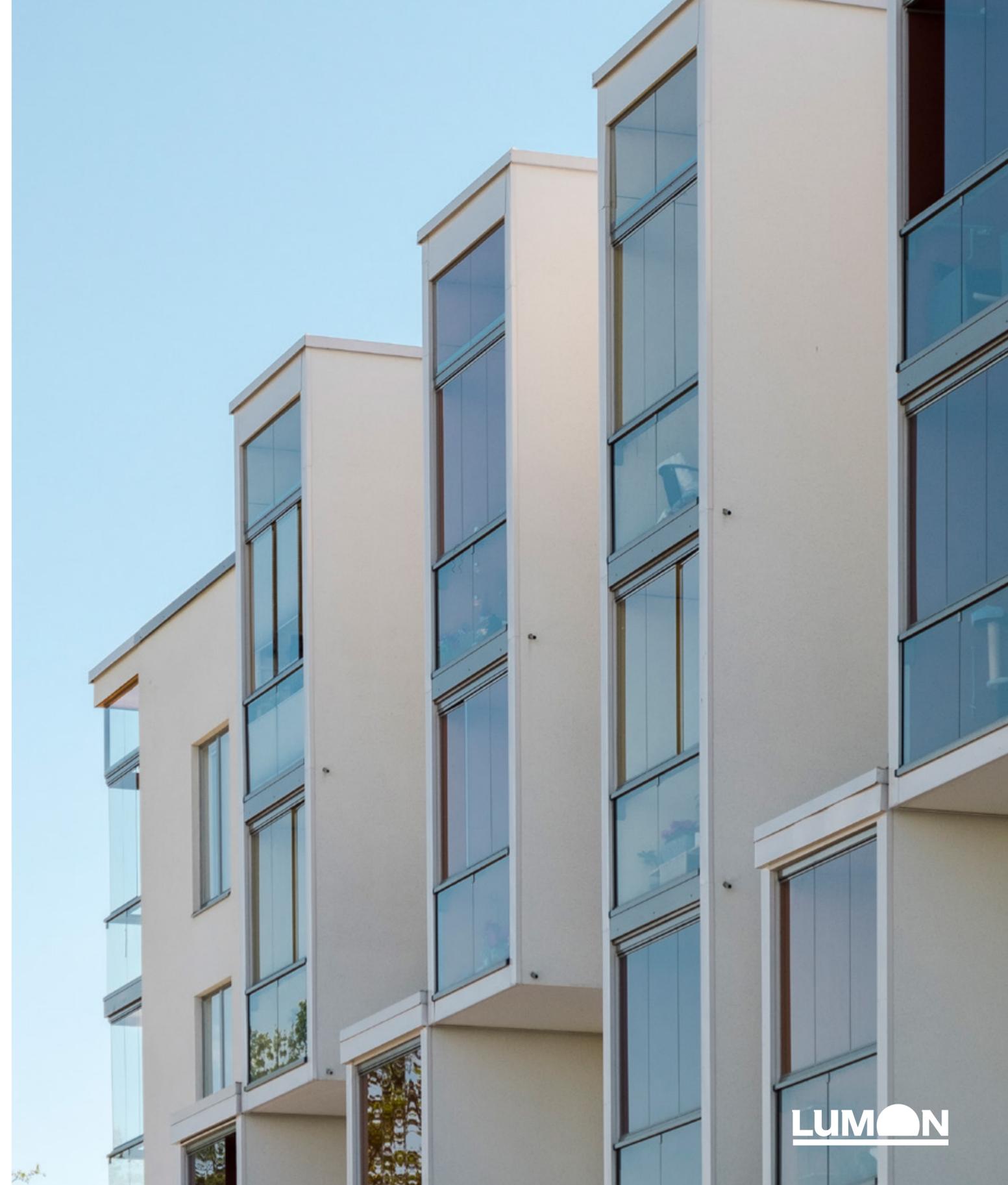


Governance

Lumon develops its business in compliance with the rules and regulations of each country in which it operates.

Under the Governance topic in the ESG model we can find Economy, Governance, Reporting and Communications.

The foundation of our governance is based on that and the certified ISO9001 quality management, ISO14001 Environmental management and ISO45001 Occupational Health and safety management systems in our operations in Finland. We have a plan to implement these standards similarly at our Antequera factory in Spain, too.



Furthermore, in 2023 we defined the Lumon Group Partner code of conduct as well as the Lumon Employee code of conduct, which are both mandatory for all business partners and all employees to follow. The idea of making the Partner Code of Conduct was that we would speak out the intention, that we assume our partners not to breach the EU defined regulations in their countries, even if the partner is from outside EU. The Employee Code of Conduct is in a way like a mirror image of the partner code of conduct: we expect our employees to act accordingly and particularly highlight any development needs either publicly or through the Whistle Blowing channel.

Customer insight

You at Lumon had a very good reputation in the market, and it was just the final confirmation that, - if we choose Lumon, we can't go wrong. ”

Håkan Moldén, Chair of the Board, BRF Linnégatan 41-45, Gothenburg, Sweden

Customer insight

From the first day, our construction manager was so pleased how well-trained guys Lumon brought to the site. They were so oriented for all safety issues because we are working in high conditions. ”

Tomi Alatalo, CEO, Aalto Development, Ontario, Canada

In the Reporting and Communication part of Governance, Lumon does not have a legal requirement to report its sustainability aspects as part of the Annual report of financial and relevant non-financial information about the company for the fiscal period of 2023. However, Lumon has decided to publish its first Annual and Sustainability Report, which is this document.

You can find more information about Lumon at www.lumon.com.

Certificates

Lumon products are thoroughly tested, and Lumon has a ISO9001, ISO14001 and ISO 45001 certified main factory.

Lumon's products are among the most tested in the glazing industry worldwide, examined from various aspects of the products, beginning from the processed glass to the CE marked end-product. Besides CE mark we have made hurricane tests as well as earthquake tests to our products, too.

The products made in Finland are manufactured in processes, which are based on certified on ISO9001 Quality System, ISO14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System.

In August 2023, Lumon was also audited by ThirdRock, a consulting company specializing in sustainability research and sustainability audits of organizations. The sustainability level and efforts of Lumon Group was rated according to their four-level system as an advantage to Lumon in doing business. This refers to sustainability bringing strategic competitiveness to the operations of Lumon, making the company stand out from its competitors.

More information about the certificates can be found on our website www.lumon.com or by contacting our subsidiaries and resellers.





Lumon Group Leadership team 2023

Risto Kivioja
Technology & ICT

Jouni Hilliaho
Production & Supply Chain

Kimmo Hilliaho
Finland

Mikko Hilliaho
Scandinavia

Pauli Karbach
North-America

Antti Vänskä
Central Europe

Markku Pulkkinen
Marketing & Aftersales, Visor

Hanna Van Enk
CFO, CHRO

Javier Martinez
Spain, emerging markets

Jussi Kinnunen
CEO



Board of Directors

Antti Tiitola

Tapani Kinnunen Chairman

Camilla Grönholm

Mikko Hilliaho

Jussi Kinnunen

Terho Kalliokoski

Customer insight

We were impressed with the professionalism of all the people we have met from Lumon. The end result is a quality product that looks beautiful. We couldn't be happier. ”

Geoff and Cathy N. from Langley, BC



Lumon

Creating More Room for Life since 1978

We help our customers get more room for life by converting unused terraces and balconies into inspiring and versatile glazed living spaces. Lumon has over one million satisfied customers across the globe.

Our product selection covers balcony glass, glass terraces, various balcony facade solutions, Lumon glazing maintenance services and Visor blinds. In 2023, the Lumon Group's revenue was EUR 182 million and it employed more than 1200 people on average.

