



Lune Group Oy Ltd

UNITED NATIONS GLOBAL COMPACT

Communication on Progress 2020

lunette

Forewords and statement of continued support

It has been an exciting but challenging year on many fronts. First of all, Lunette was celebrating its 15th year birthday this year. The company has experienced a long journey since 2005; yet, it has stood by its promise to continue breaking taboos and strengthen women's empowerment globally. I'm pleased to announce a major change on Lunette's path, as we became a part of Peptonic Medical AB in June 2020. This gives us new opportunities not only in business terms but also in terms of sustainability.

I am pleased to confirm that Lune Group Oy Ltd (Lunette) reaffirms its continued support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this third annual Communication on Progress (2019-2020), we describe our actions to continually improve the integration of these principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders.

Sustainability and human rights lie at the core of Lunette's business operations, today more than ever. A holistic approach to sustainability is a vital part of good business strategy. We are constantly striving to include these values in the company's policies and activities. In recent years, Lunette has been taking its corporate responsibility towards a new level in our operations and also through various efforts in developing countries. Yet, the Covid-19 crisis has left its mark on Lunette too, causing unforeseen challenges for our operations and for planned activities aimed to support girls and women, especially in developing countries.

We believe that despite being a small company and despite the challenging times that the Covid-19 presents, we can achieve greater systemic change, through raising discussions on menstrual health to the forefront. We want to fearlessly raise difficult questions related to sexual and reproductive health and women's empowerment, whether through our networks, speaking engagements in global events, or on social media. We are also excited to report that we have in 2019-2020 continued to raise our voice for mandatory environmental and human rights due diligence.

We take great pride in our products and put effort to promote the sustainable values that we were founded on. Despite the big changes, I am convinced that we are on the right path. In terms of partnerships, results and impact we have achieved a lot, yet undoubtedly, a lot remains to be done. A warm thanks to all of our partners, supporters and loyal customers. Our shared journey of building a better world, together, continues.

Sincerely,



HELI KURJANEN, CEO & Founder, Lune Group Oy Ltd
Contact: Heli Kurjanen, Email: info@lunette.fi



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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This report covers the period of July 2019 until June 2020.



About Lune Group Oy Ltd (Lunette)

Lunette is a company based in Juupajoki, Finland with a subsidiary in the US and established presence in the UK, Germany and Austria. We specialize in sales and promotion of Lunette Menstrual Cups manufactured in Finland. The menstrual cups were, in 2019-2020, sold through a retailer network in almost 50 countries.

Lunette was founded in 2005 and continues being one of the leading menstrual cup producers in the world. The high quality of our main product continues to be an important factor in positioning ourselves successfully in a competitive global marketplace, largely dominated by non-sustainable disposable period care products.

In June 2020 Lunette became a part of Peptonic Medical AB. Peptonic Medical AB, which trades on the Spotlight Stock Exchange in Stockholm, is an innovative Swedish medical development company offering femtech products for women's health that contribute to increased sustainability and quality of life. The merger with Peptonic Medical is a natural step for Lunette given the shared values regarding the right to a safe reproductive health. The acquisition has required both time and resources but will also offer more options in the future to invest in quality and sustainability and continue to ensure that the high expectations on the brand are met. Lunette will continue to trade as a separate business unit under Peptonic Medical AB business entity.

We have in the last year received important awards, which speak volumes of the organization's entrepreneurial journey, and talent, as well as our values. We have continued fully committed to female empowerment and sustainability as part of our business model and spirit.

Lunette's CEO has received the following Awards in 2019-2020:

- Top three nominees for Woman in Business in this year's Women of Europe Awards
- Final 20 finalists for the JCI Ten Outstanding Young Persons of the World Award

Further, the Lunette Menstrual Cup has received the following Awards:

- Best possible rating from the consumer magazine Ökotest (Germany)
- Mumsnet approval (UK)

Sustainability

Respect for the social, economic and governance aspects is fundamental to Lunette as part of sustainable and responsible business conduct. Without sustainable development of society, we cannot reach an enabling environment, which is crucial for a productive, competitive and efficient business. We believe that contributing to the UN Global Compact principles is an opportunity and a necessity. Our operations focuses strongly on sexual and reproductive health and rights, and menstrual health, which continues being a key area relevant especially to SDG Goals 3, 4, 5, 6, 8 and 12.

Lunette’s vision is a dynamic business, beyond stereotypes and driven by innovation and an unlimited female entrepreneurial spirit. Lunette’s mission is to change attitudes about periods: nobody should feel ashamed of them, nobody should miss a chance because of them. Lunette aims to think beyond the limits, to discover the hidden potential in everybody who menstruates, to ensure no one is left behind, in line with the pursuit of the SDGs. We strive to dynamically monitor and drive improvement in the sustainability-sphere; both internally and with the suppliers and partners we work with.

Our main product is the Lunette Menstrual Cup. Lunette Menstrual Cup is a bell-shaped object made of medical grade silicone, inserted into the vagina to collect (instead of absorbing) menstrual blood. Menstrual cup is a waste-free innovation, which lasts for years thanks to the durability of the high-quality silicone. The minimal amount of solid waste produced is a significant advantage over disposable products. Only a small amount of water is required for cleaning the cup, which reduces the burden of menstrual health management on the water infrastructure. Our high-quality Lunette Menstrual Cups are BPA and latex free, and safe to use. Lunette Menstrual Cup is registered with the Vegan Society, has been awarded the coveted Key Flag Emblem and has the ‘Design from Finland’ certification. Menstrual cups have become a mainstream product, an economic, ecological and safe menstrual care option.



Lunette Menstrual Cup is registered with the Vegan Society and carries the Finnish Keyflag Emblem and Design from Finland certifications.

Poor menstrual health in many regions of the world relates to economic and social rights, including right to health, water and sanitation, education and work. Numerous research reports show that it is to a large degree a neglected issue, both in the UN system and by country governments, even other actors, much due to the related taboos and stigma still connected to menstrual health. The opportunity to manage one’s menstruation related inherently to the well-being of persons who menstruate and a precondition for realization of other rights.

This is Lunette’s third Communication on Progress report. We take a proactive approach to social and environmental responsibility throughout the value chain, based on the UN Global Compact’s 10 principles. We assess our operations – suppliers and partners – often with the support of external consultants and experts, in order to ensure that we avoid adverse human rights impact, while we aim to achieve measurable positive impact.

	Our operations and suppliers	Product use
SOCIAL: Social impact of operations; improving women and girl’s health rights and quality of life	<div><div>+</div><div>+</div><div>+</div><div></div><div></div></div>	<div><div>+</div><div>+</div><div>+</div><div></div><div></div></div>
ECONOMIC: Influence on the broader economy; economic impact on women and girls	<div><div>+</div><div>+</div><div></div><div></div><div></div></div>	<div><div>+</div><div>+</div><div></div><div></div><div></div></div>
ENVIRONMENTAL: Impact of operations, materials and packaging; environmental impact of product use	<div><div></div><div></div><div></div><div>-</div><div></div></div>	<div><div>+</div><div>+</div><div>+</div><div></div><div></div></div>

Our greatest impact relates to the use of our products, not only in western countries but also through activities in developing countries. In terms of our own operations and suppliers, we strive to uphold strict standards and thoroughly monitor impact.

Silicone and menstrual cup production

Lunette Menstrual Cups are made from medical grade silicone. Silicone, a polymer made with oxygen, is extracted from silica and passed through hydrocarbons derived from fossil energy. Thus, production of silicone is not carbon neutral nor is the product biodegradable, although it has been established that it can be burned safely at the end of its lifespan. Medical grade silicone is tested for allergens and made as pure and inert as possible.

The medical grade silicone for Lunette Menstrual Cups is sourced from a supplier in the EU. Neglecting work safety measures in silicone fabrications may dispose workers to silica dust or toxic gases (e.g. methyl chloride) which may cause silicosis.

The supplier of the silicone material, that Lunette cups are manufactured of, is a member of UN's Global Compact and adheres to Responsible Care® and Together for Sustainability initiatives. Lunette Cups are manufactured in Finland. Work safety regulations in Finland are effective in preventing manufacturing-related health and safety risks. Lunette Cups are pressed only from medical grade silicone, and in this process, the work safety risks are smaller when adequate protection and safety measures are taken. There are strict rulings for storing and labeling chemicals.

Lunette places emphasis on environmental standards and the development of environmentally friendly packaging. The packaging of the cups is fully plastic free and therefore, recyclable.

Product use: social impact

The old and restrictive perceptions on menstruation and lack of access to safe period care products, discriminate women and girls and deprive their equal rights to study, work and participate in society. In some countries and communities, menstruation is perceived as a taboo and, furthermore, women and girls can be excluded from various public activities during the period of "impurity". There is often a lack of knowledge and educational materials on menstruation and menstrual health management, period products are often too expensive or inaccessible.¹ Lunette has carried out numerous projects in hard-to-reach-areas to address these perceptions and empower girls and women.

Menstrual cups are becoming a mainstream product in the western markets. Research has been conducted on the usability and acceptability of the cups in

the western context. For example, a randomized controlled trial in 2011 in Canada investigated whether menstrual cups are a viable alternative to tampons and found that approximately 91% of women in the menstrual cup group said they would continue to use the cup and recommend it to others. In a 1995 clinical study involving 51 women, 23 of the participants (45%) found menstrual cups to be an acceptable way of managing menstrual flow. There's evidence for increased preference among women for use of the menstrual cup.^{2,3} In a Lunette customer survey 88% of customers said that their quality of life during menstruation has improved while using a menstrual cup – this could both entail economic empowerment as well as aspects relating to personal comfort and flexibility, hence issues critical to reaching one's full potential.

Based on the first, large scientific review on sanitary products, published in the Lancet Public Health journal in 2019, menstrual cups are a safe option for menstruation management and are being used internationally.⁴

A survey commissioned by Lunette in June 2019 showed that those born between 1995 and 2015, commonly known as Gen Z, are more open than other generations when it comes to talking about periods. The study included 2,000 women located in the US, ages 18 to 38, and it found that the mindset is being shifted when it comes to reproductive health. Leading that movement were those between the ages of 18 and 24, also known as Gen Z. Out of respondents a total of 53% reported that they are using or would consider using reusable period products. Survey results were published in the NY Post, Medium, World News, The India Times Post, MSN, Yahoo, AOL and various other outlets around the world shared the news about the Lunette survey (in total 53 placements in the media and 5,75 million impressions).

Research has also been conducted on the acceptability of the cup in low-resource settings. A qualitative study among school girls in rural Uganda concluded that most participants overcame initial challenges mastering the techniques for insertion and removal and adapted to menstrual cup use. In another qualitative study conducted among schoolgirls in rural Kenya girls preferred cups over commercial pads or traditional materials. Reasons mentioned in favor of the cups were that it would not leak, drop and was comfortable after learning the right usage. The only reported advantage of pads over cups was the easiness to start usage.⁵

Based on clinical testing quality menstrual cups (produced of tested medical grade silicone in controlled production facilities) are hygienic and safe to use. TSS caused by menstrual cup use appears to be very rare to virtually non-existent. Rarely, the use of cup, especially if combined with gynecological concerns or infections, may also set favorable conditions for an infection. This emphasizes the need of hygiene in the use and further studies on potential health problems that may increase the risks related to the use of the cup or other sanitary protection.

Menstrual cups are not absorbent, do not irritate the vaginal mucosal tissue, and so do not change the vaginal flora in any measurable amount. Research indicates that the cup has no impact on the vaginal flora, or on the presence of *Staphylococcus aureus*, the bacterium that can cause TSS. A randomized controlled trial carried out in 2011 measured urovaginal infection in a comparison of menstrual cup and

tampon use and found hardly any difference. No differences in the growth of *S. aureus*, or health harms were identified among school girls provided with menstrual cups compared to those using sanitary pads or continuing their usual practice in rural western Kenya.^{6,7}

Silicone has been widely used in medical science and reactive impacts of solid silicone products have been marginal. High quality silicone with no fillers used in the fabrications is highly inert. Medical grade silicone is latex free and non-allergenic. However, standard silicones have reported to release infectious chemicals in some conditions. Lunette emphasizes that it is crucial to use high quality medical grade silicone in the production of menstrual cups in order to minimize any health risks.

The use of menstrual cups requires good hygiene and access to water. Proper hand washing and cup rinsing as well as sterilizing through boiling is essential for hygienic use. Access to water, especially clean water, may be difficult in developing countries, which Lunette has taken into consideration and is a firm advocate for MHM training and sustainable WASH-solutions.

In terms of environmental impact, the use of cups significantly decreases waste when compared to disposable pads and tampons. This saves environment as well as sewage and water purification systems.

Social responsibility: projects in developing countries and partnerships

Lunette has a strong vision of empowering people who menstruate, globally, and breaking menstruation-related taboos. We have in 2019-2020 continued numerous projects, although efforts have to a degree been stalled due to Covid-19. We remain committed to a rights-based approach in low resource settings, through engaging women and girls and all stakeholders in the activities we carry out. We aim to improve menstrual health management, but in a holistic manner, looking at advocacy efforts and providing adapted training as well as products, to ensure impact. The Lunette Menstrual Cup accompanied with awareness raising and training can be a powerful tool for positive transformation in the lives of women and girls. We see it as our responsibility to act also in hard-to-reach areas and among the most vulnerable and marginalized, where possible.

Below a few examples of activities during 2019-2020 in developing contexts, funded partially through development cooperation appropriations, through the Finnish

government and the Finnpartnership programme (ODA-funding). Below short summaries of project activities which were carried out since 2017 and ended in 2019, for more information, please see full separate report on these activities.

KIBERA (KENYA)

In Kibera slums The Cup Foundation in cooperation with Lunette has distributed thousands of cups to girls following The Cup Foundation's unique, holistic training methodology of a comprehensive training curricula which tackles challenges underprivileged girls and boys face while growing up, including menstrual health management. The Cup Foundation's training is based on a model where the trainers share their life stories and experiences and are available for answering questions and giving support also after the trainings. Also, research shows that peer support is also an essential driver for the acceptability of the menstrual cup and creates solidarity and a sense of empowerment for girls and adolescents.

As part of our normal operations, in 2019-2020 Lunette continued to partner with MONKI (H&M). For each sold limited edition pink "MONKI x Lunette x The Cup" menstrual cup one cup is donated to The Cup Foundation for their work among schools in Kibera slums in Kenya. Since the beginning of the project over 15.000 cups have been donated. Lunette visited the project site in 2019. An additional campaign was launched on Giving Tuesday in December 2019 with donations to The Cup Foundation.

MWANZA PILOT AND OTHER ACTIVITIES (TANZANIA)

Implemented by Fida International (an NGO), and local partners (Pentecostal church of Tanzania) Lunette was since 2017 piloting a menstrual health management package in Mwanza, Tanzania, where local boys and girls receive training on puberty, reproductive health, on menstrual health and on the usage of menstrual cup. Fida identified male and female trainers within the community who have started a training-of-trainers (ToT) programme. The ToT is done by The Cup Foundation mentioned above. The female ToTs have already received a cup and an introduction training on the usage. After the ToT, the training and cup distribution is expected to be rolled out in 82 rural schools. Currently indicators are designed to measure impact on school attendance and empowerment of girls and results will be thoroughly analyzed. So far, Menstrual Ambassadors have been trained apart from in Tanzania also in the Democratic Republic of Congo, Uganda and Kenya.

As of July 2019 Fida has taken charge of leading the project and activities, due to the importance of raising awareness and understanding about issues related to sexual and reproductive health and rights in Tanzania. While Covid-19 has placed challenges on plans progressing, the project can be said to have had a positive impact on opening discussion and a market for menstrual cups and sustainable sanitary products overall. On the other hand, it may be that Lunette's and Fida's activities could establish a foothold for cheap copies that flow into the African continent, which also have begun to be produced in various East African countries.

However, it is difficult to provide a comprehensive assessment of the possible positive and negative long-term effects.

Overall, the activities implemented by Fida have been critical in reaching the most vulnerable segments of the population. A webinar about menstrual products was held by the Menstrual Health Management (MHM) Ambassadors in 2020.

“Although middle-class consumers benefit from the product, the projects’ development impact is mostly among vulnerable girls and women, as project has addressed gender inequities in low-resource settings through national advocacy and through gender normative transformation among religious actors. A total of 88 advocacy, networking, community training and sensitization events in Uganda, Tanzania, Kenya and DRC have reached 3212 individuals (2114 female, 1098 male) and 455 000 have indirectly benefited from the project.”

Extract from project report: "Enabling Environment for Sustainable Menstrual Health Management in Eastern Africa", Business Partnership Support, Fida International, July 2019

COLLABORATION WITH THE ACADEMIC/RESEARCH COMMUNITY

Lunette has for the last year (2019-2020) been financially supporting a study "An Exploratory Double Cohort Case Study Examining How Menstrual Cups Affect Women's Work Economics, Health and the Environment in Moshi, Tanzania". This study is a collaboration between Femme International, LUCSUS (Lund University Centre for Sustainability Studies) university centre in Lund and Lunette Cup, I4ID 8Institutions for Inclusive Development), and NIMR with the partner NGO Give a Heart to Africa (GHTA) in Moshi. It arose from a collective desire to better understand how menstrual cups can impact on menstruators, along with further exploration into women's experiences of menstruation in regards to their health and economic situation. While Lunette supported the project, the research activities were independently carried out by the research team.

The study was set in Moshi, where Femme International and its partner NGO is based. Due to the various cup-related activities in the area, there is a pool of women who have been using menstrual cups for years. The plan was to collect data longitudinally, at three separate, equidistant timepoints over a six-month period. This would enable tracking of changes over time and seasonality (any changes that occur from dry/hot to rainy/cold). With the outbreak of Covid-19, carrying out the plans as anticipated become impossible. While there were very good elements for further study, regrettably the results are limited.

For the research team it was challenging to draw conclusions given the small sample size, and the study design that was supposed to enable comparison over multiple time points. General conclusions are consistent with what previous observations and supports that menstrual cups can be an important element especially for women's economic empowerment. Also, health-related findings

For each sold limited edition pink "MONKI x Lunette x The Cup" Menstrual Cup one cup is donated to The Cup Foundation for the work in Kibera slums in Kenya.



were interesting, although not all could be validated due to Covid-19: here was a high prevalence of MSRH health symptoms that has now been confirmed through laboratory testing. Women attribute some of this to the menstrual products they use, and Menstrual cup users feel as though they have fewer symptoms and general discomfort as compared to before they used a cup.

Further to this, Lunette has also continued to engage with students. University campuses continue being powerful spaces for driving change in terms of discussing sustainability and the stigma around menstruation. Earlier, in 2019 we had partnered with KUU Project, a group of Finnish university students to create a workshop for students at the University of Nairobi in which sexual and reproductive health and rights and sustainable menstruation were discussed. The cups were supported by the general public (fundraising by KUU Project) and the event itself by Finnish Embassy in Nairobi. As a result, there is a significant interest among women's student associations to advance discussions about menstrual health and sexual and reproductive health and rights on campuses, especially in Kenya.

ENGAGING WITH THE UNITED NATIONS SYSTEM

We have continued engagement with various UN agencies, including UNICEF, UN WOMEN and UNFPA as well as UNHCR, related to gender equality, menstrual hygiene and sexual and reproductive health and rights and the right to water and sanitation. Overall, we have taken an active approach to our membership in UN Global Compact. We are pleased about the launch of the Finnish Local Network of Global Compact and met with Executive Director Mrs Lenita Toivakka in March 2020 to discuss the activities at local level to increase awareness about responsible business practices.

OTHER PARTNERSHIPS

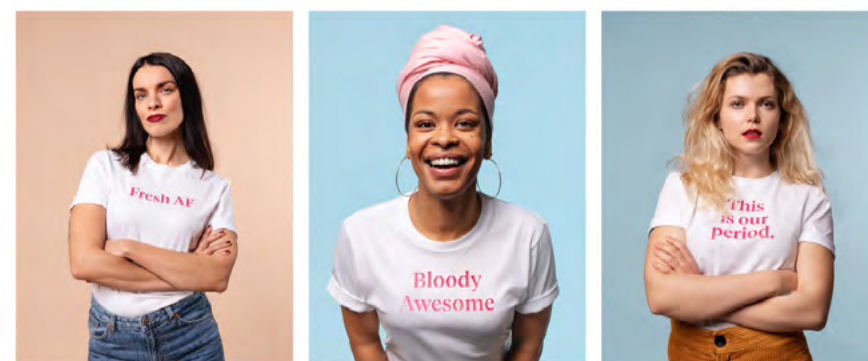
Partnerships and commemorating important international days (such as International Women's Day) have always been key to Lunette, in terms of advocacy and awareness raising. In 2019-2020 we have engaged, among others, with the following partners and initiatives to reach girls and women all over the globe in the pursuit of positive impact and use of leverage:

Sustainable Period Project (Australia & New Zealand): Target is to provide a training pack containing different sustainable period products and training material to every school in Australia and New Zealand.

Taboo crushing t-shirts (global) 1: These limited-edition t-shirts are handmade in Finland and were made to challenge taboos and inspire conversation surrounding menstruation, while Lunette donates 25% of proceeds to various organizations

On International Women's Day on March 8th, a campaign for 50 cups to be donated to Lang'ata women prison by Fida (as a follow up from the June 2019 training and donation which received outstanding feedback). However, due to Covid-19 the cups have not yet been donated.

Campaign with Store of Hope on International Day of Girl Child on 11th of October, 2019 including cup donation and training in Nepal



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A. Lunette visiting Lang'ata Women's Maximum Security Prison in Nairobi, Kenya

B. Lunette and Store of Hope organized a training and cup donation in Nepal

C Executive Director of Global Compact Network Finland Mrs Lenita Toivakka and Lunette COO Sonja Karjalainen discussing responsible business practices in March 2020

D. Lunette limited edition t-shirts challenging taboos and inspiring conversation surrounding menstruation, while Lunette donates 25% of proceeds donated to NGOs

IMPLEMENTING THE UN Global Compact principles

Human rights

- PRINCIPLE 1 -

Business should support and respect
the protection of internationally
proclaimed human rights

- PRINCIPLE 2 -

Business should ensure that they are
not complicit in human rights abuses

ACTIONS AND RESULTS

Commitment: Lunette respects and sees as paramount the protection of all internationally recognized human rights and is fully committed to the UN Guiding Principles on Business and Human Rights. We are conscious of our own responsibilities as part of our own operations and towards our staff and consumers and any of the communities we are active in. While we carry out small scale due diligence assessments, internally and of our suppliers and partners, to prevent adverse human rights impact, but we are aware that much more needs to be done. As an SME our resources are very limited in this regard, and to date we have no staff dedicated to human rights issues. The assessment of human rights impacts is an ongoing process at Lunette. We monitor the realization of human rights in many ways, including audits of suppliers and certifications of risk raw materials. Ensuring the safety of products and outlets is part of our daily work.

Our critical suppliers are expected to protect human rights, placing great importance to complying with human rights and fair business practices. They are further expected to follow the OECD Guidelines for Multinational Enterprises, the ILO Core Labor Standards and the UN Guiding Principles on Business and Human Rights.

With strong focus on improving sexual and reproductive health and rights nationally and globally, we have adopted and are following a human rights-based approach as part of all of our project interventions in developing countries, in line with the UN Guiding Principles. Among the most salient potential human rights risks, we have identified issues in terms of the right to health, especially in junction with use of the cup in unhygienic settings. In addition to ensuring that we are mitigating risks, we focus our efforts on where we can have positive efforts and have for instance engaged in significant advocacy efforts in terms of sexual and reproductive health and rights. We have also ensued partnerships that could be critical for us in light of ensuring that we achieve maximum positive impact in this regard, and have collaborated with governments, UN organizations, international NGOs, local NGOs, universities, private sector to increase our leverage where possible.

Lunette has also engaged on various platforms advocating for the rights of women and girls, such as panel-attendance at the UN General Assembly high-level breakfast, World Water Week in Stockholm, the Case for Her and others. Joining the United Nations Global Compact initiative comprised another important step and continue being active in the Local Network in Finland.

ACTIVITIES 2019-2020:

- Continued implementation of a robust and improved Quality Management System (QMS) (2019-2020)
- We continued implementing recommendations from FDA's (USA) routine inspection related to health and safety of the product use (carried out in 2019, implementation continued in 2020).
- Annual audits for critical supplier and supplier self-evaluations on quality, sustainability and human rights (2019)

- Continued as a member of the #Ykkösketjuun –campaign, advocating for mandatory human rights due diligence in Finland, which has been placed in Finland’s Government programme as of 2019.
- Provision of access to labour for vulnerable persons in Finland, through continued focus on a disability programme supporting employment and employability of disabled persons, through our packaging operations and relevant partnership enabling such efforts.
- Co-funding a research project in Tanzania on the relationship between the use of the menstrual cup and women’s economic empowerment (finalized in April 2020, the full research could not be carried out due to Covid-19).
- Through our partners we have provided training to vulnerable girls and women in developing countries, including on sexual and reproductive health and rights (implemented with Fida International 2019-2020, see section on projects in developing countries).
- Member of The Menstrual Cup Coalition, the organization that supports the safe use of affordable menstrual cups by sharing knowledge and good practice globally.
- Advocating for sexual and reproductive health and rights such as through various discussions organized by Fida and Fingo in Finland (2019-2020) and a webinar by the Menstrual Health Management (MHM) Ambassadors active under the Fida cooperation umbrella in 2020.
- T-shirt campaign aiming to challenge menstrual stigma with part of proceedings supporting civil society organisations in their work (2019-2020).

MONITORING PROGRESS 2020-2021:

- We continue to place high value on the quality and safety of the materials used. We also continue with research initiatives, to continue monitoring issues related to health and safety, and influencing the sexual and reproductive health and rights- discourse globally.
- Using leverage with other Finnish companies speaking publicly in favor of mandatory due diligence and corporate accountability as part of the #Ykkösketjuun campaign.
- Increased attention on development of internal due diligence processes. In terms of our suppliers, distributors and partnerships we will continue site-visits and continue monitoring respect for human rights issues among the suppliers, through better documentation and improved audit processes. Annual audits and internal audit ensure the implementation of policies.
- Continue to uphold strategic partnerships for the activities we carry out and events and networks we engage in, to accelerate positive human rights impact, and raise awareness, including in developing contexts, such as Tanzania.



Local students at Nairobi
Innovation Week in Kenya 2018

Labour rights

- PRINCIPLE 3 -

Uphold the freedom of association and the effective recognition of the right to collective bargaining;

- PRINCIPLE 4 -

Support the elimination of all forms of forced and compulsory labour;

- PRINCIPLE 5 -

Support the effective abolition of child labour;

- PRINCIPLE 6 -

Eliminate discrimination in respect of employment and occupation.

ACTIONS AND RESULTS

Commitment: In June 2020 Lunette became a part of Peptonic Medical AB. Lunette will continue to trade as a separate business unit under Peptonic Medical AB business entity. Lunette employs most of its staff directly in Finland, while few are employed elsewhere in Europe and the USA. Lunette continues under Peptonic to commit to the prevention and elimination of any discrimination in respect of employment and occupation inside and outside the company, and, the same standards are expected of our suppliers. Lunette proclaims responsibility for equal employment opportunity. The company is also committed to employee welfare and sustainable employment. We strive to provide an interesting, attractive, and inclusive workplace for all employees. Our employees will be at liberty to progress in their job and develop. We focus on a staff policy with emphasis a safe and healthy working environment, which is safe and offers opportunity to thrive. We want to ensure the right of workers to join trade unions and do not tolerate discrimination and harassment. We ensure that all employees, as well as contracted temporary staff, involved in various projects are paid a competitive wage, and avoid excessive overtime hours. Finally, we offer working conditions that comply with the law, relevant ILO standards and the standards of the UN Global Compact.

ACTIVITIES 2019-2020:

- Lunette fully respects labour rights and has committed to a non-discrimination policy, and continues to follow these principles in all its operations. These principles were also employed when staff were contracted elsewhere including in developing contexts.
- Continuous improvement of good HR practices e.g. yearly appraisal process, providing company benefits, supporting work-life balance and providing training and development opportunities
- Implementing projects that use the rights of girls and women as a point of reference, and stress the right to livelihood, particularly in rural areas in least developed countries. (See section on projects, 2019-2020).
- Advocating for the right to decent work and economic empowerment for women in developing country contexts, through various platforms, events and fora.

MONITORING PROGRESS 2020-2021:

- We will continue developing our internal policies and measure staff satisfaction.
- We will continue improve occupational health and wellbeing for our staff and measure impact and satisfaction levels through an ongoing survey.
- We will continue and deepen collaboration with a selected packaging center to ensure fair and meaningful employment opportunities for vulnerable populations, including people with disabilities.
- Continue developing possibility for flexibility in terms and conditions of employment conditions (such as working hours, location), especially in light of the constraints put before us due to Covid-19.

Environment

- PRINCIPLE 7 -

Support a precautionary approach to environmental challenges;

- PRINCIPLE 8 -

Undertake initiatives to promote greater environmental responsibility;

- PRINCIPLE 9 -

Encourage the development and diffusion of environmentally friendly technologies.

ACTIONS AND RESULTS

Commitment: Lunette's core product, the Lunette Menstrual Cup, reduces the carbon footprint of menstrual health management to a minimum, as a sustainable option. We encourage sustainable processes and consistently discuss environmental challenges with other stakeholders. We focus on saving energy and reducing consumption of materials by aiming to ensure monitoring of and optimising the positive impact of our business operations and considering options for minimizing harmful environmental impact. Lunette places emphasis on environmental standards and the development of environmentally friendly supply chain; with co-agreed goals and guidelines for waste management, logistics, energy and material consumption. The innovative packaging of the Cups is fully plastic-free and therefore, recyclable. Lunette packaging constantly thrives on optimizing material consumption and finding creative solutions for packaging and delivery of goods. Lunette is taking the importance of climate action seriously and is aiming to reduce travel wherever possible. The acquisition by Peptonic will for Lunette mean an even greater commitment to stand up for environmental values and sustainability more broadly.

ACTIVITIES 2019-2020:

- We have continued to assess our packaging to use the most environmentally friendly materials available. The packaging of our menstrual cup is 100% recyclable with an environmentally-friendly window made of wood pulp / cellulose. The Lunette Menstrual Cup, Feelbetter Cup Cleanser and Cupwipes are registered with The Vegan Society. The Cupwipes decompose within 6 weeks in a compost environment.
- Paper raw materials are sourced exclusively from certified sustainably managed forests when the option is available. FSC certified papers for products already cover; Cup packaging corrugated cardboards, paper stickers and instruction leaflets.
- We have eliminated the need for single-use packaging plastics, common in high volume packaging.
- We have already on the most parts moved away from paper shipping and customs documents and do the transition to paperless trade in every trade occasion where possible.
- As part of our ongoing sustainability efforts, we have begun phasing out our colorful satin pouches with ones that are more environmentally-friendly and made out of recycled plastic bottles (2020).
- Continued developing and providing training materials (e.g. free training material to healthcare and educational professionals), to enhance awareness of the environmental benefits of the menstrual cup (2019-2020).
- Participation to UNFPA/UNICEF Market Survey for Development of technical specifications for menstrual cups. Initiatives object is to advocate for the development of global menstrual cup benchmarks, develop criteria based on

evidence from LMIC settings, engage with manufacturers, researchers and government regulatory bodies to identify critical criteria (2020).

- Member of the Finnish Water Forum, to ensure we are more actively part of an environmentally aware business community, advocating for environmentally friendly solutions (since 2018).
- Advocating for sustainable menstrual health management at global events such as World Water Week, and engaged on the ground in East Africa to raise awareness about environmental benefits of sustainable MHM solutions (consultant in Kenya and Tanzania, 2019-2020) as well as in social media (various campaigns).
- Minimizing travel and flights and investing in our team collaboration and online conferencing tools in view of seeking climate-friendly solutions as a company.

MONITORING PROGRESS 2020-2021:

- As part of our ongoing sustainability efforts, we have begun replacing the cup pouches with more environmentally-friendly ones made out of recycled plastic.
- Cupwipes box and Cleanser secondary packaging boxes do not yet comply with our sustainable forestry initiative, but we are committed to transferring component fibers sourced from well managed forests.
- We will continue monitoring the environmental and climate performance in our own operations and that of our suppliers, as well as gather more systematically data on the environmental benefits of the menstrual cup.
- We will conduct Lunette product carbon footprint and life cycle assessments (LCA). The product-specific LCA and carbon footprint will help internal operation development, responding to authority and customer demands, supporting decision-making and process development, and environmental communication.
- Lunette is committed to further enhance its supply chain management towards even responsible business practices, to gain better transparency and code of conducts.
- Lunette will join Sedex (an online database which allows companies to store and view data on ethical and responsible business practices) as a supplier member to streamline the communication, learn from practical tools, services and community.
- We also commit to raising awareness about the environmental benefits of cup use over disposable and other reusable menstrual health management solutions, especially through increased efforts with the educational and healthcare professionals and in social media and wide-reaching channels.
- We will support various events with the objective to increasing awareness about sustainable and environmentally friendly consumption solutions.



Lunette Menstrual Cup packaging is plastic free and made of 100% recyclable materials: cardboard, carton, paper stickers and plastic-free window made of wood pulp

Anti-corruption

- PRINCIPLE 10 -

Business should work against corruption in all its forms, including extortion and bribery

ACTIVITIES AND RESULTS

Commitment: When it comes to our own business practices, we oppose any form of corruption, including blackmail and bribery. We conduct our commercial activities in accordance with international, national and local laws and regulations relevant to our business. Lunette believe that transparency and efforts for anti-corruption is the only way forward for a better economy and better societies.

ACTIVITIES 2019-2020:

- Lunette strives for transparency in our commercial decisions and practices. We expect that our employees and any distributors abide by the law and corresponding national legislation in the countries in which we operate.
- As part of all our registration procedures we have taken steps to ensure no corrupt practices take place during any part of the process (2019-2020).
- As part of our efforts in developing contexts we are cooperating with NGOs and partners and indirectly have sought to strengthen capacity on good governance and to ensure that activities initiated by Lunette does not spur any corrupt practices (2019-2020).

MONITORING PROGRESS 2020-2021:

- Continue developing a public anti-corruption commitment.
- Written expectation of anti-corruption commitments of contractors.

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