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**TOM Group Limited**  
**Sustainability Policy**

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*(If there is any inconsistency or conflict between the English and the Chinese versions, the English version shall prevail.)*



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## 1. Policy Statement

TOM Group Limited, its subsidiaries and controlled affiliates (collectively, "Group") strives to enhance long-term total return for its stakeholders.

The Group is strongly committed not just to its shareholders, but also to a wide range of stakeholders including customers, suppliers, employees, banks and creditors, governments and regulators, non-government organisations and local communities. Taking a proactive approach to sustainability is not only a part of the heritage of the Group, inherent in the various strands of the corporate strategy of the Group, but it has also become crucial to the business success of the Group. At the Group, sustainability is an integral element in maintaining the position of the Group as a responsible business that contributes positively to the development of the communities in which the Group operates.

The Board is accountable for overseeing the management's implementation of the Group's sustainability efforts.

## 2. Approach

The Group recognises the differences in social, economic and environmental needs in each individual market. This Policy outlines the group-wide sustainability approach and priorities from the perspectives of the Group to implement sustainability practices across its operations. Business units are required to consider relevant sustainability initiatives and programmes based on needs of the place where they operate. This is a core responsibility of the management team of every business unit's.

All Group companies should request those representing them, such as consultants, agents and independent contractors, to agree to follow the sustainability policy and practices of the Group.

The Group sees sustainability as obligations as well as opportunities. Sustainability practices are embedded across all operations of the Group, and form the basis upon which the Group manages its business, its people and outside parties. The Group tasks itself to deliver progress in the following areas:

### *Environmental*

- **Take Action on Climate Change**

- The Group is committed to contributing to achieve the goal set out in the 2015 Paris Agreement – to limit global warming to well below 2,



preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

- The Group strives to manage the physical and transition risks of climate change, and to seize the opportunities presented as the low carbon transition continues.
- The Group encourages its businesses to embrace scientific and technological innovation to accelerate reductions in their carbon footprints.

- **Protect Natural Resources**

- The Group is committed to conserving water, preventing pollution to land, water and air, and protecting and restoring biodiversity.
- The Group is committed to complying with or exceeding the relevant laws and regulations to control any greenhouse gas emission, discharges into water and land, and waste generation. Where applicable, targets are set and regularly reviewed, and results are assessed to ensure the efficiency of the measures to control emissions.
- The Group encourages its businesses to monitor and manage the use of natural resources, including energy, water and other raw materials, in accordance with their identified material impacts. Operating companies with high consumption of energy, water and/or raw materials should have policies setting out the control measures to accomplish this objective.
- The Group is committed to minimising the impact of its business activities on the environment and natural resources. Environmentally-sustainable products and processes with potential commercial applications are to be actively developed and implemented where possible. Support for biodiversity conservation and environmental protection programmes are encouraged and provided. Efforts are regularly reviewed to ensure their efficiency through goal setting and monitoring of key performance indicators.

- **Promote a Circular Economy**

- The Group aims to integrate circular thinking into business strategies through responsible raw material sourcing, efficient production processes and product design, and inspiring sustainable consumer behaviours.

*Please also refer to the TOM Group Environmental Policy for more details.*

## *Social*

### • **Create Rewarding and Safe Workplaces**

- The success through excellence on the Group depends on the performance of its employees at every level. It therefore aims to attract, develop and retain a high-performing and engaged workforce.
- The values the Group inculcate in its employees are: candour, courtesy, ability to deal with change and respect for humanity, personal dignity and privacy.
- The Group strives to make the workplace an equitable, diverse and inclusive environment through policies and programmes that help to increase a culture of belonging and that help to ensure the Group reflects the diversity of the communities in which it operates.
- The Group strictly adheres to non-discriminatory employment practices and procedures. It is also committed to providing a positive work environment that values the wide-ranging perspectives inherent in its diverse workforce and fosters individual growth and achievement of business goals.
- The Group upholds a high standard of business ethics and personal conduct of its employees. Every employee is required to strictly follow the TOM Group Code of Conduct which covers the professional and ethical standards in conducting business.
- The Group believes in the benefits of providing a positive work environment where employees can grow; it offers a wide range of training and development programs, courses and activities.
- The Group maintains proper systems to ensure internal equity and external competitiveness of staff remuneration and recognition.
- The Group is committed to providing a zero harm and safe workplace for all its employees. To this end, the Group is to comply with or exceed the applicable health and safety laws and regulations. Safety and health considerations should be integrated in the design, maintenance and operations of Group facilities.

### • **Invest in Developing Thriving and Resilient Communities**

- The Group aims to deliver business growth that benefits the communities in which it operates.



- The Group invests in programmes for meaningful impact and focuses on fostering long-term relationships.
- The Group undertakes a wide range of philanthropic efforts as well as community initiatives that cater to the needs and benefits of the communities in which it operates. Focus areas community initiatives of the Group include employee volunteerism, education, medical, health and elderly care, arts and culture, as well as sports and disaster relief.
- As good corporate governance practice, donations and contributions are subject to internal compliance guidelines and controls so as to safeguard stakeholder interests.
- The Group encourages its employees to play a positive and active role in the communities, cities and towns where they live and work.

### *Governance*

- **Embed Rigorous and Effective Governance**

- The Group strives to achieve a high standard of corporate governance and emphasises a quality board, sound internal control, transparency and accountability to all stakeholders which enables it to make balanced decisions that benefit all stakeholders.
- To achieve the objective of enhancing long-term return for its stakeholders, the Group focuses on sustainable development of its businesses and the communities it operates.

- **Operate Responsibly and with Integrity**

- Across all businesses, the Group is committed to complying with all relevant and applicable laws within its operational frameworks.
- The Group conducts its business with uncompromising integrity. Every member of the Group – directors, executives, managers, employees and business partners – has a duty to comply with all applicable laws and adhere to the highest standard of business ethics.
- The Group adopts policies to ensure its operations will be safeguarded against unfair business practices.

### *Sustainable Business Model Innovation*

- **Offer Customers Sustainable Products and Invest in and Embrace Innovation to Achieve Transformational Impacts**



- The Group invests in innovation to provide transformational sustainability impact as well as ensure future-fit businesses.
- The Group continually seeks to adapt products and services to be more sustainable, while ensuring always the highest level of product and service quality and safety.
- The Group communicates the sustainability benefits of products and services to customers with transparency and accuracy.
- The Group partners with suppliers that share sustainability priorities of the Group and that uphold high levels of environmental and ethical conduct.

### **3. Sustainability Review, Reporting and Disclosure**

Recognising that stakeholder expectations will evolve, the Group regularly reviews its business operations and proactively engages in communication with stakeholders to identify and respond to emerging issues. In tandem, the Sustainability Committee regularly reviews the sustainability practices and performance and reports to the Board. The Group reports its sustainability performance annually in its Sustainability Report.

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