

TOMWOOD

**Responsibility
Report 2023**



A letter from our CEO



Facing challenges and embracing change may pose some discomfort, yet we view them as essential and even necessary. At Tom Wood, we've unequivocally committed to embodying sustainability – or what we term responsibility. Over five years of trial and error in this domain, we've gained insights, executed numerous initiatives, and, crucially, structured our efforts to focus our energies and resources where they yield the most significant positive impact. We are currently engaged in implementing our framework and roadmap for the period 2023 to 2025. While we would prefer to plan further into the future, our experience suggests that forecasting beyond the immediate years becomes less feasible due to the dynamic nature of the responsibility landscape and the evolving circumstances of our company. This reality convinces us that long-term plans might not be precise or effective. Now one year into our three-year strategy, we have updated our agenda and introduced new ambitions, with more than 80 objectives set to ensure comprehensive progress across our key areas: people, product, and planet. Our approach is dedicated to promoting inclusivity, preserving resources, and enhancing climate resilience.

Among the notable achievements from the past year, it is worth highlighting an overall emission reduction of 22% compared to 2022, the use of 100% traceable and recycled gold and silver in all our products, adherence to the UN's Sustainable Development Goals (SDGs) and Women's Empowerment Principles (WEP), and the introduction of Sustainable Aviation Fuel (SAF) with e-commerce shipments. Lastly, I am immensely proud to lead a company that champions gender parity, with a 50/50 split of highly skilled men and women across both executive management and team managers, reflecting our commitment to equality throughout the organisation.

As a proud member of the pioneering industry collaboration Watch & Jewellery Initiative 2030, we are confident that luxury brands across borders and competition can solve some of the bigger challenges in our industry. Full traceability for gemstones is one of many challenges left to solve, but we're working hard to achieve significant progress already in 2024.

At Tom Wood, we recognize that our outstanding employees, as well as our global partners, are our most valuable assets. Therefore, we have placed even greater emphasis on our people over the past year. Culture emanates from the top, and we are dedicated to facilitating competence growth and personal development every single day. Never have we been as focused on setting responsibility related goals for the company, our departments, employees, and partners.

Running a growth-oriented company, while maintaining exceptionally high standards in everything we do, presents numerous challenges, but also opportunities. The current global landscape characterised by increased geopolitical tensions, increased inflation, rising interest rates, and soaring prices adds complexity. However, the climate crisis remains the greatest challenge of all, and we take it with the utmost seriousness. Our ambition is to move forward with an even greater open source-mentality and share discoveries as well as challenges and solutions with our peers. To inspire and to lead by example – to show that a lot more can be done – regardless of company size. Our promise is that we will continue building a jewellery house for the future, with responsibility as the cornerstone of our journey.

A handwritten signature in black ink, which appears to read 'Morten Isachsen'. The signature is fluid and cursive.

Morten Isachsen
CEO

April 10th, Oslo

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Our responsibility mission

Our fundamental mission is to be a progressive jewellery house, paving the way for a more responsible future.

Over the past year, our responsibility journey has made significant progress, reinforcing our belief in our responsibility to lead meaningful change within the jewellery industry. With our expansion, we've not only broadened our impact but also deepened our commitment to leading by example. Building on our ambitious objectives, we've more than doubled our goals in our Responsibility Roadmap, showcasing our dedication to go above and beyond.

Our sustainability efforts remain rooted in a holistic approach, encompassing every facet of our organisation and supply chain. We believe in a balanced integration of social, environmental, and economic principles into our core strategies and practices, enhancing our focus on transparency, engagement, accountability, and carbon reduction.

This year, our goal is to reduce our environmental impact further, tackling climate change, resource scarcity, biodiversity loss, and the shift towards a circular economy head-on. We're more committed than ever to innovating and creating positive change for our customers, employees, and the industry at large.

Recognising the journey ahead, our optimism is fuelled by the progress we've made. We look forward to continuing to share our experiences, challenges, and successes with our growing community.

2023 Highlights

In 2023, we became a Maison member of the Watch and Jewellery Initiative 2030, and we also achieved Responsible Jewellery Council COP certification.

22%

reduction in overall emissions
from 2022 to 2023

100%

recycled
silver & gold

100%

traceable
precious metals

100%

tier 1 jewellery suppliers
RJC COP certified



53%

average renewable energy
across tier 1 suppliers

53%

women in
leadership roles

Our responsibility strategy

In 2023, we continued to integrate responsibility throughout our company as we progressed our strategic priorities and revised our action plan to push ourselves to new standards, prioritising transparency, accountability, and ongoing carbon emission reduction.

Responsibility Roadmap: a 3-year action plan for sustainable development

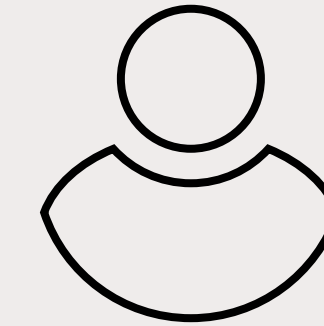
In 2023, we laid out 24 sustainability milestones to achieve by 2025, striving to forge a brighter future for both Tom Wood and the broader industry. As the year concludes, we've surpassed expectations, meeting 17 of our 24 objectives already in year one. While we take pride in our progress, we're not resting on our laurels. We aim to continually challenge ourselves, thus we're elevating our ambition by adding new targets — unveiling Tom Wood's Responsibility Roadmap 2.0. comprising 88 goals.

In our renewed commitment to redefine our roadmap, we're intensifying our focus on industry collaboration and aligning with global benchmarks. We've proudly joined the UN Global Compact, endorsed the UN Women's Empowerment Principles, achieved RJC certification, and become integral members of the visionary Watch and Jewellery Initiative 2030. This year's experiences have sharpened our strategies, leading us to set more audacious timelines for certain objectives while granting extended timelines for others. We concentrate our responsibility efforts where we can make the most impact, driving positive change through our commitment to People, Product, and Planet.

Responsibility Roadmap 2.0.
Goals per category

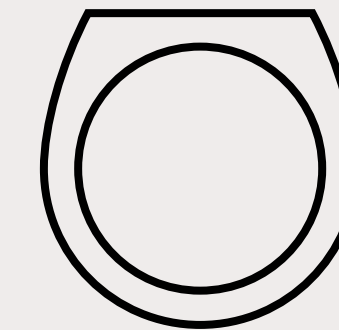
29

People-related
goals



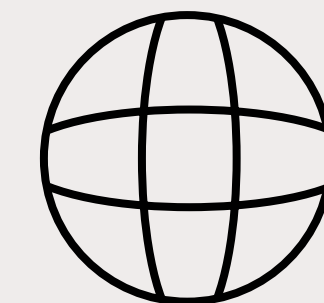
23

Product-related
goals



36

Planet-related
goals



UN Sustainable Development Goals

WE SUPPORT



The UN Sustainable Development Goals (SDGs) are a global call to action aiming to eradicate poverty, safeguard the planet, and guarantee peace and prosperity for all by 2030. With 17 goals addressing critical global challenges like poverty, inequality, climate change, and environmental degradation, the SDGs serve as a comprehensive framework for sustainable development.

Our sustainability commitment aligns with the SDGs, shaping our strategies and operations to make a positive global impact. By embedding these goals into our business practices, we not only push forward our sustainability efforts but also contribute to worldwide sustainable development. Specifically, Tom Wood has identified six SDGs that closely align with our business, where we can deliver the most significant impact.



5. Gender Equality

We're proud to have at least 50% representation of women in our management teams and to be signatories of the UN Women's Empowerment Principles (WEPIs).



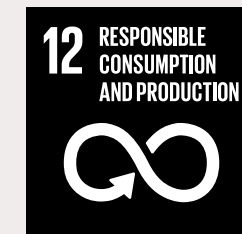
7. Affordable and Clean Energy

We're committed to transitioning to renewable energy across our operation and supply chain. On average, our jewellery manufacturers use 53% renewable energy to make our products.



8. Decent Work and Economic Growth

We are dedicated to ensuring fair wages and fostering opportunities for career advancement.



12. Responsible Consumption and Production

We're dedicated to source responsible materials across our product and packaging categories. Our precious metals are 100% recycled.



13. Climate Action

We are on our journey towards net zero, this year reducing our overall footprint by 22%.



17. Partnerships for the Goals

Creating a responsible future demands collaborative action across and within our industry. Our partnerships, including key players such as the Watch & Jewellery Initiative 2030 (WJI2030), Responsible Jewellery Council (RJC), and the UN Global Compact, are a few highlights. These alliances are carefully selected with organisations that closely align with our values.

The challenges of our industry are too big to solve alone.

The jewellery industry, traditionally competitive, is facing sustainability challenges too vast for any single company to tackle individually.

While competition is a natural element within the sector, we believe sustainability to be an arena for collaboration, not competition. Recognising the immense scope of these challenges, we eagerly accepted the invitation to join the world's leading sustainability initiative in the jewellery industry, the Watch and Jewellery Initiative 2030.

Founded by Kering and Cartier, WJI 2030 aims to unite industry competitors in addressing key sustainability issues, creating shared goals, frameworks, and methodologies. As part of this visionary group of 21 Maison members, we collaborate monthly, setting aside competition to forge meaningful, collective progress. As both Tom Wood and our initiative progress, we will continue to share our insights and encourage others to do likewise, aiming to accelerate our collective stride towards sustainability.

People

We want to foster a culture of transparency, inclusiveness, and accountability. At Tom Wood, we regard social and environmental responsibility as two sides of the same coin. Behind every Tom Wood product are individuals we are committed to. Ensuring fair, safe, and healthy working conditions for our team and across our supply chain is our paramount responsibility



OUR COMMITMENTS

We are dedicated to fostering a workplace that prioritises diversity, cultivates inclusivity, and encourages growth, positively impacting our communities of employees, partners, and suppliers.

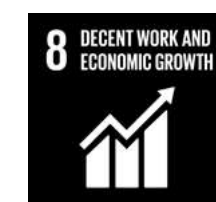
OUR PROGRESS

- 54% women in leadership positions
- Endorsed UN Women's Empowerment Principles
- Engagement Survey Score of 4.31/5
- RJC COP certification

OUR NEXT STEPS

Having already achieved our goals on women in leadership as well as our inclusion score, we will now focus on maintaining and improving against these targets. Looking ahead our focus will be on developing our Responsibility Training Program, and further broadening our supply chain due diligence to include vendors and partners beyond our jewellery supply chain.

SDGs





Responsibility governance

Since 2020, we've embedded responsibility into our company through a system of accountability. Our responsibility strategy is overseen by the Head of Sustainability and the Managing Director, with overarching support from our Board. Our sustainability goals are woven into our business strategy, reflecting our commitment from vision to values. "Responsible" is one of the four foundational company values guiding our brand and leadership approach.

As a part of our ongoing efforts to embed sustainability throughout our business, we in 2022 incorporated sustainability as a formal element in our employee performance assessments. Guided by our responsibility roadmap, annual targets are broken down into company, department, and personal goals for the employees where applicable and appropriate, and progress is considered during both team and individual evaluation processes.

It is our belief that a sustainability strategy will only be as successful as the people it depends on. Therefore, ensuring internal communication and sharing of knowledge is key to the overall success of the project. This is ensured through our Responsi-

bility Training Program, consisting in part of responsibility onboarding of all new employees, staff training for retail employees, sales training for the wholesale department, and bi-annual strategy presentations which are attended by the whole company. In addition, we have established a communication channel in which all employees can share inspiration and ideas.

Our organisation

Tom Wood, headquartered in Oslo, Norway, was founded by Creative Director Mona Jensen in 2013. As of 2023, we employ 51 people globally, working from our headquarters, flagship stores in Oslo and Tokyo, or in a hybrid manner.

The company is governed by a board of directors who convene monthly, an executive management team, and a management team that offers operational insights to the board. Additionally, we have established a Responsibility Team, comprising team managers whose primary task is to collaboratively advance our responsibility strategy across our operations.

Our team at a glance

34

Working at HQ

15

Working in Retail

2

Working Remotely

10

Nationalities in total



Our culture

On our responsibility journey, Tom Wood prioritises not only environmental responsibility but also the cultivation of an inclusive and diverse workplace. Recognising our employees as our foremost asset, we are committed to fostering a space where everyone can flourish – professionally, economically, and socially. We believe our approach not only enriches our workplace but is instrumental in driving our company forward through innovation, engagement, and employee satisfaction.

Receiving feedback from our employees is key in developing a healthy and thriving culture. Our commitment to employee well-being and development is reflected in our structured appraisal system, with a minimum of two reviews per year, complemented by monthly or bi-monthly check-ins for all employees. As a growing company, we place additional emphasis on the onboarding of new employees, believing that successful onboarding is crucial in developing engaged, productive, and content employees. The onboarding of new employees is fully streamlined and includes onboarding surveys and manager check-ins after the first week, one month, three months, and six months in any new position.

Anonymous employee engagement surveys are conducted annually to ensure that we are on the correct path in relation to culture, career development, and overall employee satisfaction. The results of these surveys are shared with all employees as we believe transparent communication is foundational to creating an inclusive workplace. It is the responsibility of our management group to address areas of improvement through actionable goals which in turn are communicated to all employees.

In 2023, we had 83% engagement on the survey, and we scored an all-time high average score of 4.31 out of 5 across 39 questions. The questions span categories such as leadership, employee development, and company culture.

Inclusion & Diversity

Our aim is to become an employer of choice, known for being an inclusive luxury brand with a diverse and engaged workforce. We believe that a diverse workforce fosters greater creativity, innovation, and smarter decision-making. We actively and systematically promote equality, inclusion, and diversity within our workplace, focusing on our recruitment processes, promotions, benefits, and pay, as well as career development at personal, departmental, and organisational levels.

We're proud to have at least 50% representation of women in our management teams. This is a target we've reached and intend to keep in the future. We want to reflect this in our board as well, leading to a decision in which 1/3 board members will be female from 2024.

As we grow globally, our team reflects this expansion, encompassing 10 nationalities among 51 members. Addressing geographical distances, language barriers, and cultural diversity is crucial in building an inclusive workplace. We regard this diversity as a significant strength on our international journey.

Health and Wellbeing

The health and wellbeing of our employees remains our utmost priority. We are committed to providing comprehensive benefits tailored to the diverse needs of our workforce.

Our jewellery suppliers

We value cooperation and believe that the challenges facing our industry must be addressed collectively. Only through collaboration can we foster the sustainable innovation and systemic change necessary for our industry to implement the essential improvements for future generations. As a company, we have consciously chosen to partner with suppliers who share our commitment to sustainability and accountability within their supply chains. As we expand our due diligence efforts, we encourage our suppliers to grow alongside us.

A primary focus of our social responsibility strategy is to continuously enhance our understanding of our supply chain, promoting accountability, transparency, and social responsibility throughout. We are developing appropriate due diligence processes that allow us to assess and mitigate risks in our supply chains and advance our sustainability goals. These processes include selecting and onboarding suppliers, evaluating, and monitoring supplier due diligence processes, and engaging in joint ventures such as product traceability, data control, and the transition to renewable energy sources.

Our commitment to responsibility is echoed by our suppliers, all of whom demonstrate a readiness to adapt and innovate, with examples including investments in solar power, water purification systems, and the recycling of materials. Every detail matters, and we maintain ongoing dialogue with all our manufacturers, encouraging and supporting their efforts towards sustainability.



1 HQ - Oslo, Norway

2 Production - Bangkok, Thailand:

- Goldfine Manufacturers Public Co., Ltd.
- Jewelry Planet Limited
- Meo Jewelry Co., Ltd.
- Ennovie Co., Ltd

Our suppliers at a glance

100%

tier 1 supplier
transparency

100%

RJC COP certified
tier 1 suppliers

25%

signed UNWEP

50%

UNGC participants

100%

signed Supplier
Code of Conduct

100%

engagement on
ESG surveys

53%

renewable energy
at tier 1 suppliers

Commitments and certifications

Above all we believe close collaboration and honest communication are at the core of our supplier relationships. We monitor social and environmental risks among suppliers through risk assessments, in-person visits and third-party audits to support continuous improvement.

SUPPLIER CODE OF CONDUCT

We promote the adoption of the highest social standards across our supply chain requiring all suppliers to adhere to the principles expressed in our Supplier Agreement and our Supplier Code of Conduct. Our Code of Conduct is based on ILO Conventions, the UN Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights.

Our supplier Code of Conduct promotes sustainable business practices and accountability across our supply chain. We review and revise our Code of Conduct on an annual basis ensuring that it always aligns with the highest standards. In 2022 we revised our Code of Conduct with reinforced focus on high-risk areas in the jewellery industry, such as:

- Human and labour rights
- Health & safety
- Environment
- Responsible sourcing
- Transparency and traceability

Our Supplier Code of Conduct is available to the public in its entirety on our [website](#).



RESPONSIBLE JEWELLERY COUNCIL (RJC)

In 2021, Tom Wood joined the Responsible Jewellery Council (RJC), the leading authority on sustainability standards in the international watch and jewellery industry. As a member, we advocate for responsible practices, focusing on environmental impact, traceability, and fair working conditions. The RJC sets a benchmark for the jewellery supply chain and offers mechanisms to validate corporate responsibility through independent audits.

In 2023, we passed an audit by SGS, an independent auditor, and received the Code of Practices (COP) certification. This achievement underscores our dedication to ethical, environmental, and social integrity. The COP certification, unique in the industry, spans the entire jewellery production process and is a globally recognised hallmark of business ethics and responsible supply chain management.

Furthermore, all our jewellery manufacturers are certified RJC members, ensuring adherence to responsible business standards across our immediate supply chain.



WATCH AND JEWELLERY INITIATIVE 2030

Tom Wood is proud to join the Watch and Jewellery Initiative 2030, a transformative effort initiated by Cartier and Kering, in partnership with the Responsible Jewellery Council. Driven by the shared conviction that global Sustainable Development Goals (SDGs) and aspirations for a sustainable industry can only be achieved through collaboration, this initiative unites key stakeholders in committing to three ambitious, common objectives: building climate resilience, preserving resources, and fostering inclusiveness.



UN GLOBAL COMPACT & UN WOMEN'S EMPOWERMENT PRINCIPLES

In our commitment to sustainability and ethical practices, Tom Wood's participation in the UN Global Compact and endorsement of the UN Women's Empowerment Principles underscore our dedication to global sustainability and gender equality. These actions reflect our core values and Norway's leadership in social responsibility, demonstrating our role in advancing environmental stewardship, ethical business practices, and equality.

Transparency

We advocate for our customers to make well-informed choices regarding their purchases. We are committed to offering as much detail as possible about each stage of our supply chain. To this end, we ensure full transparency concerning our evolving ESG (Environmental, Social, and Governance) initiatives, fair labour practices, and ethical business standards.

In June 2021, Norway's Parliament enacted the Norwegian Transparency Act. This Act mandates companies to ensure human rights and decent working conditions within their operations and supply chains. We wholeheartedly support this initiative. Although the Act does not require the disclosure of manufacturer details, we choose to promote complete transparency. To set a precedent, we share information about the manufacturer of every Tom Wood product on our website. In 2023 we reported on the Act for the first time. The report is available for download in Norwegian on our website.

Product

At the core of our business is the creation of high-quality products, mindful of the environmental footprint left by their creation. Our sustainability initiatives focus on minimising this impact from design to production, embedding sustainability and durability into each jewellery piece. From conserving natural resources to ensuring product longevity, our strategy champions superior craftsmanship, material traceability, and the adoption of recycled metals. We're committed to upholding the highest standards, ensuring ethical, sustainable, and transparent operations with minimal environmental impact.

OUR COMMITMENTS

Our mission is to craft timeless, high quality products through a transparent and responsible supply chain.

OUR PROGRESS

- 100% recycled and traceable precious metals
- 100% RJC certified manufacturing

OUR NEXT STEPS

We continue to strive for our ultimate goal of 100% product traceability, with imminent milestones including 100% traceability of diamonds and 30% traceability of gemstones. Moreover, circularity is a priority, with plans to initiate our first closed-loop project by the end of 2024.

SDGs



Design, innovation and digital workflow

We are committed to integrating sustainability further into our design processes, actively searching for innovative solutions that enhance both our products and manufacturing techniques. While we hold a deep respect for traditional jewellery making, we acknowledge the need for new solutions to drive our industry forward, improving efficiency and environmental stewardship. At Tom Wood, we believe in the synergy between traditional craftsmanship and digital innovation, demonstrated by our investment in an in-house lab equipped with 3D printers and laser engraving machines.

Our digital tools facilitate rapid prototyping and streamline supply chain operations. By employing CAD software and advanced 3D printing, our product development team can efficiently transition from digital designs to tangible prototypes. This process culminates in a final sample, mirroring traditional casting methods while significantly reducing the need for labour-intensive techniques. This approach allows for designs to be easily adjusted or replicated, underlining the value of integrating digital technology in the art of jewellery creation.

Responsible sourcing

In creating jewellery that we love, it's equally as important that we feel good about where it comes from. As the biggest risks in our supply chain happens at the material extraction level, we've put further emphasis on how and from where our materials are sourced.

In 2023 we continued to build upon our due diligence processes which allow us to assess and mitigate risks in our supply chain. Our Code of Conduct was revised in 2022 to include a separate chapter on sourcing ensuring no raw materials, gemstones or diamonds are sourced from areas of conflict (CAHRAs), as defined by the OECD. In addition, we yearly review the due diligence processes of our suppliers to ensure alignment further down the chain.

As we delve deeper into our supply chain there are quite a few data challenges that arise. Whereas our immediate supply chain has remained relatively stable, sub-suppliers may change with every bulk order. This requires both us and our suppliers to adopt new ways of working and data-sharing.



Our materials

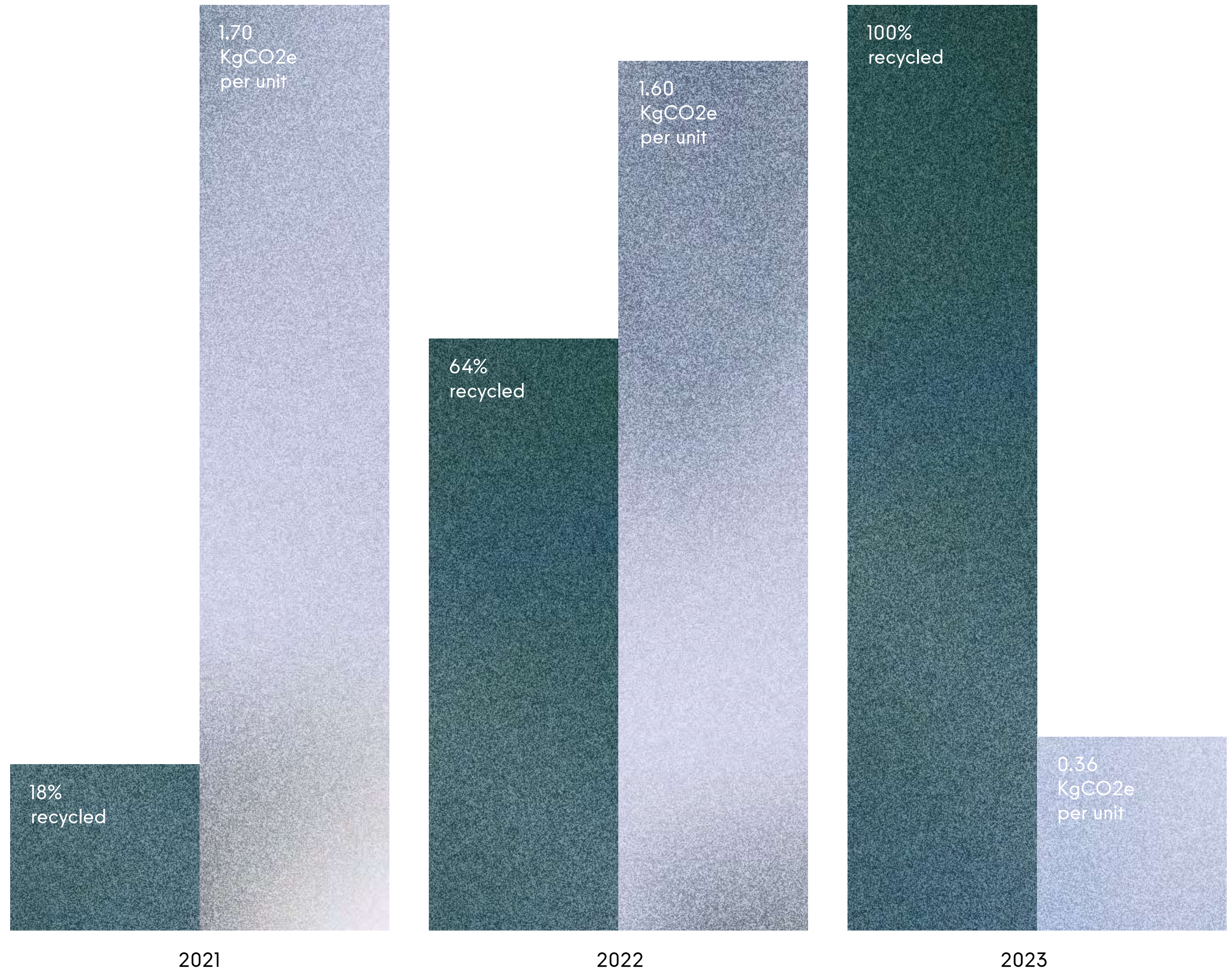
RECYCLED METALS: EMBRACING CIRCULARITY

Silver and gold are the most utilised metals in our jewellery and therefore the most impactful place to start our journey towards circularity. In 2023 we completed our shift from virgin to recycled gold and silver, in line with our goal set in our Responsibility Roadmap. In addition, we reached 100% use of recycled rhodium for our plating, with a yearly average use of 56%.

Recycling and repurposing metal is one way of reducing the environmental impact of jewellery production. As silver and gold are renewable resources, they can be recycled repeatedly without losing value or purity. During production, all metal scraps are recycled back into the system, thereby creating no waste.

The switch to recycled metals significantly reduces our CO2 emissions as well as our impact on nature. We have been on a journey over the past three years, increasing our usage of recycled metals from 18% in 2021, to 64% in 2022 to 100% in 2023, reducing our emissions per unit produced with 78% in the same period.

Our precious metals are 100% traceable*, sourced from RJC certified metal refineries.



*100% traceable to the metal refineries in which our suppliers purchase the metals.

Our materials

GEMSTONES AND DIAMONDS

Our gemstones and diamonds originate from all over the world and are sourced through our trusted, RJC certified suppliers. We exclusively purchase polished natural diamonds which have been sourced following the principles of the World Diamond Council's System of Warranties. As a member of the RJC, we undergo audits from a third party which will verify that we receive a SoW warranty declaration on all purchase invoices from our suppliers and that all our invoices include the warranty declaration as well.

The mining and trading of gemstones is a cultural tradition in communities around the world, where knowledge and skilful practice of their sourcing is passed down through generations. The majority of coloured gemstones come from small-scale artisanal mines spanning more than 40 countries. The industry is immensely complex and fragmented, making it challenging to trace a gemstone's origin. Achieving traceability of gemstones is one of the biggest challenges, not only for Tom Wood, but for the jewellery industry at large. In 2023 we did our first baseline analysis on gemstone origin, with a corresponding action plan taking us towards our long-term goal of full product traceability.



Unlocking traceability may be our industry's biggest challenge

Achieving traceability for coloured gemstones is a formidable challenge due to their supply chain's complexity and fragmentation. Mined in remote areas by small-scale operators, these gemstones undergo numerous transactions—from extraction to market—complicating oversight. The absence of a standardised system for tracking their origins and transit further impedes transparency efforts. Addressing these logistical, regulatory, and technological barriers requires industry-wide collaboration.

Despite our commitment to timely goal achievement, our initial aim for complete product traceability by the end of 2024 proved overly optimistic. This realisation prompted a strategic pivot towards a more incremental approach to traceability. We have now set a revised target of achieving 30% traceability for our gemstones by the end of 2024, underscoring our adaptable and realistic commitment to enhancing supply chain transparency.



Responsible production

Our production is only as responsible as our suppliers. All our main jewellery manufacturers are certified members of the RJC, having undergone the Code of Practices audit. Having undergone the audit ourselves in 2023, we've identified the framework as being a solid foundation for any sustainable business. Covering due diligence processes regarding human and worker rights, traceability, and environmental protection we regard the certification to be an important measure to manufacture responsibly. To ensure continued alignment of these practices we exclusively manufacture at RJC certified suppliers.

We maintain a stable group of suppliers, including some partnerships established from the outset. We actively collaborate with our manufacturers to align on sustainability practices, spanning operations, working conditions, methodologies, and data exchange. Annually, we ensure to visit our suppliers, many of whom have reciprocated these visits.

Planet

We are resolute in our commitment to the green transition, focusing our efforts where our environmental impact is most significant. To pinpoint these areas, it's crucial to gain a comprehensive understanding of the environmental footprint of our entire operation. To this end, we've partnered with ESG consultancy Cemasys, which equips us with the necessary impact data and analytics. This collaboration aims to drive continuous improvement in supply chain engagement, emissions management, and decarbonisation efforts.

OUR COMMITMENTS

We are committed to safeguarding the natural world through decisive action against climate change, working towards our ultimate goal of net zero emissions.

OUR PROGRESS

- 22% overall emission reduction
- 79% reduction on our jewellery from 2022 to 2023
- 53% renewable energy at tier 1 suppliers

OUR NEXT STEPS

Looking ahead, we're aiming to continue our trend of reducing our footprint, setting an ambitious goal to further reduce by 10% in 2024.

SDGs



Acquiring accurate data is the foundation which enables us to make long term strategies for impact reduction we can validate. We are committed to communicate our ESG performance publicly through yearly reporting. Through sharing our learnings, we intend to contribute to and promote a culture of transparency.

HOW OUR EMISSIONS ARE CALCULATED

Our Corporate Carbon Footprint (CCF) has been calculated in accordance with the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG protocol). According to the GHG protocol, we categorise emissions into three groups or scopes.

Scope 1

Direct emissions

Emissions from owned or controlled facilities.

Scope 2

Indirect emissions

Emissions from the generation of purchased energy used by the organization. Examples: purchased electricity, heat and steam.

Scope 3

Indirect value chain emissions

Emissions that occur in the company's value chain, including both upstream and downstream emissions.

Upstream refers to emissions which derive from the activities of suppliers of the company, such as emissions from purchased goods and services, transportation of goods to warehouse and business travel.

Downstream emissions are generated after a product leaves the company's ownership, such as transportation of products to customers, use of sold products and end-of-use activities.

Source: Division of Greenhouse Gas Emissions.
Source: GHG Protocol (2015)

Decoupling growth from emissions

Decoupling growth from emissions is the greatest challenge to a sustainability-oriented growth company. Since beginning our emissions reporting in 2021, we've consistently lowered our total emissions each year, a success largely attributed to adopting recycled materials, altering our business practices, and discontinuing textile production.

Looking ahead, we aim to maintain our trajectory of reducing emissions while expanding our business. Despite the challenges and the awareness that not all solutions are immediately accessible, we remain committed to proactively seeking them out.

Our environmental impact

Our environmental impact has been broken down by scopes and categories per the GHG Corporate Standard and is expressed in carbon dioxide equivalents (CO₂e).

Total emissions by scope and categories

SCOPE	Emissions (tCO ₂ e)	Proportion of total emissions
Scope 1	0	0%
Scope 2	4	1%
Scope 3	352	99%

SCOPE 3 BY CATEGORY	Emissions (tCO ₂ e)	Proportion of total emissions
Jewellery	30.8	9%
Upstream transportation & Distribution	83.4	23%
Business travel	193.7	54%
Packaging	20.4	6%
Office supplies	17.4	5%
Fuel-and-energy-related activities	1.9	1%
Employee commuting	4.2	1%
End of life treatment of sold products	0.2	0%

Our Emissions at a glance

Tom Wood's overall GHG emissions in 2023 was 356 tCO₂e. This is a 22% reduction from 2022. Our reduction in emissions mostly stem from switching from virgin to recycled materials in our jewellery and the discontinuation of textiles.

TOTAL EMISSIONS

356 tCO₂e

SCOPE 1 AND 2 REPRESENTS

1% of total emissions

OVERALL EMISSION REDUCTION

22%

SCOPE 3 REPRESENTS

99% of total emissions

Scope 1 and 2 emissions

In our operations, we encountered a setback in 2023, witnessing an increase in our Scope 1 and 2 emissions from the previous year. Utilising the location-based method for Scope 2, our direct emissions surged by 186% compared to 2022, primarily due to opening our flagship store in Tokyo. Although we managed to procure Renewable Energy Certificates (RECs) for our Oslo Flagship Store, obtaining a certificate for our headquarters and Tokyo store proved challenging.

Emissions escalated from 1.4 tCO₂e in 2022 to 4 tCO₂e, constituting 1% of our total greenhouse gas (GHG) emissions. As we expand and open new retail locations, making renewable energy a priority will be key to keeping our Scope 1 and 2 emissions to a minimum.

Scope 3 emissions

Scope 3 emissions represent 99% of Tom Wood's total GHG emissions, thereby representing our biggest challenge and greatest opportunity to make a difference.

Scope 3 emissions are the sources of emissions that are beyond our direct control, such as purchase of goods and services, transportation, and business travels.

Business travel

54%

Transportation

23%

Jewellery

9%

Packaging 6%

Office supplies 5%

Fuels & Energy 1%

Commuting 1%

Jewellery

In 2023, our jewellery production saw a significant 79% reduction in GHG emissions, dropping from 147.7 tonnes of CO₂e to just 30.8 tonnes. This was chiefly achieved by transitioning to 100% recycled metals. While we had already incorporated 64% recycled materials in 2022, 2023 marked the completion of our shift to exclusively using recycled gold and silver. For plating metals, we transitioned to recycled rhodium mid-year, resulting in a 56% use of recycled rhodium for the year. The balance, 44%, was virgin rhodium, reflecting the period before the transition was fully implemented.

Jewellery makes up 19% of our total GHG emissions in 2023.



Transportation

Transportation emissions comprise upstream transportation and distribution. This is a methodological change from previous reporting years, where transportation was split between upstream and downstream categories. As Tom Wood pays and/or controls the freight to customers, these emissions have been moved to the upstream category to align with the GHG protocol. We've also made changes to the methodology removing RF in the emission factor, while including WTT emissions to all transportation-related categories, including business travel.

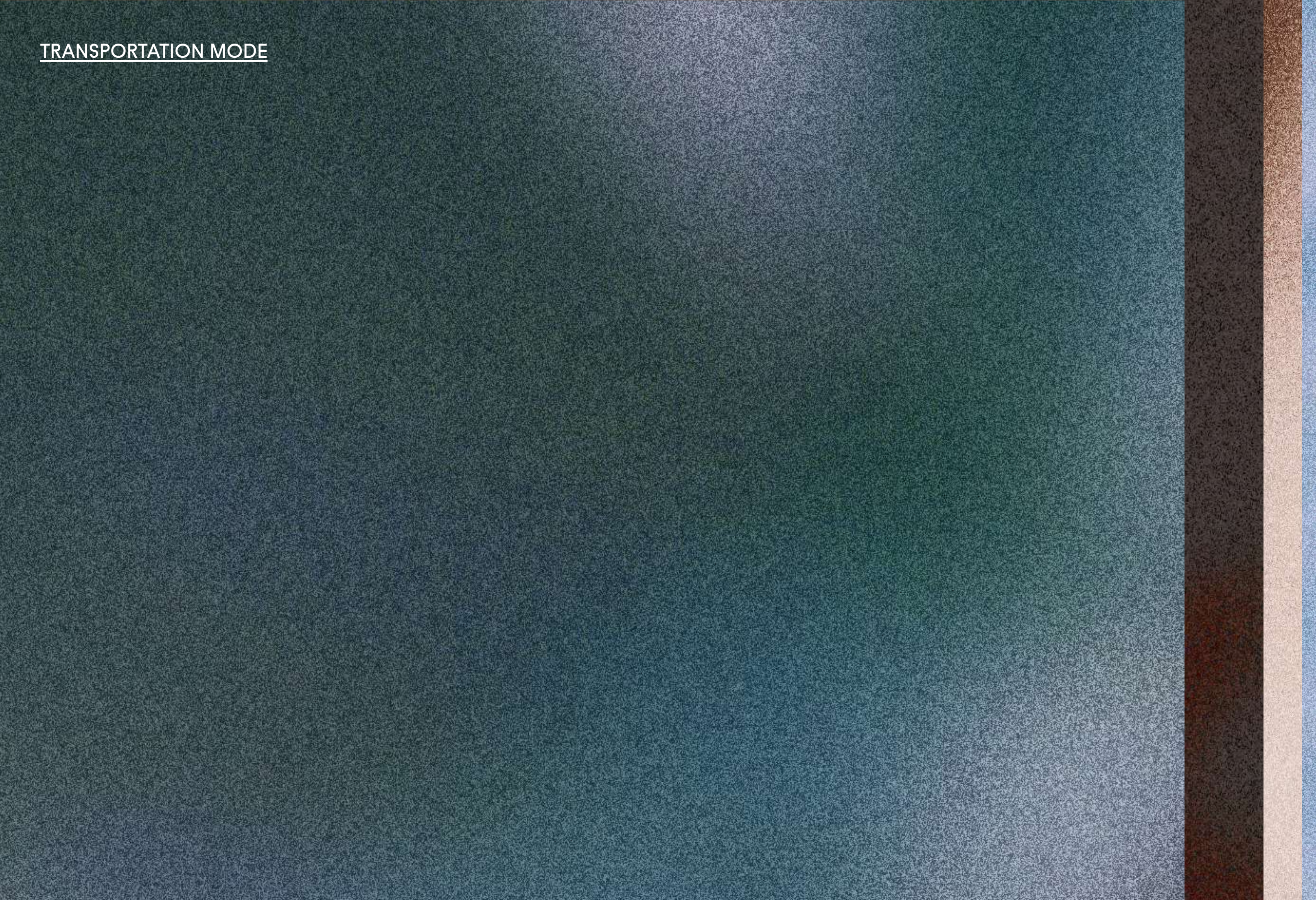
Overall emissions from transportation were 83.4 tCO2e in 2023, compared to 177.5 tCO2e in 2022. This is a 53% reduction from 2022. This is mainly due to reduced transportation weight as clothing production was discontinued in 2022. Transportation makes up 23% of our total GHG emissions in 2023 and is thereby our second biggest source of emissions.

SUSTAINABLE AVIATION FUEL (SAF)

In 2023, Tom Wood collaborated with DHL to incorporate Sustainable Aviation Fuel (SAF), a biofuel derived from renewable resources like vegetable oils, animal fats, waste, and agricultural crops. Designed as an alternative to conventional jet fuel, SAF can slash greenhouse gas emissions by up to 80%* compared to fossil fuels. This initiative is bolstered by third-party verification, with companies receiving certificates to reflect their carbon emission reduction efforts through SAF investment. As an interim solution pending the development of low-carbon aircrafts, SAF allows companies to take action on their emissions.

Following the certificate provided by DHL, Tom Wood's emissions from air transportation were 70.2 tCO2e in 2023. This contributes to a 6% decrease in the upstream transportation and distribution category, and 1% decrease in overall Scope 3 emissions. However, as this methodology of market-based emissions is undergoing review by the GHG protocol, we've decided against including them in our carbon accounting pending further clarification.

* <https://www.dhl.com/global-en/delivered/sustainability/scaling-up-sustainable-aviation-fuel-solutions.html>



TRANSPORTATION MODE	
Air	90%
Road	6%
Sea	3%
Facilities	1%



Business travel

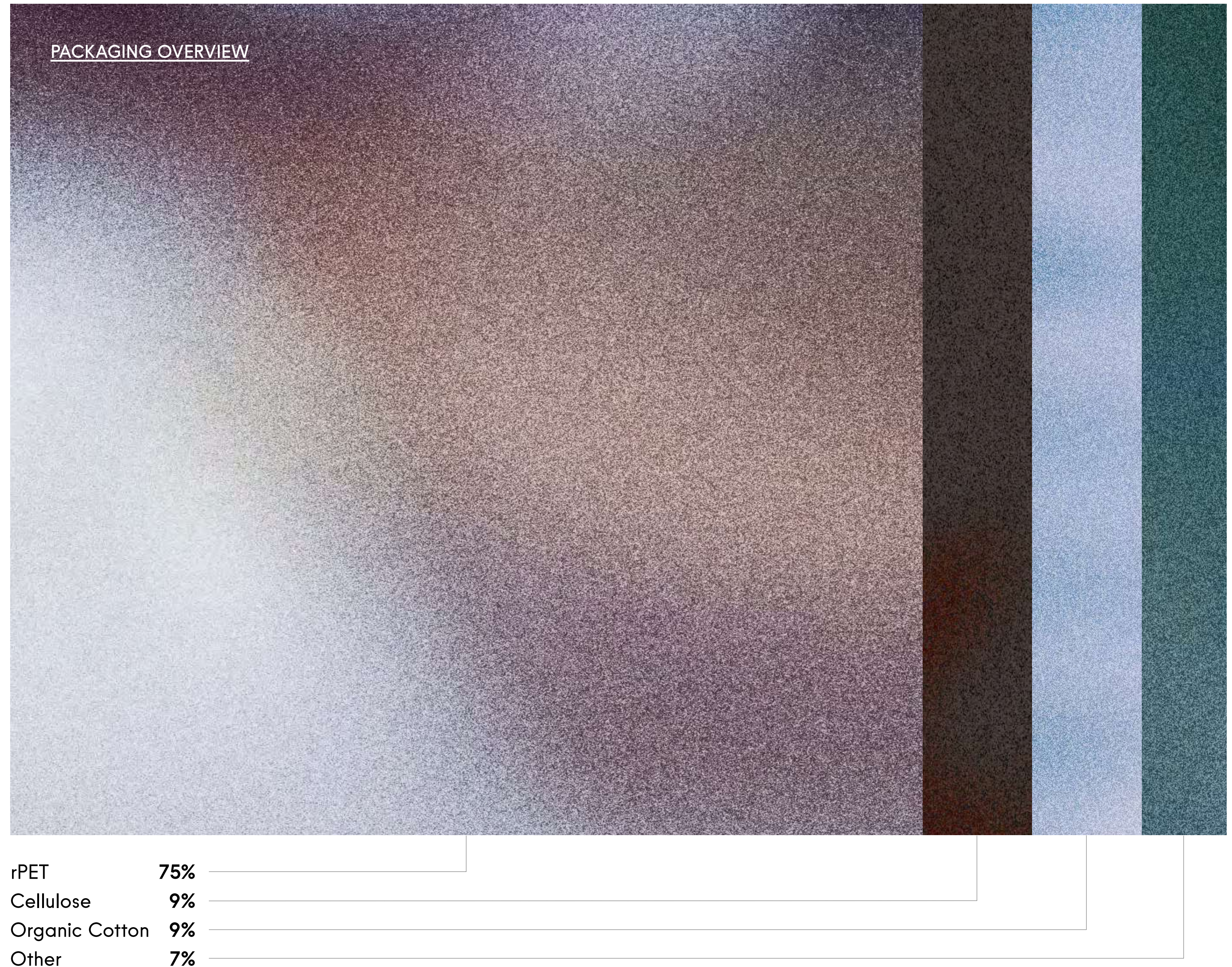
From 2022 to 2023, emissions from business travel surged due to our expanded activities in East Asia, marking it as our fastest-growing emissions category. We've also refined our reporting to incorporate Well-to-Tank (WTT) emissions, increasing this category's emission intensity by an additional 10%. Now constituting 193.7 tonnes of CO₂e, business travel accounts for 54% of our total emissions. While we acknowledge the necessity of travel for international expansion, we are committed to managing it more responsibly. Looking ahead, we plan to better manage our emissions by exploring options with travel management companies, aiming to implement a solution by 2024.

Packaging

Overall emissions from packaging in 2023 were 20.4 tCO₂e, a 16% increase compared to the year before. Lower emissions from packaging in 2022 were primarily due to excess packaging materials from 2021, which meant the company bought less volume in 2022 than normal.

Recycled PET had the largest footprint at 15.3 tCO₂e, making up 75% of total packaging emissions. The second largest contributor is cardboard and organic cotton, both making up 9% of total packaging emissions. All packaging materials are sourced with third party certifications, ensuring responsible sourcing of materials.

Packaging makes up 6% of our overall GHG emissions.



Rethinking retail

2023 was a landmark year for our retail, with the opening of our Flagship store in Aoyama, Tokyo. As we grow into new markets, being physically present with our own retail is a natural consequence. However, we want to make sure that responsibility is top of mind in every aspect of retail - from design to construction to operation. We have developed a Responsible Retail Manual, and with the appointment of our own Head of Retail Development as well as Head of Retail Operation, we have high ambitions for building stores that challenge traditional retail, with longevity and innovation leading our list of priorities.

TOM WOOD TOKYO STORE

The Tom Wood flagship store in Aoyama showcases a commitment to sustainability, emphasising the use of durable and reusable materials. The selection includes recyclable steel and the upcycled textile, Kvadrat Really, underscoring the brand's dedication to responsible design. Every decision, from material selection to functionality and quality, is made with longevity in mind, aiming to create retail spaces that endure and remain impactful for years ahead.







Renewable energy

Renewable energy is a fundamental pillar of the green transition. To maintain low emissions while scaling for growth, sourcing renewable energy for our operations is crucial. Currently, our Scope 1 and 2 emissions constitute just 1% of our total emissions. However, energy consumption in our jewellery production also needs consideration. On average, our manufacturers utilise 53% renewable energy, primarily through solar panel installations.

Biodiversity

Tom Wood prioritises biodiversity as a key area of our sustainability efforts, aligning with the WJI 2030 pillar: preserving resources. Recognizing the vital role of natural ecosystems in providing high-quality materials, we integrate nature risks into our supplier due diligence, ensuring responsible sourcing and conservation of ecosystems. This commitment underscores our dedication to environmental protection, reflecting our responsibility towards utilising recycled materials, responsible production, and the preservation of the planet for future generations.

Data and technology are crucial for sustainable development.

One significant hurdle in sustainability is data availability, lack of standardisation, and the need for robust systems to manage, process, and analyse data effectively. While some data points will inevitably be company-specific, there is a pressing need for industries and countries to harmonise their approaches as much as possible to simplify processes for all parties involved.

Currently, sustainability teams and suppliers grapple with an excess of manual data, highlighting the critical need for future automation and centralisation. In 2023, we introduced our new digital ecosystem, which combines top-tier systems and software designed with responsibility at its forefront. This setup enables deeper data insights, leading to enhanced control and more precise reporting. Through our active involvement in sustainability initiatives, both cross-industry and within specific sectors, we aim to contribute to and help shape the development of more efficient systems for the future.

Progress – Looking ahead

Advancing into 2024, we are eager to maintain our momentum and accelerate our journey towards a responsible future.

Our dedication to sustainability is unwavering, driven by a commitment to operate responsibly across all aspects of our business. Through the reinforcement of our environmental, social, and governance efforts, we seek enduring benefits for our company, employees, clients, and the industry at large. While we take pride in our achievements, we remain committed to the path forward, aiming to empower everyone in our community—from material sourcing to our end consumers. Our mission is to pioneer practices that protect our planet's resources, promoting open collaboration with partners, suppliers, and customers to accelerate sustainable advancement.

Key goals in 2024:

-
- 1. High focus on learning:**

As a result of our global expansion, we're becoming increasingly international. This proves a challenge to our learning programs as we want to ensure we keep our personalised approach to learning to an international audience. In 2024, we aim to launch an online training platform - ensuring we don't lose anyone along the way on our responsibility journey.

 - 2. Traceability:**

In 2024, traceability will be top priority. Building on our traceable metals, we have set goals of reaching 30% traceability of our coloured gemstones, and 100% traceability of diamonds.

 - 3. Embracing circularity:**

2024 is the year we bring our ideas regarding circularity into action, starting with a closed-loop project set to launch later in the year, and bringing improvements to our care & repair programs.

 - 4. Continuous carbon reduction:**

Despite an ambitious growth plan, we've set a goal to continue our trend of reducing our carbon footprint. In 2024, our aim is to reduce our overall footprint by another 10%.

 - 5. Utilising our voice:**

We believe it's our responsibility to continue the conversation around responsibility. Where we historically have taken a conservative approach, in 2024 we aim to use our platform more to talk about the work we do, the challenges we encounter, and the solutions we find along the way so that we can inspire others the way we've been inspired.

Limitations and improvements

Data accuracy is essential to both traceability and impact measurement. Better data accuracy yields more precise impact measurement, which in turn affects the effectiveness of the initiatives we implement. As approximately 99% of our overall emissions come from Scope 3, we must prioritise improving our data quality for Scope 3 emission factors. As a rule, the accuracy of impact assessments will increase along with the primary data we can collect. This is however quite challenging, especially the further you get in the supply chain.

We aim to enhance our carbon emission reporting accuracy by prioritising the following improvements:

- Enriched traceability on products utilising new system
- Further enrich product data with gemstones
- Develop more accurate calculation methodology for plating metals
- Establish supplier specific emission factors to enable tracking of renewable energy transition
- Automated tracking of business travel emissions
- Explore a centralised system for our logistics operation
- Acquire transportation data on B2B shipments organised by customers

Improved since last year:

- Enriched data on components and materials in our new ERP system
- Included diamonds into our carbon accounting
- Included electronic hardware into our carbon accounting
- Included marketing materials into our carbon accounting
- New routine for documentation control on all precious metals aligned with RJC guidelines
- Baseline analysis of renewable energy sources and consumption in supply chain

About our report

This is our Annual Responsibility Report for the calendar year 2023. Its purpose is to provide our stakeholders with a comprehensive insight into our responsibility initiatives within our business operations and supply chain.

The report has been prepared by Tom Wood's sustainability team in collaboration with Cemsys, who empower us with impact data and analytics for continuous improvement in the field of supply chain engagement and decarbonization.

Statement from Cemsys

Tom Wood received assistance from CEMAsys in generating the greenhouse gas (GHG) emissions accounting report. CEMAsys provides consultancy services and a GHG emissions accounting system aligned with the GHG Protocol. CEMAsys consultants have aligned consumption data provided by Tom Wood with the corresponding emissions factors and categorised it within its relevant scopes and scope 3 categories. The emission factors used in Tom Wood's GHG accounting derive from globally recognized sources including DEFRA, Ecolnvent, and IEA. Throughout the process, there has been an open dialogue between CEMAsys and Tom Wood to ensure accurate decisions are made for the company's emissions inventory.

Statement by Executive Management and the Board

The Responsibility Report 2023 has been prepared in accordance with appropriate accounting principles, providing a true and fair view of Tom Wood's responsible activities and efforts for the period 1 January to 31 December 2023.

Oslo, April 10th 2024

Adriana Klepsvik
Head of Sustainability

Morten Isachsen
CEO

Fredrik Kongsli
Chairman of the Board

Responsibility Roadmap 2023-2025

People

2023

2024

2025

- Completed
- Ongoing
- To be solved

Supply chain due diligence	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> COC signed by all suppliers <input checked="" type="checkbox"/> Onboard and survey all JWL suppliers through supply chain control platform 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> 100% RJC Certified manufacturing <input checked="" type="checkbox"/> Supply chain risk analysis 	<ul style="list-style-type: none"> <input type="checkbox"/> Annual review of COC <input checked="" type="checkbox"/> Onboard all significant vendors on Supply Chain Control platform 	<ul style="list-style-type: none"> <input type="checkbox"/> Annual review of COC <input type="checkbox"/> Update supply chain risk analysis 	<ul style="list-style-type: none"> <input type="checkbox"/> Annual review of COC <input type="checkbox"/> Update supply chain risk analysis
Transparency	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Annual NTA due diligence report 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Publish supplier list on webpage 	<ul style="list-style-type: none"> <input type="checkbox"/> Annual NTA due diligence report <input type="checkbox"/> Ensure updated supplier list 	<ul style="list-style-type: none"> <input type="checkbox"/> Annual NTA due diligence report <input type="checkbox"/> Ensure updated supplier list 	<ul style="list-style-type: none"> <input type="checkbox"/> Annual NTA due diligence report <input type="checkbox"/> Ensure updated supplier list
Certifications & commitments	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> RJC COP certification <input checked="" type="checkbox"/> UN Global Compact Participant 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Watch & Jewellery Initiative membership <input checked="" type="checkbox"/> UN WEP signatory 			
Equality, diversity & inclusion	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> 50% women in leadership <input checked="" type="checkbox"/> Culture score of 4.3/5 in survey 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> 90 % engagement on survey <input checked="" type="checkbox"/> DEI score of 4.5/5 in engagement survey 	<ul style="list-style-type: none"> <input type="checkbox"/> All tier 1 suppliers sign UNWEP <input type="checkbox"/> Implement company policy 	<ul style="list-style-type: none"> <input type="checkbox"/> Annual report on equality and non-discrimination in the workplace (when we reach 50 employees) 	
Employee growth & engagement	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Responsibility onboarding for all new employees <input checked="" type="checkbox"/> Responsibility training program 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Quarterly meetings with the responsibility team <input checked="" type="checkbox"/> Responsibility targets on company, department, and individual level 	<ul style="list-style-type: none"> <input type="checkbox"/> Annual review of responsibility targets <input type="checkbox"/> Launch online learning platform 	<ul style="list-style-type: none"> <input type="checkbox"/> Empower through education & inspiration 	<ul style="list-style-type: none"> <input type="checkbox"/> Annual review of responsibility targets <input type="checkbox"/> Empower through education & inspiration
Community, stakeholder & industry engagement	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Collaborative industry workshops with WJI 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Participation in collaborative forums in Norway (UN Global Compact Norway etc.) 	<ul style="list-style-type: none"> <input type="checkbox"/> Establish a responsibility communication channel <input type="checkbox"/> Launch community outreach program 	<ul style="list-style-type: none"> <input type="checkbox"/> Local volunteering 	

Product

2023

2024

2025

- Completed
- ▣ Ongoing
- To be solved

Traceability & responsible sourcing

- | | |
|---|--|
| <ul style="list-style-type: none"> ■ 100% traceability of recycled metals ■ New sourcing policy in supplier COC | <ul style="list-style-type: none"> ■ Analysis of gemstone traceability status ▣ Mapping of sub suppliers |
|---|--|
- | | |
|---|---|
| <ul style="list-style-type: none"> □ 30% traceability of gemstones □ Source all metals from RJC COC certified suppliers | <ul style="list-style-type: none"> □ Roll out next generation Responsible Material Guidance for all key materials □ 100% traceability of diamonds |
|---|---|

Recycled metals

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|--|---|
| <ul style="list-style-type: none"> ■ 100% utilisation of recycled silver ■ 100% utilisation of recycled gold | <ul style="list-style-type: none"> ■ 100% utilisation of recycled rhodium plating ■ 100% utilisation of recycled gold plating |
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Design & innovation

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| <ul style="list-style-type: none"> ■ In-house prototyping in Tom Wood Lab | <ul style="list-style-type: none"> □ Commit to at least one ESG innovation project |
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- | | |
|--|---|
| <ul style="list-style-type: none"> □ Introduce circular jewellery project | <ul style="list-style-type: none"> □ Commit to at least one ESG innovation project |
|--|---|

Responsible production

- | | |
|--|---|
| <ul style="list-style-type: none"> ■ 100% RJC Certified manufacturing ▣ Utilise demand-prediction software to optimise production volumes and avoid overproduction | <ul style="list-style-type: none"> ■ Supplier onboarding process |
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|---|--|
| <ul style="list-style-type: none"> □ Annual review of environmental management systems in supply chain | <ul style="list-style-type: none"> □ Annual review of supplier onboarding process |
|---|--|
- | | |
|---|--|
| <ul style="list-style-type: none"> □ Annual review of environmental management systems in supply chain | <ul style="list-style-type: none"> □ Annual review of supplier onboarding process |
|---|--|

Care & repair

- | | |
|---|--|
| <ul style="list-style-type: none"> ▣ Offer care and repair solutions in our retail locations | <ul style="list-style-type: none"> □ Launch a new care & repair program for e-commerce and retail □ Launch a jewellery care kit in e-commerce and retail |
|---|--|
- | |
|---|
| <ul style="list-style-type: none"> □ Introduce an in-store recycling program |
|---|

Planet

2023

2024

2025

- Completed
- Ongoing
- To be solved

Reporting	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Annual responsibility report <input type="checkbox"/> Review of data quality and reporting methodology 	<ul style="list-style-type: none"> <input type="checkbox"/> Annual and half-year responsibility report <input type="checkbox"/> Launch responsibility dashboard <input type="checkbox"/> Review of data quality and reporting methodology 	<ul style="list-style-type: none"> <input type="checkbox"/> Annual and half-year responsibility report <input type="checkbox"/> Review of data quality and reporting methodology
Carbon emission reduction	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> 100% renewable energy in HQ <input checked="" type="checkbox"/> Baseline analysis of renewable energy in supply chain 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> 100% renewable energy in Oslo Flagship store <input type="checkbox"/> 100% renewable energy in Tokyo store <input type="checkbox"/> Annual renewable energy analysis of supply chain 	<ul style="list-style-type: none"> <input type="checkbox"/> 10% overall reduction <input type="checkbox"/> Develop supplier specific emission factors <input type="checkbox"/> Annual renewable energy analysis of supply chain <input type="checkbox"/> Purchase RECs to offset remaining scope 1, 2 emissions <input type="checkbox"/> Purchase RECs to offset remaining production emissions in scope 3
Responsible retail development	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Responsible retail development guidelines 	<ul style="list-style-type: none"> <input type="checkbox"/> Develop responsible store concept <input type="checkbox"/> Introduce carbon emission calculator for store construction <input type="checkbox"/> Develop responsible concept for shop-in-shop 	<ul style="list-style-type: none"> <input type="checkbox"/> Develop responsibility spec for marketing materials <input type="checkbox"/> Open first responsible space
Packaging	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Roll out new e-com shipping boxes <input checked="" type="checkbox"/> New wholesale product pouch <input checked="" type="checkbox"/> Baseline analysis on packaging performance, needs, and areas of improvement 	<ul style="list-style-type: none"> <input type="checkbox"/> Launch new packaging program <50% recycled materials and recyclable <input type="checkbox"/> Eliminate single-use plastic in e-commerce and retail packaging <input type="checkbox"/> QR codes on packaging with care instructions and product information 	<ul style="list-style-type: none"> <input type="checkbox"/> Eliminate all single-use plastic packaging
Logistics	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Electric delivery and carrier service in Oslo <input checked="" type="checkbox"/> Change from Go Green offsetting to SAF 	<ul style="list-style-type: none"> <input type="checkbox"/> Launch solution reserve & return in store <input type="checkbox"/> Electric carrier service in Tokyo <input type="checkbox"/> Sustainable Aviation Fuel on 50% of D2C shipments <input type="checkbox"/> Establish direct product flow from manufacturing to asian markets 	<ul style="list-style-type: none"> <input type="checkbox"/> Sustainable Aviation Fuel on 100% of D2C shipments
Business travel		<ul style="list-style-type: none"> <input type="checkbox"/> Launch responsible business travel management solution <input type="checkbox"/> Reduce business travel emissions through SAF <input type="checkbox"/> Establish a carbon budget for the company 	
Biodiversity	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Include biodiversity risks in risk assessment 	<ul style="list-style-type: none"> <input type="checkbox"/> Conduct a biodiversity materiality assessment <input type="checkbox"/> Establish a nature roadmap and impact mitigation plan 	



For any inquiries email:
responsibility@tomwoodproject.com