

Responsibility Report 2022

Tom Wood

 [tomwoodproject.com](https://www.instagram.com/tomwoodproject.com)
www.tomwoodproject.com

TOMWOOD

INTRODUCTION	3
2022 AT A GLANCE	4
HOW WE GOVERN AND COMMUNICATE SUSTAINABILITY	6
CLIMATE ACTION	7
PEOPLE	9
PRODUCT	14
PLANET	22
LIMITATIONS AND IMPROVEMENTS	30
CHALLENGES AND LEARNINGS	31
PROGRESS – LOOKING AHEAD	33
RESPONSIBILITY ROADMAP 2025	34

Welcome to our responsibility report, aiming to present a precise and comprehensive account of our sustainability work across our pillars of People, Product, and Planet in 2022. With a focus on transparency and accountability across all operations, our aim is to operate our business responsibly by strengthening our environmental, social, and governance efforts to yield long term prosperity for all stakeholders.

OUR RESPONSIBILITY MISSION

Our responsibility journey is guided by our conviction that it is our duty to create meaningful and positive change in the jewelry industry. As we grow, so does our opportunity and responsibility to lead by example, which is why we set ambitious goals with our responsibility roadmap.

Our sustainability program adopts a holistic approach, taking a broad view of our organization and supply chain. We believe sustainable development practices are about balancing social, environmental, and economic principles in the core strategy and operations of our company. We've adapted responsible business practices throughout our core business, supporting our endeavor of advancing sustainability through transparency, engagement, accountability, and carbon consciousness.

We want to proactively contribute to reducing the impact of the major environmental challenges our planet is facing, such as climate change, scarcity of natural resources, loss of biodiversity, and the urgency of moving towards circular economy models. We wish to meet these challenges head on, driving innovation and positive change for the benefit of our customers, employees, and industry as a whole.

Although we are still far from the future we envision, we remain positive that our industry can make significant progress in the years to come. As we move forward, we will continue to be transparent about our challenges, learnings, and achievements along the way.

2022 at a glance

Key figures of the year:

Revenue

NOK 136 million

Manufacturing

12 suppliers across
6 countries

E-Commerce

45 countries

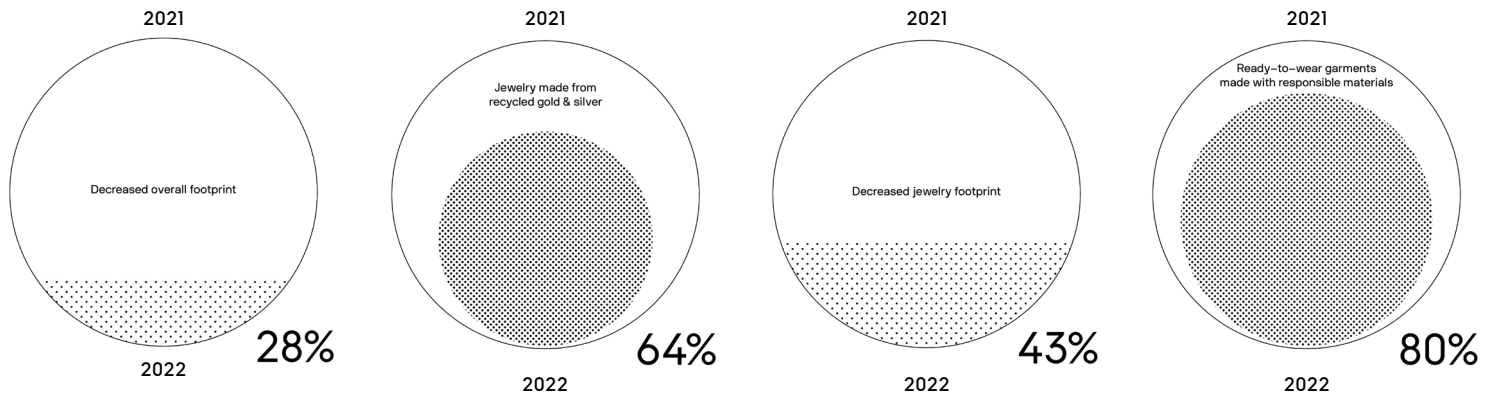
Wholesale distribution

300 retailers & e-tailers
in 25 countries

Our team

36 employees across
3 countries and
8 nationalities

2022 responsibility achievements:



Supplier policy

new Code of Conduct with special emphasis on responsible sourcing

Team development

new employee goal and career development program

Tom Wood Academy

new responsibility training program

HOW WE GOVERN AND COMMUNICATE SUSTAINABILITY

Tom Wood

Since 2020, we have put sustainability in the forefront of our business strategy. The overall responsibility of our sustainability strategy lies with the Head of Sustainability and with the Managing Director. Our targets are integrated in our overall business strategy, and supported by our Board.

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

evaluation processes. In addition, we have established a Responsibility Forum where key members from different departments meet quarterly to help drive and develop our sustainability agenda.

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 Responsibility Training Program, consisting in part of responsibility onboarding of all new employees, staff training for retail employees, sales training for the wholesale department, as well as bi-annual status presentations for the whole company.

We remain adamant to play our part in the green transition. That means steering our efforts towards the areas where we can contribute the most – that is, where our impact is the greatest. To understand where to focus our efforts, we have to acquire a detailed understanding of the environmental impact of all aspects of our operations. In 2022, we have engaged ESG consultancy company Cemasys to empower us with impact data and analytics for continuous improvement in the field of supply chain engagement, emissions management, and decarbonization.

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 environmental impact ambitions as well as our performance publicly through yearly reporting. Through sharing our learnings we intend to contribute to and promote the culture of environmental impact awareness.

HOW OUR EMISSIONS ARE CALCULATED

As a result of changing consultancy agencies, the carbon footprint for our base year (2021) has been re-calculated using updated and improved emissions factors. This is to ensure that historical data would correlate and that the relationship between data sets would be based on the same emission factors.

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, emissions are categorized into three groups or scopes.

SCOPE 1	SCOPE 2	SCOPE 3
Direct emissions	Indirect emissions	Indirect value chain emissions
Emissions from owned or controlled facilities.	Emissions from the generation of purchased energy used by the organization. Examples: purchased electricity, heat and steam.	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)



PEOPLE

Social responsibility
and due diligence



PRODUCT

Responsible product
development



PLANET

Our environmental
impact

OUR VIEW ON OFFSETTING

As a company, we've adopted a reduction over compensation approach. We believe the effort of reducing the emissions related to our business cannot and shall not be outsourced. Carbon compensation is only utilized if we have exhausted every reduction opportunity within our own operations. Hence, compensation is solely used as a last resort to address our impact. Buying a carbon credit (offsetting) means financing the reduction project of another party. While this is common practice in our industry, it is not nearly as efficient as reducing emissions within our own operation. According to the GHG protocol, buying a carbon credit

does not allow you to subtract the emissions from our own GHG report. At Tom Wood, we follow this principle thereby only listing carbon offsetting as an interim solution on our way towards net zero emissions in 2050.

KEY AREAS

Our responsibility efforts are focused on the areas where we believe we can have the biggest impact, driving positive change across our three pillars; people, product, and planet.

PEOPLE



OUR ORGANIZATION

Tom Wood is headquartered in Oslo, Norway with a satellite team in Paris. Founded by Creative Director Mona Jensen in 2013, we in 2022 employed 36 people globally working from our headquarters, our flagship store, or remotely.

Tom Wood is overseen by a board of directors who meet on a bi-monthly basis, an executive management team, and a management team who provides the board with insight into our operations. In addition we've established a Responsibility Team consisting of key members of each department whose task is to work collaboratively towards the responsibility strategy across our operation.

The mission of our responsibility initiative is to create a culture of transparency, cooperation, and accountability. At Tom Wood, we view social and environmental responsibility as two sides of the same coin. Behind every Tom Wood product there are people we wish to take care of. It is our responsibility to ensure fair, safe, and healthy working conditions both for our team and throughout our supply chain.

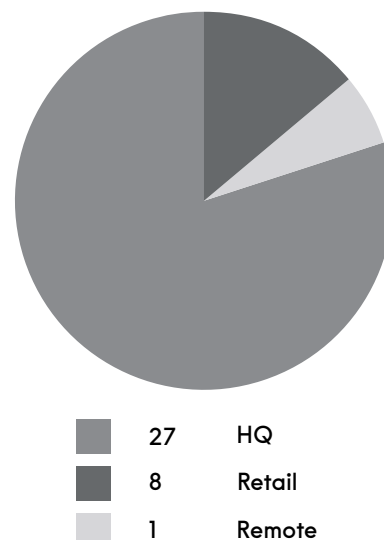
Our goal is to be an employer of choice, recognized as an inclusive high-end brand with a diverse and highly engaged workforce. We believe a diverse workforce allows for more ideas, creativity, and smarter decision making. Our approach is to work actively and systematically to promote equality, inclusion, and diversity in the workplace. We focus on our recruitment processes, promotions, benefits, and pay - as well as career development on a personal, departmental, and company level. In 2022 we had 8 nationalities represented amongst our employees: Norwegian, American, Danish, French, Japanese, Korean, Filipino, and Swedish.

OUR CULTURE

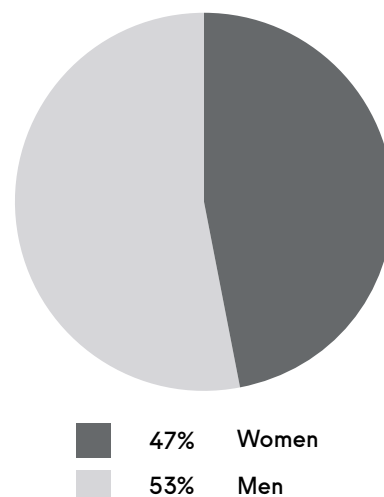
Besides integrating responsibility into our ways of working, we have also put substantial efforts in establishing an inclusive culture. At Tom Wood, we believe our employees are our most important asset. We aim to create a diverse workplace where employees will thrive professionally, economically, and socially. This in turn is likely to increase our growth KPI's by contributing to a more innovative, engaged, and satisfied workforce.

We conduct a minimum of two employee reviews (mid year and year end) every year, in addition to bi-monthly check-in meetings for all employees. Anonymous employee surveys are conducted every year to ensure that we are on the right course in relation to culture, career development, and overall employee satisfaction. As a growing company, we put extra emphasis on onboarding new employees as we believe successful onboarding is key in developing engaged, productive, and happy employees. Onboarding new employees is fully automated via our HR-software solution and also includes onboarding surveys after one week, one month, three months, and six months in any new position. In 2022 we also hired a Head of People & Culture with the intent of bringing employee development and engagement even higher on our agenda.

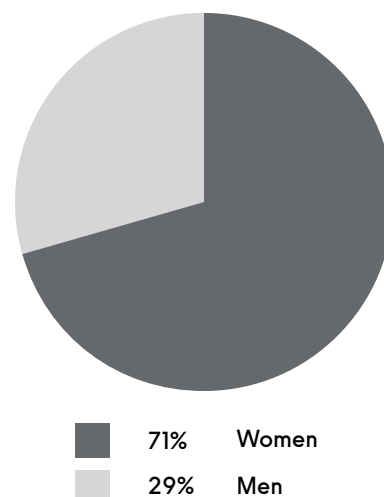
Place of Work



Workforce total



Management team



HEALTH & WELLBEING

The health and wellbeing of our employees continue to be of top priority. We strive to ensure comprehensive benefits that meet the needs of our diverse workforce. To meet these needs we have implemented extensive health and treatment insurance as well as private travel insurance for our employees.

SUPPLY CHAIN MANAGEMENT

We value cooperation and believe the challenges of our industry need to be solved together. Only through collaboration can we accelerate sustainable innovation and systemic change that is needed for our industry to make necessary improvements for future generations. As a company, we've made a conscious decision to work with suppliers who share our dedication to promote sustainability and accountability in their respective supply chains. As we broaden our approach to due diligence, we challenge our suppliers to evolve with us.

One of the key focuses of our social responsibility strategy is to continuously deepen our knowledge of our supply chain, promoting accountability, transparency, and social responsibility throughout. We are building appropriate due diligence processes which enable us to assess and mitigate risks in our suppliers' supply chains as well as make progress on our sustainability targets. Among these processes is our selection and onboarding of suppliers, identifying and monitoring supplier due diligence processes, and collaborating on joint ventures such as product traceability, data control and the transition to renewable energy.

Our commitment to sustainability is shared by our suppliers, with all of them showing willingness to adapt and evolve, exemplified by investing in solar power, water purification systems, and recycling of metals. Every detail counts and we have a continuous dialogue with all our manufacturers encouraging and supporting them in their efforts.

TRANSPARENCY

We encourage our customers to make informed decisions about their purchases. We believe in providing as much information pertaining to every step in our supply chain as possible. To that end, we maintain full transparency regarding our evolving ESG initiatives, fair labor practices, and ethical business standards.

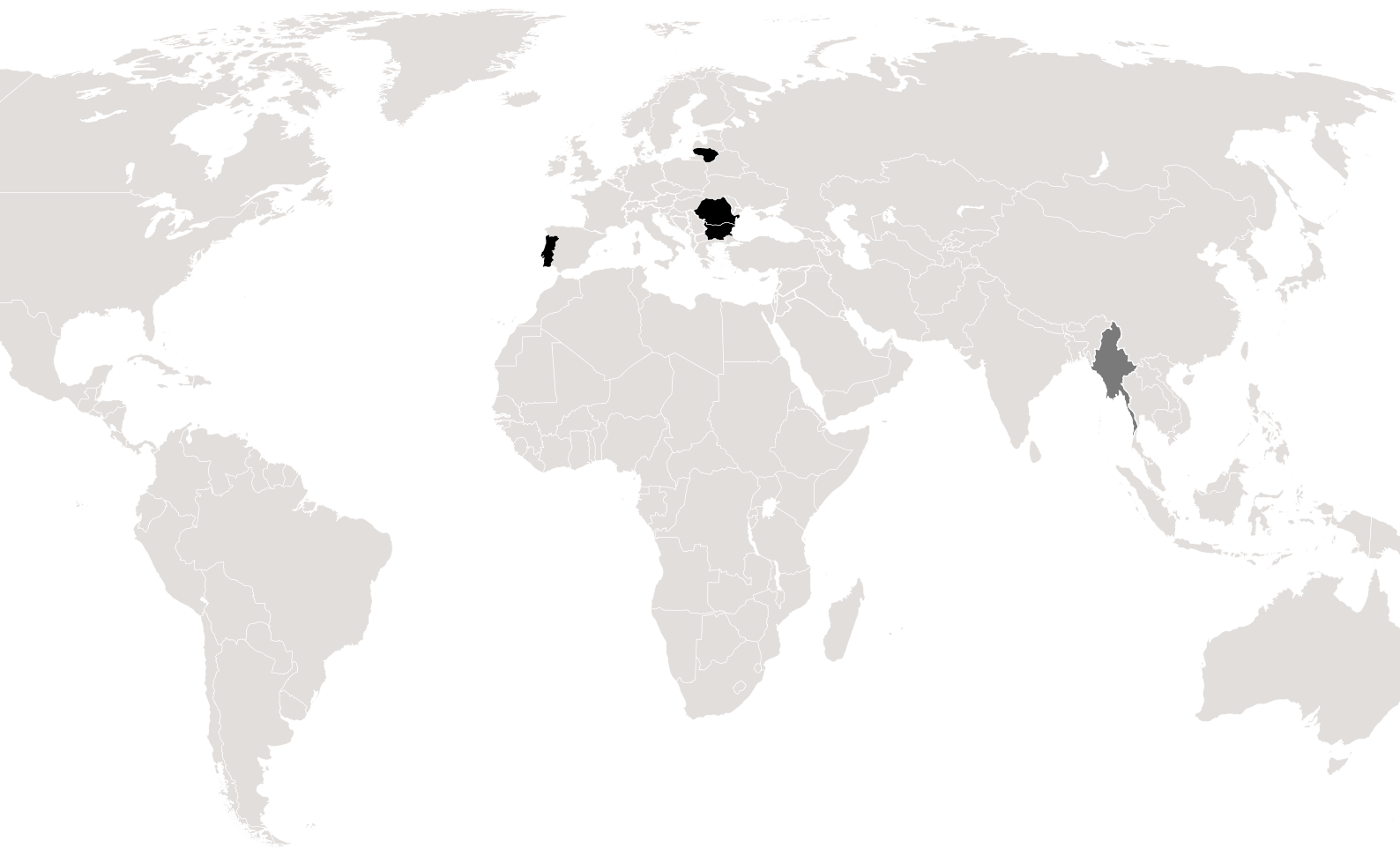
In June 2021 Norway's Parliament passed a new law, the Norwegian Transparency Act, requiring enterprises to conduct due diligence assessments looking at risks in their own operation as well as their respective supply chains. The purpose of the Act is to promote human rights and decent working conditions and make information publicly available so that consumers can make more informed choices. This is a change Tom Wood supports fully. Although the Act does not call for sharing of manufacturers, we want to promote full transparency and have chosen to do so voluntarily. To lead by example, we disclose manufacturer information on every Tom Wood product available on our website. In accordance with the Transparency Act, we will be publishing our first report with a full account of our due diligence assessment. In alignment with the Act's requirements, this report will be available on our website by June 30, 2023.

■ RTW

- Blue Line (Urbania, Italy)
- Baltic Fashion (Kaunas, Lithuania)
- Braincof SA (Romania)
- Cottonanswer SA (Portugal)
- Direne Confeccoes LDA (Portugal)
- Livian BG (Bulgaria)
- Outfit 21 (Portugal)
- SC Vector SRL (Romania)

■ JEWELRY

- Goldfine Manufacturers Public Co., Ltd. (Thailand)
- Jewelry Planet Limited (Thailand)
- Meo Jewelry Co., Ltd. (Thailand)
- Bella Port Jewelry Co., Ltd. (Thailand)



COMMITMENTS AND CERTIFICATIONS

Above all we believe close collaboration and open 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 its alignment with the highest standards. Following the closure of our RTW department we revised our Code of Conduct with reinforced focus on high risk areas in the jewelry industry, such as:

- Human and labor 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](#).

RJC

In 2021, Tom Wood became a member of the Responsible Jewellery Council (RJC), the leading authority for sustainability standards in the global watch and jewelry industry. The RJC promotes responsible practices in environmental impact awareness, ethics, and fair working conditions. The RJC has developed a standard of reference for the jewelry supply chain as well as reliable mechanisms making it possible to verify responsible corporate practices through an independent auditor.

By becoming a member we commit to achieving the Code of Practices (COP) certification within a two year period, reinforcing our commitment to exemplarity and transparency through its ethical, environmental and social conduct. The COP certification is the only industry standard covering the entire supply chain from start to finish of the jewelry production process. With a high focus on business ethics and responsible supply chain management, it is widely recognized as a global landmark standard.

In addition, all our main jewelry manufacturers are certified RJC members, thereby securing responsible business standards throughout our main jewelry supply chain.

PRODUCT



Making high quality products is at the heart of our business. At the same time we are aware that creating products leaves behind a considerable environmental footprint. As a result, a large part of our sustainability efforts is geared towards developing

strategies to reduce the impact in the design and production phases. Different product categories require different low impact strategies and to reflect this, we've chosen to present our efforts in two separate chapters: jewelry and ready-to-wear.

Each piece of jewelry is made with sustainability and longevity in mind, from design through prototyping, development, and final production. We value natural resources and aim to be carbon conscious at every step of the process. Our strategy for the jewelry category is largely focused on excellent craftsmanship, increased traceability of materials, and accelerating the use of recycled metals, all while ensuring ethical, sustainable, and transparent business practices throughout our supply chain.

Jewelry consists of 32% of Tom Wood's total GHG emissions in 2022. For a full breakdown of emissions related to our jewelry production, please refer to the product section in the chapter Our Environmental Impact.

DESIGN AND INNOVATION

We aim to further integrate sustainability into our design processes and identify opportunities for innovation which further improves our products and manufacturing processes to become more sustainable. Although we have deep appreciation for traditional jewelry techniques, we also recognize that our industry is in need of innovative solutions in order to grow, become more efficient and environmentally conscious. At Tom Wood, we believe traditional handcraft and digital innovation complement each other, which is why we have invested an in-house lab with various 3D printers and laser engraving machines.

DIGITAL WORKFLOW

Having access to 3D design software and printers in-house enables rapid prototyping and increased supply chain efficiency. With a digital workflow, our jewelry development team can use CAD software to create designs digitally and utilize our high-resolution 3D printers to produce prototypes. Once a final sample is achieved our excellent manufacturers will cast the design using traditional jewelry techniques, such as lost-wax casting.

RESPONSIBLE PRODUCTION

Our production is only as responsible as our suppliers. All our main jewelry manufacturers are certified members of the RJC, having undergone the Code of Practices audit. As we ourselves prepare for our own audit in 2023, we've identified the framework as being a solid foundation for any sustainability strategy. 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've decided that starting January 1, 2023 we will exclusively source all our manufacturing from RJC certified suppliers.

RESPONSIBLE SOURCING

In creating jewelry 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 where our materials are sourced.

In 2022 we have continued to develop 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 have reviewed our suppliers' due diligence processes 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 is 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.

TRANSPARENCY AND TRACEABILITY

Transparency is the key component to sustainable supply chains. Only through openness can we learn, identify risks, and mitigate them. We are committed to adopting the highest standards for transparency and traceability of raw materials and continue to work

collaboratively with industry organizations and our suppliers to promote best practices across our entire supply chain.

Our objective is to map out the complete product journey of all Tom Wood products. Given the lack of transparency and the complexity of jewelry supply chains, we heavily rely on our suppliers to share our ambition and support us as we work towards our goal of full product traceability before the end of 2024.

In order to reach this goal we will follow the following steps:

- Start mapping all our sub-suppliers by bulk order, starting in 2023
- This includes: supplier, sub supplier, and country of origin/mine where possible
- Conduct a risk assessment on all sub suppliers with special emphasis on identifying mines in conflict areas and high risk countries
- Continuous due diligence, monitoring supply chain risks, and reporting on a yearly basis following the principles of OECD and the Norwegian Transparency Act



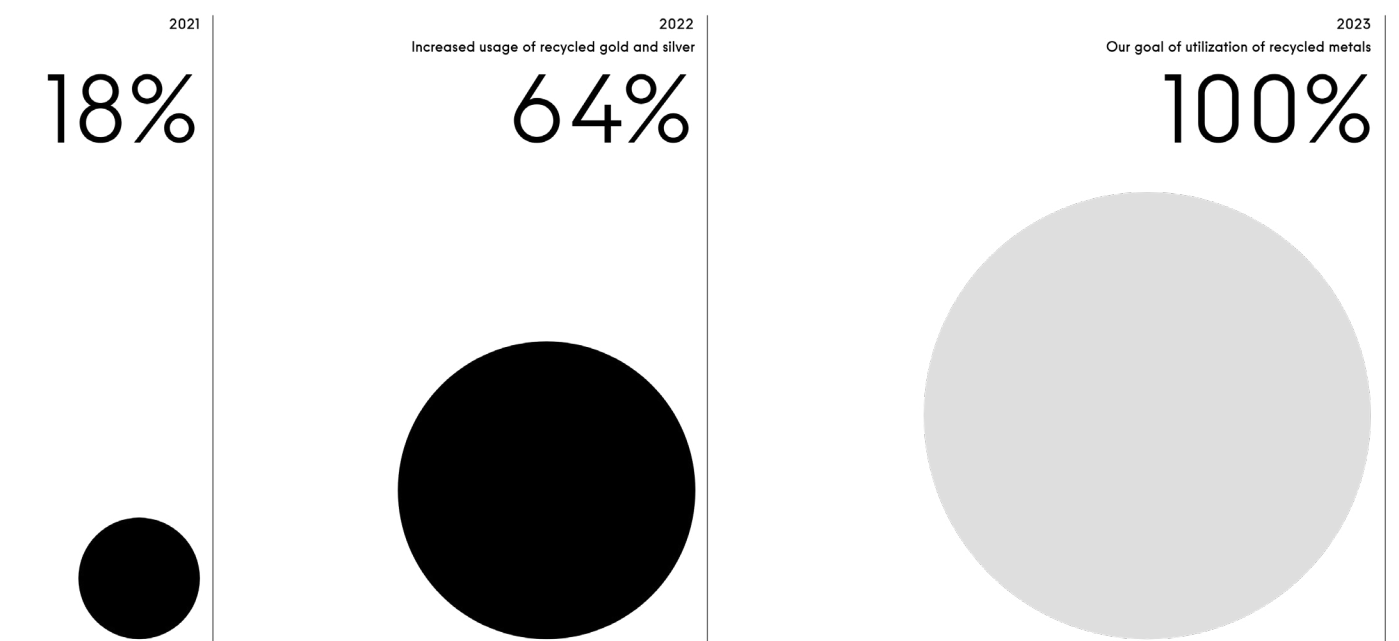
RECYCLED METALS

Silver and gold are the most utilized metals in our jewelry and therefore the most impactful place to start our journey towards circularity. In 2021, recycled content represented 18% of our total weight of jewelry items sold. In 2022 we increased this to 64%, supporting our goal of 100% by the end of 2023.

By moving from virgin to recycled metals, we eliminate the mining stage of metal production for our products, thereby significantly reducing our environmental footprint and the impact on affected communities. Our recycled metals are sourced by our RJC certified suppliers from respected metal refineries, a majority of which are either RJC certified or LBMA certified. Choosing sub-suppliers which have undergone third party audits assures us that the standard we have set forth for transparency and human rights due diligence are followed further down our precious metals supply chain.

The recycled metals used in our production can originate from a vast array of sources such as by-products from other non-ferrous industries, industrial waste, recovered jewelry, electronic scrap, and autocatalyst scrap. In addition, our manufacturers make sure to reuse all metal scraps, eliminating waste in the manufacturing process.

Silver and gold are renewable resources, and can be recycled repeatedly without losing value or purity. A complete switch to recycled silver and gold will reduce our environmental footprint significantly, with an analysis done for us by our carbon consultancy team revealing a complete switch to recycled silver will reduce silver emissions by 96% and recycled gold a reduction of 99% (Cemasys, 2022*).



GEMSTONES AND DIAMONDS

Our gemstones and diamonds originate from all over the world and are sourced through our trusted, RJC certified suppliers. Each gemstone is carefully selected and hand placed in each piece of our jewelry. The mining and trading of gemstones is a cultural tradition in communities around the world, where knowledge and skillful practice of their sourcing is passed down through generations. The majority of colored 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 jewelry industry at large. However, in alignment with our responsibility strategy we will map out the origin of all gemstones to the best of our ability, starting in 2023.

CHEMICAL CONTROL

Although all our suppliers have signed our Chemical Restrictions Guidelines, we are aware that the same control may not be present further down the supply chain. For example, toxic chemicals and heavy metals such as sodium cyanide and mercury are known to be a common risk in conventional mining. As gold and silver are purchased from the open market it is extremely difficult to gain control over the chemical risks of mining. This is one of several reasons why we have decided to accelerate the usage of recycled gold and silver, instead of purchasing virgin materials from the open market.

SUSTAINABLE PURCHASING - PRACTICES & REUSE

As a company who takes pride in making high quality products our aim is to avoid overproduction at all cost. Each unsold product is a waste of natural resources and the passion put into making it. Based on this, we carefully plan our purchasing orders to prevent overproduction. To further secure this we in 2022 hired a Supply Chain & Purchasing Manager to ensure optimized purchasing and development of our system rig.

An upside of working with precious metals is that the prospects of recycling are much different than textiles, as gold and silver can be remelted and repurposed repeatedly without losing quality. We are currently exploring options for creating a local closed loop system for upcycling our scraps, samples, and other items that cannot be sold in our conventional sales channels. There is always an option of sending such items back to our manufacturers, but we tend to opt for local options such as sample sales, as sending them back by air would generate considerable emissions.

Totalling 10% of our overall emissions, our production of textiles has a significant environmental impact. This is largely due to high water and energy consumption and land use associated with the production of clothing. We believe the keys to lowering the impact of the category lies in supply chain due diligence, responsible material choices, better production processes and chemical control, as well as exploring new methods and strategies around circularity. For a detailed overview of the environmental impact of our clothing production, please refer to the product section in the Our Environmental Impact chapter.

MATERIALS

The key driver of our environmental impact is the production of materials (Tier 1 through 4, described below). With more than 70 percent of the fashion industry's GHG emissions stemming from upstream activities such as energy-intensive raw material production and processing, our choice of materials matter (McKinsey, 2020). Assessing the sustainability of clothing is a challenging task we believe must be viewed holistically, as many considerations must be taken into account. Although we have significantly improved how we assess our environmental impact compared to previous years, expanding our assessment parameters to include emissions post purchase and fabric longevity will be key in increasing the accuracy of our future assessments.

LOW IMPACT MATERIALS INDEX

01 RECOMMENDED	02 SATISFACTORY	03 DISCOURAGED	04 AVOID
Recycled Cotton (GRS certified)	Responsible Wool (RWS certified)	Conventional Cotton	Fur
Organic Cotton (GOTS certified)	Viscose (FSC certified)	Conventional Wool	Bamboo Viscose
Recycled Wool (GRS certified)	Recycled Polyester (GRS certified)	Conventional Cashmere	Elastane/Spandex (over 15% of total garment)
Recycled Silk (GRS certified)	Recycled Polyamide (GRS certified)	Conventional Silk	Conventional Down
Organic Linen (GOTS certified)	Natural Bamboo	Conventional Viscose	Conventional Nylon
Recycled Linen (GRS certified)	TENCEL™ Modal	Rayon	Acrylic
TENCEL™ X REFIBRA™	Recycled Nylon (GRS certified)	Cupro	Angora
TENCEL™ Lyocell	ENKA® Viscose	Leather	
Organic Hemp (GOTS certified)	LENZING™ ECOVERO™	Virgin Polyamide	
Recycled Down (GRS certified)	LENZING™ Viscose	Virgin Polyester	
	Deadstock Wool	Acetate	
	Conventional Linen	Mohair Wool	
	Conventional Hemp	Polyurethane	
		Modal	

McKinsey & Company (2020) Fashion on Climate: How the fashion industry can urgently act to reduce its greenhouse gas emissions

LOW IMPACT MATERIALS INDEX

To track our progress we have established a tool for sourcing materials. We sought knowledge from industry standards, textile experts, and best practices to create our Low Impact Material Index. The index is divided into four categories: recommended, satisfactory, discouraged, and avoid, and considers a material as low impact when placed in either the recommended or satisfactory column. This indicates that at least 80% of the main material composition is third-party certified or proven to have a lower environmental impact compared to its conventional counterparts.

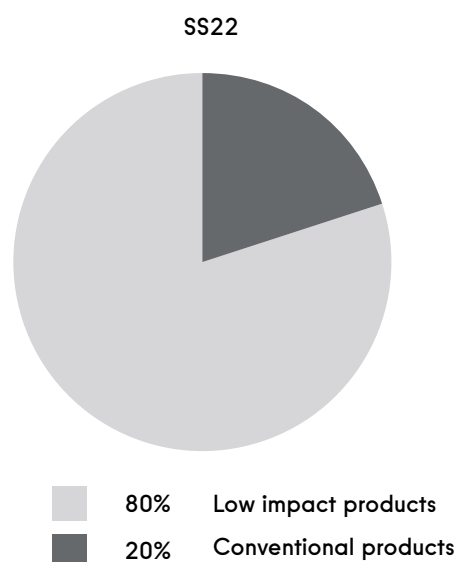
For all low impact materials, with the exception of deadstock, we require a third party certification to verify the integrity of the materials, such as Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), and Global Recycled Standard (GRS).

MATERIAL EVALUATION

As a brand who follows the traditional slow fashion seasons, we only launch two seasons per year. As a result of closing our ready-to-wear department, 2022 saw only the launching of one collection. We are committed to sourcing high quality materials with the lowest possible environmental impact. To measure the progress from season to season we carry out evaluations based on our production volumes. This year's analysis revealed that 80% of our SS22 collection ready-to-wear products were made using sustainably sourced materials.

CHEMICAL CONTROL

One of the biggest risks to both worker health and the environment is the toxic chemicals used in textile processing. In order to address this, we made our own Chemical Restrictions List aligned with the European Union's REACH guidelines. REACH is universally known to be among the strictest guidelines one can adopt. Our Chemical Restrictions List has been signed by all our suppliers.



TRACEABILITY

Due to the complexity of fashion industry supply chains, traceability is a crucial component to securing sustainable production. All our clothing is produced in Europe, and it has been our experience that mapping out the different locations of production has been easier as a result of our close proximity to them. Keeping it close to home has an additional upside of reducing emissions when compared to shipping from other parts of the world. We have already achieved full traceability of Tier 1 locations, and partially Tier 2. Many of our manufacturers are relatively small and perform several of “tier tasks” under one roof. An overview over mapped suppliers is found in the “Transparency” chapter earlier in the report.

SUSTAINABLE PURCHASING - PRACTICES & REUSE

The main issue in textile production is overproduction. That is why we carefully place every order. Leftover fabrics and materials are donated to various design schools and students in our local community. When possible, we also collaborate with our suppliers to make use of excess fabrics, for example: by making repeat orders with carry-over products or using leftover fabric as pocket lining in new styles. In addition, we partnered with Tise’s resale platform “Second Chance” since 2021 as a means to further reduce waste. Through the platform, clothing that cannot be sold in our regular channels, such as samples, showpieces, and items with small production errors, are given a new opportunity to be sold.

TIER 1	TIER 1.1	TIER 2	TIER 3	TIER 4
Cutting, Sewing, Knitting and final product assembly	Garment treatments and washing	Material production, fabric mills and tanneries	Raw material processing	Raw material extraction

PLANET



We are committed to being a company that acts with integrity and care, recognizing the urgency of the global climate crisis and taking bold action to mitigate our impact and investing in a low carbon future. We are proactive in our approach to adopting the best practices at all levels of our organization. Moving forward, we have set

concrete targets and objectives, driving continuous improvement on environmental performance throughout our company and supply chain. With over 99% of our carbon footprint in Scope 3 emissions, transitioning to a low emissions future will require the engagement and decarbonization of our entire value chain.

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	0.00	0.00
Scope 2	1.4	0.3%
Scope 3	454.7	99.7%
Total	456.1	100%
Scope 3 by category		
Purchased goods and services total	215.4	47.2%
Downstream transportation and distribution total	110.8	24.3%
Business travel	59.8	13.1%
Upstream transportation and distribution	66.6	14.6%
Employee commuting	1.7	0.4%
Fuel-and-energy-related activities	0.4	0.1%

KEY CONCLUSIONS ON OVERALL EMISSIONS (HOT SPOTS)

- Scope 1 and 2 emissions total 1.4 tCO₂e, making up 0.3% of our total emissions
- Scope 1 and 2 emissions decreased by 36% compared to 2021, mainly due to us having two offices and two stores in parts of 2021
- Scope 3 represents 99.7% of our total emissions, predominantly from our products, transportation, and business travel
- Business travel is the category which has increased the most, largely due lifted traveling restrictions following the pandemic

PRODUCT

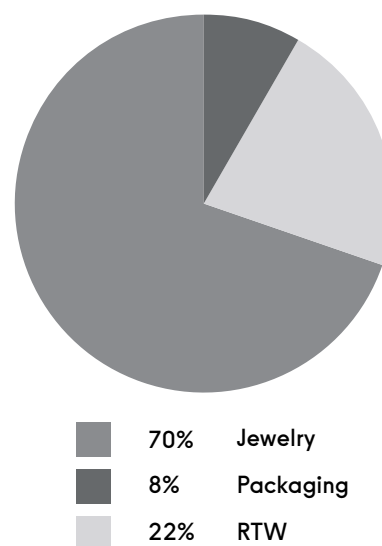
At 206.9 tCO₂e, our products (jewelry, clothing, and packaging) account for 45% of our total emissions, making it our most carbon intensive category.

JEWELRY

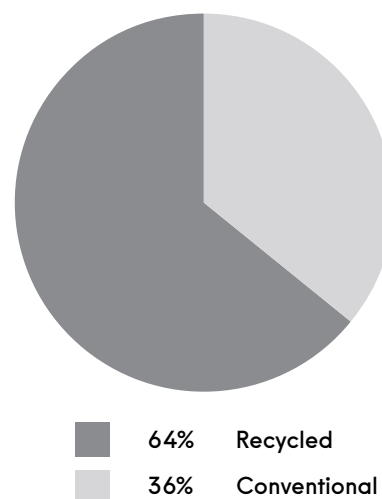
Jewelry makes up 32% of Tom Wood's total GHG emissions in 2022. In 2022, GHG emissions from jewelry decreased by 43% from 2021 to 2022, a quantifiable change from 252.4 tCO₂e to 144.1 tCO₂e. The emission reduction mainly stems from switching from virgin metals to recycled metals.

In 2021, 18% of the jewelry we produced had recycled gold and silver as the main material. The proportion of recycled metals has in 2022 increased to 64%. The remaining 36% of metals used in our production are virgin mined silver and gold. In addition, we've also taken measures to accelerate the utilization of recycled plating. In 2022, 26% of our jewelry was plated with recycled rhodium or recycled gold. Our goal is to bring this percentage up to 100% by the end of 2023.

Product emissions



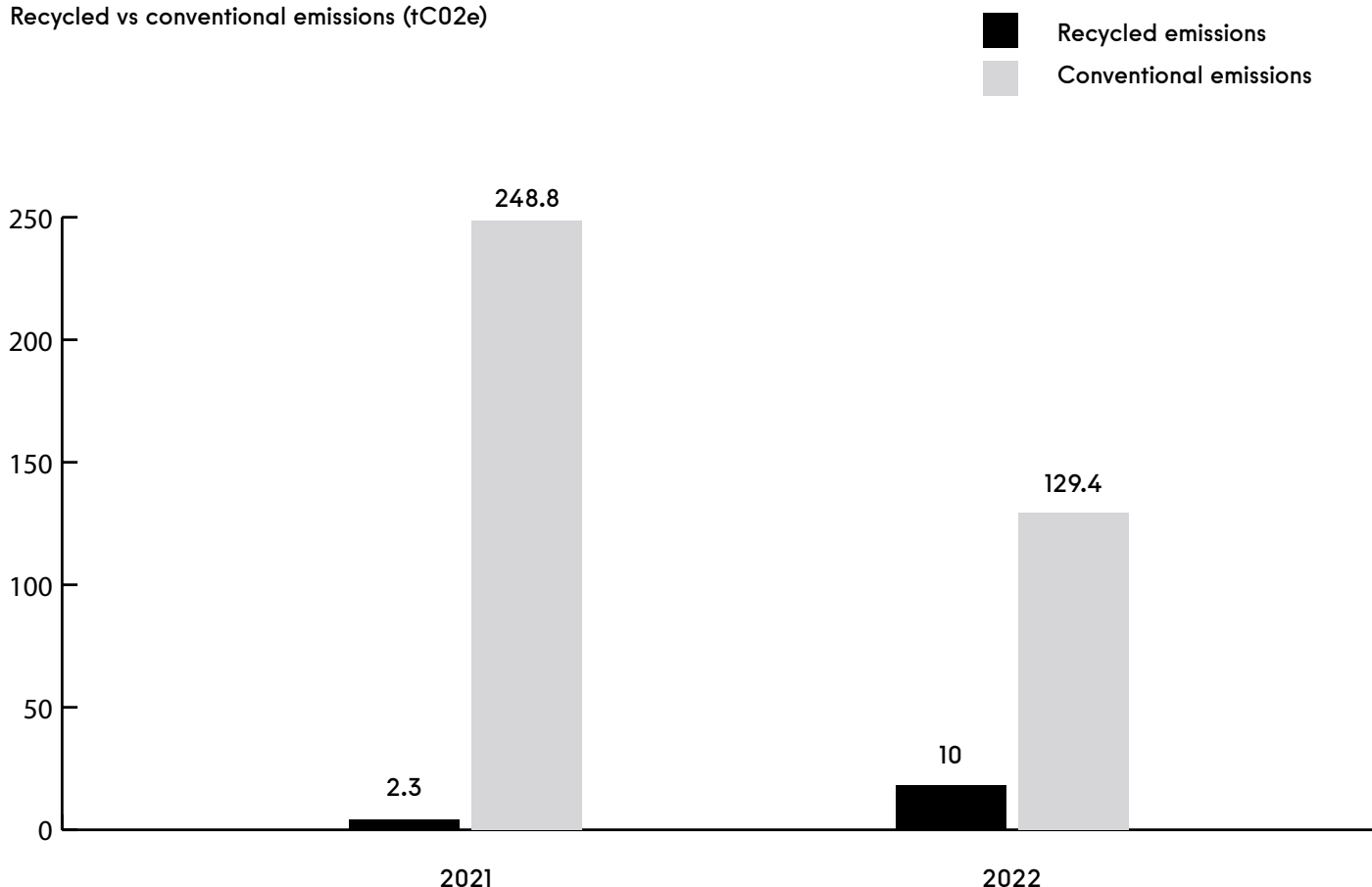
Recycled jewelry



RECYCLED VS CONVENTIONAL METALS (CEMASYS, 2022):

- Recycled silver is 96% less carbon intensive than virgin silver
- Recycled gold is 99% less carbon intensive than virgin gold.
This applies to both solid gold and gold plating
- Recycled rhodium is 98% less carbon intensive than virgin rhodium

Recycled vs conventional emissions (tCO₂e)

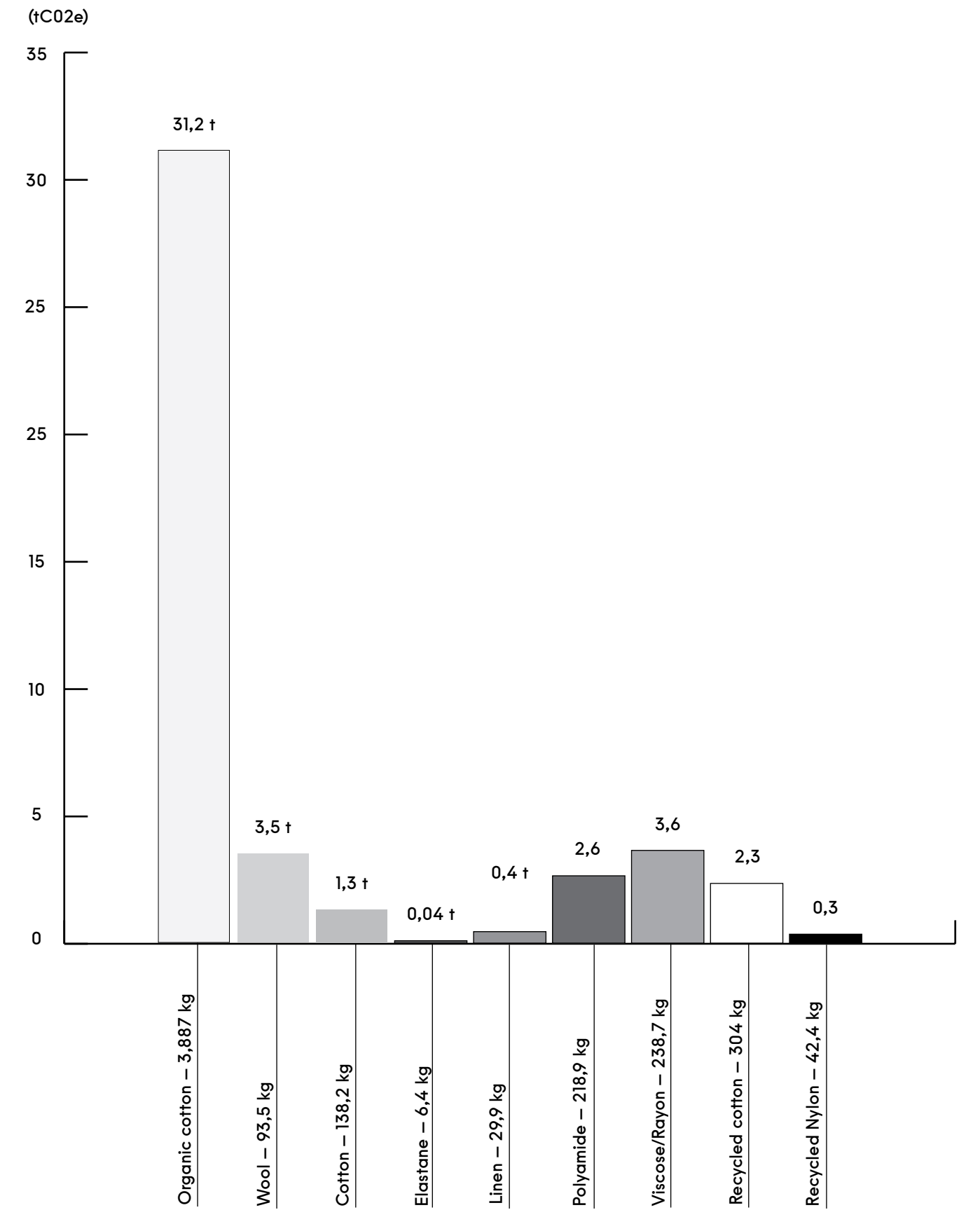


READY-TO-WEAR

Ready-to-wear makes up 10% of our total GHG emissions in 2022. GHG emissions derived from textiles in 2022 was 45.2 tCO₂e, a 71% decrease compared to 2021. This is largely due to our decision to close our ready-to-wear department, making the SS22 collection our last clothing collection for the time being.

When comparing emissions for the spring collection to last year's, emissions still declined with 31% in 2022. Primarily driven

by a more conscious material selection, to illustrate: we purchased 8410 kg conventional cotton in 2021 (SS21 + AW21), while in 2022 we purchased 138 kg conventional cotton, 304 kg recycled cotton and 3887 kg organic cotton. Also resulting in a decrease in purchased materials for SS22 compared to SS21 by 5%. As cotton is by far the most utilized material in our collection, accounting for 78% of the total garment purchase by weight, it is the material we identified the biggest potential for emission reduction.



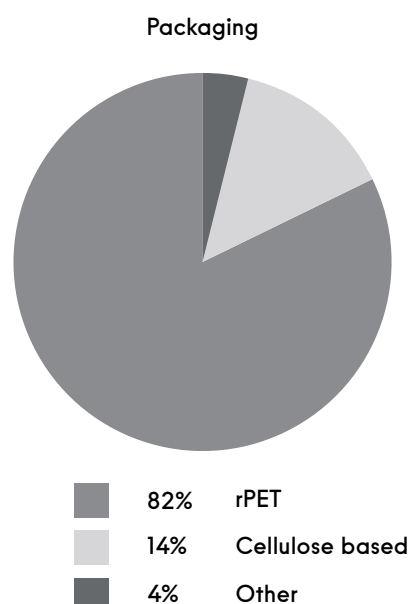
PACKAGING

Packaging makes up 4% of Tom Wood's total GHG emissions in 2022. In 2021 we designed and launched new packaging with an increased focus on recycled and certified materials. In 2022 we utilized the same packaging program. Overall emissions from packaging totaled 17.6 tCO₂e, a 20% decrease from the year before. The reduction in emissions is primarily due to excess packaging materials from 2021, which meant we purchased smaller volumes in 2022.

Recycled PET had the largest footprint at 14.4 tCO₂e, making up 82% of total emissions from packaging. The second largest contributor is cardboard, which makes up for 14% of total packaging emissions. These emissions mostly stem from our jewelry boxes, all made with GRS certified Social Plastic® from Plastic Bank. Plastic Bank builds ethical recycling ecosystems in coastal communities, and reprocess the materials for reintroduction into the global manufacturing supply chain. Collected material is reborn as Social Plastic® which is reintegrated into products and packaging. This creates a closed-loop supply chain while helping those who collect it.

All cardboard material is FSC certified, ensuring that the material stems from responsibly managed forests in respect to the environment, social, and economic aspects.

Packaging is one of the key areas where we believe we can continue to reduce our emissions further, incorporating circularity and improving on environmentally conscious materials. Our goal is to roll out a new packaging program by the end of 2023.



TRANSPORTATION

Our logistics operation is the source of a great deal of our total emissions, totaling at just over 39% of our overall emissions in 2022.

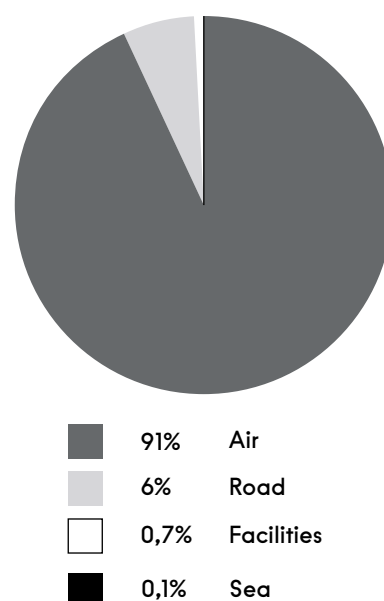
Transportation emissions in this report comprises upstream and downstream transportation and distribution. Overall emissions from transportation were 177.5 tCO₂e in 2022, a 11% reduction from 2021. This is mainly due to reduced transportation weight, as clothing production was cut during the first half of 2022. Downstream transportation makes up the largest proportion of transportation emissions, largely due to e-commerce shipments.

As a result of aligning with best practice for reporting transportation emissions, we've chosen to include radiative forcing (RF) in our emissions, resulting in a significant increase in transport emissions both in our revised emissions report for 2021 as well as for this years' report.

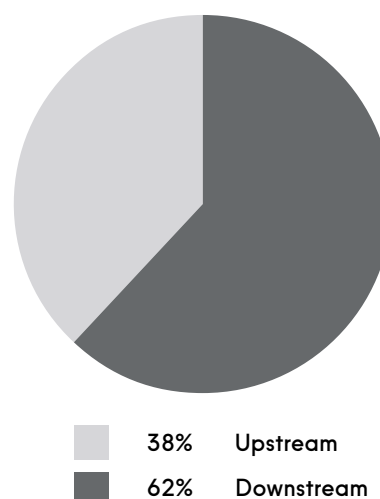
CARBON COMPENSATION

Our logistics operation is the area of our operation we find most challenging to reduce emissions. As previously mentioned, our sustainability strategy is based on the principle of reduction. However, when reducing emissions proves inexecutable, compensation is the next best option. That is why we have carbon compensated all our e-commerce shipments with DHL Go Green since 2020. In 2022, we offsetted 54.94 tCO₂e.

Transportation mode



Transportation type



BUSINESS TRAVEL

Business travel is the category of emissions which has increased the most this year, largely due to lifted travel restrictions after the pandemic, from 2.4 to in 2021 to 59.8 tCO₂e in 2022. At 59.8 tCO₂e, business travel totals 13.1% of our overall emissions. The majority of business travel emissions come from air travel.

As a company with an international distribution we sell our products to international customers from our showrooms in Paris and Tokyo. In addition, we frequently visit our suppliers in Bangkok to ensure good collaboration and close partnerships. As we are headquartered in Oslo, Norway traveling to these destinations yield significant emissions, most of which we consider necessary to our operation. However, we recognize that this is an area in which we must increase internal company awareness which will in the coming years lead us to develop traveling guidelines so we can insure we travel as responsibly as possible.

ENERGY CONSUMPTION

Renewable energy is one of the core pillars of the green transition. As we scale for further growth a key in keeping emissions down will be sourcing renewable energy for our operations. As of today our direct emissions only account for 0.3% of our total emissions, but this does not include energy consumed by the production of our jewelry. As the machinery for all jewelry suppliers are mostly electricity-based, sourcing renewable energy for our suppliers is a potential action to further reduce emissions. That is why we've made a goal of 80% renewable energy in all jewelry production by 2025.

Data accuracy is essential to 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 prioritize improving our data quality for Scope 3 emission factors. Generally speaking, the accuracy of impact assessments will increase proportionally with the primary data we can collect. This is, however, quite challenging, especially the further down you get in the supply chain.

Among the improvements for impact measurement accuracy we seek to explore are:

- Enrich data from supply chain system to new business intelligence system, increasing insight into value chain and thereby allowing to deeper product traceability
- Identify usage of renewable energy sources in supply chain
- Establish supplier specific emission factors to enable tracking of renewable energy transition
- Automated tracking of business travel and office supplies related emissions
- Explore a centralized system for our logistics operation as data richness varies significantly from carrier to carrier
- Acquire transportation data on B2B shipments organized by customers
- Include production of collaborative products made outside our supply chain
- Acquire data on packaging used by suppliers. We currently have no data, but we consider supplier-sourcing of packaging part of our responsibility nonetheless

GROWING RESPONSIBLY

One of the main cruxes of sustainable business development is balancing financial growth and emission management. It is our belief that sustainability (planet) and profit should not be seen as trade-offs but complementary. People, product, and planet, the triple bottom line, allows us to gain a broader perspective of how we create business value and evaluate our performance in a more meaningful way.

We strive to maintain our entrepreneurial spirit while integrating a responsible mindset. Going into our tenth year, we are grateful to be experiencing continued growth year on year. We are however keenly aware that growing while keeping business “as usual”, means that our footprint will grow in tact with our economic growth. We wish to challenge this status quo, thereby challenging ourselves to innovate and find new solutions. In order to decouple growth from emissions we have

“We have analyzed our catalog of existing products and have made the conscious decision to discontinue products that don’t cohere with our sustainability targets, even if this results in increased material costs and limiting sources of revenue.”

to find ways to reduce emissions in our own operations, preferably where our emissions are the highest. For Tom Wood, our products yield the highest emissions.

To meet our growing demand for metals, we decided to make the change to recycled metals at the top of our list of priorities. We have analyzed our catalog of existing products and have made the conscious decision to discontinue products that don’t cohere with our sustainability targets, even if this results in increased material costs and limiting sources of revenue. We were delighted to increase our use of metal from

18% in 2021 to 64% in 2022, decreasing the footprint of our jewelry by 43%. 2023 will hopefully see us increasing this even further, with a complete switch being our 2023 target. In addition, 2023 will see us re-launching our packaging program with the intent of making all packaging products in recycled materials which are recyclable. An analysis done for us by our consultancy agency revealed that a complete change to recycled gold, silver, and rhodium together with a complete switch to recycled and recyclable packaging will reduce the footprint of these sources of emissions by 92% given our international growth plan.

RESPONSIBLE LOGISTICS

At 39% of our total footprint, reducing the emissions of transportation is perhaps our biggest challenge as we are completely dependent on our logistics partners to innovate and implement lower impact initiatives. Moving forward we are looking into how we can move from offsetting to insetting (directly reducing emissions of our own operation), as well as how we can optimize transportation routes to decrease emissions. We are hopeful that more solutions will be available to the market in the years to come and are on the lookout to pilot new solutions as they arise.

BUSINESS TRAVEL IS BACK

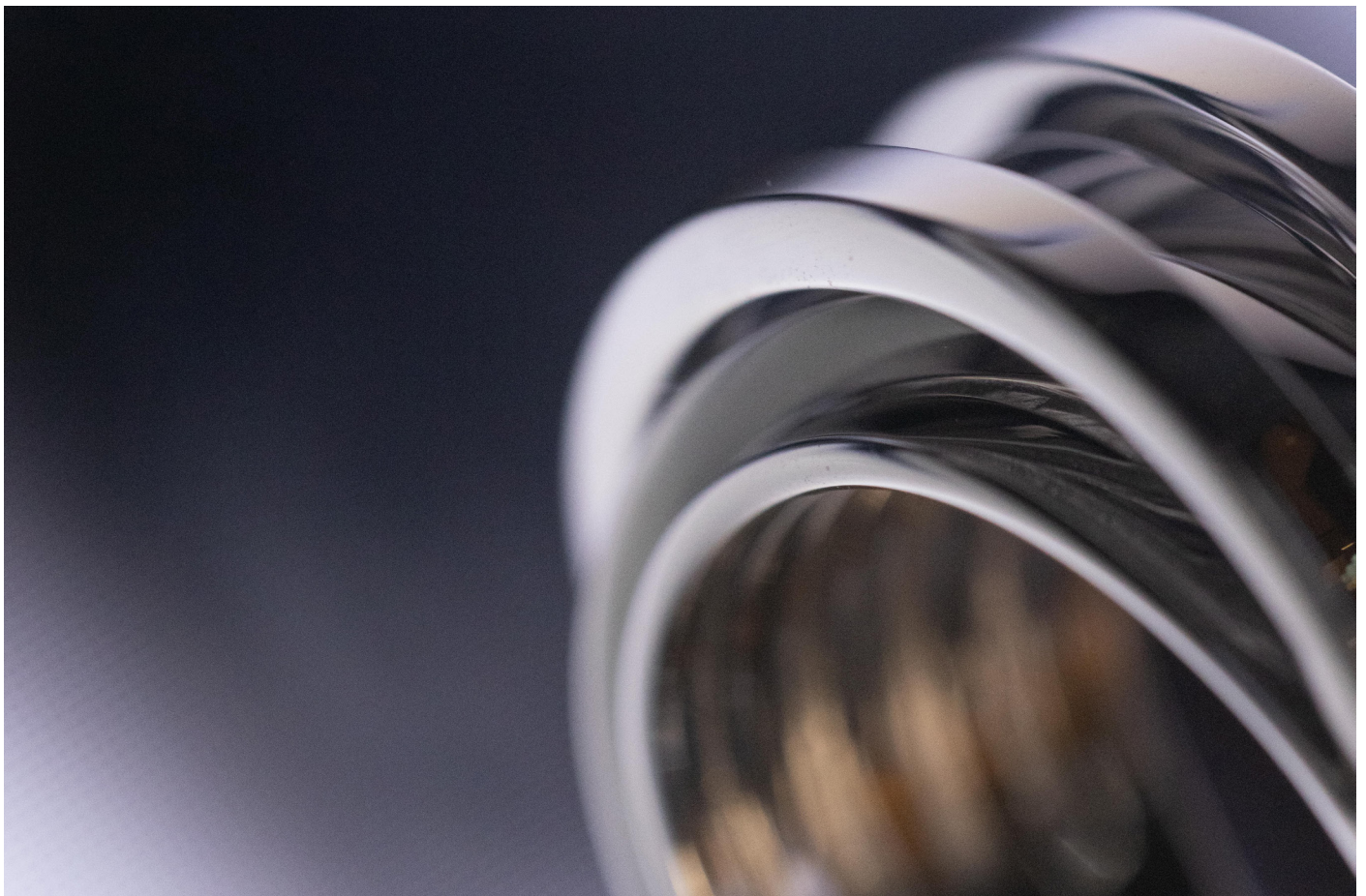
As a direct consequence of the pandemic coming to an end coupled with our expansion into new markets, 2022 saw our emissions from business travel increase drastically. Although we understand that traveling will always be part of our business, this peak in emissions has inspired us to look closer and challenge ourselves on how we can tackle this more thoughtfully. Looking into next year, we're looking into introducing a new strategy for travel with the intent of increasing internal awareness, challenging how and when our employees travel as well as how we keep track of travel-related emission data.

“We’re setting the bar higher than ever before, working towards our ambition of becoming a leader in our industry.”

We are committed to operate our business in a responsible manner by strengthening our environmental, social, and governance efforts to yield long term benefits for our company, our employees, our clients, and our industry.

2022 concluded our work with the existing sustainability framework; a framework that enabled us to build a solid foundation for

what lies ahead. Looking forward, we are introducing our new three year action plan. The Tom Wood Responsibility Roadmap 2025 represents a bold and ambitious roadmap for the years ahead, demonstrating our commitment to both people and planet. We’re setting the bar higher than ever before, working towards our ambition of becoming a leader in our industry.



RESPONSIBILITY ROADMAP 2025

		2021	2022	2023	2024	2025
PEOPLE	Supply chain due diligence	Code of Conduct 100% of manufacturers			Annual revision and re-issuing of Code of Conduct	
	Public communication					
					Annual reporting on the Norwegian Transparency Act	
		Annual sustainability report				
	RJC certified manufacturing		75% certified	All manufacturers obtained RJC COP Certification		
	RJC COP certification for trade and retail		RJC membership	Independent audit RJC COP certification		
	Manufacturer transparency		Updated supplier list available on website			
	Responsibility training program		Implementation of internal training program	Annual revision and continued implementation		
	Equality, diversity and inclusion			Implement company policy	Annual reporting on equality and non-discrimination*	
Responsibility forum	Quarterly progress meetings with the TW Responsibility team (ongoing)					
PRODUCT	Recycled gold and silver	18%		100% recycled gold and silver by 01.07.2023		
	Recycled plating main material		50%	100% utilization of recycled gold and silver		
			30%	100% recycled gold and white rhodium plating		
	Traceability of metals		100% traceability from metal refinery to retail			
	Traceability of gemstones and diamonds			30% traceability from mine-to-market	100% traceability from mine-to-market	
PLANET	Renewable energy (scope 1, 2)		Renewable energy at both headquarters and flagship store			
	Reduce supply chain emissions (scope 3)			30% supply chain utilizing renewable energy	50% supply chain utilizing renewable energy	80% supply chain utilizing renewable energy
	Full footprint transparency across all scopes	Share GHG emissions per scope 1, 2 and 3 in annual sustainability report				
	Responsible packaging			All packaging utilizing recycled materials and be recyclable		
	ESG innovation			Commit to at least one ESG innovation project per year		
	Responsible retail			Develop responsible store concept and guidelines	Open first responsible retail store	
	Responsible logistics				Electric, carbon «insetted» or carbon compensated logistics	Establish direct product flow from manufacturer to key asian markets

TOMWOOD

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