



Customer Privacy



Serve Community



Eco-efficiency



UNFOLDING

A NEW CHAPTER IN SUSTAINABILITY

Invest in People



Cybersecurity



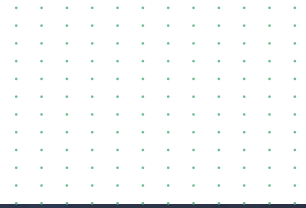
Protect Environment



TOM Group Limited

Incorporated in the Cayman Islands with Limited Liability
(Stock Code: 2383)

Sustainability Report 2021



About TOM Group



TOM Group Limited (stock code: 2383) is a technology and media Company listed on the Main Board of the Stock Exchange of Hong Kong. TOM Group has technology operations in E-Commerce, Social Network, Mobile Internet, and investments in Fintech and Advanced Data Analytics sectors. In addition, its media businesses cover both publishing and advertising segments. Headquartered in Hong Kong, the Group has regional headquarters in Beijing and Taipei with approximately 1,200 employees. TOM Group is a member of CK Hutchison Holdings Limited.



→ P.6-11



→ P.12-19



→ P.20-25



→ P.26-33



→ P.34-36



CONTENTS

Sustainability at a Glance	3
About TOM Group	3
Message from the Chief Executive Officer	4



Our Approach to Sustainability	6
Sustainability Governance	6
Sustainability Policy	9
Materiality Assessment	11



Investing in our People	12
Talent Attraction and Recruitment	12
Employee Health and Safety	14
Development and Retention	16
Workplace Wellbeing	18
Regulatory Compliance	19



Protecting the Environment	20
2025 Targets	20
Operational Eco-efficiency	22
Use of Resources	24
Regulatory Compliance	25



Operating Ethically	26
Business Ethics and Compliance	26
Cyber Security and Customer Privacy	28
Intellectual Property Protection	32
Supply Chain Management	32
Regulatory Compliance	32



Serving the Community	34
------------------------------	----

About this Report	37
--------------------------	----

Key Performance Data	38
Environmental Data	38
Social Data	39

ESG Guide Content Index	41
--------------------------------	----

COMPANY OVERVIEW



SUSTAINABILITY AT A GLANCE



SUSTAINABILITY GOVERNANCE

- Established a **new Sustainability Committee** under the board.
- Set up the Company's corporate governance and sustainability-related policies.



INVESTING IN OUR PEOPLE

- Launched over **3,700 hours** of annual education and training with more than **1,200** participants in Taiwan.



PROTECTING THE ENVIRONMENT

- Set **7 longer term environmental targets** to reflect our long-term ambition.



OPERATING ETHICALLY

- Achieved **zero report or complaint** on bribery, extortion, fraud and money laundering.
- Performed various **cyber security risk assessments** (including application and information security tests).



SERVING THE COMMUNITY

- Participated in the **Earth Hour Taiwan** and the **CowParade Art EXPO Taiwan Tour**.
- Awarded the **15 Years Plus Caring Company Logo**.



I am pleased to share the first standalone report of TOM Group, chronicling our performance and progress of the past year, alongside the frameworks, strategies and policies that we have put in place to manifest our vision for a sustainable future.

2021 saw us fighting COVID-19 as a team for the second year. The global economy has been severely upended and so are the lives of billions from lockdowns and social distancing.

“ The pandemic also reveals the enormous economic and social disparities around us and how vulnerable our society, our business and we as individuals are. It is a foretaste of the devastation humanity will continue to face if we do not address climate change, public health, nature loss, inequality and other pressing issues. ”

In a time of crisis like we are in now, there have been widespread collaborations focused on individual and community wellbeing across healthcare circles, businesses and governments. We, at TOM Group, have been doing our part too. We have enabled remote working, tasked our ground operations with enforcing safe distancing measures, protected our staff with additional medical support and maintained adequate sanitary supplies at our premises. I am proud of how our people handled the COVID-19 crisis with flexibility and resilience. We took care of each other, keeping ourselves safe, while working assiduously to support our customers, partners and other stakeholders. Amid the worries and uncertainty, our main priority throughout the pandemic is to safeguard the health, safety and wellbeing of our colleagues.

As a technology and media Company, we have been providing connectivity and digital content, among other offerings, to customers in the Greater China market and doing our utmost to offer the same high service standards that they have come to expect from us, despite the pandemic.

“ Championing a higher purpose beyond profits, we have taken a proactive approach to driving positive change in environmental, social and corporate governance issues to secure a more sustainable tomorrow. ”

We have reviewed our progress against the Company's environment-related targets and established seven more with a determination to do better.

In all areas of our operation, we have set ambitious targets to reduce our carbon footprint through actions like lowering total energy consumption and uplifting energy efficiency, minimising the use of plastics and launching a progressively higher proportion of publications digitally. In this regard, encouraging progress has been made this year, laying a stronger foundation for the next lap of our sustainability journey.

Diversity and inclusion are the core to our cultural fabric and workplace. TOM Group invests significantly in our employees to further their professional and personal development so they can realise their potential fully and provide the highest quality service to customers. We also embrace our role in giving back to and generating an enduring and positive impact on the communities in which we work and live. During the year, our management and people have supported charities to benefit the environment and recipients from the education, public health, cultural and artistic sectors.

Although we have made significant headway in sustainability, there is much more we must accomplish before all our current targets are achievable. For the time being, we will continue our tradition of transparency and sustainability disclosures. This publication represents the first time that we have combined all of our priorities and actions into one comprehensive, separate report.

On behalf of the board and management, I extend my thanks to our customers for placing their trust in TOM Group and letting us to support them. I also express my appreciation to our employees for their valuable contributions to our sustainable development.

Yeung Kwok Mung
Chief Executive Officer /
Chairman of Sustainability Committee
Hong Kong, 10 March 2022



OUR APPROACH TO SUSTAINABILITY

Our commitment to sustainability has been at the core of our business for many years and we are still in the process of refining our approach.

At TOM Group, sustainability is not only a concept but one that has been translated into strategies, policies, guidelines, practices and benchmarks that are woven into our operations and business decisions routinely. Overseeing their formulation and implementation is a Sustainability Committee, formed by a group of the Company's top leaders and experts in the field.

In addition to being professional, the approach we adopt to advance our vision is also pro-active and transparent. In sustainability as in business, we also hold ourselves and each other accountable to our stakeholders, from investors to business partners, suppliers and employees.

Strategic measures are enforced internally on a regular basis and sometimes in collaboration with external parties, as we seek to run our business responsibly and in more sustainable ways.

We have identified the focus areas towards which our efforts are directed – The Business, The People, The Community and The Environment – underpinning the four pillars of the Group's *Sustainability Policy*.

Sustainability Governance

Being a socially and environmentally business is a worthy goal for many businesses. However, turning that goal into reality requires astute leadership. Much of the recognition we gained for our sustainability efforts can be credited to our Sustainability Committee, the highest governing body for sustainability-related issues within the Group.

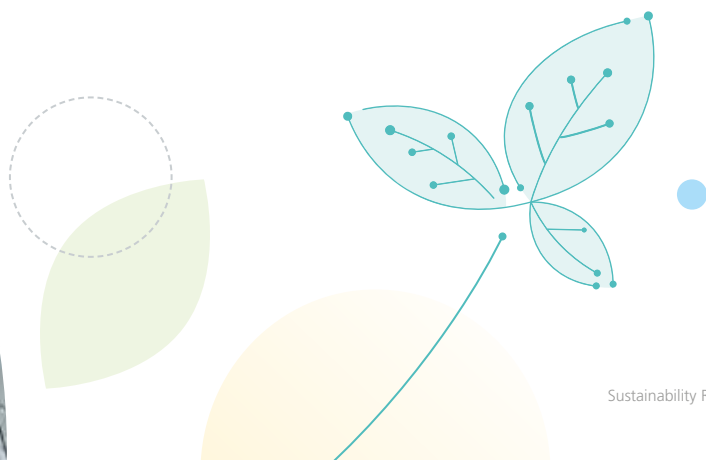
Reporting to the Board of Directors, it is chaired by the Chief Executive Officer Mr. Yeung Kwok Mung and comprising of Independent Non-Executive Director Dr. Alex Fong Chi Wai and the Chief Financial Officer and Company Secretary Mr. Man Tak Cheung responsible for coordinating policies and directing their execution. The committee's responsibilities include:

- To propose and recommend to the board on the Group's corporate social responsibility and sustainability objectives, strategies, priorities, initiatives and goals;
- To oversee, review and evaluate actions taken by the Group in furtherance of the corporate social responsibility and sustainability priorities and goals, including coordinating with the business divisions of the Group and ensuring that their operations and practices adhere to the relevant priorities and goals;
- To review and report to the board on sustainability risks and opportunities;
- To monitor and review emerging corporate social responsibility and sustainability issues and trends that could impact the business operations and performance of the Group;
- To oversee and review the Group's corporate social responsibility and sustainability policies, practices, frameworks and management approach, and to recommend improvements.

Please refer to the [Terms of Reference of the Sustainability Committee](#) for details.

For the year ended 31 December 2021, the Committee conducted three meetings to discuss the development and implementation of the Company's sustainability-related matters, target settings and staff development. Below is a summary of the work performed by the Committee during the reporting period.

Sustainability-related work performed	April	August	October
Overseeing and reviewing the Group's corporate social responsibility and sustainability policies, practices, frameworks and management approach, and recommend improvements	✓	✓	✓
Reviewing and reporting to the Board on sustainability risks and opportunity	✓		✓
Considering the impact of the Company's corporate social responsibility and sustainability on its stakeholders, including employees, shareholders, local communities and the environment	✓		✓



Structure of TOM Group's Sustainability Committee

Board of Directors

Responsibilities:

- Oversee the functioning of the Company's Sustainability Committee;
- Examine and approve the Company's sustainability objectives, strategies, priorities, initiatives and goals, targets as well as the related significant policies and framework.

Sustainability Committee

Responsibilities:

- Oversee, review and evaluate actions taken by the Company with regard to its corporate social responsibility as well as sustainability priorities and goals;
- Evaluate the impact of the Company's corporate social responsibility and sustainability on its stakeholders, including employees, shareholders, local communities and the environment;
- Review and report to the Board on sustainability risks and opportunities.

Business Units

Responsibilities:

- Identify operation-specific sustainability-related risks and opportunities;
- Monitor and track progress against agreed targets and initiatives;
- Provide feedback to the Sustainability Committee on sustainability-related performance and progress.

Sustainability Policy

Our sustainability approach and priorities are anchored firmly in four pillars - **The Business**, **People**, **The Environment** and **The Community**. Each pillar is informed by Company policies, corporate leadership and collective efforts across all our business fronts. The four pillars steer the Company towards integrating sustainability organically with all our operations. We have also put together policies, procedures and guidelines to guide management in addressing material sustainability issues.

TOM Group's Sustainability Pillars

THE ENVIRONMENT Protecting the environment

The Company strives to improve its environmental performance to ensure that appropriate policies and management system are in place to mitigate our impacts to the environment.



THE BUSINESS Operating Ethically

The Company values and upholds the highest standards of business integrity, honesty and transparency in its overall business activities.



THE PEOPLE Investing in our people

Being a responsible employer, the Company strives to be a partner that fosters a culture that supports diversity and inclusion to attract and retain top talent.



THE COMMUNITY Serving the community

The Company seeks to make a contribution to programmes that have a positive impact on community development.



Developing sustainability policies to further enrich the diversity of the Company’s business defines our key focus in 2021. These sustainability policies are designed to facilitate the explanation of oversight of sustainability issues by the Company’s board of directors (the “Board”) as required under Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”). Below is a summary of our sustainability and corporate governance policies:

Areas	Policies and Company standards
Environmental	Environmental Policy Sustainability Policy
Social	Health and Safety Policy Human Rights Policy Modern Slavery and Human Trafficking Statement Employment Policy Media, Public Engagement and Donation Policy Supplier Code of Conduct
Governance	Code of Conduct Anti-Fraud and Anti-Bribery Policy Information Security Policy Policy on Appointment of Third-Party Representatives Policy on Personal Data Governance Whistleblowing Policy Policy on Securities Dealing with and Handling of Confidential and Price-sensitive Inside Information Board Diversity Policy Director Nomination Policy Shareholders Communication Policy Competition Compliance Policy Policy on Financial Management and Procedures



Materiality Assessment

Living in an ever-changing world, understanding and responding to the views and expectations of our stakeholders play a critical role in the success of our business.

The Company identifies the most relevant sustainability aspects on an ongoing basis for reviewing its business strategy and to define the contents of the Company's public disclosures.

Our most recent materiality assessment was carried out in 2020 and the results continue to represent the main topics raised by stakeholders. For information on the materiality process, please refer to the ESG Report section in our Annual Report 2020.

The material sustainability issues identified include:

	Technology Platform and Investments		Media Business
	E-Commerce	Mobile Internet/ Social Network	Publishing/ Advertising
Environment			
Operational Eco-efficiency	✓	✓	✓
Use of Resources	✓		✓
Talent			
Human Capital Development	✓	✓	✓
Operations			
Customer Privacy	✓	✓	✓
Data Security	✓	✓	✓
Intellectual Property Protection		✓	✓





INVESTING IN OUR PEOPLE

Talent Attraction and Recruitment

RATIONALE

TOM Group invests heavily in the training, education and development of our talents. Given the ever-evolving landscape of technology and media trends, it is imperative to enhance our employees' knowledge and skillsets to make them future-ready. As a company is only as good as its people, we believe that this critical corporate investment will eventually yield a healthy return.

OUR commitment

We place an exceptional focus on recruiting and retaining a diverse pool of talents with a combination of attractive remuneration, equal employment opportunities and a supportive workplace.

With more than 1200 people employed for our operations in three Greater China cities, we have built an inclusive culture and a positive environment where our team members grow and thrive and have the freedom to express their creativity.

The loyalty of our workforce and their sense of belonging to the Company can be traced to the fair, just and non-discriminatory employment practices we implement across the board. As a caring and conscientious employer, we safeguard the legitimate rights and interests of our staff under the following policies we have formulated:

Policy and Guideline	Expectations and Requirements
Employment Policy	<ul style="list-style-type: none"> Adopts equal employment opportunity policies and maintaining programs so that employees are hired, promoted and assigned on the basis of their skills and abilities to do their jobs; and Non-discrimination policy continues throughout an employee's career and applies to all employee relations matters, including placement, transfer, promotion and compensation.
Human Rights Policy	<ul style="list-style-type: none"> Prohibits the use of any form of child labour or forced labour, including prison labour, bonded labour, any form of slavery and any form of human trafficking;
Sustainability Policy	<ul style="list-style-type: none"> Provides a positive work environment that values the wide-ranging perspectives inherent in its diverse workforce and fosters individual growth and achievement of business goals; Provides a positive work environment where people can grow and offering a wide range of training and development programs and interest courses and activities; Ensures internal equity and external competitiveness of staff remuneration and recognition; and Provides a safe workplace for all its employees.

HOW we work

Talent recruitment and retention

Talent attraction and retainment are both critical to continual business success. A company's ability to attract highly-qualified talents will help it to recruit the best qualified people. However, it is also essential to retain them long enough, usually for years, to guarantee sustained productivity and growth.

Companies that regularly lose employees hurt their bottom line because staff replacement can be costly and lead to a loss of productivity and operational efficiency. Besides, successful staff retention will eliminate the need to waste productive time screening, interviewing and training new candidates to fill the vacant positions.

At TOM Group, we recruit and retain candidates under the guidance of established Company policies and mechanisms. Foremost among them is our merit system, where candidates are hired, paid, promoted and rewarded for their ability to perform on the job, with a range of objective key performance indicators to assess how they fare.

Our remuneration packages are benchmarked against the salary level of identical posts in the market, which are subject to regular adjustment to maintain our edge in the quest for talents. In addition to competitive incomes, our employees are also offered an attractive benefit package, including health insurance, free medical care, paid annual leave and retirement pension.

Several major objectives of *Salary Policy* are highlighted in our *Employment Policy*, including:

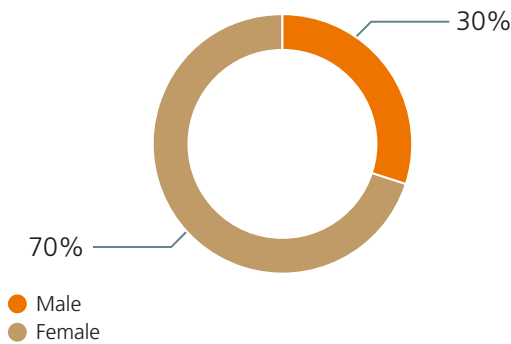
- Ensure that the salary structure is competitive in the marketplace;
- Reward staff in accordance with the value of their contribution as measured by job worth and performance;
- Motivate staff to make full use of their abilities and to develop their potential and strive to achieve the objectives of their jobs and of the Division; and
- Provide staff with an opportunity for continuous career growth.

STAFF PROFILES AT A GLANCE

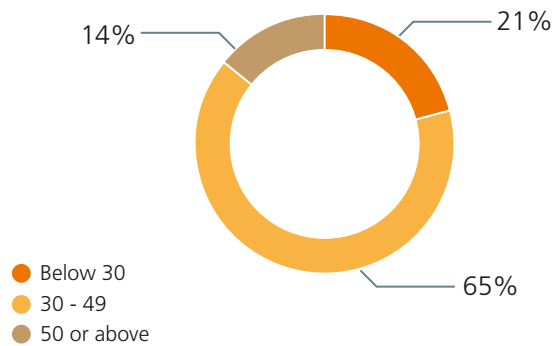


FY2021
Total Number of Employee
1,224

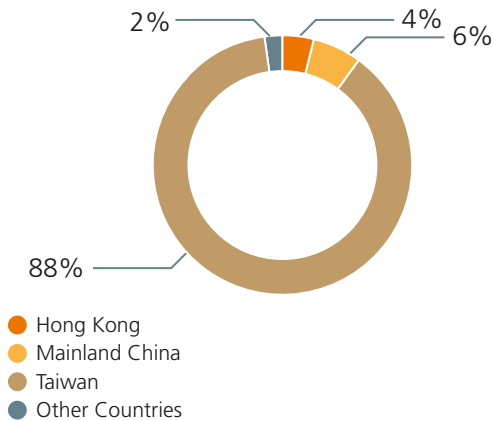
By Gender



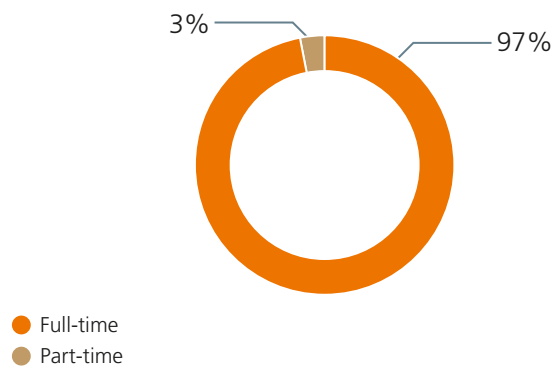
By Age Group



By Region



By Employment Type



Employee Health and Safety

RATIONALE

One of TOM Group's basic but important corporate priorities is to ensure a safe environment for employees to work in, without the fear of injury or death. This is a prerequisite for the Company's ability to attract talents and retains an experienced workforce. Despite the best preventive efforts, accidents and even death may occur and it is crucial for the Company's management and staff to be extra-vigilant at all times.

Fortunately, there are many ways we can reduce risk of workplace injuries and prevent them with comprehensive safety plans and their precise execution.

That said, the threat to employee health and safety has been magnified with the onset of COVID-19 since early 2020, which calls for stringent observance to a regimen of protocols and measures to keep the pandemic at bay.

OUR commitment

The Company is committed to offering a safe and secure workplace for our stakeholders and has established preventive, monitoring and controlling measures to ensure compliance with relevant employment and labour laws and regulations.

The commitment to health and safety is formalised in the *Health & Safety Policy*, which is based on the following key principles:

- Complying with all applicable laws and regulations in the relevant jurisdictions;
- Meeting industry-specific standards or referencing relevant best practices;
- Adopting local or international health and safety guidelines for goods and services purchased;
- Maintain a safe working place;
- Providing employees and contractors with guidelines or training and development specific to their job requirements;
- Assessing the health and safety performance of contractors and suppliers on a regular basis;
- Engaging employees and contractors through information sharing and programmes to improve their health and wellbeing; and soliciting feedback for continuous improvements;
- Monitoring and reporting health and safety performance;
- Providing adequate resources to implement with the Policy; and
- Enforce the implementation of the Policy with regular reviews and internal audits.



0 work-related fatalities in the past three year



75 lost days due to work injuries (2020: 89)

HOW we work

Protecting our employees' physical health

TOM Group has taken proactive measures to keep employees safe throughout the COVID-19 pandemic. Facemasks and hand sanitisers are being provided to staff members working in our corporate office, E-Commerce and Mobile Internet Groups. Our hygiene and cleaning regime is also stepped up at the workstation and other commonly-used areas to prevent coronavirus transmission.



Face masks and sanitising products were distributed to employees.

We conduct body temperature checks and monitor the health status of our employees and require them to wear facemasks in the Company.



Medical specialist hired to provide health consultation services to the company's employees in Taiwan.

We run programmes and initiatives for the prevention of work-related illnesses and occupational disease, combined with measures to promote health at the workplace. Company-wide insurance coverage is offered to all our full-time staff, ensuring their free access to medical and healthcare attention while under the Company's employment.

Pursuant to Article 3 of the Labour Health Protection Regulation in Taiwan, our Social Network and Publishing Groups have hired two full-time medical specialists to provide health consultation services to our employees. In the year of 2021, 312 health consultations were conducted and 123 physical injuries were treated.

Supporting mental wellbeing

Many employees face stressful situations due to the COVID-19 disruptions. Because of the pandemic-induced lockdowns and social distancing requirements, we allow part of our workforce to work from home. Employees involved in many of our business groups have been offered the flexible work option to ease their stress and anxiety. This allows them to balance work responsibilities with their caregiver roles at home, especially in looking after their children and caring for elderly dependents. As the pandemic circumstances shift, the Company will facilitate their return to office gradually in phases. We will evaluate this process and protocols before we reopen our workplace to larger numbers of personnel.

To help our employees find mental balance and wellbeing, our office in Taiwan has carried out training for 160 staff participants to help them prevent and handle workplace violence and harassment fuelled by stress induced by the COVID-19 pandemic.



Training workshop on prevention and handling of workplace violence.

Development and Retention

RATIONALE

We take the view that employee development offers a win-win situation. On the one hand, we help our people acquire new skills to move ahead in their careers, so they will be motivated to continue working with us. In turn, we are able to maintain a strong pipeline of talents and rise above the business competition, enabling us to overcome skills shortage and reducing our employee turnover rate.

Despite the increased cost of training, we upskill and reskill our employees regularly and intensively, enabling them stay ahead of the technology curve from our course programs and workshops. We believe that this commitment to staff development is a much better alternative than dealing with job vacancies and recruitment due to a brain drain.

OUR commitment

As stated in the Company's *Employment Policy*, each department or division is made responsible for developing and administering its own training programmes to teach employees specific technical and/or business skills. Training has been frequently conducted through the delivery of course programs, seminars and workshops, with additional special training provided on an as-needed basis.

These initiatives represent a major way to ensure the employees are professionally trained to perform competently for their work roles in the Group.



 **HOW we work**

Induction programme

New employees of TOM Group are required to attend an induction programme organised by the Human Resources Department. This is our first step of welcoming newcomers to the Company and acquainting them with our business operation, policies, objectives and corporate culture. By their collective participation in an orientation experience, they have the opportunity to make friends with each other from their own or other departments. The induction process allows our new starters to lay the foundation for important relationships within their teams and across the wider Company, giving them the best possible start in our organisation.



Development programmes launched by our businesses in Taiwan.

Skill-based training

Amid the global skill gap crisis, the Company has developed a solid training and development plan after the orientation programme, designed to address our skill development needs. Our overall training function not only focuses on task-specific technical expertise, but also facilitates employee mastery of general skills, including leadership, communication, time management and more.

In 2021, a series of employee development programmes was launched by our Social Network and Publishing Groups, calculated to teach the following skills.



More than **1,220¹** Employees Participated

¹ Including employees who left the Company during the reporting period

These events aim at expanding the learning and development portfolio of our staff members, equipping them with the most relevant skills they need to navigate different stages of their career journey with the Company.

In addition to building up our employees' client-facing skills, we have encouraged our frontline staff to join an external training session held by our clients to uplift their capabilities to provide quality customer services. During the year, selected representatives from the Company's advertising arm took part in two external training events held in Guangzhou last year.

Though costly to implement, our skill development programme is deemed essential to the Company's long-term growth in more ways than one. Firstly, it helps attract top talent as driven, successful candidates seek learning opportunities passionately. Secondly, it is instrumental in retaining our brightest and most experienced staff who are looking for training opportunities to level themselves up with future-oriented skills that empower them to take up new roles and responsibilities.

Workplace Wellbeing

RATIONALE

We strive to achieve workplace wellbeing, which relates to several aspects of working life, from the safety and quality of the physical environment to how employees feel about their work, the workplace culture and how much their employer care for them. The reason why we cultivate workplace wellbeing is to strengthen our existing occupational health and safety measures to make doubly sure that our employees are safe, healthy, satisfied and feel engaged at work. We recognise the direct link between productivity levels and the general health and wellbeing of the workforce.

OUR commitment

As an employer, TOM Group empowers our employees and create the conditions for them to thrive physically, mentally and professionally in the workplace and beyond. We pave the way for positive change in our work environment and culture by promoting work-life balance through the healthcare and wellbeing programmes rolled out regularly.

HOW we work

Family-friendly initiatives

We care deeply about our people and have introduced a host of family-friendly practices to help them balance their work and family responsibilities. Besides annual leave, our employees are also offered paid time-off for marriage and compassionate reasons. Full-time employees of the Company in Taiwan are entitled to up to seven days of family urgency leave per year. Taking this casual leave does not affect the employee's full-attendance bonuses or performance appraisals negatively. In 2021, ten employees from our Taiwan-based office took family urgency leave totalling 180 hours.





At the height of the pandemic, we arranged for our employees to work from home to limit the spread of COVID-19 and spare them the hassle of commuting in rush-hour traffic. We also allowed them to follow a flexible work schedule, so they could look after their children who were home-bound due to school closure. Under the flexible work arrangement implemented by our Mobile Internet Group, permanent employees can take time off on a monthly basis and handle personal or family matters during normal working hours.

Full-time employees working in our Social Network and Publishing Groups in Taiwan are offered a discounted rate for childcare services, made possible by our partnership with international educational organisations, in line with the local Act of Gender Employment.

Employees newly becoming mothers in the Company's E-Commerce and Mobile Internet Groups on a full-time basis can apply for time off and leave the workplace early to breastfeed their infants at home.

Regulatory Compliance

The Company has established preventive, monitoring and controlling measures to ensure compliance with relevant the employment and labour laws and regulations. The Company is not aware of (i) any non-compliance with laws and regulations relating to employment and labour practices, occupational health and safety that have a significant impact on the Company; or (ii) any incident that has a significant impact on the Company relating to the use of child or forced labour during the reporting period.



Staff members were offered flexible work arrangements.





PROTECTING THE ENVIRONMENT

2025 Targets


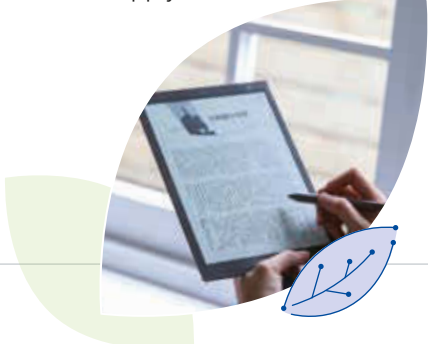
RATIONALE

TOM Group prioritises protecting our natural environment as a key corporate responsibility. We are attentive to the potential environmental impact of our business and will continue to enhance our environmental performance throughout our operations. We firmly adhere to all environmental laws in the jurisdictions in which we operate, with policies to reduce our carbon impact systematically enforced.

For years, our Company has been pursuing this overarching goal by improving our energy efficiency, reducing natural resource use and lowering our greenhouse gas emissions.

In view of our actual operations, we have formulated specific targets we aspire to achieve by 2025. Forming an environmental framework for our Company, these targets to address climate change and energy, along with resource usage, are pertinent to the nature of our business.



Focus area	Why it matters	2025 Targets	2021 Status
<p>Climate change & energy</p>	<p>Our data centers account for more than 80% of our total energy consumption and are a focal company of our energy efficiency efforts.</p>	<p>Increase Energy Star Certified server to 90%</p> <hr/> <p>Increase Energy Star certified network equipment to 85%</p> <hr/> <p>Increase Energy Star certified office computer to 98%</p> <hr/> <p>Source IT equipment that is environmentally friendly</p> <hr/> <p>Review IT procurement process regularly to incorporate sustainable procurement practices and establish sustainable procurement objectives</p>	<p>1% of servers have been upgraded. Currently, 57% of the servers were Energy Star Certified.</p> <hr/> <p>2% of network equipment have been upgraded. Currently, 74% of the network equipment was Energy Star Certified.</p> <hr/> <p>1% of computer have been upgraded. Currently 97% of the office computers were Energy Star Certified.</p> <hr/> <p>Began following green procurement standards for all new IT equipment.</p> <hr/> <p>EPA Energy Star included as a required component for the server, network equipment and office equipment.</p>
<p>Paper</p>	<p>Producing paper and publishing printed books requires cutting down trees and destroying forests. Replacing with e-books can help save millions sheets of paper and has less environmental impact.</p>	<p>Maintain to publish at least 20% of all book types electronically</p>	<p>Published 39% of all book types electronically.</p> 
<p>Packaging</p>	<p>A substantial source of our waste comes from the packaging materials used to protect the magazines and books when transporting them.</p>	<p>Aim at minimising the usage of virgin plastic by targeting to use a minimum of 80% recycled plastic content in plastic packaging by 2025, if supply allows.</p> 	<p>Included in our procurement procedure to select suppliers who use recycled plastic content in plastic packing. Preference will be given to suppliers who use at least 40% recycled plastic content.</p>

Operational Eco-efficiency

RATIONALE

At TOM Group, we strive to protect the environment and its natural capital by means of our eco-efficiency efforts, which underscore the strategy of doing more with less. In the business context, this means increasing our output of goods and services, while using fewer resources and creating less waste and pollution. Our guiding principle of minimising environmental impact and promoting resource efficiency, without affecting productivity in the process, makes our investment decisions strategic and aligned towards environment sustainability.

OUR commitment

Though the printing business we engage in is far from polluting, we make green thinking a part of our Company culture, backed by tangible and sustained efforts to uplift the efficiency of resource usage and minimise our carbon footprint. Instead of going it alone entirely, we share our green vision with suppliers, business partners, customers and independent third parties and collaborate with them to bring it to life.

Environmental protection and eco-efficiency are seamlessly integrated into our routine operations through policies and accountability mechanisms that have been put in place to meet green regulations. Apart from keeping abreast of changes in the regulatory landscape, the management also ensures that the Company's compliance and regulatory personnel are adequately trained to perform their roles competently.

Our commitment to implementing eco-efficiency in our daily operations is encapsulated in the Company's *Environmental Policy* and reflected in the following steps that we have taken:

- Increase the usage of innovative and energy-efficient technology in the Company's operations to reduce energy consumption arising from day-to-day

operations, such as efficient lighting and controls, HVAC upgrades and data centre infrastructure improvements.

- Track and monitor the use of energy across the Company's operations.

HOW we work

Our Publishing Group has formulated environmental guidelines for everybody in the team to follow, in saving energy and other resources and using them more efficiently.

For example, employees are mandated to turn off air-conditioners if they are the last ones to leave office and supervisors are tasked to monitor these actions to prevent energy wastage. They can only apply for the extension of air-conditioning to after-work hours if there are more than ten of them working overtime.

LED luminaires are currently installed in the workplace and some other areas. These lightings will eventually all the conventional fixtures, which are far less energy-efficient. Our Taoyuan warehouse in Taiwan has been upgraded to a LED lighting system.

We choose technical equipment with a long service lifespan and energy-efficient features for procurement based on their expected lifespan. Devices that malfunction will be repaired for further use or donated to charity groups and those beyond redemption will be sent for proper disposal.



LED luminaires are currently installed in the Taoyuan warehouse in Taiwan.

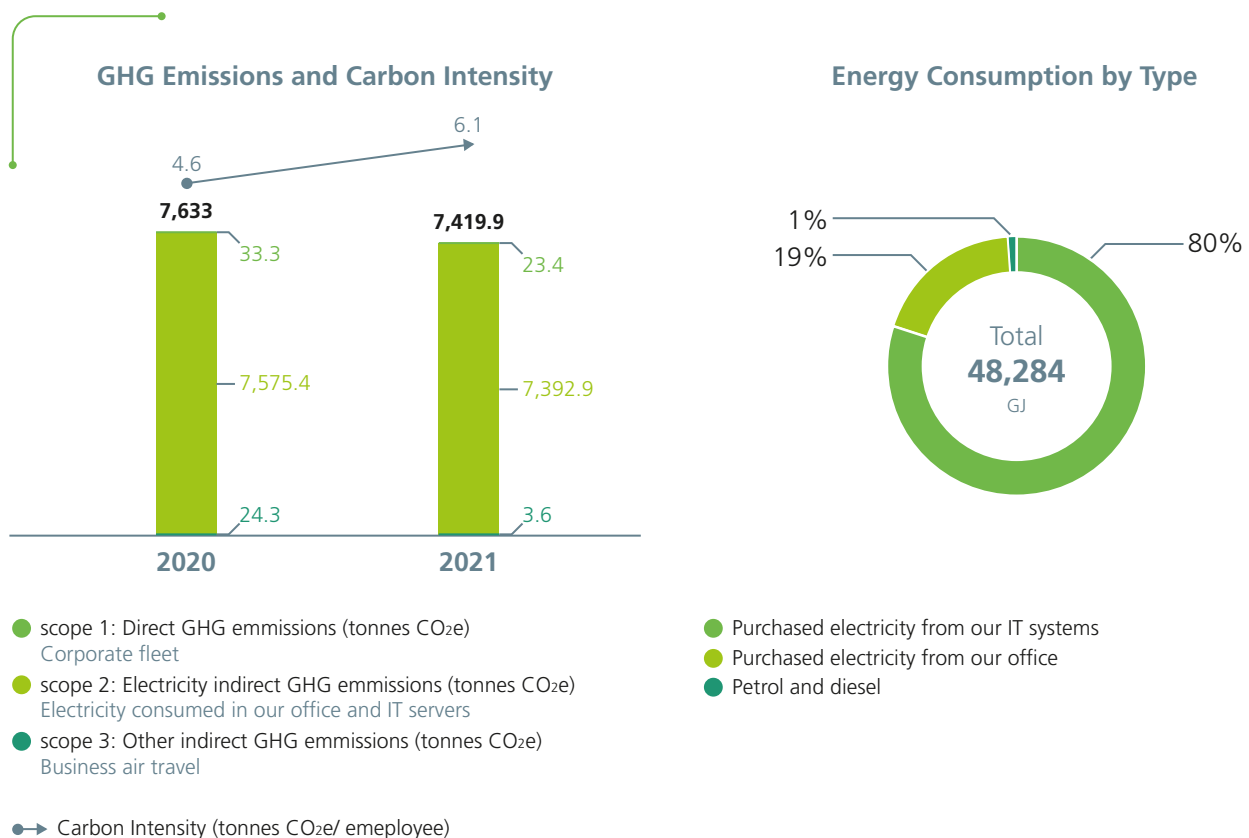
Greenhouse Gas (GHG) and Energy Consumption Performance

Most of the Company's carbon emissions originate from office equipment in daily use; IT and hardware equipment from data centres to support our online business and internal use and industrial printers of our Publishing Group.

In 2021, we generated 7,419.9 tonnes of carbon dioxide equivalent ("CO₂e") from electricity consumption, whose Scope 2 emissions contribute to 99% of our total annual carbon emissions. During this year, the Company's GHG emissions declined 3% year on year.

Energy consumption in our offices decreased during the year due to reduced occupancy as our employees worked from home in observance of government guidelines. Energy use at our data centres was less affected as they continued operating normally throughout the year. They account for approximately 80% of the energy used in the Company's overall operations, generating 81% of our total GHG emissions in the process. Energy efficiency of our data centres is a critical sustainability concern, which can be improved by upgrading them to energy-efficient hardware and through dedicated engineering services.

The Company's carbon intensity per headcount was increased by 32.6% to 6.1 tCO₂e per employee as compared to last year. This was due to exclusion of the employee figures from the business units in which the Group has no management control over the reporting period.



Use of Resources

RATIONALE

Sustainable usage of natural resources is one of the most cost-efficient ways to reduce adverse impact on the environment and advance human wellbeing.

As a content publishing group, TOM Group counts primarily on paper materials, a woodfibre-based renewable resource, to produce all types of publications from paper magazines to book products in running our business. Faced with the growing deforestation trend and stringent government regulations on natural resources like paper pulp, we aspire to provide more sustainable publication solutions, not only to raise resource utilisation efficiency but also reduce our operational cost.

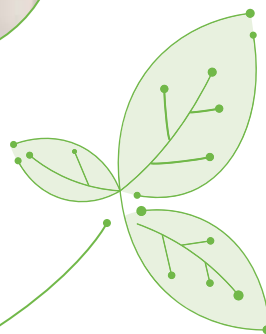
OUR commitment

The Company is committed to ensuring its operations adhere to all applicable environmental regulations. Owing to its business nature, the Company does not generate any hazardous waste. General non-hazardous office waste generated is disposed of through waste separation and recycling facilities provided by the property management companies of the office buildings in which our business units are located.

Wastepaper generated during the printing process taken out by the Publishing Group's printers is handled according to the requirements of Taiwan's Waste Disposal Act.

We have established several internal policies in the *Environmental Policy* to support our waste management plan, including:

- Streamline procedures and processes to increase efficiency and reduce consumption of day-to-day operational inputs such as paper, electronic equipment and the like;
- Minimise the Company's waste footprint by recycling and reusing materials where possible and setting waste reduction and/or recycling targets where viable;
- Decrease the operational use of existing products while also sourcing from recycled or sustainable forest sources.



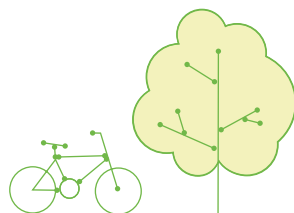
HOW we work

We purchase paper materials from reputable suppliers in the market, including Chung Hwa Pulp Corporation (“CHP”) and Dayeh. CHP’s fine paper products are certified with ISO14001 – Environmental Management and generally in line with international standards. Dayeh supplies UPM paper from the world’s leading supplier that is compliant to the Restriction of Hazardous Substances and Registration, Evaluation, Authorisation and Restriction of Chemicals standards set by the European Union.

Wastepaper generated from the printing process conducted by our Publishing Group is subject to separation and recycling alongside other processing and disposal requirements in accordance with the Waste Disposal Act in Taiwan.

Regulatory Compliance

The Company has established policies and accountability mechanisms to ensure compliance with environmental regulations. The management is committed to keeping abreast of the latest regulatory developments and providing training for relevant personnel as needed. During the reporting period, the Company was not aware of any non-compliance with laws and regulations having a significant impact on the Company related to air quality and GHG emissions, waste discharge into water bodies and land and generation of hazardous and non-hazardous wastes.





OPERATING ETHICALLY

Business Ethics and Compliance

RATIONALE

Conducting our business with integrity and honesty is of paramount importance. We adopt a zero-tolerance approach to bribery, fraud and corruption. As one of the biggest challenges in business today, unethical behaviour has the potential to undermine a Company's hard-earned reputation and bring about its downfall. This accounts for our uncompromising efforts to prevent, deter, detect and investigate all forms of unbecoming behaviour in our rank and file.

OUR commitment

We have made optimal effort to maintain trust with our stakeholders – customers, advisors, partners, suppliers, colleagues, regulators and others in the broader community. Trust is engendered by delivering what we promise, abiding by the law and being ethical. For this reason, we have gradually built a culture of honesty and integrity, where we hold ourselves to the highest ethical standards and comply to the law.

As business ethics form an integral part of our corporate governance, the Board has appointed a director, charged with the responsibility to monitor any material fraudulent or bribery activities committed by anyone related to our Company.

On top of this, we have outlined our expectations and requirements, in unambiguous terms, about the proper conduct and behaviour, under the relevant policies and guidelines, in order to mitigate the risks of graft. Please see the following table:

Corporate Policy and Guideline	Expectations and Requirements	Applicable to
Code of Conduct	<ul style="list-style-type: none"> Promotes honest and moral conduct, including ethical handling of actual or apparent conflict of personal and professional interest in employees and other stakeholders. 	All employees
Anti-Fraud and Anti-Bribery Policy	<ul style="list-style-type: none"> Prohibits improper payments, kickbacks and any form of bribery. 	All employees
Policy on Appointment of Third-Party Representatives	<ul style="list-style-type: none"> Provides guidelines on the proper controls in engaging third-party representatives. 	All employees
Supplier Code of Conduct	<ul style="list-style-type: none"> Provides guidelines to induce compliance to items in the Code and broader improvements of sustainability practices and performance. 	All suppliers
Policy on Securities Dealing and Handling of Confidential and Price-sensitive Inside Information	<ul style="list-style-type: none"> Provides guidelines on handling of confidential information and price-sensitive inside information. 	All employees
Competition Compliance Policy	<ul style="list-style-type: none"> Provides a framework to ensure Company's operational compliance with any applicable legislation on a country-by-country basis. Develop a consistent approach to ensure that, regardless of the location of our Company's operation, employees will continue to apply business practices attuned to our global reputation and standards. 	All employees
Policy on Financial Management and Procedures	<ul style="list-style-type: none"> Outline basic financial management policies and procedures of the Company. 	All employees

HOW we work

Anti-corruption

Integrity and transparency are among the Company's core values and corruption is taken seriously as a fundamental part of our *Code of Conduct*. Under the Code, the Company enunciates a zero-tolerance stance against graft. We assist our staff to recognise and avoid the circumstances that may lead to or give the appearance of corruption and other types of misconduct.

We have provisions dealing with:

- Kickbacks
- Political and charity contributions
- Facilitation payment
- Gifts and hospitality
- Goods and services procurement

Integrity, including anti-corruption, is emphasised in our *Code of Conduct* and the induction training that our new employees undergo to familiarise them with the Company's clean culture. Our key staff have been briefed on approvals, commercial aspects, procurement and other facets of our fight against corruption.

Our director overseeing the Company's anti-corruption policies and efforts is continuously provided with training and relevant reading materials to keep him updated on current corporate issues, risks and graft prevention initiatives, including our whistle-blower programme. It is our general policy to avoid donating to any political association or individual politician, in support of any political cause.



In 2021, we did not receive any report or complaint on bribery, extortion, fraud or money laundering that has a material effect on our consolidated financials.

Whistle-blower programme

We take our *Code of Conduct* seriously and have put in place a whistle-blowing mechanism for our staff and other third parties such as suppliers and contractors. Through this channel, they are encouraged to promptly report incidents of actual or suspected fraud, corruption or other forms of unethical conduct to the Group. It is also a tool for reporting cases like discrimination, unfair dismissal, victimisation or unwarranted disciplinary action.

Looking carefully into the allegations, we will document, investigate and report all breaches to the Board. Substantiated conduct violations will result in disciplinary action, including the termination of employment.

The whistle-blower can choose to remain anonymous when making a report. All such reports will be taken seriously and assessed, whether they are anonymous or not. Unless we are compelled by law to disclose, information received from a whistle-blower will be held in the strictest confidence. The informants will be protected from any possible retaliation, such as unfair dismissal, victimisation or unfair disciplinary action.

We have established a set of internal escalation channels that tie in with our operational needs. We document suspected breaches and report them to the Group Finance Department on a quarterly basis. We have established a *Whistleblowing Policy* to provide guidelines for reporting improprieties in financial reporting, internal control or other matters.

Grievance management

TOM Group runs a transparent and accountable system to redress and resolve any grievances raised by internal and external parties. A key element of our stakeholders' engagement process, it creates opportunities to prove that their concerns have been heard and taken seriously and that the Company is willing to find a satisfying solution together with them.

All grievances will be thoroughly probed and no retaliations against the complainants are allowed. As stated in our *Employment Policy*, our employees are free to raise their concerns to the management without fear of reprisals.

Since 2012, our Social Network and Publishing Groups have adopted a framework with escalating channels for investigating complaints of sexual harassment at the workplace. Reporting hotlines and mailboxes have been set up and separated based on the complainant's gender.

Cyber Security and Customer Privacy

RATIONALE

No individual, organisation or government is fully immune to the risks of cyber-attacks or data leak in these precarious times. Being in the technology & media business, we consider the security of our networks, systems and customer data a prime concern and the fundamental part of our mandate to continue operating in the industry. Our customers use TOM Group products and services not only due to our next-generation connectivity but also because they trust that their information is secure.

To safeguard customer data, we review and improve our data management practices regularly and are ever ready to raise the bar when it comes to cyber security standards. We rely heavily on them to protect our IT system from malicious interference and ensure our data is handled with the highest level of care and confidentiality.



Data security and data privacy are a top priority at the company.

OUR commitment

We have formulated an *Information Security Policy*, which is a comprehensive set of rules, policies and procedures to ensure that all end users and networks within our organisation are required to meet the necessary IT security and data security criteria. The fundamental principles for information confidentiality, integrity and availability are also clearly laid out and applicable across the Company.

The policy is founded on these key principles:

- All parties seeking information access will be verified according to their integrity level, technical competence and need-to-know basis.
- Related employees are required to have a full understanding of the Company's information security policies and procedures and agree to perform their work duties accordingly.
- Business partners, suppliers, customers and associates of TOM Group must be made aware of their information security responsibilities with reference to specific contractual terms and phrase that define their relationship with the Company.

HOW we work

At TOM Group, we strive to reinforce our ability to identify, respond and recover swiftly from IT security incidents. The approach we have taken is to integrate people, technology and processes to drive our cyber resilience.

Recognising our unavoidable exposure to malicious online attacks, we seek to integrate cyber security into our employees' mindset and their work processes. At the organisational level, our Company has continually enhanced its capacity to defend ourselves, while responding promptly and effectively should an attack takes place. Building cyber resilience also requires us to make risk-focused plans to nullify disruptions and continue with our business activities and operations when facing a breach or attack.

Going forward, we will unleash more cyber-security measures by integrating people, technology and processes to increase our emergency preparedness and remain vigilant around the clock.

Policy and management

In the event of a security breach such as a DDoS attack or password leak, the Social Network Group stands ready with a clearly-defined standard operating procedure to address any security lapse, while controlling data use and protecting customer data privacy.

Our E-Commerce, Social Networking and Publishing Groups have also developed the following policies to operationalise our cyber security programme:

Cyber-security related policies	Expectations and Requirements
Code of Conduct for Information Technology Usage	<ul style="list-style-type: none"> • Lays down the guidelines for appropriate IT-related conduct and action at TOM Group Limited and all its business entities.
Use of Information and Communication Network Policy	<ul style="list-style-type: none"> • Provides guidelines on network and user management.
Personal Data Protection Policy	<ul style="list-style-type: none"> • Provides guidelines on personal data security, data audit and other personal data-related safety maintenance issues.

Risk assessment

As we rely increasingly on information technology and IT systems to conduct business, it becomes inevitable for our Company to be exposed to new critical vulnerabilities. More than ever, we need to undertake cybersecurity risk assessment to help identify, estimate and prioritise our information security risks.

At least once annually, we engage an external security consultant to conduct an independent third-party assessment on the security of our IT systems and platforms. This has been how we leverage third-party cybersecurity frameworks, compliance or regulatory standards to compare our security controls against time-tested industry standards and best practices. Another objective of this exercise is to assess whether our risks have been properly monitored and managed.

Of the 67 security items assessed, none has been identified as non-compliant. Our external cloud service provider has attained ISO/IEC 27017 and ISO/IEC 27018 accreditations for its information security management system.

Last year, a series of cyber security risk assessments was undertaken by the Company's Social Networking and Publishing Groups, including hacker-attack vulnerability analysis, application security test and information security test. With the appropriate cyber security measures in place, the Company's ability to prevent, identify and deter transgressions quickly has been heightened before the risks could infiltrate our IT systems or compromise user data.

Employee training

Apart from raising the cyber security awareness of our employees, we equip them with practical knowhow about protection against cyber-attacks, breaches and data leaks that might expose their personal information or that of our customers.

In 2021, our Social Networking Group held a Company-wide workshop covering password-setting, screen lock, proper email usage and the use of WiFi and VPN. In November of the same year, the Group conducted network-attached storage (NAS) training to enhance employee awareness and knowledge of cyber security.



Employee attended software security seminar

Customer data protection

Customer data is transforming business and organisations like TOM Group which is responsible for managing the data we collected. Customer data gathered through our service interaction process is protected through stringent enforcement of the Company's account authorisation management requirements.

Our *Privacy Policy* maps out a number of steps to safeguard the privacy of website browsers and protect confidentiality of their personal data. Other online platforms of the Company, as with our marketing activities, can potentially amass large amounts of customer data, which is subject to strict handling in adherence to local regulatory requirements and made accessible to authorised personnel only.

We regularly evaluate our data governance and privacy best practices too. All our employees have been trained to handle customer information and privacy, in accordance to our *Code of Conduct for Information Technology usage*. Under the Code, guidelines have been laid down to encompass protection of information, authorisation of use, acceptable use, intellectual property rights and copyright, physical security, security of log-on information and violation.

During the reporting period, there had been no significant cases of non-compliance concerning the breach of customer privacy or loss of customer data.


Customer feedback management

TOM Group highly treasures customers' opinion, based on which we have formulated and will continue to hone our customer feedback management approach. We have also developed a suite of tools to collect and analyse the feedback so as to improve our various operation procedures, products and service quality.

An online customer service platform has been established to solicit feedback and provide timely responses to issues raised by customers. We have made it a routine practice to address inquiries in 24 hours and respond to them in the next seven days. Our technical support team follows through any complaint or grievance received within half an hour, reflecting our aim to provide quality customer service and keep improving our feedback handling process and practices.



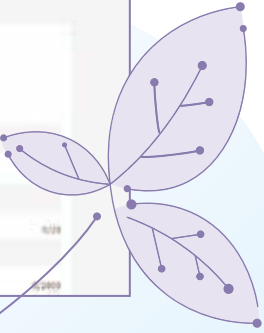
No. of total products and service-related complaints received:
0



No. of recall for safety & health reasons:
0



Online customer service platform set up to provide timely responses for customer inquiries.



Intellectual Property Protection

RATIONALE

Intellectual Property (IP) provides a critical incentive for creativity and innovation and has been instrumental to driving economic, social and cultural developments globally. At TOM Group, we protect our copyrights, patents, trademarks and other IP forms robustly, as these assets will play a key role in our future success.

At the same time, we respect the IP rights of third parties and ensure our business is not involved in the unauthorised use of legally protected materials including software, data, text, graphics, images, sounds, animations and movies.

OUR commitment

We have articulated our stance on IP protection in our *Code of Conduct for Information Technology Usage*, which spells out guidelines to ensure intellectual property rights and copyright rules are observed by all in the Company.

Under our *Policy on Securities Dealing and Handling of Confidential and Price-sensitive Inside Information*, our employees are barred from using or disclosing confidential information in their possession, except during the proper course of their duties or with prior approval or authorisation obtained.

HOW we work

To protect our intellectual properties, we have registered trademarks and domain names across different jurisdictions. We are ready to take legal action if any infringement of our intellectual properties is discovered. Anti-copyright infringement terms are also embedded in the policy to demand respect of our intellectual property rights from all parties. Our staff members are required to observe legal requirements governing the collection, possession, processing, disclosure and use of personal data.

During the year, copyright training was provided for all employees of our Social Network Group on a quarterly basis.

Supply Chain Management

RATIONALE

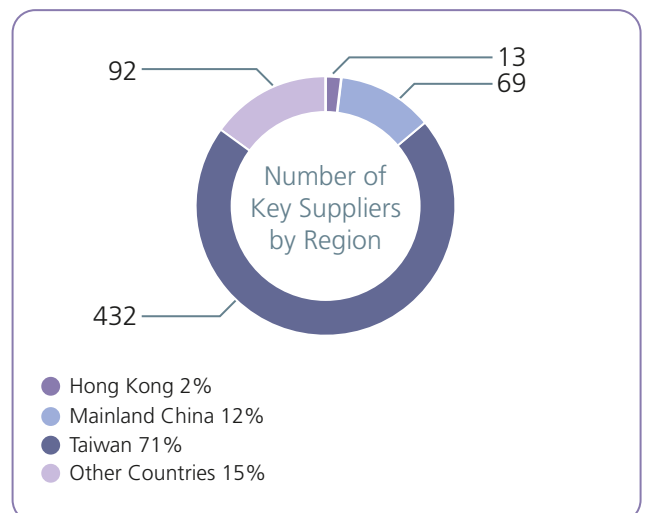
We extend commitment to responsible business practices to our value chains, from suppliers to business partners. Acknowledging that sustainable supply chain management can be a strong driver of value and success, not only for our Company but also the society at large, we spread good business practices around the region to promote environmental sustainability and deliver tangible social benefits.

We have fused a sustainability element into the integral parts of our supply chain and worked hard jointly with our suppliers and business associates to add business value consistently.

OUR commitment

Our *Supplier Code of Conduct* outlines our requirements and demands pertaining to human rights, employment practices, environmental impact, supplier diversity, conflicts of interest and other areas of responsible business operation, which apply equally to all our vendors and business partners.

The Code has been developed factoring in ideas and policies of international charters and conventions such as The Universal Declaration of Human Rights (UDHR) and the ILO (International Labour Organisation)'s Declaration on Fundamental Principles and Rights at Work adopted in 1988.





We have also drawn useful inspiration and ideas from the following policies to support enforcement of supply chain sustainability in TOM Group:

- *Human Rights Policy* – we expect business partners and suppliers to embrace the principles of human rights protection.
- *Modern Slavery and Human Trafficking Statement* – we object to modern slavery and human trafficking and have actively prevented their occurrences in our business or supply chains.
- *Environmental Policy* – we have raised the awareness of suppliers and related stakeholders about environmental issues, eco-friendly practices and other environmental considerations.

HOW we work

Supplier screening and selection

A core tenet of TOM Group's sustainability strategy is to partner with suppliers who share our commitment to practising ethical conduct, minimising environmental impact and implementing fair and just labour practices. When evaluating and selecting our supply chain partners, we set expectations and evaluate them against those expectations.

We have incorporated anti-fraud and anti-corruption clauses into our contracts to make sure potential suppliers and vendors know well in advance what our Company expect and demand from them.

For instance, new suppliers of our Publishing and Social Network Groups have been asked to fill a self-assessment questionnaire that extends beyond sheer economic considerations to cover a range of sustainability criteria, including anti-discrimination practices, remuneration packages, prohibition of child labour, workplace safety and environmental performance.

Business partnerships are only formalised when the Company is satisfied that our new suppliers are proven compliant with environmental requirements and labour standards.

The Social Network and Publishing Groups require suppliers to carry out self-audits and ascertain whether they have met our *Supplier Code of Conduct* criteria. Only when the Company is satisfied that their compliance obligations are fulfilled would their supplier contracts be renewed.

Internally, we have created a hierarchy of authorities where procurement decisions are made and subject to a series of vetting procedures before reaching the appropriate level of authority for final approval. This regime has been put into practice across all the Company's business units.

Supplier performance evaluation

It is critical to have a supplier evaluation system for accountability purposes and justification for a continuing relationship. We monitor and track our supply-chain partners and analyse how they fare in order to see if they are capable of meeting our procurement objectives. Supplier evaluation performance is regularly carried out by us to ensure contract compliance, reduce costs, mitigate risk and drive continuous improvement in sustainability.

In the reporting period, our Advertising Group undertook assessment of its suppliers against the established benchmarks of environmental and social responsibilities, environmental standards, labour regulations and business ethics.

Regulatory Compliance

The Group has placed high importance in relevant regulatory compliance concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress. The Group is not aware of any incidents of material non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress, that have a significant impact on the Group during the reporting period.



SERVING THE COMMUNITY

RATIONALE

It is our duty as a responsible corporate citizen to give back to the society that has provided us with ample opportunities to succeed.

Being socially responsible not only improves our brand perception but also strengthens our relationships and rapport with potential customers from the various stakeholder communities.

Serving the community enables TOM Group to go further in addressing some of the world's toughest social and environmental challenges, using our products, services, technology, people and connections to deliver greater societal impact. We believe our ability to bring private-sector capabilities to bear on problems

of the society enables us to become an agent for positive social change.

OUR commitment

We extend support to community groups through corporate donations, staff volunteerism and other forms of philanthropy, such as giving away books to disadvantaged groups and providing sponsored advertisements to charity and non-profit organisations in the Company's print and online publications.

In the spirit of our *Media, Public Engagement and Donation Policy*, TOM Group actively backs initiatives which promote environmental wellbeing, education, public health, community services as well as the arts and culture.

 **HOW we work**

Environmental and wildlife protection

Since 2018, the Company's Social Network Group has been a media sponsor for the Earth Hour Taiwan campaign to raise social awareness on climate change and encourage the public to take meaningful steps in reducing their carbon footprint.



Pixnet, the Group's Social Networking technology platform, sponsored the Earth Hour Taiwan campaign in 2021 to raise public awareness of climate change issues.

In 2021, our Social Network Group also participated in The CowParade Art EXPO Taiwan Tour, an international public art exhibition featured in major cities, which collaborated with WildAid to promote protection of wildlife.



Donation of books and advertising space

Our Taiwan-based flagship Publishing Group – Cité Publishing Group – is actively involved in community service by donating books and advertising space to charity groups, hospitals and universities. It also employs disabled personnel for desk jobs and engaged visually impaired individuals to provide our staff with professional massage services.



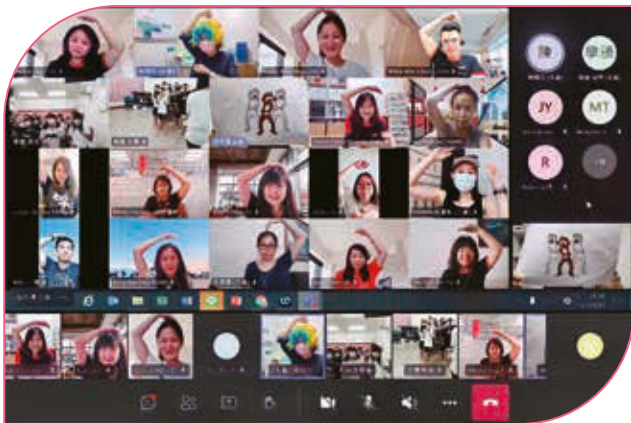
"Penpal project" launched to assist underprivileged teenagers to understand work life.

Fighting child illiteracy and education disparity

Established in 2006 by Cité Publishing Group, the Cité Culture and Arts Foundation ("Foundation") is dedicated to promoting the reading habit in the community, with the aim of reducing illiteracy among disadvantaged children.



The Foundation launched the “Coastline Academy for Kids” campaign in Taiwan, where volunteers were recruited to read to and chat with underprivileged children from the coastal areas through video technology on a weekly basis. To support the initiative, 11 “Coastline Academy for Kids” centres and 2 “Teenager Growth Groups” have been established across Taiwan. In total, 3,000 children have benefited from the programmes, delivered through the cooperative efforts of 30 local organisations, including NGOs, that involved nearly 1,000 volunteers from enterprises and schools.



Online meetings were held periodically between volunteers and children.

Sponsoring charity groups, promoting water conservation and distributing facemasks

During 2021, the Company’s Publishing Group offered charity groups free advertising space in its print and online publications to appeal for public donations to underprivileged children and for the “Water to Kids” campaign initiated by World Vision Taiwan, a Christian relief, development and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice. Facemasks for infants were also distributed to the public by the Publishing Group.

Recognising the importance of reading for the cognitive growth of youngsters, the Company donated various types of children’s books to the S.K.H. St. Christopher’s Nursery in Hong Kong during the reporting period.



15 Years Plus Caring Company Logo awarded by The Hong Kong Council of Social Service to recognise TOM Group’s commitment in caring for the community, employees and the environment.

Reporting period

As a purpose-driven organisation, TOM Group is issuing its inaugural standalone sustainability report, marking a breakthrough move to provide greater transparency and better disclosures of its activities from 1 January 2021 to 31 December 2021.

Reporting Boundary

The information disclosed in the sustainability report covers our core and material operations in our E-Commerce, Mobile Internet, Social Network, Publishing and Advertising Groups. These operations of ours span the cities of Hong Kong, Beijing and Taiwan in the Greater China region. But due to recent business arrangements, our scope of reporting will not cover business units and their business activities that the Company has no management control over.

Reporting Framework

This Report is prepared in reference to the ESG Reporting Guide (“ESG Guide”) updated on December 2019 and contained in Appendix 27 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The ESG Guide Content Index, which is printed on page 41-48, contains information about the extent to which the Company has applied the guide with cross-references to the relevant sections in this report.

This report should be read in conjunction with the Company’s 2021 Annual Report, offering a detailed overview of its financial performance and corporate governance in the past fiscal year, combined with the key policies published on the Company’s official website.

Reporting Principles

The Company has applied the following reporting principles of the ESG Guide in preparing this Sustainability report:

- **Materiality** – the Company focuses on matters that impact business growth and are of importance to our stakeholders. For more information, please refer to section of Materiality assessment.
- **Quantitative** – information of the standards, methodologies, assumptions and/or calculation references and source of key conversion factors used on the key performance indicators (“KPIs”) stated, wherever appropriate.
- **Balance** – this report discloses information in an objective manner, aiming to provide stakeholders with an unbiased picture of the Company’s overall sustainability performance.
- **Consistency** – consistent methodologies are adopted when calculating the quantitative KPIs unless otherwise specified. Reasons would be provided for any restating of information published in the report.

Language

In case of discrepancy between the Chinese and English versions of the Sustainability Report, the English version shall prevail.

Feedback

The Company welcomes feedback on this Sustainability Report, its approach to sustainability and performance. Please share your views at ir@tomgroup.com.

Key Performance Data²

Environmental Data

Environmental Indicators	2021	2020	% Difference
GHG Emissions (tonnes CO₂e)³	7,419.9	7,633.0	-3%
Scope 1 ⁴	23.4	33.3	-30%
Scope 2 ⁵	7,392.9	7,575.4	-2%
Scope 3 ⁶	3.6	24.3	-85%
Carbon Intensity (tonnes CO₂e/employee)	6.1	4.6	-30%
Energy Consumption⁷(GJ)	48,283.6	49,589.0	-3%
Direct Energy Consumption	305.4	432.1	-29%
Indirect Energy Consumption	47,978.2	49,156.9	-2%
Energy Intensity (GJ/employee)	39.4	30.2	31%
Paper Consumption (tonnes)	5,918.6	6,395.7	-7%
Office paper	13.6	18.7	-27%
Paper for Publishing Business	5,905	6,377	-7%
Water Consumption (m³)	25,122.3	29,800.7	-16%
Water Intensity (m³/employee)	20.5	18.1	13%
Packaging Material (tonnes)	3.0	11.5	-74%
Plastic packaging	3.0	5.5	-45%
Paper packaging ²	n/a	6	n/a
Air Emissions (kg)⁸			
NOx	23.28	31.8	-27%
Particulate Matters	2.12	2.9	-27%
SOx	0.13	0.2	-36%

² The latest scope of environmental and social performance excludes business units in which the Group has no management control over in the reporting period. The change of scope is due to the changes in recent business activities.

³ Calculated with reference to "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" issued by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD) of the HKSAR Government.

⁴ Include diesel and petrol consumption by corporate fleet.

⁵ Emissions associated with electricity purchased are calculated based on the latest available emissions factors provided by the power companies.

⁶ Include GHG emissions related to business air travel.

⁷ The factors for converting the base units of different fuel types to gigajoule (GJ) are based on guidelines issued by HKEX.

⁸ The emission factors are based on guidelines issued by HKEX.

Social Data

Workplace Indicators	2021	2020
Employment		
Number of employees	1,224	1,691
By employment category		
Full-time	1,186	1,643
Part-time / Contract	38	48
Full-time employees by gender, age group and region		
By gender		
Male	361	625
Female	825	1,018
By age group		
Below 30	244	399
30-49	773	1,088
50 and above	169	156
By region		
Hong Kong	47	49
Mainland China	74	493
Taiwan	1,043	1,079
Other Countries	22	22
Full-time employee turnover rate (%)⁹		
Total	24%	38%
By gender		
Male	30%	54%
Female	22%	29%
By age group		
Below 30	50%	72%
30-49	19%	30%
50 and above	15%	9%

⁹ Employee turnover rate = number of turnover in the category / total workforce of the category at the end of the reporting period x 100%

By region		
Hong Kong	15%	0%
Mainland China	76%	65%
Taiwan	22%	29%
Other Countries	0%	0%
Training and Development		
Average hours of training per employee ¹⁰	4.58	5.54
By gender		
Male	4.14	4.40
Female	4.78	6.25
By employee category		
Manager grade or above	3.68	3.05
General staff	4.64	5.9
Percentage (%) of employees who received training ¹¹		
By gender		
Male	100%	75.40%
Female	100%	100%
By employee category		
Manager grade or above	100%	55.70%
General staff	100%	100%
Occupational Health and Safety		
Number of reportable injuries	7	15
Number of lost days due to work injuries	75	89

¹⁰ Permanent full-time staff. Average training hours = total hours of training received by employees / total workforce at the end of the reporting period.

¹¹ Permanent full-time staff including terminated employees who left the Company during the reporting period. Percentage of employees who received training = number of employees trained in the category /total workforce of the category at the end of the reporting period x 100%. The percentage of employees trained may exceed 100%.

Mandatory Disclosure Requirements	Page	Remarks
<p>Governance Structure</p> <p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	p.4-8	-
<p>Reporting Principles — Materiality</p> <ul style="list-style-type: none"> i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement. 	p.11	-
<p>Reporting Principles — Quantitative</p> <p>Information on the standards, methodologies, assumptions and/ or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).</p>	p.38-39	-
<p>Reporting Principles — Consistency</p> <p>The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	p.37	-
<p>Reporting Boundary</p> <p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.</p>	p.37	-

Subject Areas, Aspects, General Disclosures and KPIs		Page	Remarks
A. Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	p.22-25	<ul style="list-style-type: none"> • Code of Conduct • Environmental Policy • Sustainability Policy • Supplier Code of Conduct
KPI A1.1	The types of emissions and respective emissions data	p.38	-
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	p.23;38	-
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	-	The Group does not generate any hazardous waste in its operations.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	-	General non-hazardous office waste generated is disposed of through waste separation and recycling facilities provided by the property management companies of the office buildings in which our business units are located.
KPI A1.5	Description of emission target(s) set and steps taken to achieve them	p.21	-
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	p.21	-

Aspect A2: Use of resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	p.22-25	<ul style="list-style-type: none"> • Code of Conduct • Environmental Policy • Sustainability Policy • Supplier Code of Conduct
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	p.23;38	-
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	p.38	-
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	p.21	-
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	-	While water use is not considered material for the Group, the Group does not encounter any issues in sourcing water.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	p.38	-

Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources	p.22-25	<ul style="list-style-type: none"> • Environmental Policy • Sustainability Policy • Supplier Code of Conduct
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them	p.22-25	-
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	-	<p>According to the materiality review, climate change is not material to the Group in view of business nature.</p> <ul style="list-style-type: none"> • Environmental Policy • Sustainability Policy
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	-	
B. Social			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	p.12-13; 18-19	<ul style="list-style-type: none"> • Code of Conduct • Environmental Policy
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	p.14; 39	-
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	p.39	-

Aspect B2: Health and Safety

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	p.14-16; 19	• Health and Safety Policy
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	p.15	-
KPI B2.2	Lost days due to work injury	p.15; 39	-
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	p.15-16	-

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	p.16-17	-
KPI B3.1	The percentage of employees trained by gender and employee category	p.39	-
KPI B3.2	The average training hours completed per employee by gender and employee category	p.39	-

Aspect B4: Labour Standards

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	p.19	<ul style="list-style-type: none"> • Human Rights Policy • Modern Slavery and Human Trafficking Statement • Supplier Code of Conduct
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	-	
KPI B4.2	Description of steps taken to eliminate such practices when discovered	-	-

Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain	p.32-33	<ul style="list-style-type: none"> • Human Rights Policy • Modern Slavery and Human Trafficking Statement • Supplier Code of Conduct
KPI B5.1	Number of suppliers by geographical region	p.33	-
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	p.32-33	<ul style="list-style-type: none"> • Policy on Appointment of Third Party Representatives
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	p.32-33	-
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	p.21;24	-

Aspect B6: Product Responsibility

General Disclosure	Product Responsibility Policies and compliance with relevant laws and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	p.28-33	<ul style="list-style-type: none"> • Code of Conduct • Policy on Personal Data Governance
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	p.31	-
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	p.31	-
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	p.32	-
KPI B6.4	Description of quality assurance process and recall procedures.	p.28-31	-
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	p.28-31	<ul style="list-style-type: none"> • Information Security Policy • Policy on Personal Data Governance

Aspect B7: Anti-corruption

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	p.26-28	<ul style="list-style-type: none"> • Code of Conduct • Anti-Fraud and Anti-Bribery Policy • Policy on Appointment of Third Party Representatives
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	p.28	-
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	p.27-28	<ul style="list-style-type: none"> • Whistleblowing Policy
KPI B7.3	Description of anti-corruption training provided to directors and staff	p.27	-

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	p.34-36	<ul style="list-style-type: none"> • Media, Public Engagement and Donation Policy
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	p.34-36	-
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	p.34-36	-

TOM Group Limited

Rooms 1601-05, 16/F
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

Tel : (852) 2121 7838
Fax : (852) 2186 7711

www.tomgroup.com

