2017 GOODNESS REPORT
Dear Friends,

In 1968, Tom and Kate Chappell moved to Maine for a very simple reason—they were looking for a simpler, more natural life for the health of their family. They started Tom’s of Maine with the same idea in mind. Unable to find personal care products that were free of artificial colors, flavors, fragrances, preservatives, and sweeteners—they took matters into their own hands.

Just like that, Tom’s of Maine was started in 1970—a family creating their own natural products with a vision for a brighter future. And we are proud to say, that throughout our 48 years of doing business, we have continued to keep that vision for a brighter future in mind.

The Chappells also knew they wanted Tom’s of Maine to stand for something beyond personal care. They wanted Tom’s to be a good corporate citizen, so a portion of the company’s time, money, and talent was dedicated toward supporting the environment and communities. But the Chappells never used buzzwords like “sustainability” or “corporate social responsibility” when referring to these initiatives. Caring for the earth and others was a reflection of their deep personal values.

Those same values reflect our vision for a brighter future. We’re on a mission to help people live simpler, more natural lives. While that starts with the products we make, it doesn’t end there. Our annual “Goodness Report” details the various initiatives we have implemented to fulfill our mission, including:

- How we use our Stewardship Model as a guide for selecting ingredients and making packaging decisions that are natural, sustainable, and responsible.
- Policies that are intended to give our employees a safe, fulfilling work environment, and help them live healthy lives.
- Our manufacturing and supply chain practices, focused on minimizing our energy and water use, as well as greenhouse gas emissions.
- Policies for giving back—through both supporting employees in volunteering for causes they’re passionate about—and in donating 10% of our profits to nonprofit organizations.

We have empathy for those who take a cynical view of the future. The problems humanity faces—including climate change and ocean pollution—are very real and require immediate attention. But we see many reasons to be optimistic.

Thousands of people strive to live more natural, healthier lives. They are conscious about the products they use, the companies they support, and the personal impact they have on our planet. Helping support causes they are passionate about, these people give both time and money. They recycle items, as well as ideas, sharing personal knowledge and advice with people in their lives. We believe all of these things matter! And we believe people like this will help us create the brighter future towards which we strive.

We hope you will take the time to read this year’s Goodness Report, and we’d like you to let us know what you think—all questions and thoughts are welcome! Feedback from people who are also striving to live a more natural life has shaped who we are today. We’re incredibly thankful to have you with us as we embark on this journey to a brighter future.

Nancy Pak
Vice President & General Manager

what’s inside matters™

A MESSAGE from our
VICE PRESIDENT

NANCY PAK
Vice President & General Manager
**Who We Are**

Tom’s of Maine has been making safe, effective, and natural personal care products for 48 years.

**Our Company**

It all started when Tom Chappell and his wife Kate moved to Kennebunk, Maine, with their sights set on a simpler, more natural life. With their children’s health in mind, they began creating natural personal care products. For over 48 years, our founders’ values and passion have been guiding us to a brighter future.

**Our Products**

Keeping artificial ingredients out of our products is a big deal to us. But it’s not just about what we keep out, but also what we put in. Our Stewardship Model guides us to make products that are natural, sustainable, responsible, and to deliver benefits our customers look for. Our values push us to be innovative in combining naturally sourced and derived ingredients to make products that are both safe and effective.

**Our People**

We wouldn’t be who we are without our employees, and every day they help us make more than a profit. Acting with honesty and integrity, they cultivate strong relationships with customers, suppliers, and partners—plus they make socially and environmentally responsible choices. Our employees are proof that different perspectives, passions, and talents create a strong team.
Progress on 2020 Goals

We’re focused on progressing toward our 2020 goals, and we made great strides in 2017!
### 2020 HIGHLIGHTS

**RECYCLING**
Our recycling partnership with TerraCycle® continued to grow, enabling more people to keep their personal care packaging out of landfills. By the end of 2017, we had 7,600 Natural Care Brigade locations, and we had collected nearly 670,000 packaging units to be recycled.

**GIVING BACK**
We continued our long history of supporting water conservation with a $650,000 donation to The Nature Conservancy. This money was put toward educational programs and conservation efforts focused on protecting and restoring our nation’s freshwater sources.

### 2020 GOALS

<table>
<thead>
<tr>
<th>2020 Goal</th>
<th>Target</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase employee % participation in company-sponsored wellness initiatives</td>
<td>88%</td>
<td>80% on track</td>
</tr>
<tr>
<td>Make safe, effective products from naturally sourced and derived ingredients</td>
<td>100%</td>
<td>100% on track</td>
</tr>
<tr>
<td>Reduce waste to landfill at Sanford, Maine plant</td>
<td>45 KG/TON</td>
<td>45 KG/TON on track</td>
</tr>
<tr>
<td>Increase % of waste recycled and reused at Sanford, Maine plant</td>
<td>51%</td>
<td>52% achieved</td>
</tr>
<tr>
<td>Reduce greenhouse gas emissions</td>
<td>TBD</td>
<td>90,483 metric ton CO2_e</td>
</tr>
<tr>
<td>Reduce overall water consumption</td>
<td>TBD</td>
<td>31,577,412 M3</td>
</tr>
<tr>
<td>Increase the use of recycled content in packaging</td>
<td>70% of packaging weight</td>
<td>55% progress opportunity</td>
</tr>
<tr>
<td>Increase employee volunteering</td>
<td>88%</td>
<td>81% on track</td>
</tr>
</tbody>
</table>
Since 1970, our mission has been to help people live a more natural life. Empowering people to do just that is reflected in everything we do, but a natural life is about more than the products we use. It’s about caring for our planet and communities—and setting a positive example for future generations.
Since 1970, our mission has been to help people live a more natural life. Empowering people to do just that is reflected in everything we do, but a natural life is about more than the products we use. It’s about caring for our planet and communities—and setting a positive example for future generations.

Our MISSION

Our FOCUS

Our GOALS

Supporting HEALTH

Transparency
Make safe, effective products from naturally sourced and derived ingredients

Protecting NATURE

Waste Stewardship
Minimize the amount of our waste sent to landfill through sustainable production and reuse efforts

Building COMMUNITY

Volunteering
Support employees in volunteering for their community

Our GOALS

Employee Wellbeing
Support our employees’ health and well-being

Carbon Footprint
Reduce overall carbon footprint

Water Footprint
Reduce overall water use

Recycled Content
Maximize recycled content and improve recyclability of our packaging

Our GIVING

Donate a portion of our profits to

Organizations that are addressing key health issues

Organizations that are conserving nature for future generations

Organizations that are focused on improving education

Our 2017 Goodness report
Supporting HEALTH
When it comes to our employees, we’ve got a simple philosophy: healthy means happy! We help our employees stay healthy and happy with on-site fitness facilities at our Kennebunk office and Sanford plant – and we provide access to massages, reflexology, reiki, fresh fruit, and healthy snacks. Mental health is also very important to us, so we have dog-friendly offices, flexible work schedules, and employee-initiated activities, like lunchtime walks and morning meditation.

We’ve learned that our employees greatly value when we provide access to things like health screenings and vaccinations on-site and during working hours. This helps address two barriers—time and distance—which may stop people from participating. We’re investigating ways to increase this access, along with new opportunities to potentially bring on-site.

Results based on employee survey where employees were asked to indicate participation in vaccinations, health screenings, and Live Better Challenge. 35 respondents.
MINDFUL MOMENTS
When we renovated our offices, we included a quiet space for peaceful meditation. Some of our employees took advantage of this, with a six-week trial of daily meditation. The group found they had numerous misconceptions about meditation, and they realized how beneficial a few moments of mindfulness each day could be. It’s now common for employees to organize morning meditation sessions as a way to start the day.

WHOLE KIDS FOUNDATION
In 2017, we began supporting the Whole Kids Foundation, a nonprofit started by Whole Foods Market. We also focused on supporting schools and inspiring families to improve children’s nutrition and wellness. This support goes to projects like school salad bars and gardens, and educational beehive programs.
Safe, Effective, High-Quality Products

At Tom’s, we think it’s important to help you make choices that are right for you and your family. That’s why we are committed to providing you with safe and effective, high quality personal care products that are made of naturally sourced and derived ingredients. We have our Stewardship Model to guide decision-making, and we publish every ingredient we use, along with its source and purpose on our website.

2017 RESULTS

2020 Goal
Make safe, effective products from naturally sourced and derived ingredients

Target
100%

2017 Results
100%

Status
Achieved

100% of Tom’s products are free from artificial flavors, fragrances, colors, sweeteners, and preservatives. 100% of products not tested on animals.

Supporting Health

PAGE 12
Our STEWARDSHIP MODEL

A naturally healthy life doesn’t happen by accident—it results from making thoughtful decisions every day. That’s how we approach our ingredient selection process.

“OUR STEWARDSHIP MODEL GUIDES OUR SELECTION OF INGREDIENTS TO ENSURE THEY ARE NATURAL, SUSTAINABLE AND RESPONSIBLE.” NATURAL, SUSTAINABLE AND RESPONSIBLE ARE OUR STANDARDS FOR DEVELOPING OUR PRODUCTS.

What makes a product natural and good? At Tom’s, it includes how we make it.

- **OUR STANDARDS FOR NATURAL**
  - Ingredients sourced and derived from nature
  - Formulas free of artificial flavors, fragrances, colors, sweeteners, and preservatives
  - Ingredient processing that supports our philosophy of human and environmental health
  - Free from animal ingredients with the exception of some bee products*
  - Not tested on animals

- **OUR STANDARDS FOR SUSTAINABLE**
  - Prioritizing the use of recycled and renewable materials
  - Striving to reduce packaging waste through recyclability and biodegradability
  - Supporting the use of sustainable growing and harvesting practices
  - Working to minimize the total environmental impact of our supply chain

- **OUR STANDARDS FOR RESPONSIBLE**
  - Delivering value to our consumers
  - Sufficient research conducted to show safety and efficacy
  - Purposeful in system of ingredients, with complete transparency about the purpose and source of the ingredient
  - Sourced from suppliers that respect human and labor rights
  - Honesty in all claims made for ingredients, packaging, and products
  - Conform to the requirements of regulatory authorities and other professional organizations with which we partner

*A few of our products contain beehive ingredients. Beeswax and/or propolis are found in lip balms, floss, P&M toothpastes, peppermint botanically bright toothpaste, baby diaper cream, and baby sunscreen.
Natural products aren’t possible without, well, nature!

We know that our actions as a consumer goods company have an impact on the environment. We have historically looked at the energy we use and the waste we generate, and in 2017, we took big strides toward a better understanding for our greenhouse gas emissions and water use. We constantly seek new ways to reduce our environmental impact, and we keep working to protect nature for future generations.
When it comes to the waste generated at our Sanford production plant, we have identified an important opportunity. What should we do with any toothpaste waste?

Our team has been exploring potential solutions to ensure this waste doesn’t end up in landfills.
MAXIMIZE RECYCLED CONTENT

Time and time again, we hear from people who think it’s important for us to keep improving the sustainability of our packaging. Well, you know what? We couldn’t agree more! We’re proud that our cartons, corrugated boxes, unisex deodorant containers, and body wash packaging are all recyclable.

But what about our packaging that isn’t widely accepted at recycling facilities? Our partnership with TerraCycle® has helped to ensure that less of our product packaging ends up in landfills. Through our “Natural Care Brigade” program, TerraCycle® will take oral and personal care packaging from any brand and upcycle it to make useful items like park benches and picnic tables. Sign up for a brigade and earn money for your favorite nonprofit by visiting:


TOYS OUT OF LANDFILLS

The average household with children will amass its share of broken, trash-bound toys. With that reality in mind, Tom’s of Maine partnered with recycler TerraCycle® to help keep broken toys out of landfills.

Through our Less Waste Challenge toy recycling program, we educated consumers and their children about the amount of household waste being sent to landfills and how they can change that by collecting, donating, or recycling broken or unwanted toys. Consumers participated by printing out free shipping labels, loading up an old box with up to 10 pounds of unwanted toys, and shipping the box to TerraCycle®.

2020 Goal

INCREASE THE USE OF RECYCLED CONTENT IN PACKAGING

Target

70% OF PACKAGING WEIGHT

2017 Results

55% OF PACKAGING WEIGHT

Status

PROGRESS OPPORTUNITY
Our new approach to assessing our carbon footprint has shown that a majority of our emissions come not from production or transportation, but from consumer use of our products! That said, we’ll keep looking for ways to reduce emissions along our supply chain. But we’re also going to consider initiatives to help people conserve energy while using our products.
Maine has beautiful rivers, lakes, and coasts, but water is also an essential ingredient in many of our products. We are conscious of every drop we use and are always looking for ways to conserve this invaluable resource.

In previous reports, we limited our view to the amount of water that was consumed during the production process at our Sanford, Maine facility. While this is important, in 2017, we took a bigger picture view and our data now includes water use stemming from raw materials and ingredients, and consumer use of our products.

In 2017, we intended to set new targets for water conservation beyond 2020, and we will work to ensure we use a science-based approach to establishing these targets.

With this new view on our water use, we intend to set new targets for water conservation beyond 2020, and we will work to ensure we use a science-based approach to establishing these targets.
Building COMMUNITY
Volunteering

We think it’s important to support the communities in which we live and work. Our employees are encouraged to use 5% of their paid time (12 full days a year) to volunteer for causes they’re passionate about. In turn, they contribute hundreds of hours each year to support initiatives like helping at animal shelters and schools, repairing trails and removing invasive species, and coaching kids’ teams. We believe this strengthens our community and makes Tom’s of Maine a better place to work.

2017 RESULTS

2020 Goal | Target | 2017 Results | Status
---|------|-------------|-----
INCREASE EMPLOYEE VOLUNTEERING | 88% | 81% ON TRACK | ---

WHAT’S NEXT?

Historically, we have tracked the percentage of employees who have used any amount of the volunteer benefit. In 2017, we took a different approach in order to gain a better understanding of how much of the benefit is actually being used. Our thinking here is quite simple—more hours volunteered translates to more good done, and we’d like to encourage employees to do as much good as possible.

How much of the Employee Volunteer Benefit is being used?

- 10% Not using the benefit
- 19% Using between 10% and 25% of available benefit
- 14% Using between 25% and 50% of available benefit
- 6% Using between 50% and 85% of available benefit
- 6% Using between 85% and 100% of available benefit
- 45% Using 100% of available benefit

Our research uncovered some interesting results! We encourage our employees to volunteer up to 12 paid days each year, but 78% of employees are using only 25% of the benefit or less! We also found some of the barriers to volunteering, and we plan to address these to ensure more of the benefit can be used.

Results based on employee survey where employees were asked to indicate participation in volunteering and annual Goodness Day. 31 respondents.
“When I was looking for an organization to volunteer for, I wanted to make sure the work I was doing had a real positive impact in my home community. My local food pantry helps me do just that. I collect food from local retailers that might otherwise go to waste, and I help make sure it gets to people who really need it. Thanks to the Tom’s benefit, I volunteer almost every week and love feeling like I am making a difference.”

MIKE L., RETAIL MARKETING
Mark R.

“I have been volunteering for 20 years with Maine Adaptive Sports and Recreation (MASAR). I teach people with physical challenges how to ski and snowboard, but it is an all-inclusive environment and people are empowered to do more than just these activities. I love my volunteer time with MASAR, and since they have added golf, paddling, cycling, and many other activities to the list of sports that they instruct, there are opportunities for me to be involved year round.”

MARK R., PLANT CHEMIST
Our favorite day of the year!

Every year, our employees get the opportunity to come together and support a local nonprofit. Not only does this allow us to work together as a team and enjoy each other’s company, it also gives a boost to local organizations that need our help.

To celebrate this year’s Goodness Day, we volunteered at the beautiful Fort Williams Park in southern Maine. We provided a little TLC to the park’s buildings, picked up litter, maintained trails, and removed invasive species.

TOM’S EMPLOYEES GET 5% PAID TIME OFF TO VOLUNTEER IN THEIR COMMUNITY.
Giving BACK
Each year, we give 10% of our profits to community-based nonprofits. The groups we support are experts in what they do, and they have the best ideas for serving the needs of their communities.

2017 RESULTS

With so many groups doing good, deciding where to direct funds can be quite difficult. We try to focus our giving toward groups that address key health issues, conserve nature for future generations, and improve education for kids. We also work to ensure a portion of our giving stays in our home state of Maine. In doing so, we work with the United Way of York County to help fund health and human services where they’re needed most.

Protecting NATURE

Tom’s of Maine has a long history of working with the Nature Conservancy. With your help, we directed $650,000 toward water conservation efforts in 2017.
WITH YOUR HELP, WE DONATED OVER $1 MILLION TO TEACH THE NEXT GENERATION HOW TO CARE FOR OUR PLANET.

2017 marked our second year of working with DonorsChoose.org, an organization that connects people with classroom projects in need of funding. We’ve primarily focused on sustainability projects in the classroom because we know that support for the environmental leaders of tomorrow is key to a better, brighter future!
While we continuously evaluate the model to ensure it is meeting the changing needs of consumers, you can continue to expect that every ingredient we use will go through a rigorous evaluation process. You can also expect transparency in the ingredients we use, with every ingredient, its purpose and its source listed on our website.

We are also evaluating key health issues that we can address through our corporate giving, with a focus on the areas that have the greatest need and where our giving can have the biggest impact.
Climate change and water scarcity are global challenges that are critically important to address. While efficiencies in production and transportation will remain a focus, our comprehensive audit has revealed the ingredients we use and consumer end use of our products as the true drivers of our impact. We intend to devise strategies for addressing these drivers, including evaluating raw materials and developing consumer education programs.

We also intend to continue our work with The Nature Conservancy. As a global leader in science-based conservation, The Nature Conservancy has an unparalleled understanding of the conservation needs of local communities and the best ways to address them. We look forward to continued partnership in being careful stewards of our nation’s freshwater resources.
Since the 1980s, our employees have been encouraged to take paid time off to give back. And our hope has always been that offering this benefit would address the primary barrier that keeps people from engaging in community service: time. However, we now understand that while a majority of employees use this benefit, most of the hours remain unused. We’ll focus our efforts to help address this, so we can increase the number of hours used volunteering.

In developing our goals and actions for the future, we always consider one very important source of information—you!

We understand that our actions today have an impact on tomorrow, and we want those actions to prove that Tom’s of Maine is a force for good. Our consumers have always been valuable partners in this journey; they tell us what we’re doing well and where we have opportunities to improve.