



Toms Group A/S – Non-financial

Annual Report

2024

Toms

Contents

Letter from executive management /Page 3

Key ESG metrics /Page 4

Sustainable Business conduct /Page 5

Business Model /Page 6

Stakeholder engagement and strategic alignment /Page 7

Double materiality assessment /Page 8

Materiali issue findings /Page 9

Pillar 1: Responsible Sourcing /Page 12

Pillar 2: Combat Climate Change /Page 13

Pillar: 3 Circular Packaging /Page 14

Pillar 4: Life in Balance /Page 15

Overview of policies, partnerships & certifications /Page 16

Sustainability governance /Page 17


Method /Page 19

Our purpose


We bring smiles to life

Our values – the four Cs


Courage




Collaboration



Creativity



Commitment



Corporate social responsibility statement

This report covers the financial year from 1 January 2024 to 31 December 2024 and represents the corporate social responsibility statement of Toms Group A/S as required by Section 99a of the Danish Financial Statements Act.

It forms part of Toms Group’s annual reporting, along with the 2024 annual reports of Gerda & Victor B. Strands Fond, Gerda & Victor B. Strand Holding A/S and Toms Group A/S, which present detailed information about our operations and financial results.

The financial annual report can be downloaded from our website: tomsgroup.com

We welcome and value your feedback
If you have any suggestions as to how we can improve our reporting, please contact Ditte Haugaard Clausen, Head of Communications & Sustainability, at dhc@tomsgroup.com

This report was made available online by Toms Group A/S on April 9, 2025, and you can find it on our website: tomsgroup.com

Ownership
Toms Group A/S is a fully owned subsidiary of Gerda & Victor B. Strand Holding A/S, Ballerup, Denmark.

Letter from Management

In 2024, Toms Group made significant progress in integrating sustainable business conduct throughout our business in line with our Toms26 strategy.

The sustainability activities have been highly influenced by Toms Group's preparations for the various sustainability-related regulations, that will apply to our business and industry in the coming years. We are proud to show progress in our results on many of our targets – and we present our results in a transparent and comparable manner.

The four pillars of our sustainability strategy – Responsible Sourcing, Combat Climate Change, Circular Packaging and Life in Balance – outline our priorities and targets for the coming years. Toms Group remains dedicated to being a role model in sustainability, pushing boundaries and inspiring positive change. To highlight a few examples:

In 2024, we shared the findings from our double materiality assessment for the first time – findings that guide us and support our strategy on relevant

sustainability topics. We are also proud to share our first full disclosure of greenhouse gas emissions. Toms Group also reported to the Carbon Disclosure Project for the first time as part of our commitment to the SBTi pledge that Toms Group will not contribute to a rise in global temperatures above 1.5 degrees Celsius.

In 2024 all electricity consumption in Toms Group, including at our factories, was covered by renewable electricity from solar and wind farms through a mix of guarantees of origin (GoO) and power purchase agreements (PPAs). We also celebrated the go-live of our own on-site solar farm in Nowa Sól in Poland.

While we recognise that the road ahead is complex and demanding due to our ambitious targets and the challenge from future legislative requirements, we find confidence in a highly engaged organisation committed to driving sustainable development.



"We find confidence in a highly engaged organisation committed to driving sustainable development."

Annette Zeipel
CEO

Claus Rosthof
CFO

Toms Group key ESG metrics 2024

E. Environmental disclosure		2024	2023	SBTi Baseline	Change
Total energy consumption in production activities in (GWh)		40	43	52	-24%
E.1	% of renewable electricity in production activities	100%	100%	100%	-
	% of renewable energy in production activities ¹	52%	47%	42%	24%
E.2	Total GHG emission (in tCO2eq)				
	- Market-based method	211,314	254,962	255,861	-17%
	- Location-based method	216,830	261,632	262,602	-17%
E.3	Greenhouse Gas Intensity (in tCO2eq per DKKm revenue)	126	154	160	-21%
E.4	% of recyclable packaging materials	98%	94%	n/a ⁵	n/a ⁵
S. Social disclosure					
Characteristics of Toms Group employees					
S.1	- Total headcount	876	866		
S.2	- Employee turnover rate	13%	n/a ⁵		
S.3	- Gender Pay Ratio	86%	n/a ⁵		
	- CEO vs. Average employee pay ratio (PPP-adjusted)	9.78 ⁴	n/a ⁵		
	- % of females in top management	56%	50%		
	- % of females in middle management	34%	35%		
	- % of females as team leads	54%	n/a ⁵		
Health and safety metrics					
	- Lost-time injury frequency rate (# of lost-time accidents per million hours worked)	9	22		
G. Governance disclosure					
G.1	Total # of complaints received ²	4	n/a ⁵		
	Total fines incurred and paid (DKKkM)	-	-		
	Weighted average payment terms to suppliers (in # of days) ³	55	n/a ⁵		

¹ Toms Group covers 100% of its energy consumption in production activities with renewable energy certificates (RECs). In compliance with the CSRD, only renewable energy certificates eligible under ESRS E1 AR-45 are included in the calculation of percentage of renewable energy.

² This disclosure includes complaints received, investigated and substantiated through Toms Group's whistleblower hotline, HR department and consumer protection agencies.

³ Average payment is calculated using the weighted average based on the aggregated invoiced amount and payment due date.

⁴ CEO vs average employee pay ratio is calculated using the mean salary of all permanent employees in Denmark and Poland, with Polish salary adjusted with the purchasing power parity (PPP) of the corresponding period.

⁵ 2024 is the first financial year for which this metric has been reported by Toms Group.



Sustainable Business Conduct at Toms Group

Toms Group activities

Toms Group is a leading confectionery company headquartered in Denmark. We specialise in the manufacturing, marketing and sale of a wide range of confectionery products, including premium chocolate, sugar confectionery and pick-and-mix sweets. Our production footprint includes three factories (two in Denmark and one in Poland) and a dedicated packaging facility (also in Poland). Denmark is our largest market, with Denmark and Sweden accounting for 64% of our revenue.

Key markets and brands

In Germany, our focus is on premium chocolate products under the well-known brands Hachez, Feodora and Anthon Berg. In Sweden, we have established a solid presence with both branded products (Anthon Berg and Toms) and pick-and-mix sweets. Our Travel Retail business unit has a presence in major airport hubs around the globe, and the Special Accounts Team works closely with large retailers to create specialised items for particular events. Our international business unit oversees exports to North America, China, France, the United Kingdom, Australia, Eastern Europe and various markets across the Far and Middle East. In several of these regions, distribution partnerships are integral

to our go-to-market strategy. (See an overview of our business model on the next page.)

Sustainability as part of our Toms26 strategy

Sustainability is one of four primary focus areas in our Toms26 strategy. This is a dedicated sustainability strategy for 2026, reflecting our pledge to mitigate risks and reduce negative impacts throughout our value chain. We are working diligently to fulfil our Science Based Targets initiative (SBTi) commitments for emissions reductions – an objective that necessitates strategic investment, supplier engagement and ongoing dialogue with stakeholders.

In 2023, we conducted a double materiality assessment, and in 2024 this was reviewed and significantly updated, involving all key stakeholders at Toms Group and drawing on peer reviews and assessment of external factors. Our assessment confirmed that our sustainability strategy does indeed focus on the most significant aspects in our value chain – and the assessment serves as a guide to the particular ESRS requirements that we must comply with in future reporting.

The plan is to develop more in-depth analyses for our Annual Report 2025.

Business model

Resource inflow

Raw materials:

Cocoa beans (primary ingredient for chocolates), sourced through sustainable and ethical supply chains.

Liquorice, hazelnuts, almonds, sugar, milk powder and other confectionery ingredients, sourced from global suppliers.

Packaging materials, with a focus on improved recyclability.

Human resources:

Skilled workforce for product development, manufacturing, logistics, administration, sales and marketing.

Partnerships with external vendors and suppliers for raw material sourcing and logistics.

Capital and investments:

Revenue reinvestment for modernisation of production facilities and marketing.

Investments in R&D for new product development and sustainability initiatives.

Brand equity:

Strong brand recognition in Denmark, the Nordics and international markets.

Strong partnerships with retailers and distributors.

Heritage and reputation built since 1924, contributing to consumer trust and loyalty.

Sustainability initiatives:

Partnerships with global organisations for sustainable cocoa production.

Certification programmes (e.g. Rainforest Alliance or Fairtrade) to ensure ethical sourcing.

Validated by the Science Based Targets initiative (SBTi).



Output

Product offerings:

Chocolates (e.g. Anthon Berg pralines, chocolate liqueurs).

Liquorice and other candies.

Distribution channels:

Supermarkets, convenience stores and specialty retailers in core markets.

E-commerce platforms for direct-to-consumer sales.

Export to international markets, especially for premium offerings, primarily via distributors.

Value creation:

High-quality, innovative confectionery products catering to diverse consumer tastes.

Revenue streams:

Sales of branded products in domestic and international markets.

Contract manufacturing and private-label sales for retail partners.

Brand perception:

Reinforcement of Toms Group as a heritage brand with a modern, more sustainable approach.

Strong emotional connection with consumers through storytelling and product nostalgia.



Stakeholder engagement and strategic alignment

Key stakeholders and engagement methods

Our business model is supported by continuous dialogue and engagement with five key stakeholder groups: customers, suppliers, employees, consumers and financial institutions. These engagements occur through a variety of channels, including regular meetings, market analyses, workers' council discussions, employee surveys, trend analyses and dialogue with internal leaders from all departments at Toms Group. The purpose of these engagements is two-fold: to inform our day-to-day operations and to shape short-, medium- and long-term strategic decisions.

Incorporating stakeholder views

Insights gathered from stakeholder interactions feed directly into our decision-making processes. This includes near-term operational adjustments and more significant inputs for the ongoing development of corporate and sustainability strategies. Although no direct amendments to our corporate strategy have been made solely due to stakeholder feedback, these perspectives consistently influence our overall direction and guide our prioritisation of key initiatives.

Informing the Board of Directors on stakeholder views

If the Sustainability Steering Committee judges that a stakeholder issue warrants high-level consideration, the stakeholder views are presented to the Board of

Directors. This ensures that relevant stakeholder insights and concerns are factored into our governance structure and strategic roadmap.

Views and interests of our employees

In 2023, Toms Group undertook a significant ethnographic research study to better understand "What are the most important parameters for a healthy working life?" This project incorporated both an anonymous survey (46% participation rate) and 48 in-depth interviews with employees across our organisation. Conducted by an external partner, the research allowed us to gather candid feedback on physical and mental well-being as well as dietary considerations.

Based on these findings, we introduced the Life in Balance strategy, which is described under Pillar 4: Life in Balance.

Views and interests of workers in the value chain

One of the pillars of our sustainability strategy 2026 is Responsible Sourcing, designed to reduce negative impacts throughout our supply chain. Recognising the prevalence of child labour risks in the cocoa industry, we have committed to:

- Fighting child labour in our entire cocoa supply chain by the end of 2025.
- Fighting child labour across our entire value chain by 2030.

We have been proactively addressing child labour through direct engagement with suppliers,

community-based programmes and continuous monitoring to ensure that we uphold our commitments in practice, also described under the responsible sourcing pillar.

Views and interests of consumers

Toms Group has an impact on its consumers in terms of responsible marketing practices, access to quality information and food safety, and it is important to us that we respect these consumer rights. We have a Consumer Health Policy and related action plans that address all these impacts.

Our efforts to promote responsible marketing practices include following the industry code on marketing towards children as well as working on defining our own internal marketing code.

Access to quality information includes both nutritional information and guidance on correct disposal of our packaging to make this process easier for our consumers, which is part of our work within the Circular Packaging strategy pillar. We believe in giving our consumers the information needed to make informed decisions, and we run a very vibrant consumer feedback channel via our website, where we receive extensive feedback and enter into dialogue with consumers on a daily basis.

Double materiality assessment

2024 was a year in which Toms Group made significant progress in the area of sustainability reporting. We expanded upon the efforts made in 2023 and we re-examined our double materiality assessment (DMA) to map the impacts, risks and opportunities that we must focus on.

As in the previous year, many key stakeholders and external partners were involved in the process, and our findings determined that seven topics are material for us.

About the DMA
Our current related targets on sustainability encompass our most material impacts and a strategy

that dedicates the capacity and resources necessary to address them.

The material impacts and risks do highlight challenges, such as raw material production, which is already being addressed in our current sustainability strategy but is likely to receive greater focus through our strategy development processes in 2025.

On the following pages, we describe our material findings.

Impact Materiality

E. Environmental disclosure

European Sustainability Reporting Standards	Material impact(s) affecting people and the environment [Yes/no]	If yes, type of material impact(s) identified [Positive and/or negative]	If yes, where in the Value Chain does this occur [own operations, upstream and/or downstream]	If yes, impact time horizon(s) [short term: 0-12 mos; medium term: 12 mos – 5 yrs; long term: 5+ yrs]
Climate change	Yes	Positive and Negative	Own operations, upstream and downstream	Short, medium and long term
Pollution	No	-	-	
Water and marine resources	No	-	-	
Biodiversity and ecosystems	Yes	Negative	Own operations, upstream and downstream	Short, medium and long term
Resource use and circular economy	Yes	Negative	Own operations, upstream and downstream	Short and medium term

S. Social disclosure

Own workforce	Yes	Positive and Negative	Own operations	Short, medium and long term
Workers in the value chain	Yes	Negative	Upstream	Short, medium and long term
Affected communities	No	-	-	
Consumers and end-users	Yes	Negative	Downstream	Short, medium and long term

G. Governance disclosure

Business conduct	Yes	Positive and Negative	Own operations, upstream and downstream	Short, medium and long term
------------------	-----	-----------------------	---	-----------------------------

Financial Materialty

Material financial effect(s) affecting Toms Group's ability to create value [Yes/no]	If yes, type of material financial effect(s) identified [Risk and/or opportunity]	If yes, where in the Value Chain does this occur [own operations, upstream and/or downstream]	If yes, effect time horizon(s) [short term: 0-12 mos; medium -term: 12 mos – 5 yrs; long term: 5+ yrs]
Yes	Risk	Own operations, upstream and downstream	Short, medium and long term
No	-	-	-
No	-	-	-
Yes	Risk	Downstream	Medium and long term
Yes	Risk	Own operations and upstream	Short, medium and long term
Yes	Risk	Own operations	Short, medium and long term
Yes	Risk	Upstream	Short, medium and long term
No	-	-	
Yes	Risk	Own operations	Short, medium and long term
No	-	-	

The table highlights the issues that Toms Group considers material.

Material issues findings

Climate change

Climate change is a highly material topic for Toms. It is a topic that encompasses impacts and risks for our operations and our supply chain. Toms Group relies on agricultural raw materials, such as cocoa, and therefore it is assessed as highly material to Toms Group to address climate-related challenges to ensure sustainable operational continuity and minimise the negative impacts. The challenges of combatting climate impact in the cocoa supply chain are many. For example, there is a lack of requirements regarding use of regenerative agricultural practices that help farmers to make their crops more adaptable to climate change. Low income in cocoa farming makes it difficult for farmers to reinvest in new agricultural practices that focus on adaptation.

Toms Group takes part in several initiatives addressing the matter, including a Rainforest Alliance-driven agroforestry project in Ghana, planting trees and training farmers in regenerative farming.

Toms Group's direct business activities also contribute to climate impacts via our energy consumption and greenhouse gas (GHG) emissions across our value chain. We seek to optimize our energy consumption in our operations and purchase renewable energy.

Key risks: Extreme weather and changing climate conditions in key sourcing regions pose major risks to raw material availability, quality and cost, potentially disrupting production and impacting product demand.

Biodiversity and ecosystems

Toms Group's value chain has a significant impact on biodiversity and ecosystems, making this a critical area for our business to address. Cocoa farming historically

has contributed to environmental challenges such as habitat degradation, deforestation and pollution, which threaten global biodiversity and ecosystem health.

Key impacts include the use of pesticides and fertilisers, which can degrade soil quality and lead to desertification. Deforestation associated with cocoa sourcing contributes to land use change and biodiversity loss, while GHG emissions and pesticide use, among other things, negatively affect pollinator populations vital for certain crops. Use of single-use plastics can also contribute to biodiversity loss through microplastic pollution, mainly in regions lacking adequate waste management infrastructure.

Key risks: Deforestation in cocoa-sourcing areas may lead to scarcity in the supply of deforestation-free raw materials and impose higher costs. Stricter regulation of, for example, single-use plastics to mitigate biodiversity loss could result in higher packaging costs. Toms Group addresses these challenges proactively to strengthen its commitment to sustainable practices.

See also our list on biodiversity on page 14.

Resource use and circular economy

As a producer of chocolate and confectionery, our activities contribute to resource use and waste generation, from sourcing to production and end-of-life disposal.

Our sourcing practices rely on a wide range of raw materials, where cocoa is central. Limited emphasis on regenerative agricultural practices poses risks of impacting soil health and resource availability. Packaging waste risks ending up in landfill or as litter, mainly in regions lacking adequate recycling infrastructure.

Key risks: The transition to less carbon-emitting and more environmentally friendly packaging may require significant investments, as does adapting to stricter regulations on food-grade packaging. Additionally, price volatility, particularly in the cocoa market, and the potential impacts of the EU Deforestation Regulation represent further challenges to resource stability and cost management.

Own workforce

Our workforce is central to Toms Group's ability to deliver value, making workforce-related impacts and risks a focus area for our business. As an organisation with employees from diverse backgrounds, we recognise the importance of addressing topics related to equality, diversity, training and workplace safety.

Key impact areas are mitigating unconscious diversity bias, and expanding training and skills development opportunities for employees. Toms Group complies with relevant regulations, and we work continuously to mitigate possible workplace harassment and enhance collective bargaining agreements to foster better social dialogue. For production workers in Poland, specifically from Ukraine, we offer housing for temporary employees, ensuring that they have an adequate housing standard while working for Toms Group.

Health and safety

Key impact areas in the health and safety of our employees are working with chemicals and general work-

place safety, which is a high priority for Toms Group. We have measures in place to reduce the associated risks, including a working environment organisation, inspection rounds in production and training on personal protective equipment.

Diversity and gender equality

The material impacts are related to our work on promoting diversity and gender equality as well as collective bargaining agreements.

Positive impacts

Several of the positive material impacts are related to legislative requirements, for example collective bargaining agreements, employment rules on notice periods, or health and safety measures to ensure safe working conditions. In addition, Toms Group carries out several activities to promote a positive working environment with engaged employees by offering them training and supporting a balanced life. There is no risk of child labour or forced labour within our own operations. We comply with legislative requirements on minimum age and our own operations are in countries where the risk is low to non-existing.

Key risks: Potential long-term sickness related to physical or psychological working environments is a risk. Toms Group invests in improving workplace conditions, including upgrading production equipment, employee training and fostering a supportive culture that prioritises employee well-being. Addressing these challenges reduces risks, and enhances employee satisfaction and productivity

Workers in the value chain

The welfare of workers across our global supply chain is a critical aspect of Toms Group's business operations and sustainability strategy. We source materials and services from many suppliers, including suppliers in developing countries, and we recognise the need to address social challenges in these countries.

Key impacts include issues such as child labour and forced labour in the cocoa supply chain, highlighting the industry's broader challenges. Sourcing raw materials from regions with limited access to safe water, sanitation, secure employment and fair wages underscores the need for systems to improve social conditions. A lack of freedom of association and collective bargaining in these regions further compounds the risks to worker welfare. Toms Group works with various organisations to mitigate these risks.

Child labour and forced labour

Three major impacts on the workers in our value chain are child labour, forced labour and inadequate wages. The child labour and forced labour impacts do not originate from our business model, but we are indirectly connected to them via our value chain. Toms Group has built its strategy to mitigate this impact through a strategic focus on responsible sourcing and engaging in partnerships with NGOs. This includes a target of sourcing 100% certified cocoa by 2025 and fighting child labour across our entire value chain by 2030.

Inadequate wages and financial risks

Paying wages below the minimum living wage can be connected to our business model, and we are working to reduce this negative impact by paying a premium for

the certified cocoa we source, which means farmers are being paid more for their goods.

The negative impact on child labour and inadequate wages poses a material financial risk to Toms Group in terms of negative reputation leading to a decrease in sales. Inadequate wages can also lead to fewer investments in the cocoa farms and thereby a decrease in yield in the long run, which can impact price levels. To mitigate this risk, we pay a premium for our certified cocoa and are working to reduce our negative impact.

Positive impacts on the value chain

The material positive impacts on value chain workers are education and training in our cocoa supply chain via a project funded by the Toms Group Foundation and facilitated by the Rainforest Alliance, training farmers in Ghana in regenerative soil and farm practices.

Key risks: The risks are significant and include potential regulatory fines and increased operational costs linked to possible child labour violations in our supply chain. Toms Group is also exposed to reputational risks from labour rights violations in our supply chain.

Consumers and end-users

The health and well-being of consumers are closely tied to the products we offer, making this a material focus area for Toms Group. As a producer of confectionery, our activities influence consumer health and access to information about nutrition value.

Key impacts include providing quality information regarding ingredients and nutrition in compliance with regulations, with opportunities to go beyond legislative requirements to better inform consumers. Our products, if consumed excessively, can contribute to health issues such as obesity and related diseases, presenting challenges in terms of nutritional impact. Additionally, marketing practices aimed at children may unintentionally encourage unhealthy consumption of products.

Impacts

Our material positive impacts are access to quality information and responsible marketing practices in

relation to ingredients and nutrition in our products. We are subject to legislative requirements and have several relevant measures and processes in place.

A material negative impact on our consumers is the impact of our products on their health, since confectionery contains substantial amounts of calories. This is indirectly one of the reasons for the imposition of tax on sugar, which poses a financial risk for Toms Group.

Transparency and consumer information

All consumers who are likely to be impacted by Toms Group are included in the scope of the information provided. We have several processes in place to ensure that the proper and correct information on ingredients and nutrition is provided in our product labelling. This is relevant for all consumers, but maybe particularly for consumers with allergies or special dietary requirements or restrictions.





Key risks: One of the risks is regulatory changes, such as potential taxes on processed foods, which may affect product pricing and profitability, and higher product prices resulting from these taxes, which could reduce consumer demand, posing long-term risks to market performance. Compliance with new regulations and the potential impact on consumer purchasing behaviour highlight the importance of aligning practices with evolving consumer expectations and regulatory environments.

Business conduct

As a global business with an extensive value chain, ensuring ethical practices and responsible business

conduct is critical for Toms Group. Our complex value chain exposes us to potential risks related to corruption, and we therefore have strong supplier management and engagement, as it is important to maintain trust and compliance.

Key negative impacts include the risk of indirect contribution to corruption or bribery in regions with high risk. Corruption in these areas can undermine local governance, limit the capacity to address deforestation, and exacerbate environmental and community challenges. Measures such as payment terms may inadvertently place financial strain on smaller suppliers, potentially affecting their operations.

We have several initiatives and measures in place to build and maintain a strong corporate culture across our offices and facilities in Denmark, Poland and Sweden, and to push forward these requirements in our supply chain. These include an employee Code of Conduct and a Supplier Code of Conduct that everyone must follow and act by. Various policies and processes are in place to support the principles set out in the Code of Conduct. Clearly defined values and a purpose, which are continuously communicated to the employees, are also a major part of Toms Group, both now and in the future.

Toms Group upholds an independent whistleblowing scheme to support addressing misconduct across the entire value chain.

Assessment of resource use and circular economy

How we assessed the materiality

Internal subject-matter experts were consulted on mapping of the impacts, both within our own operations and throughout our value chain, related to resource use and circular economy, which in our case are related to packaging. Based on this mapping, as well as additional dialogue on risks and opportunities,

a gross list of impacts, risks and opportunities was created. Affected communities were not consulted in the process.

Assessment of Business conduct

Business conduct

Internal and external subject-matter experts were consulted for the mapping of our potential impacts, risks and opportunities related to business conduct.

All our own locations were included in the assessment as well as all activities within our value chain. In addition, the size of our suppliers was used as an input for the assessment of impacts, risks and opportunities related to our payment terms.

The conclusions for the non-material topics are:

Pollution

Negative impacts and risks were identified but none were assessed as material.

Water and marine resources

Marine resources were deemed irrelevant for assessment, as Toms Group's value chain does not depend on or engage in the extraction or use of marine resources. Negative impacts and risks associated with water were identified but none were assessed as material.

Affected communities

Negative impacts were identified but none were assessed as material.

Pillar 1: Responsible Sourcing

Responsible sourcing starts at the beginning of our value chain. Over decades of experience in sustainable cocoa, we have witnessed first-hand the complexity of issues such as deforestation and child labour – and we remain committed to fighting these issues.

Progress in 2024

In 2024, we continued to invest in local initiatives that strengthen farming communities, protect forests and provide children with safer, more promising futures.

We aim to reach 100% certified cocoa – a milestone that has proved challenging due to scarcity in the supply of cocoa. In 2024, Toms Group managed to source 92% certified cocoa. Further bolstering our fight against deforestation, we welcome the added regulations of the European Union Deforestation Regulation (EUDR), which will help enforce stricter standards and greater transparency.

Looking ahead

In 2025, we plan to strengthen our approach to ensure that deforestation and child labour measures cover 100% of our cocoa supply chain, and by 2030 to extend these measures to our entire supply chain.

To keep on track to achieving these goals, in 2025 we will define a roadmap that leverages our ongoing risk mapping, informed by the DMA.

Engaging suppliers for long-term impact

Rather than cutting ties when risks are identified,

we work alongside our suppliers to remediate issues and support improvements in farming practices.

This collaborative approach follows the UN Guiding Principles on Business and Human Rights, reaffirming our belief that real change comes from engagement and accountability, not withdrawal.

Through these efforts, Toms Group remains committed to building a supply chain that safeguards the planet's resources and upholds the fundamental rights of the people behind our products.

In 2025, we will remain committed to purchasing cocoa certified by the Rainforest Alliance or Fairtrade, targeting 100% of the total volume.

This means that we will be covered by certifications for farms certified to have no deforestation and with systems in place that effectively prevent, monitor and remediate child labour. Where certifications are not available, we defer to our suppliers' documentation and compliance requirements for sourcing cocoa.

Toms Group is engaged in a Rainforest Alliance project, with support from the Toms Group Foundation,

to enhance the capacity of farmers and communities in the Sui River Landscape to restore degraded areas and improve forest cover. The project focuses on:

Establishment and management of shade tree nurseries, distribution of fruit tree seedlings and training of farmers on climate-smart and regenerative agriculture practices. During 2024 72,000 seedlings were planted.

About palm oil

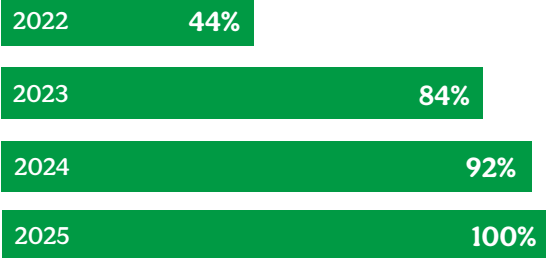
Toms Group only uses 100% RSPO-certified and segregated palm oil in its products. Through our membership of the Roundtable on Sustainable Palm Oil (RSPO), we work to make sustainable palm oil the global norm.



Responsible Sourcing

We protect forests and children's rights throughout our supply chain

- 100% certified cocoa by the end of 2024
- Our fight against deforestation and child labour to cover 100% of our cocoa supply chain by 2025
- Our fight against deforestation and child labour to cover 100% of our full supply chain by 2030



Pillar 2: Combat Climate Change



Combat Climate Change

Towards 1.5°C

- Maintain sourcing of 100% renewable electricity
- By 2030, reduce absolute Scope 1 and 2 GHG emissions by 68%
- By 2030, reduce Scope 3 emissions within Energy and Industry by 42% and within FLAG by 30%

Baseline year for all: 2021

Towards 1.5°C. Toms Group bases its climate action on science-based targets. Accomplishing these targets means that Toms Group's emissions do not contribute to a rise in global temperatures of more than 1.5°C.

Our targets were validated by the Science Based Targets initiative (SBTi) in January 2024. These targets describe Toms Group's ambition of continuing to source renewable electricity, and our commitment to reach the point of no deforestation in our value chain. Progress against our targets will be regularly measured and reported publicly each year via the Carbon Disclosure Project's platform, CDP.net, and in Toms Group's Annual Report.

The graphic to the right shows our progress on reaching our reduction targets.

Value chain emissions: Scope 3 + FLAG

The majority of our total GHG emissions stems from our value chain, as is the case for most production companies. Reducing emissions in this area will be a focus point for us in the coming years. With the validated targets for Scope 1, 2, 3 and FLAG, we are ready to start working on plans to reach our targets for all scopes.

Progress against targets despite challenges

We are gradually reducing emissions from our own production – Scope 1 and 2. In 2024, we managed to reduce emissions from our production by 9% compared with 2023. The main reductions derived from a reduction in natural gas spend and less district heating due to warmer weather. We reduced our total emissions by 18% compared with our baseline year of 2021. The reduction in Scope 3 partly derived from a reduction in the purchase of cocoa and optimised inventory management.

100% covered by renewable electricity

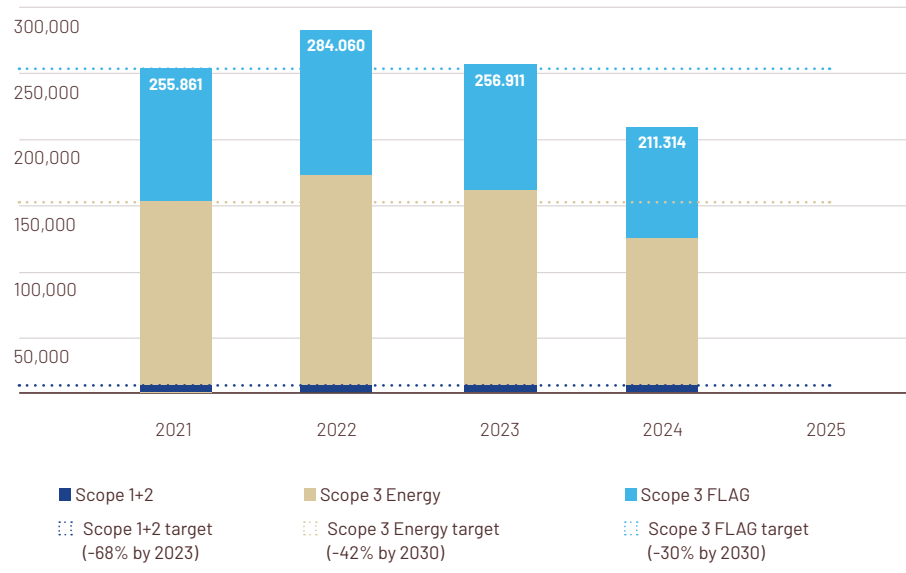
In 2024, Toms Group was covered 100% by renewable electricity in a mix of Guarantees of Origin (GoO) from solar and wind farms, including those deriving from our power purchase agreements (PPAs) with solar farms. In 2024, we also established our own on-site solar farm by our factory in Nowa Sól.

We have installed electric vehicle charging stations at our sites in Nowa Sól and Leszno, helping us reach our goal of having a fleet of company vehicles that is 100% electric by 2025.



In 2024, Toms Group disclosed our first full climate emission report in CDP.net

Tracking Toms' progress towards SBTi emissions reduction targets (tCO2eq)



SBTi			Total GHG emissions (tCO2eq)			
	Baseline (2021)	Target (2030)		2022	2023	2024
Scope 1+2	4,387	-68%	Actual	3,488	4,055	3,686
			Reduction	-20%	16%	-9%
Scope 3 (Energy)	148,572	-42%	Actual	162,800	150,876	123,630
			Reduction	10%	-7%	-18%
Scope 3 (FLAG)	102,901	-30%	Actual	117,772	101,980	83,997
			Reduction	14%	-13%	-18%
Total	255,861	-	Actual	284,060	256,911	211,314
			Reduction	11%	-10%	-18%



Pillar 3: Circular Packaging



Circular Packaging

Minimise packaging, maximise recyclability

- 100% recyclable packaging by 2025
- 30% plastic reduction by 2030
- 100% of plastic trays are transparent by 2025

TARGET ALMOST ACHIEVED

New, more ambitious target

We are striving towards circular packaging and reduction of packaging materials. We align with the EU goal of building a circular economy for packaging by 2050.

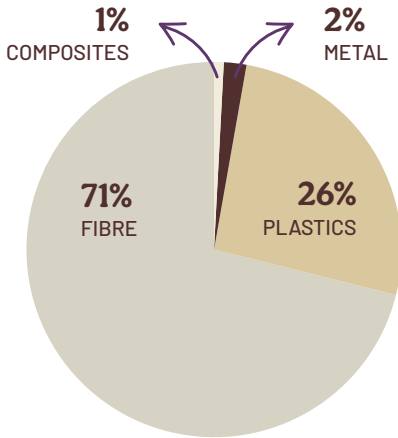
In 2024, we reached 98% recyclable packaging, very close to our target of 100%. We have therefore set a new target of 30% plastic reduction by 2030 compared with a 2023 baseline.

We made great progress on transparent plastic trays, reducing coloured trays by 76%. We expect to reach the target in 2025.

Changes in appearance are inevitable

Toms Group has been working for years to make our packaging more circular.

Packaging categories used at Toms:



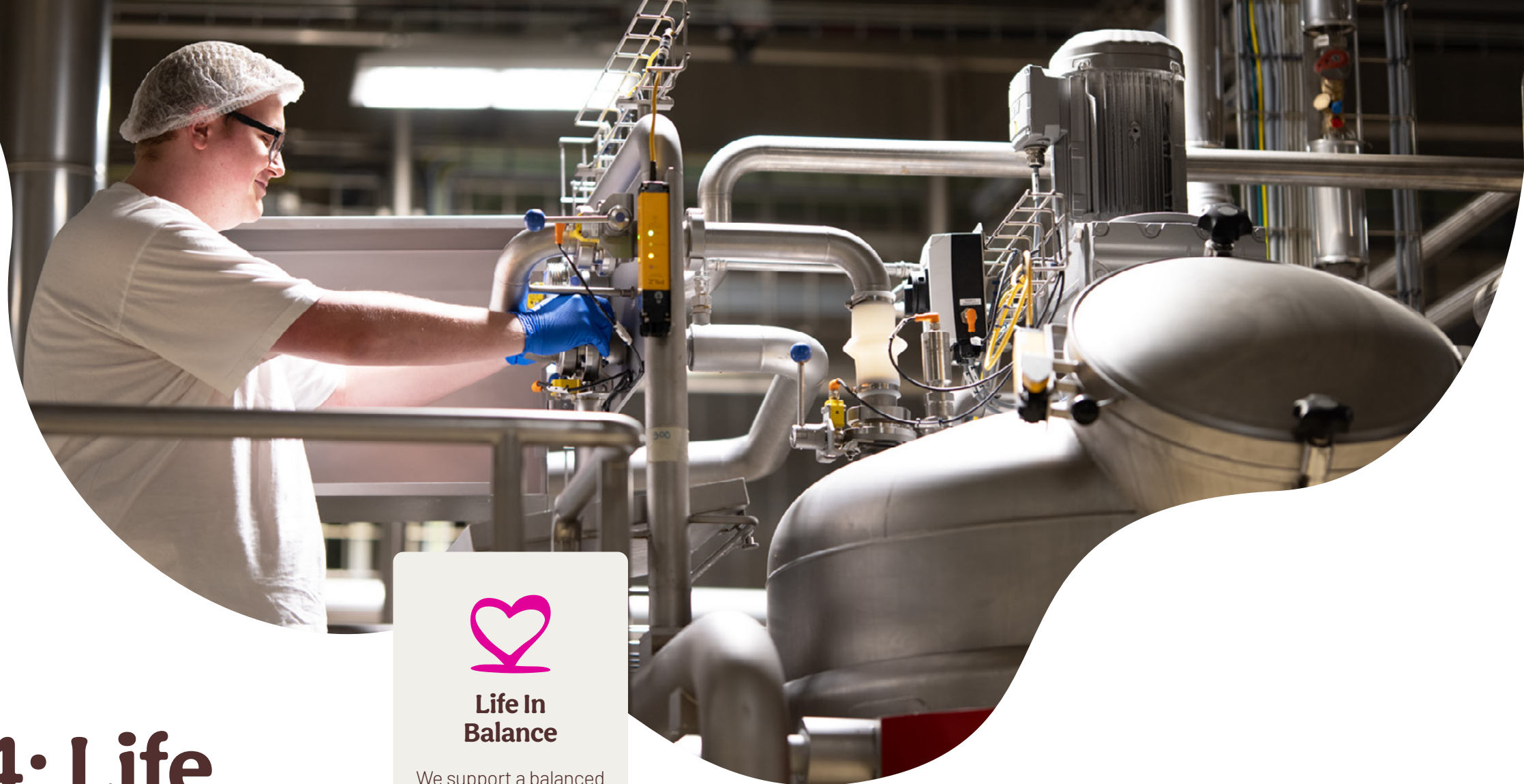
Total weight of packaging materials used in manufacturing and marketing (in t)

2024	4,538
------	-------

To reach 100% recyclability, we need to make changes to the appearance of some of our products, such as using more mono materials and materials that are easy to separate before disposal. These changes call for dialogue and respect for consumer perception of our brands and products, and we are continuously working to develop the most suitable solutions for converting the remaining 1%.

We aim for our packaging to be:

- as lightweight and compact as possible
- made from as much recycled material as possible
- free from substances that can adversely impact the environment or product.



Life In Balance

We support a balanced life for our employees and consumers

Pillar 4: Life in Balance

It is our responsibility to ensure food safety and a high standard of quality as well as to mitigate risks in our value chain. Consequently, food safety (HACCP) and quality cover our entire supply chain and are integrated into the design of new products, new machinery and processes. We continuously develop staff competences by establishing a food safety culture and mindset, and our suppliers are required to demonstrate food safety performance equivalent to ours through their food safety certifications and Toms Group's programme for supplier approval and evaluation. In 2024, we took further governance steps by developing a Consumer health policy

Certifications and standards

Toms Group is certified to the industry standard ISO 28000. Our factories are certified to FSSC 22000

(in Denmark) and IFS Food (in Poland) to meet international standards for food safety. These certifications help us secure an adequate level of food safety and good manufacturing practice (GMP). Toms Group works proactively with food safety risk mitigation. We aim to have no recalls, and in 2024 we accomplished this target.

Labelling

It is our responsibility to provide our consumers with accurate and precise information about our products, including nutrition, ingredients and any claims that we make. Accordingly, we continuously monitor changes in legislation and regulations to ensure compliance. Our strict procedures guarantee fast and adequate handling and mitigation of any issue of non-compliance related to labelling and marketing regulations. We are

particularly mindful of the vulnerability of children to certain types of marketing, and we follow the guidelines set out in the Danish Marketing Practices Act.

Consumer health and nutrition

Confectionery products may have a negative effect on nutrition if consumed in large amounts. Our ambition is to make information available to help consumers make more informed and conscious decisions. Teaching about labelling, energy intake and a balanced diet is an important part of our educational programme for Danish pupils. In 2024, we distributed educational material to 250 school classes.

In addition, Toms Group is a member of the Danish Veterinary and Food Administration's "Food association for snacks and sweets" (Fødevareselskab for snacks

og søde sager). As part of this initiative, the industry has come together to set goals for reducing sugar and controlling the sizes/amounts of package content.

Employee well-being

We aim to create a secure and inclusive working environment where every employee feels safe and motivated while also being offered opportunities to develop. Our Code of Conduct and our Human Rights Policy provide guidance on managing and maintaining our employees' mental and physical working conditions. Every year, we conduct a SEDEX (Supplier Ethical Data Exchange) Members Ethical Trade Audit (SMETA) to assess our standards in these areas.

At our production sites, health and safety work is organised into groups, each responsible for maintaining

and improving the working environment and safety for specific workplace areas. Assessments are carried out regularly. Whenever an area experiences a lost-time accident (LTA), a non-LTA or a near-miss, the situation is communicated and analysed, and corrective actions are implemented. This ensures that procedures and training programmes are adjusted based on all situations that may pose a danger.

Our focus in this work is on optimising physical conditions and creating a culture where safety is a proactive mindset in order to avoid accidents and near-misses. Our ambition is to prevent every single accident at our production sites.

In 2024, we decreased the number of lost-time accidents per million hours worked from 13 to 12 across Toms Group.

In 2023, Toms Group carried out a health assessment and identified three primary focus areas: physical health, consisting of physical well-being and physical activity; mental health, focusing on psychological safety and stress; and diet. During 2023 and 2024, we supported various health initiatives, including free fruit, better desks, on-site massage, exercise opportunities and events, and more emphasis on focus time.

Measurement and follow-up

Every year, we measure the engagement level of our employees through our annual engagement survey, People Matter. Employees are regularly trained in our Code of Conduct, which also includes information on how we continually work to prevent corruption and bribery at Toms Group.

Gender distribution in the workforce and management

Toms Group is dedicated to pursuing a balanced gender distribution in its workforce and management. We strive to recruit and maintain a diverse workforce by including diversity parameters in our employee initia-

tives. Our Diversity Policy establishes the framework for this endeavor.

In 2024, the Executive Board comprised six members elected by the Annual General Meeting, one of whom was a woman (16.7%). Our target is at least two members of the underrepresented gender elected by the Annual General Meeting by 2028 (33.3%).

The top management team at Toms Group comprises nine members, with a gender distribution in 2024 of five women and four men (44%). This fulfill our ambition of equal gender distribution in our top management. In 2023, the top management team comprised eight members: four men and four women (50%).

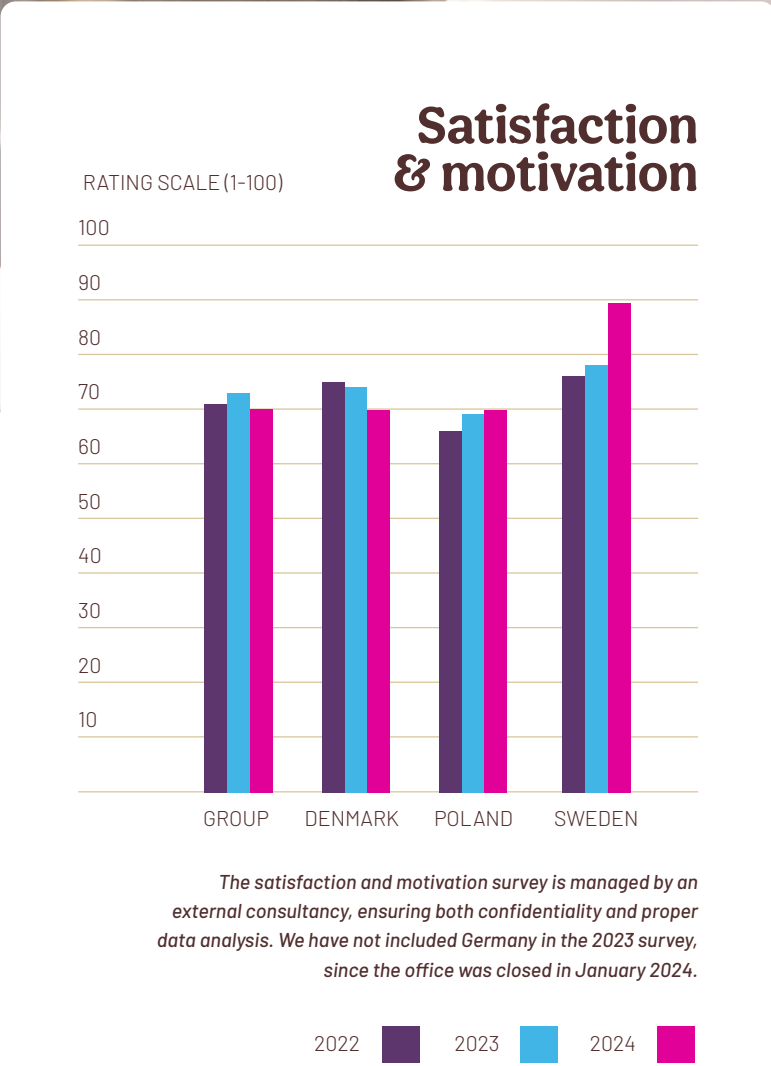
As for the Group's 67 members of other management levels (middle and line managers below the top management level), the female gender was under-represented in 2024, with a distribution of 23 women (34.3 %) and 44 men. In 2023, there were 77 members of other management levels, with 27 women (35%) and 50 men. The ambition is to achieve an equal gender distribution in other management levels

Diversity focus

We generally strive to recruit and maintain a diverse workforce by including diversity parameters in our employee initiatives. Our Diversity Policy establishes the framework for this endeavour. When recruiting, Toms Group always aims to have a diversity of candidates in the final candidate pool. Personal development dialogues are held annually to discuss possibilities for training and development in a formalised way to support our employees in achieving their ambitions.

Whistleblower scheme

To ensure accessibility, credibility and trust in safeguarding ethical standards, our whistleblower scheme is run by an impartial external party to guarantee full anonymity. This scheme enables the reporting of serious violations of the law, regulations, or Toms Group's policies or Code of Conduct. All reports are confidential and, if requested, fully anonymous. We received three reports through this scheme in 2024 and one via our HR department.



Overview of Policies, Partnerships and Certifications

Name	Description	Link
Policies and Codes of Conduct		
Sustainability Policy	Provides the overall framework for our work with responsibility throughout our value chain.	https://tomsgroup.com/en/sustainability/annual_reports_and_policies/
Human Rights Policy	Frames responsibilities in respect of human rights, including non-discrimination, employee rights, occupational health and safety, and risks of human rights violations within our supply chain.	https://tomsgroup.com/en/sustainability/annual_reports_and_policies/
Diversity Policy	Provides the framework for recruiting and maintaining a diverse workforce in terms of gender and other diversity parameters.	https://tomsgroup.com/en/sustainability/annual_reports_and_policies/
Supplier Code of Conduct	Describes the requirements for all Toms Group suppliers in the areas of human rights, labour standards, the environment and anti-corruption.	https://tomsgroup.com/en/sustainability/annual_reports_and_policies/
Employee Code of Conduct	Based on Toms Group's Human Rights Policy and Diversity Policy guides all employees through ethical and moral choices in their daily work life in support of a working environment free from discrimination and corruption.	Internal document
Certifications		
SMETA – Sedex Members Ethical Trade Audit	SMETA is a bundle of social audit procedures, and a four-pillar audit is used to assess socially responsible supply chain activities, environment and business ethics, as well as labour standards and health & safety.	https://www.sedex.com/our-services/smeta-audit/
ISO 28000	ISO 28000 is a management system for security and resilience. We work with a risk-based approach to secure our whole supply chain and ensure that we can deliver our products to our customers on time.	https://www.iso.org/standard/79612.html
FSSC (Food Safety System Certification) Danish production sites	Food safety and quality management system to ensure safe products of high quality for our consumers.	https://www.fssc.com/schemes/fssc-22000/
IFS Food (International Food Standard)	Food safety and quality management system to ensure safe products of high quality for our consumers.	https://www.ifs-certification.com/index.php/en/standards/4128-ifs-food-standard-en
Rainforest Alliance	Certification scheme supporting development of a more sustainable cocoa supply chain. In 2022, Toms Group's chocolate production sites were certified to live up to the Rainforest Alliance standard (former UTZ certification).	https://www.rainforest-alliance.org/for-business/2020-certification-program/
Fairtrade	Certification scheme supporting development of a more sustainable cocoa supply chain.	https://www.flocert.net/solutions/fairtrade/fairtrade-overview/
Partnerships and memberships		
UN Global Compact	Since 2006, Toms Group has been a signatory to the UN Global Compact, which is the world's largest corporate sustainability initiative supporting companies in aligning their sustainability strategies and operations.	https://www.unglobalcompact.org/
ICI – International Cocoa Initiative	ICI works to improve the lives of children and contributes to the elimination of child labour in cocoa-growing communities and in cocoa supply chains. Toms Group has been a member since 2002.	https://www.cocoainitiative.org
WCF – World Cocoa Foundation	Since 2011, Toms Group has been supporting the WCF to help achieve our shared goal of cocoa sustainability. WCF supports cocoa communities, education, field programmes and scientific research.	https://www.worldcocoafoundation.org/
CFI – Cocoa & Forests Initiative	Toms Group is a signatory to the cross-industry Cocoa & Forests initiative (CFI), which brings together the world's leading cocoa and chocolate companies and the governments of Côte d'Ivoire and Ghana in the fight to protect forests in the cocoa industry.	https://www.idhsustainabletrade.com/initiative/cocoa-and-forests/
Cocoa Coalition	Toms Group has joined the Cocoa Coalition, an informal group of companies, certification organisations and NGOs aiming to support the development of relevant policy measures on human rights and deforestation within the European Union.	-
RSPO – Roundtable on Sustainable Palm Oil	Toms Group is a member of RSPO – a global, not-for-profit organisation working to transform the palm oil industry to make it sustainable. 100% of the palm oil in Toms Group's products is RSPO-certified.	https://rspo.org/
SBTi – Science Based Targets initiative	In January 2024, Toms Group's SBTi targets were validated, including FLAG targets.	https://sciencebasedtargets.org/
CDP – Carbon Disclosure Project	In 2024, Toms Group committed to disclosing its climate impact to the public disclosure portal CDP. We are awaiting our first rating.	https://www.cdp.net

Sustainability governance

Toms Group has implemented a comprehensive governance framework to oversee and manage sustainability-related impacts, risks and opportunities. This framework is central to corporate decision-making, reflecting our commitment to address material environmental, social and governance challenges across the value chain.

Control process

We have an ESG control framework that integrates the ESG control process with the financial control process. ESG control is carried out by the Finance department, and most activity-based ESG metrics (e.g. energy consumption, own employee demographics, health and safety metrics, and payment terms) are documented and reviewed during the month-end closing process.

Supply chain data are documented and controlled quarterly. Preliminary results are communicated to the Sustainability Steering Committee and tracked against our certified science-based targets.

Risk prioritisation

We prioritise ESG-related risks based on financial materiality. The detailed risk prioritisation methodology is still under development and will be completed during 2025.

Main risks identified and related mitigation strategies

Spend-based data:
Per the GHG Protocol, Scope 3 categories 4 and 9 are material to the food and beverage manufacturing industry. At Toms Group, category 4 (upstream logistics) accounts for around 10% of our annual Scope 3 emissions and category 9 (downstream logistics) for around 1%. For 2024, we do not have activity data for

our logistics, as most of our logistics partners are not able to provide us with an accurate activity breakdown between road, air, water and warehousing.

Data quality:
Our activity- and spend-based data mainly come directly from our ERP system. Our current ERP system is designed to support existing production, finance and other business activities. As a result, a high degree of manual processing and estimation was involved in the data collection and control process. We are looking into automating the ESG control process and further integrating it into our financial control framework to free up resources for our ESG strategy and performance.

Due to supply chain deviations, we took a conservative approach to measuring our Scope 3 category 1 and forest, land and agriculture (FLAG) emissions.

Where accurate geographical information on material origin is unavailable, we use the highest available emission factor.

Most activity-based data as well as supply chain data are documented and controlled monthly. Preliminary results are reported to and discussed by the Sustainability Steering Committee quarterly.

In the following section, we provide an overview of the capabilities and structure of the Board of Directors.



Board of Directors

The Board of Directors holds ultimate responsibility for overseeing sustainability management. It is composed of nine non-executive members:

- Six independent members, of whom one is female (representing 16.67% female representation among independent members, or 20% expressed as a gender diversity ratio).
- Three employee representatives, elected by Toms Group employees for a four-year term.

Excluding the employee representatives, the Board is 100% independent. Beyond gender diversity, no addi-

tional diversity aspects are currently measured. The Board brings collective expertise in industrial operations, FMCG sectors, strategic business development and international markets – core competences essential for guiding corporate and sustainability strategies.

Sustainability oversight is not assigned to one single board member, but rather integrated across the entire Board’s area of responsibilities. Oversight is further reinforced through Toms Group’s Sustainability Policy, which ensures alignment of sustainability goals with broader corporate priorities. The Toms26 sustainability strategy, which details key impacts, risks and opportunities, has been formally approved by the Board.

Any changes to the strategy or major transactions impacting on sustainability are also presented to the Board for discussion. Progress on this strategy and related targets is reviewed annually and whenever the company faces major decisions or investments that could significantly affect its sustainability profile.

Competences of the Board of Directors

The Board of Directors is a diverse team of accomplished professionals united by their commitment to sustainability and ethical governance. Together, they drive the company’s vision of creating exceptional products while advancing environmental and social responsibility.

The Board integrates sustainability into the company’s core strategy, ensuring eco-friendly operations and ethical sourcing, particularly in cocoa supply chains.

Board members champion Toms Group’s strong sustainability framework, ensuring transparency, accountability and progress towards ambitious environmental and social goals.

Sustainability Steering Committee

The Sustainability Steering Committee is tasked with defining and implementing the Group’s sustainability strategy, including setting specific targets related to material impacts, risks and opportunities. The Committee is made up of senior executives – the CEO, the CFO, the Group Supply Chain Director, the Group Marketing & Innovation Director and the Head of Sustainability & Communication – and meets five times each year to:

- Monitor progress on Toms Group’s sustainability strategy.
- Review and address key risks, opportunities and challenges linked to sustainability goals.
- Align sustainability initiatives with the overarching corporate strategy.

When necessary, employees responsible for specific sustainability areas participate in Committee meetings to provide insight and data relevant to decision-making. While Toms Group leaders have significant experience in most material sustainability-related

Key sustainability issues addressed

During 2024, the Board of Directors and the Sustainability Steering Committee prioritised several key impacts and risks arising from Toms Group’s operations and value chain:

- Greenhouse gas emissions, particularly linked to manufacturing, processing, distribution and end-of-life product handling.
- Energy consumption, both internally and in upstream/downstream activities.
- Child labour risks in cocoa supply chains.
- Deforestation, especially related to sourcing raw materials.
- Packaging materials, including resource inflows and waste outflows.

In reviewing risks and opportunities, the Board focused on the potential for raw material supply instability, price volatility in cocoa markets and the effects of new EU legislation that could impact packaging fees and requirements.

issues, the company acknowledges a need to continuously build internal knowledge of biodiversity, Scope 3 and carbon accounting. A plan is in place to expand expertise in these areas in 2025, both at Sustainability Steering Committee level and throughout the broader organisation.

Incentive schemes

Currently, no incentive schemes or remuneration policies at Toms Group are explicitly tied to sustainability-related targets for the Board of Directors or its executive members. However, sustainability objectives are pursued through a shared commitment at all governance levels, and the Group remains open to exploring how incentives might further drive accountability and performance in the future.

Board members

Henrik Brandt (Chairman) Expert in governance, ensuring that sustainability aligns with financial and strategic goals.

Carsten Bennike Specialist in operational efficiency and sustainable supply chain practices.

Jesper Terndrup FMCG expert focused on balancing sustainability and competitiveness.

Anuradha Chugh Consumer insights leader advocating for responsible product innovation.

Peter Giørtz-Carlsen International sustainability leader with a global market perspective.

Martin Schlatter Extensive experience of responsible confectionery production and other FMCG business development.

Klaus Toxborg Petersen Process Operator, Toms Group, Ballerup.

Torben Klyhn Andersen Production Manager, Toms Group, Ballerup.

René Møller Hansen Process Operator, Toms Group, Ballerup.

Method

How we conducted our DMA

Below, we detail how material impacts, risks and opportunities were identified and assessed.

Stakeholder identification

A key objective of the DMA was to understand how our stakeholders see Toms Group’s sustainability-related impacts, risks and opportunities.

Currently, Toms Group does not have a formalised due diligence process, but we do know that our major impacts occur in our raw material supply chain. These impacts are related to greenhouse gas emissions, deforestation and child labour. We use external experts in the form of international organisations and NGOs to inform us and help us reduce these impacts. This knowledge about our adverse impacts has served as an input for our identification of potential and actual impacts, but we have considered impacts throughout our value chain.

To inform our identification and assessment of potential and actual impacts, we have mapped the context in which Toms Group operates. This includes mapping of our value chain, and the adverse impacts already identified, the type of industry in which we operate and our most relevant stakeholders, namely nature as a silent stakeholder, our customers, our suppliers, our communities and our consumers. We have received inputs from some of our customers and suppliers on what they find material for Toms Group. In addition, we have screened their sustainability reports and websites to assess the sustainability topics they consider relevant for themselves. These findings were used at the end of our materiality assessment process to analyse discrepancies between our results and their inputs. No major differences were found, but the few that were identified will be re-evaluated in 2025 when we revisit our DMA.

A long list of different employees at Toms Group were identified as subject-matter experts within the different sustainability areas and interviewed about their views on which impacts, risks and opportunities they believe Toms Group is facing.

These gross-list impacts, risks and opportunities were used as inputs for the assessment of materiality and accompanied by inputs from scientific papers, organisations, NGOs and universities. In addition, several internal environmental analyses were also used as inputs. For more on this, please refer to the relevant sections in this report.

Impact materiality

How we rated the impacts

Negative impacts:

- Severity (a combination of scale, scope and irremediability), scored on a 5-point scale.
- Likelihood, scored on a 6-point scale.
- In the case of human rights impacts, severity was prioritised over likelihood.

Positive impacts:

- Scale and scope, rated on a 5-point scale.
- Likelihood, rated on a 6-point scale.

All impacts were assessed as positive/negative and actual/potential. Subsequently, the severity (for positive impacts, this is scale and scope) of each impact was plotted against the likelihood of occurrence. All impacts were plotted in a 6x5 matrix of severity and likelihood.

The threshold for materiality is a sloping line depending on the combination of severity and likelihood. Severity is given precedence over likelihood, which means that impacts with severity scores of 4 or 5 are considered material, irrespective of the level of likelihood, and

likewise impacts with a very high likelihood are material if the severity score is 2 or more.

Financial materiality

How we rated risks and opportunities

For each risk and opportunity, direct or indirect ownership was assessed as well as whether the risk or opportunity was positive or negative. In addition, the types of financial effect were also identified.

Assessment of risks and opportunities on a 5-point scale included:

- Magnitude of the effect.
- Likelihood.

The threshold for materiality is a sloping line between magnitude and likelihood. Magnitude is given precedence over likelihood, meaning that a major magnitude will make the risk or opportunity material no matter what the likelihood.

Internal control and decision-making

The identification and assessment of impacts and risks is a process carried out separately from the enterprise risk management process. If a given topic scores 4 or more on either impact materiality or financial material-

ity, or both, is escalated to the enterprise risk management process for further management.

Any opportunities scoring 5 on both magnitude and likelihood are referred to Toms Group’s Sustainability Steering Committee for further discussion of how to manage them in the short or medium term and whether there are implications for our strategic ambitions.

The Sustainability Manager assessed the materiality of the impacts, risks and opportunities based on subject-matter experts’ inputs, the internal analysis required for some of the topical standards and the preliminary DMA conducted in 2023. By way of exception, the materiality of the impacts, risks and opportunities related to workers in the value chain was assessed in collaboration with the internal subject-matter expert.

The process and results were quality-controlled by the Head of Communication & Sustainability, and subsequently by the CEO, and presented to the Executive Management team. Finally, the process and results were approved by the Board of Directors.



Assessment of climate change

How we assessed materiality

Toms Group has developed a climate-related scenario analysis. This has served as an input for the identification and assessment of material physical risks, transitions risks and transition opportunities throughout our value chain – own operations, upstream and downstream. In our upstream and downstream value chain, the analysis is based on type of activity and, where possible, country. The plan is to use a more granular level in the coming years.

Identification of physical risks is based on the high-emission climate scenario Shared Socioeconomic Pathway SSP2-4.5 defined by IPCC. This scenario represents middle-of-the-road development and assumes that global warming will end at 3°C by the end of the 21st century. Based on this climate scenario, climate-related hazards have been identified related to temperature, wind, water and soil.

Identification of transition events is based on the low-emission climate scenario Shared Socioeconomic Pathway SSP1-2.6 defined by IPCC. This scenario represents sustainable development and is aligned with a pathway leading to global warming of 1.5°C by the end of the 21st century. Based on this scenario, transition events with the following four key drivers have been identified: policy, technological, market and reputation. These drivers have been chosen because they all have a significant impact on Toms Group today and are expected to continue having an impact.

These two climate scenarios were chosen because they are assumed to be plausible future scenarios. Both scenarios are based on regional-level broad data.

Based on these two scenarios and the related hazards and transition events to which Toms Group could potentially be exposed, we have identified the related physical risks, transition risks and transition opportunities related to Toms Group. Each risk and opportunity has been assessed in the short term (reporting year), medium term (1-5 years) and long term (5+ years) in terms of impact on business strategy and financial performance.

The lifetime of our assets, strategic planning horizons and capital allocation plans were not included in the analysis. In addition, the likelihood, magnitude and duration of the hazards and transition events were not included in the analysis.

Assets and business activities incompatible with a 1.5°C pathway have already been identified in our decarbonisation transition plan for Scope 1 and 2 and will be included in the transition plan for Scope 3, and are therefore not included in the climate-related scenario analysis.

Assessment of pollution

How we assessed materiality

Internal subject-matter experts were consulted on the location and evaluation of Toms Group's activities at our own sites leading to pollution and the use of substances of concern. Affected communities were not directly consulted, but previous dialogue with the public authorities on the implementation of noise reduction measures to mitigate noise pollution affecting our neighbours was included. For the mapping of polluting activities in our upstream and downstream value chain, we used information contained in the sustainability reports of our major suppliers.

Based on this mapping, a gross list of impacts, risks and opportunities was created and assessed using the approach and methodology presented in the descriptions of the impact materiality and financial materiality processes.

Assessment of water and marine resources

How we assessed materiality

Internal subject-matter experts working with the technical aspects of our production facilities were consulted on the location and evaluation of Toms Group's own activities leading to use of and/or impact on marine resources and water. For the mapping of activities in the upstream and downstream value chain, a few of our major suppliers' sustainability reports were used as inputs as well as external sources.

Biodiversity

Site location	Activities	Threatened or endangered species present?	Biodiversity -sensitive area (BSA)		Impacts and dependencies			
			Location	Distance	Direct impact drivers of biodiversity loss	Impacts on the state of species	Impacts on the extent and condition of ecosystems	Impacts and dependencies on ecosystem services
Toms Allé 1, 2750 Ballerup, Denmark	Production of confectionery	Yes	Natura 2000 Vasby Mose og Sengeløse Mose	7 km	Pollution of air from production. GHG emissions from combustion contribute to climate change.	GHG emissions can lead to impacts on species in many ways, including through ocean acidification, which makes the living conditions for marine life difficult.	GHG emissions can impact the extent and condition of ecosystems in various ways, including through extreme weather incidents, such as storms or heat, which can cause wild fires that damage forest ecosystems or lead to drought or desertification, making it more difficult to grow certain raw materials in certain parts of the world.	Impacts: Regulating services: GHG emissions impact the living conditions for pollinators necessary for certain crops (not a local issue, but something that affects us in our upstream value chain). Provisioning services: We impact the ability to grow crops (not a local issue, but something that affects us in our upstream value chain). Dependencies: Regulating services: Limited local dependency, but we are dependent on pollinators because we use raw materials from crops that need to be pollinated. Provisioning services: We are heavily reliant on different food raw materials.
			Natura 2000 Øvre Mølleådal, Furesø og Frederiksdal Skov	5 km				
			Natura 2000 Brobæk Mose og Gentofte Sø	10 km				
			Natura 2000 Roskilde Fjord	15 km				
			§3 protected area, swamp	0 km				
Helseholmen 7, 2650 Hvidovre, Denmark	Production of confectionery	Yes	Natura 2000 Vestamager og havet syd for	1 km	Pollution of air from production. GHG emissions from combustion contribute to climate change.	GHG emissions can lead to impacts on species in many ways, including through ocean acidification, which makes the living conditions for marine life difficult.	GHG emissions can impact the extent and condition of ecosystems in various ways, including through extreme weather incidents, such as storms or heat, which can cause wild fires that damage forest ecosystems or lead to drought or desertification, making it more difficult to grow certain raw materials in certain parts of the world.	Impacts: Regulating services: GHG emissions impact the living conditions for pollinators necessary for certain crops (not a local issue, but something that affects us in our upstream value chain). Provisioning services: We impact the ability to grow crops (not a local issue, but something that affects us in our upstream value chain). Dependencies: Regulating services: We are dependent on pollinators because we use raw materials from crops that need to be pollinated. Provisioning services: We are heavily reliant on various food raw materials.
			Natura 2000 Brobæk Mose og Gentofte Sø	15 km				
			Natura 2000 Vasby Mose og Sengeløse Mose	14 km				
			Natura 2000 Ølsemagle Strand og Staunings Ø	17 km				
			Natura 2000 Gammel Havdrup Mose	18 km				
Śląska 3, 67-100 Nowa Sól, Poland	Production of confectionery	Yes	Natura 2000 Nowosolska Dolina Odry	2 km	Pollution of air from production. GHG emissions from combustion contribute to climate change	GHG emissions can lead to impacts on species in many ways, including through ocean acidification, which makes the living conditions for marine life difficult.	GHG emissions can impact the extent and condition of ecosystems in various ways, including through extreme weather incidents, such as storms or heat, which can cause wild fires that damage forest ecosystems or lead to drought or desertification, making it more difficult to grow certain raw materials in certain parts of the world.	Impacts: Regulating services: GHG emissions impact the living conditions for pollinators necessary for certain crops (not a local issue but something that affects us in our upstream value chain) Provisioning services: We impact the ability to grow crops (not a local issue, but something that affects us in our upstream value chain). Dependencies: Regulating services: We are dependent on pollinators because we use raw materials from crops that need to be pollinated. Provisioning services: We are heavily reliant on different food raw materials.
			Natura 2000 Borowina	10 km				
			Natura 2000 Broniszów	12 km				
			Natura 2000 Zimna Woda	14 km				
Okreżna 27, 64-100 Leszno, Poland	Packaging of confectionery	Yes	Natura 2000 Zachodnie Pojezierze Krzywińskie	9 km	GHG emissions from combustion contribute to climate change	GHG emissions can lead to impacts on species in many ways, including through ocean acidification, which makes the living conditions for marine life difficult.	GHG emissions can impact the extent and condition of ecosystems in various ways, including through extreme weather incidents, such as storms or heat, which can cause wild fires that damage forest ecosystems or lead to drought or desertification, making it more difficult to grow certain raw materials in certain parts of the world.	Impacts: Regulating services: GHG emissions impact the living conditions for pollinators necessary for certain crops (not a local issue but something that affects us in our upstream value chain) Provisioning services: We impact the ability to grow crops (not a local issue, but something that affects us in our upstream value chain).
			Natura 2000 Pojezierze Sławskie	12 km				
			Natura 2000 Dolina Dolnej Baryczy	6 km				
			Natura 2000 Łęgi Odrzańskie	20 km				

**We bring
smiles to life**

Toms Group A/S
Toms Allé 1, 2750 Ballerup, Denmark

Tel.: +45 44 89 10 00
Fax: +45 44 89 10 99
E-mail: info@toms.dk
Website: www.tomsgroup.com
Registered office: Ballerup
CVR no.: 56 75 93 28
Established: 30 January 1924
Financial year: 1 January – 31 December