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Dear Friends,

HOW DO YOU FEEL ABOUT THE FUTURE?

We wouldn't be surprised if sometimes you feel a bit uncertain or anxious, or maybe even a little pessimistic. Spend some time on social media or with the news, and it may start to feel like the challenges we face for the future are insurmountable.

Fifty years ago — when Tom and Kate Chappell started Tom's of Maine — they faced a lot of similar concerns. There was growing awareness about the damage being done to our natural environment, and growing concern about the role of business and government in looking out for people's well-being. But Tom and Kate had values that were important to them as human beings. They cared about their family's health, they loved nature and they tried to treat everyone with openness and respect. And they wanted to see these values reflected in the way Tom's of Maine operated.

When they started Tom's of Maine in 1970, the Chappells wanted to see these values reflected in the way the company operated. Businesses are run by people, and serve people's needs. Shouldn't they reflect people's values as well? We agree, and this approach guides us to this day.

• We want to make you the best natural products we can — safe, effective, always free from artificial colors,

flavors, fragrances, preservatives and sweeteners, and never tested on animals. Our Stewardship Model serves as a guide for the ingredients that go into our products, and we back them all with a satisfaction guarantee.

- We want to do our part to take care of people and the planet, and we donate 10% of our profits to nonprofit organizations, so they can continue to do their good work.
- We want to support our employees in making a positive difference in the communities where they live, so we encourage them to use 5% of their paid time volunteering for causes they are passionate about.

A remarkable thing happens when you focus on the values that are important to you. You meet a lot of other people who feel the same way! We know the only reason we have been in business as long as we have is because of all the people who share our values. And meeting these people helps keep us focused and optimistic for the future.

You'll find out a lot more about how our values come to life in our 2018 Goodness Report. We hope you will take the time to read it, and will let us know what you think!

what's **inside** matters™





Who WE ARE

TOM'S OF MAINE HAS TRIED TO SHOW THAT BUSINESS CAN BE A FORCE FOR GOOD FOR **50 YEARS.** THIS HAS INCLUDED A FOCUS ON MAKING SAFE, EFFECTIVE AND NATURAL PERSONAL CARE PRODUCTS.

OUR COMPANY

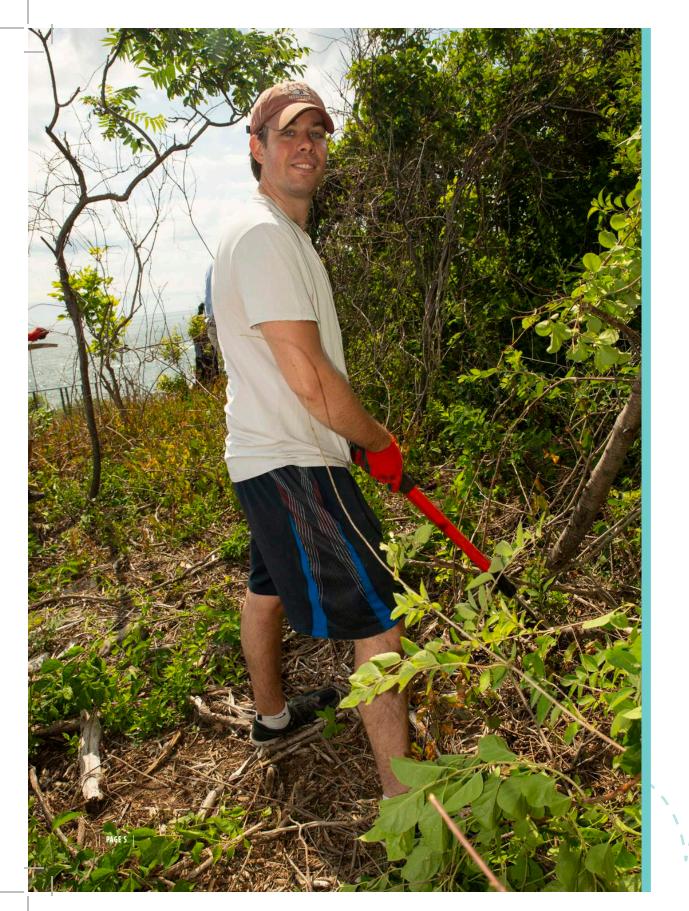
It all started when Tom Chappell and his wife Kate moved to Kennebunk, Maine, with their sights set on a simpler, more natural life. With their children's health in mind, they began creating natural personal care products. For 50 years, our founders' values and passion have been guiding us to a brighter 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, it's also about what we put in. Our Stewardship Model guides us to make products that are natural, sustainable and responsible, 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.

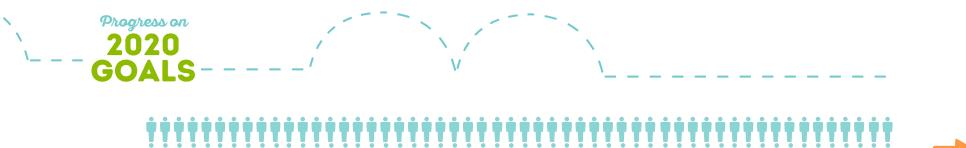
OUR PEOPLE

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 2018!



	~	•	•	•
2020 Goal	Target	2018 Results	2017 Results	Status
NCREASE EMPLOYEE PARTICIPATION IN COMPANY-SPONSORED WELLNESS INITIATIVES	88%	74 %	80%	PROGRESS OPPORTUNITY
REDUCE WASTE TO LANDFILL AT SANFORD, MAINE PLANT	45 kg/ton	39 kg/ton	45 kg/ton	ON TRACK
REDUCE GREENHOUSE GAS EMISSIONS	TARGET COMING SOON!	88,829 METRIC TON CO _{2 E}	90,998 METRIC TON CO _{2E}	TARGET COMING SOON!
REDUCE OVERALL WATER CONSUMPTION	TARGET COMING SOON!	31,402,640 M3	31,605,555 M3	TARGET COMING SOON!
INCREASE THE USE OF RECYCLED CONTENT IN PACKAGING	70 [%] of packaging weight	64 %	55 %	ON TRACK
INCREASE EMPLOYEE VOLUNTEERING	88%	73%	81%	PROGRESS OPPORTUNITY



Our MISSION

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.



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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 purpose and source, on our website.

2018 HIGHLIGHTS

Looking for a mouthwash to pair with our Whole Care[®] toothpaste? Our **Whole Care[®] mouthwash** offers clinically proven cavity protection, with no artificial colors, sweeteners or preservatives.





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.



NATURAL, SUSTAINABLE AND RESPONSIBLE ARE OUR STANDARDS FOR DEVELOPING OUR PRODUCTS.



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

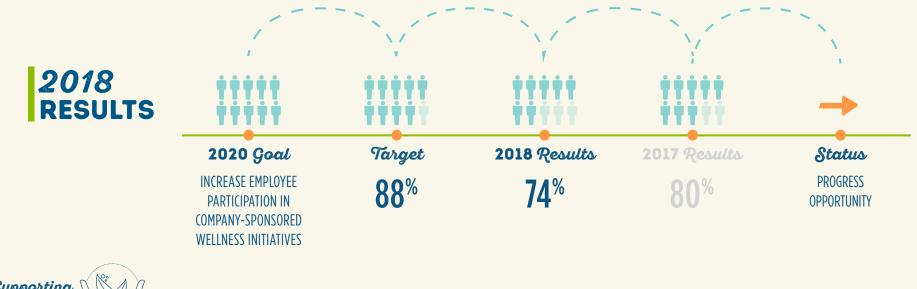
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*A few of our products contain beehive ingredients. Beeswax and/or propolis are found in our Antiplaque Floss, Propolis & Myrrh Toothpastes, Peppermint Botanically Bright Toothpaste and Natural Strength Deodorants.

Supporting HEALTH



Tom's of Maine started because of Tom and Kate Chappell's journey to care for the health of their children. And helping others to be healthy remains an important focus for us today! 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. And our dog-friendly office and flexible work schedules help support our employees' mental health.



Target based on participation among full-time employees in on-site vaccinations, health screenings and Live Better Challenge. Results based on employee survey with 47 respondents.

2018 HIGHLIGHTS

In 2018, we continued our support of the **Whole Kids Foundation** and their mission to improve children's nutrition and wellness. Our support is used to help bring salad bars and gardens to schools, so that kids have improved access to nutritious food. The Whole Kids Foundation has supported nearly 12,000 schools, and we are happy to play a part in this work.







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Protecting NATURE

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 look at the waste we generate at our production facility, the recycled content of our packaging, and our greenhouse gas emissions and water use. We constantly seek new ways to reduce our environmental impact and to find ways to protect nature for future generations.



We have historically looked at the energy we use and the waste we generate, and in 2018 we continued our journey of understanding our carbon footprint. Additionally, our production facility took a close look at waste, and how we could greatly reduce our waste in the future.

REDUCE WASTE







2018 HIGHLIGHTS

Making toothpaste is a little bit like making a cake. You mix ingredients together, but when you are done there is always a little residual left on the inside of the bowl. When you make as much toothpaste as we do, that ends up being a lot of waste.

We worked with a local commercial composting facility and experts from the Maine Compost School, and found that our toothpaste works well in composting! So now, this waste is composted instead of heading to a landfill. We started this process about mid-year in 2018, so we expect to see an even bigger reduction in waste in 2019. And we've heard from our partners that it's one of the best smelling things they get to compost.

ZERO WASTE







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 focus on both the amount of recycled content used to create the package, as well as the recyclability of the final package.





2018 HIGHLIGHTS

Not all of our product packaging is currently widely accepted at recycling facilities. And so, since 2012 our partnership with TerraCycle® has helped ensure less of this 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. And we achieved some incredible milestones in 2018 — over 14,000 brigade locations, and over 1,100,000 packaging units collected to be recycled!





Reduce GREENHOUSE GAS EMISSIONS

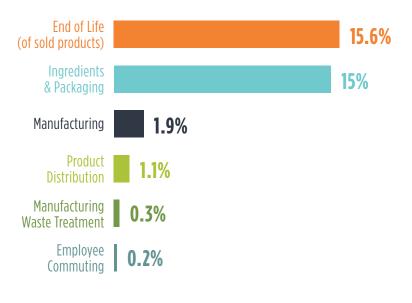
In 2018, we continued our comprehensive carbon footprint assessment, which evaluates more than 98% of Tom's of Maine products. This is our second year diving into our carbon footprint in this manner, and this work is providing the baseline for future reduction targets.







ALL OTHER EMISSION DETAIL



2018 GOODNESS REPORT



Conserve WATER

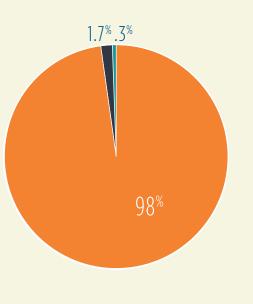
Water is a crucial ingredient in so many of our products, and it comes into play anytime we brush our teeth or wash our hands. Although fresh water is a plentiful resource in our home state of Maine, we're constantly seeking new ways to conserve this invaluable resource.



2018 WATER USE

● Consumer Use ● Raw Materials ● Manufacturing





WHAT'S NEXT?

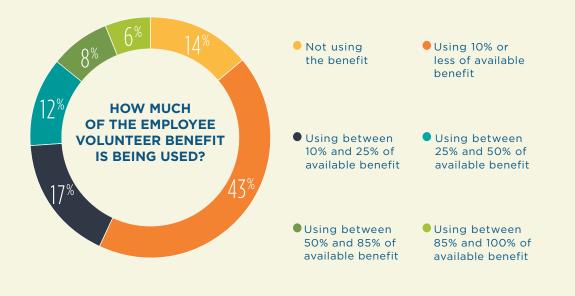
Our largest contribution to our carbon footprint and water use stems from consumer use. This is because so many of the products we make are used with water (like toothpaste) and in many cases, are typically used with hot water (like bar soap). But our assessment also gives us a better understanding of the drivers we have more direct control over, and we will use this information to keep looking for ways to reduce emissions and water use along our supply chain.

2018 GOODNESS REPORT





Our founders believed that Tom's of Maine should operate as a good corporate citizen. They understood that business can have an impact on communities, and they wanted to make sure we dedicated a portion of our time and resources to helping care for the communities where 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 are passionate about. We believe this strengthens our community, and makes Tom's of Maine a better place to work.











For over five years l've been volunteering by picking up pet food from a retailer in the area, and bringing it to my local animal shelter. This is food that is about to be thrown out, so not only does it keep it out of landfills it also ensures the food is put to good use! The shelter staff is always so grateful to receive the donation, and as an added bonus, I usually get to spend time with one of the resident cats or dogs.

- Cathy M., Finance Analyst



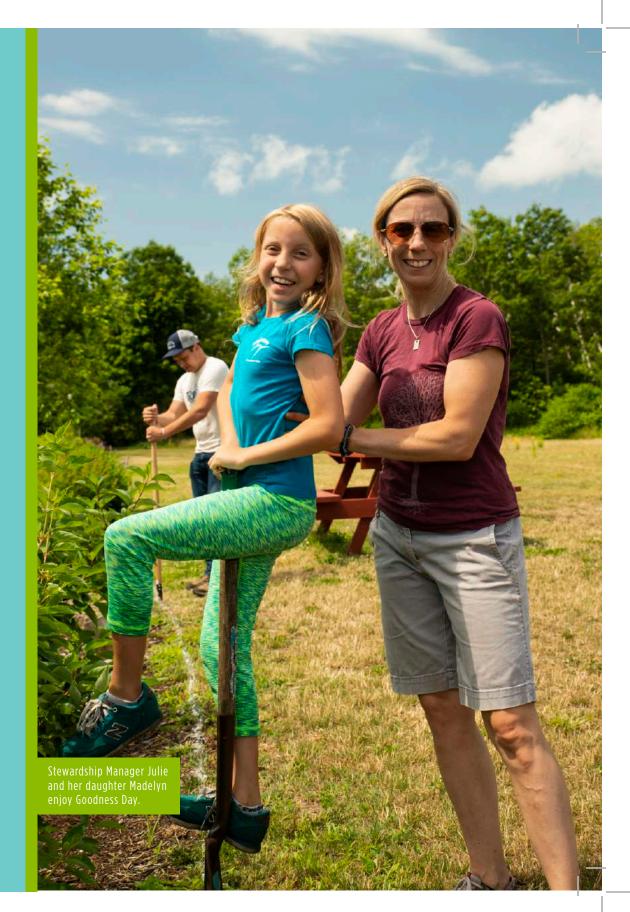
Goodness DAY Our favorite day of the year!

Every year our employees get the opportunity to come together and support a local nonprofit. Not only does this allow us to come together as a team and enjoy each other's need our help.

To celebrate this year's Goodness Day, we volunteered at the beautiful Fort Williams Park in southern Maine. We picked up litter, removed invasive species and did some maintenance work on trails and ponds.

TOM'S EMPLOYEES GET 5% PAID TIME OFF TO VOLUNTEER IN THEIR COMMUNITY.









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.



With so many groups doing good, deciding where to direct funds can be difficult. We try to focus our giving toward groups that address health issues, conserve nature and improve education for kids. Our key partners in these areas in 2018 included the **Whole Kids Foundation, The Nature Conservancy** and the **Kids in Need Foundation.** 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.





The Nature Conservancy



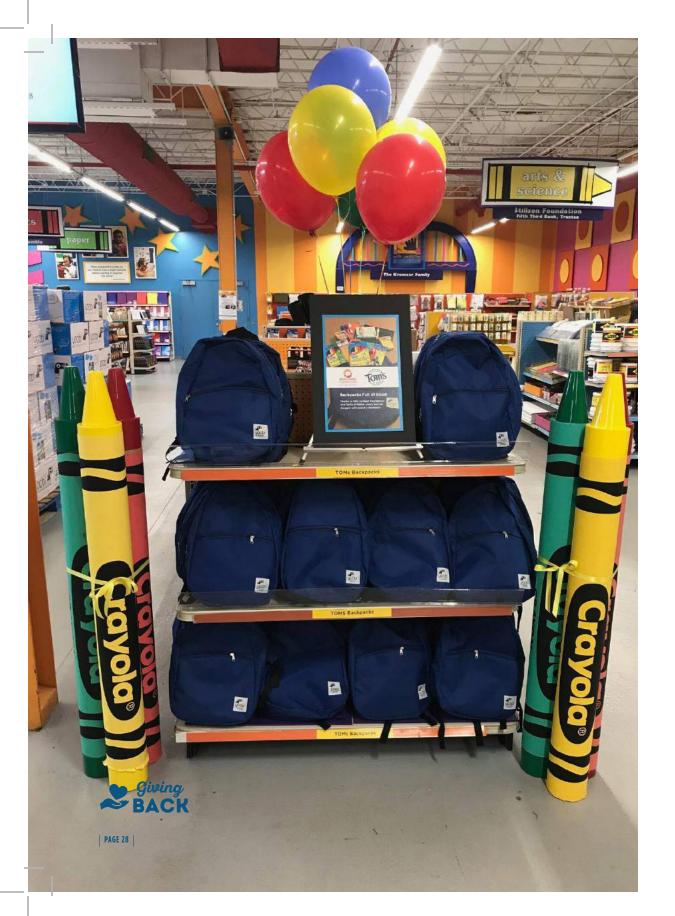




Protecting NATURE

TOM'S OF MAINE HAS A LONG HISTORY OF WORKING WITH THE NATURE CONSERVANCY — SUPPORTING THEIR EFFORTS HERE IN MAINE AND ACROSS THE UNITED STATES. IN 2018, WE MADE A **DONATION OF \$1 MILLION TO SUPPORT WATER CONSERVATION EFFORTS.** THE PROJECTS THIS FUNDING WAS DIRECTED TOWARD HELP TO SHOW THE DIFFERENT CHALLENGES FACING FRESHWATER RESOURCES IN OUR COUNTRY, AND ALL TAKE A SCIENCE AND COMMUNITY-BASED APPROACH TO PROTECTING THESE RESOURCES FOR THE FUTURE.





GREEN your SCHOOL

Every child deserves a happy and productive school year; but when money is tight, it can be challenging for families to obtain the necessary back-to-school gear. That's why we teamed up with the Kids in Need Foundation.

The Result?

10,000 "Backpacks Full of Good" were donated to students most in need, nationwide. Each backpack was filled with essential school supplies to help students thrive and reach their full potential.

> KIDS IN NEED FOUNDATION School Supplies. Changing Lives."

Recking FORWARD



2018 GOODNESS REPORT

aluminum

COMME IS OF MAINE

24 odor protection

LONG LAST

wild lavender NET WT 2.25 OZ (649)

2018

was a year of good progress toward our goals, but we know there's plenty of work ahead. We also know there are opportunities for us to work more closely with outside partners as we work to set new goals and progress our sustainability. Here's what you can expect from us in the years to come.







Supporting HEALTH

OUR STEWARDSHIP MODEL REMAINS OUR GUIDE FOR CREATING SAFE AND EFFECTIVE NATURAL PRODUCTS.

You can continue to expect that every ingredient we use will go through a rigorous evaluation process. You can also expect more transparency in the ingredients we use, with every ingredient, its purpose and its source listed on our website.



2018 GOODNESS REPORT



Climate change and water scarcity are global challenges that are critically important to address. We have established a good baseline for our overall impact in these areas, and the key drivers of our water use and emissions. We intend to work to **develop new targets and comprehensive strategies** for reducing our impact.

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.



Building COMMUNITY

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.



HEADQUARTERS

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2018 GOODNESS REPORT