

SUSTAINABILITY STATEMENT



TOMEI CONSOLIDATED BERHAD

TOMEI is built upon its corporate vision of emphasizing on the sustainability of its products, branding, customers and progressive organization. While we drive our business forward in becoming the most efficient jewellery company, we never lose sight on what is fundamentally important to all our stakeholders. This is important in order to build a long-lasting relationship which promotes a mutual wining situation. In line with our corporate vision, our commitment has been tailored in meeting and promoting sustainability of various aspects of our business through the Environment Social and Governance (“ESG”) practices. It has been ingrained in our policy that all business decisions are evaluated after taking into consideration the interest of all stakeholders in order to promote a conducive and sustainable business environment. The Group has developed a Code of Conduct to guide the implementation of its business decision based on these principles.

We constantly engage with our stakeholders through various platforms in understanding their needs. Such engagements are important to ensure that we have a mutual understanding and better respond to each other’s requirements and interest.

Tomei’s sustainability pillars are focused on the following four areas:-

- 1) Responsible business practices
- 2) Meeting customers’ expectation
- 3) Developing employees
- 4) Well-being of employees and communities

Tomei is proud that its subsidiary, De Beers Diamond Jewellers Sdn Bhd was selected as the winner of the Sin Chew Business Excellence Awards 2020 in the category of Business Sustainability.

MANAGING AREA OF SUSTAINABILITY

1. Responsible Business Practices

Promoting circular economy

Gold is mined and its supply just like any other natural resources is becoming scarce. Extensive mining also poses certain environmental hazard. Realizing on this conundrum, and the need to meet industry demand, the Group has long been a strong advocate in promoting gold recycling in the industry. We are glad to announce that a sizeable amount of our gold supply is traded in by our customers. We have the state-of-the-art technology to refine this gold into its purest form for the production of jewellery.

Gold dust from the production process is collected for melting and refining before turning them into pure gold bar. Such practices not only reduce wastage but also promote the culture of responsible consumption.

Quality product offerings

Tomei is the only jeweller in Malaysia with the accreditation of the National Mark for “Malaysian Brand” certification from the SMECorp. This accreditation is given in recognition of the quality of products offered by Tomei and the significant strength of its branding in the market.

Responsible sourcing

The Group has an Anti-Corruption Policy which prohibits corrupt practices especially in the area of engaging in kick-back payments relating to sales and purchases, thus ensuring that we conduct our business in a professional and ethical manner. The benefit to our Group is the building of trust with our customers and suppliers as everyone in the supply chain will get a fair deal without worrying of being shortchanged. During the financial year, there was no report of any incidence which involved corrupt practices in the Group.

The Group’s raw material consists mainly of gold and diamond. We source our gold from responsible sources such as Banks and reputable gold dealers. Diamonds are sourced mainly from the approved sightholders and reputable and trusted diamond dealers.

Confidentiality of customer's and employee's information

Tomei subscribes to the importance of data privacy of its customers and employees. We have taken necessary steps to ensure that all information that comes into our possession are managed strictly as required by the Personal Data Protection Act, 2010.

Pricing transparency

Tomei promotes transparency in its products pricing whereby all its retail products on display come with price tag attached. We adhere strictly to the Competition Act, 2010 and therefore do not subscribe to any form of price fixing mechanism. Tomei retail gold price is published in the local daily while in the shop front, the gold price is clearly and properly displayed to inform customers of the current selling price. Our gold price is also displayed on our website at www.tomei.com.my.

Compliance with regulatory requirements

Tomei complies strictly with the requirements of the Anti-Money Laundering, Anti-Terrorist Financing & Proceeds of Unlawful Activities Act, 2001 ("Act"). We conduct proper "Know Your Client" procedure in accordance to the Act before dealing with potential customer. The Group does not deal with any individual or organization sanctioned by the United Nation or the Malaysian government. We also screen the background of new candidate before they are offered employment in the Group. In the retail business, customer conducting transactions in the form of cash or precious metals and/or stones equivalent to RM50,000 and above needs to complete the Customer Due Dilligence Form as required by Bank Negara Malaysia ("BNM"). In order to ensure the compliance with the Act, we hold regular training and update for our staff on the latest development/changes to the requirements of the Act. Our internal audit function serves as additional assurance to ensure the compliance with the Act.

We have met with the minimum requirement on staff accommodation as required by the Ministry of Human Resource, Malaysia.

Quality management system

The Group is accredited with ISO 9001:2015 in the Quality Management System for both its retailing as well as design, manufacturing and sales of gold and jewellery products from Lloyd's Register. This accreditation speaks of the Group's commitment to quality in whatever it does which will contribute to improve its overall performance and provides a sound basis for sustainable development initiatives.

Through the implementation of the above ISO, we are able to offer our customers the following benefits:-

- a) the ability to consistently provide quality products and services that meet customers' and relevant regulatory requirements;
- b) facilitating opportunities to enhance customers' satisfaction;
- c) addressing risk and opportunities associated with its context and objectives; and
- d) the ability to demonstrate conformity to specified quality management system requirements.

Waste disposal

Our factory has installed a pollution control system in compliance with the Environment Quality Act, 1974. We practice stringent waste water system to prevent contamination of local water supplies that are used for neutralization, deionization and sedimentation of wastewater emitted from the manufacturing operation. This wastewater is then collected by waste collector approved by the local authority.

Reducing carbon footprint

In line with our commitment to preserve the environment, the Company has laid down its long-term plan to use recycled materials whenever possible for its packaging material.

Staffs are encouraged to switch off equipment, lights and air-cond when they are not in use to conserve electricity. Most of the Group's data are stored in digital copy whenever possible to avoid printing. If printing is unavoidable, we encourage double-sided printing or printing on recycled paper.

The Company has migrated most of its traditional promotional materials such as brochure and pamphlet to online promotion and over the social media, thus reducing the need for printing. Our official online magazine JewelMag is published bi-monthly bringing latest news on Tomei collections and industry updates to our readers.

2. Meeting Customers' Expectation

New product designs

As Malaysia's leading jeweller, Tomei is instrumental in bringing new product designs to the market every year especially during the major festive celebrations such as Hari Raya, Chinese New Year and Christmas. Our customers are always spoilt for choices of product designs.

Wide distribution network

Tomei's operation covers a wide spectrum of the market from the retail to the wholesale sectors. It also has a specialized and dedicated team to service its corporate customers in meeting their requirements.

In the retail segment, it has more than 50 retail outlets all over Malaysia serving customers from all walks of life in addition to the various fairs and exhibitions held. We are proud to be the most well represented jeweller in town that has a presence in almost every state in Malaysia. Our wholesale segment serves various jewellery retailers in Malaysia while some of its products are exported to Singapore and European countries. Customers may also access our products through our webstore at www.etimei.com. and online market platforms such as Lazada, Shopee and Zalora. Our other alternative sales channels include TV shopping such as CJ Wowshop and Astro Go and through social media such as on Facebook Live.



Brands	No. of Retail Outlets
Tomei	50
Goldheart	3
Le Lumiere	1
De Beers	1

Extensive product range

Tomei carries a wide range of products from yellow gold to diamond jewellery. It also sells platinum, white gold, precious and semi-precious stones. Its own in-house collections such as Le Lumiere, Eternal Binding, Ana-stasia, Lusso Italia and Chomel provide customers with ample choices. In addition, it also offers various ranges of investment precious metals including the Suisse Pamp, the Canadian Maple Leaf and the Australian Kangaroo. In addition to its own collections, Tomei also carries some famous international brands such as China's Batar Jewellery and Thailand's Prima Gold. Its wedding series' collection of Xifu, provides a one-stop destination for all wedding jewellery needs. Tomei is also the sole distributor of De Beers diamond products in Malaysia. For the baby's and kid's market, Tomei works with Sanrio to manufacture and retail gold jewellery based on the characters from Hello Kitty.

Enhance shopping experience

In order to provide a fresh shopping experience to our customers, we upgrade our retail outlets on a periodical basis. Such improvement does uplift and elevate the "feel good" factor for our customers once they step into our premises. We have upgraded all our lightings into LED which not only increases the sparkling of our products but also saves on electricity consumption. During the year we have refurbished several of its retail outlets.

Visual merchandize display ("VMD") which compliments our various marketing programme plays a very important role in showcasing our products to customers. The VMD continues to go through constant evolution and fit to the different themes in line with various festivals and at the same time maintain the uniformity of the Group's concept and brand positioning. This allows customers to feel the mood of prevailing festival such as the Chinese New Year, Valentine's Day, Deepavali, Hari Raya and Christmas.

Continuing Customer Engagement

Tomei Jewel Club was introduced to serve as a communication channel and to reward our customer. Through this channel, our team keeps our customers abreast with all the latest happening within the Group. During the period of lockdown, our team has conducted various Facebook Live sessions as an alternative channel for customers to view our collections. We also solicit feedback from customers which serves as an important tool to improve on our customer service.

3. Developing Employees

Employee's training and education

We believe training and education will help to nurture employees' capability to bring out their best to sustain their overall value to the Group.

Our Learning & Development Roadmap focuses on the learning journey for both current staff as well as new recruits and is planned with the Group's human capital needs and development. This entails identifying current and future human resources needs and then set up the priorities to address those needs. Among the modules covered by our training programme includes products, sales, technical, leadership as well as self-development. During the year, approximately 50% of the Group's employees has attended at least 1 training module conducted.

Employee's career advancement

When an employee first steps into TOMEI, we have already set up the career progression path for the staff. In order for the staff to get promoted, they need new and relevant skillset that fit into the new role. We provide the relevant training and opportunity to equip staff and preparing them to move up to the next level. Each training is followed by an assessment to ensure that staff has properly mastered the skillset.

The Group has a systematic appraisal system whereby employees are assessed on their skillset and capabilities. Such appraisal serves as an important tool in identifying employee's needs and guide for promotion. During the year, 2% of our staff force from various skillset was promoted and given the trust to manage different portfolios and responsibilities. Such promotion does not only boost the self-confidence of the promoted staff but also serves as role model for other staffs to work towards their career advancement in the future.

The Group also implements a mentorship system whereby senior staffs are required to provide guidance and handhold junior staffs in their daily responsibilities. Such system not only helps new staff to understand their new role better but also creates a stronger bonding and working relationship among the staffs.

The Group also has an Internship Programme, whereby fresh undergraduates are recruited and given trainings and exposures in various job scopes with a view to groom them into Management role. During the year the Group has provided trainings to 10 interns in various areas of job responsibilities.

4. Well-being of employees and communities

Safe and conducive working environment

The Group provides a safe and conducive working environment to its employees where front liners are provided with Company's uniform to improve staff appearance and confidence in dealing with customers. The Group provides insurance coverage to its staffs to protect them from any mishap and unforeseen eventuality. Our retail outlets are well guarded by qualified security guards and under the surveillance of CCTV at all times as a precaution to deter robbery and theft incidence.

Our retail showroom and factory are inspected and approved by the Bomba and Local Council and certified fit for their intended use. All our commercial vehicles are inspected at Puspakom on annual basis in compliance with the Road Transport Regulation.

Employees' well-being and engagement

Engaging of employees is practiced at all levels of the business hierarchy and is cultivated on a regular basis. When employees are engaged at work, they feel better connected to the Company and results in a sense of belonging. Through these initiatives, we managed to foster a culture of inclusiveness which is also key in reducing turnover rates and boosting employee retention. Employees' enthusiasm with the Group remained encouraging with more than half of our employees serving for more than 5 years. For employee who is seconded to outstation, the Group assists to source for accommodation to ensure that he/she has a comfortable living condition away from home without much worries.

Healthy and well-motivated employees can have an equally positive impact on their peers and will overall contribute improved productivity and efficiency. Tomei has developed various wellness programs which aimed to provide a healthy and joyful working environment for its employees.

During this pandemic, Tomei has prepared hand sanitizer in all its retail outlets and offices for all its customers and employees. Employees are also provided with face mask and encouraged to wash their hand regularly as part of good hygienic practice. We display MySejahtera application together with self-scanned thermometer at the entrance of all our premises to facilitate contact tracing. As a precaution, our premises are sanitized on a daily basis to provide piece of mind to our customers and employees.

Employees' well-being and engagement (continued)

Employees are always reminded to monitor their own health and required to undergo self-quarantine if they are tested positive with Covid-19. Certain selected high-risk employees are required to undergo the Covid-19 test at the Group's expense. As a precaution measure, business travelling and meetings for employees are minimized unless they are unavoidable. Virtual meeting is encouraged unless it is not practical to conduct one. We enforce a strict measure that only allow fully vaccinated employees to report for work. Employees are also advised to practice social distancing at work.

Employment opportunity across wide spectrum

Tomei believes that everyone is born equal and should be treated equal. The Group has provided employment to all Malaysians regardless of age, gender and ethnicity. Tomei employs more than 800 staffs from almost every state in Malaysia consisting of various ethnicity. The Group does not employ any child or force labour and has met all the minimum wage requirements as required by the law. Tomei believes in fair employment practices whereby all employees are treated fairly without any sort of discrimination and harassment. All employees do not work beyond the maximum working hours stipulated by the Labour Law and are given at least one rest day a week. We also provide productivity linked compensation in the form of sales commission to staff based on their respective sales achieved,

Cherish diversity

Tomei subscribes to the idea of promoting gender equality of having at least 30% female participation in workforce as recommended by the Government. Currently, Tomei's Board of Directors consists of 37.5% female while its female employees made up more than 60% of its total workforce.

Support charity programme

We believe in the philosophy of giving back to society to show our gratitude and appreciation for our success.

Recently, the Company joined force with the Ministry of International Trade and Industries to clear rubbish and clean the drains in the district of Hulu Langat in the aftermath of the floods that hit our country. 13 employees joined hand in the programme from 31 December 2021 to 4 January 2022 brought much relief to the victims who were traumatized by the flash floods. The Company through the Malaysian Consortium of Mid-Tier Companies and the Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor has also donated fund to buy the necessary items for the victims to enable them to get on with their daily lives.