

Pela's 2022 Carbon Footprint

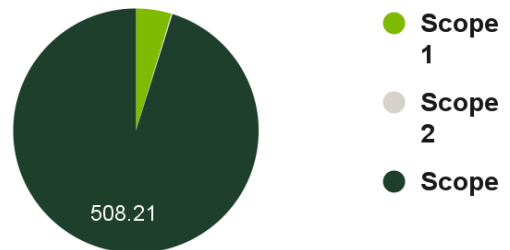
Methodology Report

Executive Summary

GreenStep Solutions has prepared Pela's 2022 carbon footprint following the GHG Protocol's Corporate Accounting and Reporting Standard. A carbon footprint is a measurement of the amount of greenhouse gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆) released into the atmosphere by a specific activity – in this case, through Pela's operations. A carbon footprint is measured in tonnes of carbon dioxide equivalents (tCO₂e), which signifies the amount of CO₂ which would have the equivalent global warming impact as the other gasses emitted by the activity being measured.

In 2022, Pela's carbon footprint totaled **534.02** tCO₂e. The majority of emissions derive from Scope 3 sources, particularly from the product life cycle data Pela has compiled for its key product lines.

	tCO ₂ e	% of total
Scope 1	24.93	4.67%
Scope 2	0.88	0.16%
Scope 3	508.21	95.17%
TOTAL	534.02	100.00%





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Background

Pela works with GreenStep Solutions Inc. to prepare an annual greenhouse gas (GHG) emissions footprint with a view to:

1. Calculate annual GHG emissions
2. Monitor year over year changes
3. Identify opportunities for reducing GHG emissions
4. Achieve carbon neutrality

This document details the results of the 2022 footprinting exercise, and the methodology that was used to calculate Pela's 2022 carbon footprint.

What is a Carbon Footprint?

A carbon footprint is a measurement of the amount of greenhouse gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆) released into the atmosphere by a specific activity – in this case, through Pela's operations. A carbon footprint is measured in tonnes of carbon dioxide equivalent (tCO₂e), which signifies the amount of carbon dioxide (CO₂) which would have the equivalent global warming impact as the other gasses emitted by the activity being measured.

As the globally accepted standard for greenhouse gas accounting in both the public and private sectors, the GHG Protocol's Corporate Accounting and Reporting Standard has been used for the calculation of Pela's carbon footprint. Standardization provides a consistent methodology for benchmarking and goal setting on an international scale.

In calculating and reporting for a carbon footprint, companies are required to report all Scope 1 and 2 emissions. Scope 3 emissions are considered voluntary.

Scope 1: Direct Emissions from sources owned or controlled by the company

Scope 2: Indirect Emissions from the offsite generation of electricity, steam, heat or cooling purchased for consumption by the company

Scope 3: Indirect Emissions that are a consequence of the operations of the reporting company, but occur at sources owned or controlled by another company



About Pela

Pela is a Canadian manufacturing company with a strong mission and purpose: to create a waste-free future. In line with this vision, Pela's products are manufactured using environmentally sensitive materials, with high recycled material content. Many of their products can be composted at the end of their useful life. In 2022, the Pela family of products continued to grow, with the introduction of new product lines (Wallet cases, AirPods Pro (2nd Gen), Ethos, MagSafe Module, and Card Holder attachment). However, the Lomi product series have been separated from Pela, thus, the overall carbon footprint for Pela has significantly reduced as compared to previous years.

To further its commitment to sustainable operations, Pela has updated its 2022 life cycle analysis (LCA) to assess the carbon impact of its product lines. The carbon footprint below includes those impacts in Scope 3 calculations.

Organizational Boundary

The organizational boundary defines the approach for calculating GHG emissions. Voluntary corporate GHG emissions reporting can either follow the equity share approach or the control approach:

The equity share approach: account for GHG emissions from operations based on equity share in an operation. Where equity share is not equivalent to the percentage of ownership, it is important to use the equity share percentage in GHG inventories

The control approach: accounts for the GHG emissions over which there is financial or operational control.

Financial control: the ability to direct the financial and operating policies of an operation with a view to gaining economic benefits from its activities (including group companies or subsidiaries).

Operational control: the ability to introduce and implement operating policies through full operating authority

Following the operational control approach, the emissions associated with business operations at Pela offices, and product lines for Pela products are included in Pela's 2022 carbon footprint.



Operational Boundary

Operational boundaries define the parts of the operation for which emissions will be reported, which in turn determines the scope of the direct and indirect emissions to be reported (i.e. Scope 1, Scope 2 or Scope 3). In 2022, Pela has two business units under its operational control:

- **Pela Head Office:** The Innovation Centre, 460 Doyle Avenue, Kelowna, BC, Canada, shared office with other organizations as well as with Lomi
- **Kelowna Sustainability Studio (KSS):** 5-710 Stremel Rd, Kelowna BC V1X 5E7, Canada (total 8160 sq ft)

In 2022, Pela continued in-house manufacturing at KSS, and there were no other manufacturing plants under the operational control of Pela. The bulk of Pela's products, however, are manufactured at third-party facilities, mainly in China. Since the activities associated with the product life cycles (including manufacturing) form a significant portion of Pela's overall footprint, the product life cycles have been included in this footprint as Scope 3 emissions.

The Innovation Centre

Pela's corporate offices are located at the Innovation Centre in Kelowna, British Columbia. The total square footage of the building is 105,405 square feet (ft²), of which Pela & Lomi leases 5,838 ft² - roughly 6% of the total space. Whole building utility data was obtained from the Innovation Centre's management team, with 6% of the building's overall consumption allocated to Pela & Lomi's footprint proportional to their occupied floor space. A further allocation to Pela's carbon footprint was conducted according to the number of full time employees (FTE) in Pela vs. Lomi in 2022. Pela has assumed operational control over the space it rents within the Innovation Center, as it has control over heating and cooling, space design, plug loads and overall selection of the location. As such, natural gas and electricity consumption have been quantified as Scope 1 and Scope 2 emissions, respectively.

The Kelowna Sustainability Studio (KSS)

Pela continues its manufacturing operations at the Kelowna Sustainability Studio (KSS) in Kelowna, British Columbia. Pela directly manufactures its classic phone cases at the KSS.

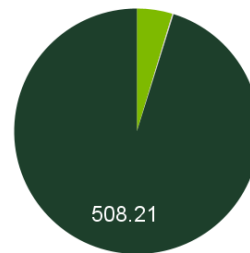


Consequently, the direct fuel consumptions and electricity consumptions at KSS are calculated under Scope 1 and Scope 2 based on actual utility consumption data at KSS.

Overall Carbon Footprint

Overall, Pela's 2022 carbon footprint is **534.02** tCO₂e. The tables below show the breakdown of emissions according to the GHG Protocol's reporting scopes and categories. Since Scope 3 forms the bulk of Pela's footprint, the emissions for Scope 3 sources are further broken down in the table below.

	tCO ₂ e	% of total
Scope 1	24.93	4.67%
Scope 2	0.88	0.16%
Scope 3	508.21	95.17%
TOTAL	534.02	100.00%



- Scope 1
- Scope 2
- Scope 3

	tCO ₂ e	% of Scope 3
Scope 3.1: Purchased Goods and Services	299.52	58.94%
Scope 3.2: Capital Goods	56.07	11.03%
Scope 3.3: Energy-Related Activities not Included in Scope 1 or Scope 2	9.82	1.93%
Scope 3.4: Upstream transport	36.69	7.22%
Scope 3.5: Waste in operations	10.50	2.07%
Scope 3.6: Business Travel	0.19	0.04%
Scope 3.7: Employee Commuting	7.69	1.51%
Scope 3.9 Downstream Transport	87.73	17.26%
Scope 3 Total	508.21	



Scope 1: Direct Emissions

Scope 1 GHG Emissions are direct emissions that occur from sources that are owned or controlled by the company, including onsite fuel combustion and fuel consumed by company-owned vehicles. Pela's Scope 1 emissions, a total of **24.93** tCO₂e in 2022, consist of natural gas consumed at the Innovation Centre and the KSS, as well as from the on-site refrigerators (three domestic-style refrigerators at the Innovation Centre and one at the KSS).

Natural Gas Consumption Data

The Innovation Centre

The whole-building utility data was provided by the Innovation Centre's property management team, with 6% of the total consumption attributed to Pela & Lomi's footprint, consistent with the operational boundaries described above. A further allocation factor of 28% was applied to Pela, according to the total number of FTE in 2022.

Kelowna Sustainability Studio

Utility bills at the KSS are paid directly by Pela and were provided for the reporting period, no allocation was necessary as Pela assumed 100% control over KSS in 2022.

Scope 2: Indirect Emissions

Scope 2 emissions are the result of generating electricity, steam or heat purchased for consumption, where the emissions are generated elsewhere (i.e. at a generation station, hydroelectric dam, windfarm, etc.) but are a result of the energy demands of the company. In 2022, Pela's Scope 2 emissions include electricity consumption at its head office at the Innovation Centre, as well as electricity consumption at the KSS. Pela's Scope 2 emissions total **0.88** tCO₂e.

Electricity Consumption Data

The Innovation Centre

The whole-building utility data was provided by the Innovation Centre's property management team, with 6% of the total consumption attributed to Pela & Lomi's footprint,



consistent with the operational boundaries described above. The same allocation method was applied for electricity consumption in the Innovation Centre as was used for the natural gas consumption.

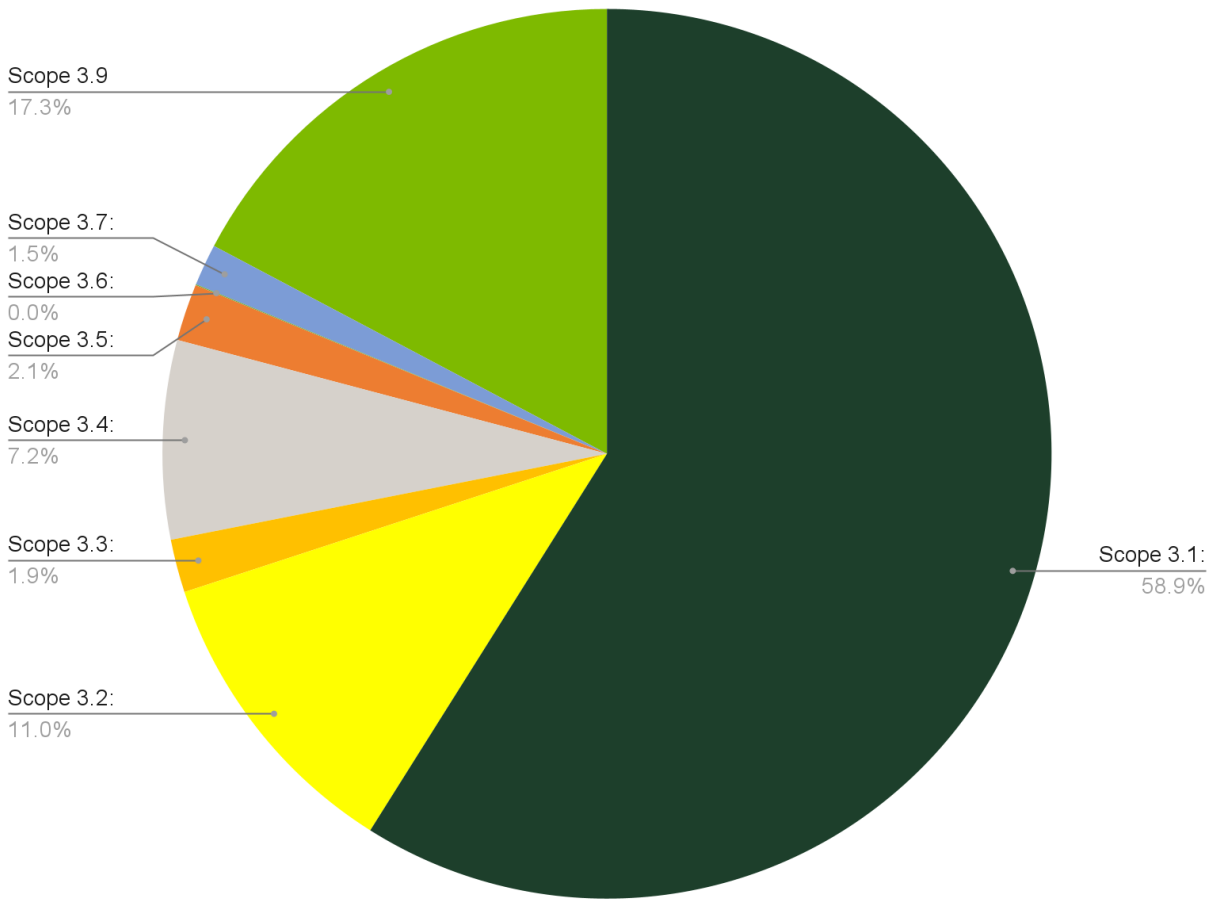
Kelowna Sustainability Studio

Utility bills at the KSS are paid directly by Pela and were provided for the reporting period, no allocation was necessary as Pela assumed 100% control over KSS in 2022.

Scope 3: Indirect Emissions

Scope 3 emissions are a consequence of the activities of the company, but do not occur from sources directly owned or controlled by the company. In reporting under the GHG Protocol, Scope 3 emissions are optional to report, but often form the bulk of a company's carbon footprint. This holds true for Pela, where Scope 3 emissions form **95%** of the total footprint in 2022, which were related to impacts calculated from product LCA.

The emissions sources included in Pela's Scope 3 footprint are categorized in the table below according to the GHG Protocol's Technical Guidance for Scope 3 Emissions. The table also shows how each emissions source ranks as a contributor to Pela's overall footprint.





	Emissions Sources	tCO2e	% of Scope 3	Ranking out of Scope 3
Scope 3.1: Purchased Goods and Services	Product LCA (raw materials, packaging, and manufacturing), purchased goods and services (e.g., printing supplies, coffee)	299.52	58.94%	1
Scope 3.2: Capital Goods	Capital Goods purchased in 2022 (e.g., furniture at offices, tooling molds for manufacturing plants)	56.07	11.03%	3
Scope 3.3: Energy-Related Activities not Included in Scope 1 or Scope 2	Well-to-tank emissions of purchased fuels (natural gas), well-to-tank emissions of purchased electricity, and transmission and distribution losses for purchased electricity	9.82	1.93%	6
Scope 3.4: Upstream transport	Product LCA (transport of raw materials to manufacturing facilities)	36.69	7.22%	4
Scope 3.5: Waste in operations	Waste from Pela's business units and waste from product LCA	10.50	2.07%	5
Scope 3.6: Business Travel	Corporate travel	0.19	0.04%	8
Scope 3.7: Employee Commuting	Employee commuting and Work-from-home (WFH) impacts	7.69	1.51%	7
Scope 3.9 Downstream Transport	Product LCA (transport of manufactured goods to warehouses and final product distribution to consumers)	87.73	17.26%	2
Scope 3 Total		508.21	100.00%	

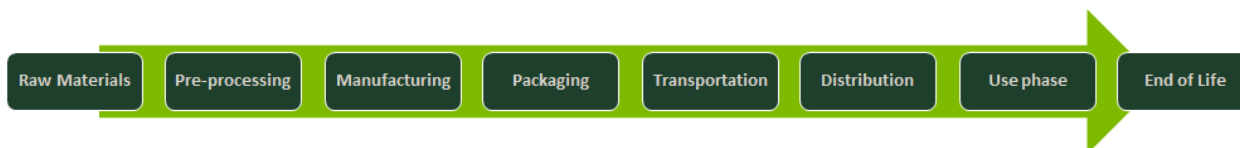
Data sources include primary data provided by Pela for analysis, estimates based on previous performance, and secondary data collected through the course of research. Additional details on the methodology employed are discussed below.



About the LCA Data

When considered as a whole, Pela's product lifecycle carbon impacts are broken down according to its lifecycle stage in the table below for each of the product lines analyzed in the 2022 LCA. The data from each life cycle stage was used to estimate total Scope 3 emissions, using sales figures for each product line. The life stages were then categorized using the GHG Protocol's Scope 3 Guidance, and incorporated into Pela's Scope 3 footprint.

A major improvement in the calculation methodology in 2022 is that the Scope 3.9 downstream transportation (manufactured products to warehouse), as well as final distribution to consumers are captured separately using geo-coded group-level transportation scripts, achieving better data accuracy for each transportation route.



Pela Product	kg CO2e per Life Cycle Stage				
	Raw material	Manufacturing	Upstream transportation (raw material)	Packaging	Waste (End-of-Life)
Wallet cases	807.12	510.72	155.04	1869.60	113.22
AirPods Pro (2nd Gen)	284.16	122.88	53.76	134.40	39.97
Ethos	106.60	352.60	28.70	61.50	0.33
MagSafe Module	3925.53	560.79	186.93	934.65	4.67
Card Holder attachment	457.50	292.80	91.50	640.50	64.60
Sunglasses	No production in 2022, only distribution impacts for Scope 3.4 and Scope 3.9				
Classic Cases - Kelowna	53472.71	9790.78	28532.30	118648.01	5793.36
Classic Cases - China	11864.61	5141.76	3714.92	26325.81	1285.44
Watch Strap ("Vine") - Apple & FitBit (Vine Smart Watch Bands)	142.65	61.95	77.85	614.40	16.65
AirPod cases - 1st Generation & 2nd Generation	394.24	170.80	252.00	2293.76	48.72
AirPod cases -3rd Gen and AirPods Pro (1st Gen) cases	754.69	289.44	419.11	4390.91	93.26
Slim cases	1246.72	627.20	550.40	5242.88	142.08
Grip (Previously called Griply)	2209.50	1314.00	1341.00	18432.00	499.50
Clear cases	4618.29	2558.93	995.54	14721.02	891.31
iPad Cases	No production in 2022, only distribution impacts for Scope 3.4 and Scope 3.9				



Card Keeper Wallets	519.30	225.30	162.60	126.00	56.70
AirTag holder	2.00	0.87	0.63	5.22	0.45
Canopy (Zero Waste Screen Protector)	182.40	137.76	150.72	1966.08	0.00
Note: Impacts for downstream transportation (manufactured products to warehouse), as well as for distribution to end-consumers are captured separately using group-level transportation scripts.					



Scope 3.1: Purchased goods and services

Purchased goods at office

In 2022, local suppliers for coffee, printing supplies were purchased at the Innovation Centre. Following the same allocation method for Scope 1 & 2, a total of **0.07** tCO₂e was associated with Pela's purchased goods at the office.

Product LCA

Emissions associated with raw materials, manufacturing (incl. materials pre-processing and product manufacturing) and packaging were captured under the category of purchased goods and services. These emissions were calculated using the results of the 2022 LCA, resulting in the emissions outlined in the table below.

In total, **299.55** tCO₂e resulted from upstream production for Pela's studied products, accounting for 56% of the total 2022 footprint.

	tCO ₂ e
Raw materials	80.99
Manufacturing	22.16
Packaging	196.41
TOTAL	299.55

Scope 3.2: Capital Goods

Scope 3.2 accounts for emissions from the production of capital goods purchased or acquired in the reporting year, where capital goods are final products that have an extended life and are used by the company to manufacture a product; provide a service; or sell, store, and deliver merchandise. Unlike in financial accounting, where capital goods are depreciated or amortized over the life of the asset, the cradle to gate emissions from the production of capital goods are counted in the year of acquisition.

In 2022, Pela purchased office furniture (desks, chairs), mobile phones, laptops, printers, monitors in the office, as well as tooling molds for its manufacturing plants. Following the same allocation method for Scope 1 & 2, a total of **56.07** tCO₂e was associated with Pela's purchased capital goods.



Scope 3.3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2

Scope 3.3 accounts for indirect upstream emissions related to the production of fuels and energy purchased and consumed in 2022, which are not included in Scope 1 or Scope 2. Emissions from this category were calculated based on well-to-tank emission factors for natural gas and purchased electricity. In total, **9.82** tCO₂e resulted from Pela's upstream fuel- and energy-related activities, not included in Scope 1 or Scope 2.

Scope 3.4: Upstream transportation and distribution

Upstream transportation emissions were calculated using the results of the product LCA. It refers to transporting of raw materials to the manufacturing plants. In total, **36.69** tCO₂e resulted from Pela's upstream transportation activities.

Scope 3.5: Waste in operations

In 2022, **10.5** tCO₂e were calculated from waste produced through Pela's operations. 1.44 tCO₂e were calculated for waste produced at Pela's business units, with an additional 9.06 tCO₂e accounting for product end of life using the results of the 2022 product LCA. Waste generated from Pela's business include those generated at KSS as well as in the office (using the same allocation methods following Scope 1 & 2). The transportation of recyclable waste is cut-off due to lack of data.

Scope 3.6 Business travel

A total of four flight round-trips were made for Pela's employees in 2022, resulting in **0.19** tCO₂e, as Pela continues to restrict in-person business trips during the post-pandemic period.

Scope 3.7 Employee commuting

Emissions from employee commuting contribute to Scope 3 emissions, where employees generate the emissions on their way to and from the workplace. Emissions from working from home (WFH) were also calculated under this category.

A separate employee survey was conducted during the preparation of this report to gather the primary data on employee commuting in 2022. A response rate of 100% was achieved



for the survey, representing all the 24 FTE for Pela in 2022. To estimate the electricity and natural gas use (ratio of increment) from WFH, the recommended ratios of incremental to baseline energy intensity from IEA data was applied as: baseline electricity and natural gas intensity (kWh/person/day) at 12.5 and 14.05 respectively, with the ratio of increment (allocated to WFH) at 62.57% and 38.39% for electricity and natural gas respectively.

In 2022, **7.69** tCO₂e for Scope 3.7 was calculated, among which, **4.84** tCO₂e was from daily commuting while the remainder was from remote working.

	t CO ₂ e
Scope 3.7 - Commuting	4.84
Scope 3.7 - WFH	2.86
Scope 3.7 - Total	7.69

Scope 3.9 Downstream transportation and distribution

Downstream transportation and distribution emissions were calculated using the results of the 2022 LCA. It includes both the transportation of manufactured goods to warehouses as well as the final product distribution to consumers. In total, **87.73** tCO₂e resulted from Pela's downstream transportation and distribution activities, contributing to 16% of the total footprint.

	tCO ₂ e
Scope 3.9: Finished product transportation to warehouses	4.98
Scope 3.9: Product distribution to consumers	82.75
TOTAL	87.73

Re-adjusting Base Year

According to the GHG Protocol, companies must set a base year against which to make meaningful and consistent comparisons of emissions over time.

A fixed base year has the advantage of allowing emissions data to be compared on a *like-with-like basis* over a longer time period. However, it is difficult to maintain a fixed base year for companies that have frequent changes (e.g., due to business expansion, diversion), which holds for Pela. Consequently, the emissions reflected in the base year (as well as



historic years i.e. 2020, 2021) become considerably inaccurate for a *year-over-year* comparison, or to be used for setting emission reduction targets.

In contrast, a “rolling base year” could be adopted for Pela. Following the GHG Protocol, companies may consider using a rolling target base year if obtaining and maintaining reliable and verifiable data for a fixed target base year is likely to be challenging. With a rolling target base year, emissions are compared on a *like-with-like basis*. For example, Pela’s next year (2023) footprint will be compared against its 2022 CF instead of its 2019 CF.

Year Over Year Comparison

With the new 2022 base year set up, its 2022 footprint is not compared with previous years. Instead, the 2019 base year serves as the comparison basis for the 2020 and 2021 emissions. Whereas the new 2022 footprint will serve the basis for future year’s comparison. It should be noted that the 2022 footprint should not be compared with the 2021 footprint as the 2021 footprint included emissions from Lomi.

	Base year 1: 2019	2020	2021	Base year 2: 2022
Scope 1	3.67	14.29	15.37	24.93
Scope 2	0.45	1.08	1.22	0.88
Scope 3	1,062.85	1,481.83	3727.34	508.21
TOTAL	1066.40	1497.20	3743.94	534.02

Recommendations

Through a carbon footprint study, a company can better understand how their operations generate GHG emissions, as well as identifying areas to be targeted for reductions. Below are recommendations for reducing Pela’s impact across their carbon footprint.

Scope 1 and Scope 2 Emissions

In 2022, Scope 1 and Scope 2 emissions make up a small portion (less than 5%) of Pela’s total footprint, as the bulk of their emissions is derived from their products’ life cycles. Even so, it is a good idea to remain on top of energy efficiency, water and waste consumption at all business units.

Pela could look into complementary energy assessments available from FortisBC to ensure that the Kelowna Sustainability Studio is operating efficiently. As an alternative, a Green



Team could be established at Pela to regularly and systematically identify opportunities for increased efficiencies in energy and water consumption and identify opportunities to reduce waste generated onsite.

Scope 3.2: Capital Goods

At 10%, the footprint associated with Capital Goods was relatively high as compared to other Scope 3 non-LCA related categories because of the new manufacturing machinery purchased in 2022. Pela could consider creating a Sustainable Purchasing Policy when purchasing new capital goods, for example, working with suppliers to purchase eco-designed products/machinery (e.g., with ENERGY STAR label).

Scope 3.5: Waste in operations

Waste in operations accounts for 2% of the total 2022 footprint. Waste from the office was based on proxy-data, using average waste data per capita. Impacts from the KSS waste generation were based on spent-based methodology. Since waste is directly managed by Pela, it is recommended that data quality be improved for the 2023 footprint. This could be done by monitoring waste and recycling services throughout the year, or through a waste audit. A waste audit would also identify opportunities for improving waste diversion at this facility.

Scope 3.7: Employee Commuting

Employee commuting contributes to 1.5% of total footprint. While not a large source, Pela could consider adopt the following measures to reduce carbon emissions from employee commuting:

- Continue a hybrid work model (both work at the office and work from home) to reduce the need for daily commuting
- Encourage employees to take public transportation and carpool instead of driving alone. In 2022, Pela employees rely on passenger cars more than Lomi employees
- Promote “bike to work week” programs to encourage employees to commute by cycling
- Adopt flexible working hours to avoid congestion and reduce travel times, thereby reducing emissions from road travel



Product Life Cycle Data

The largest overall contributor to Pela's 2022 footprint is the life cycle impacts of its products. Scope 3.1 Purchased goods and services, Scope 3.9 Downstream transport and distribution and Scope 3.4 Upstream transport collectively contribute to about 80% of Pela's total footprint. The breakdown per life cycle stage can be found below.

	kgCO ₂ e	tCO ₂ e	% of total footprint
Raw materials	80988.02	80.99	15.17%
Manufacturing	22158.58	22.16	4.15%
Upstream transportation (for raw materials)	36713.00	36.71	6.87%
Packaging	196406.75	196.41	36.78%
Downstream transportation (for finished products)	4978	4.98	0.93%
Product distribution to consumers	82754.67	82.75	15.50%
Waste	9050.28	9.05	1.69%
TOTAL	433049.29	433.05	81.09%

Impacts from all the LCA-related activities accounted for over 80% of the total footprint, mainly due to the upstream raw materials, packaging materials associated with the production of Pela products, as well as the upstream and downstream transportation. It is suggested that Pela work closely with the raw materials and packaging materials suppliers to identify any potential emission reduction opportunities. Manufacturing processes also contributed to around 5% of total footprint, Pela could consider arranging workshops to raise environmental awareness among suppliers, performing second-party auditing, and suggesting supplies adopt energy audits to identify feasible options to reduce the energy usage.

The other critical aspect regards the LCA data quality, as currently the LCA result largely relies on the assumptions (especially for packaging, manufacturing, and upstream transportation). Because the upstream raw materials and packaging materials are identified as the hotspots, it is suggested that Pela consider establishing and implementing factory data record systems among the suppliers. This would help to improve accuracy and make data acquisition more organized. Through the data management system, specific



data about the raw materials from upstream suppliers can be obtained which would facilitate further understanding of product LCA.

Offsetting Emissions or Creating an Eco Fund

Offsetting Emissions

The above recommendations provide opportunities for Pela to reduce their carbon footprint. While making emissions reductions should be the primary goal of any company looking to reduce their impact, Pela can choose to offset some – or all – of its footprint with carbon offsets.

Carbon offsets are credits for GHG reductions made through a project that can be purchased by another company to compensate for emissions that could not be reduced by other means. The money from the purchase of emissions reduction credits funds the projects from which real and measurable carbon reductions are made; these reductions are then applied to the company that purchased the credits, thus offsetting the emissions they were unable to avoid.

Carbon neutrality means that purchase offsets match the company's emissions. This does not mean that the business emits no emissions – instead, 100% of the reporting company's calculated footprint is offset through the purchase of verified offsets.

A company that is **carbon negative** has gone beyond net-zero emissions by taking efforts to remove additional carbon from the atmosphere. For instance, a company may choose to offset 10% more carbon than their footprint has produced, in order to claim carbon negativity. This is also known as being **climate positive**.

Carbon offsets typically cost \$20-30 per tonne, depending on the type of offset portfolio and the provider selected. Larger footprints are often required to go through a verification process prior to the purchase of offsets, which increases the cost of offsetting.

Using the average price of \$25 per tCO₂e, it would cost Pela approximately \$13,350.42 to offset their entire footprint and become carbon neutral for 2022.

Creating an Eco Fund

Alternatively, Pela could collect a small fee from customers at the point of purchase, and use the money to create an Eco Fund, such as the one offered by GreenStep Solutions,



where the money is set aside to implement projects that will achieve emissions reductions within Pela's own operations.

Conclusions

Pela's 2022 carbon footprint amounted to **534.02** tCO₂e. The bulk of these emissions are generated over the lifecycle of Pela's products, so the biggest impacts will be seen in reducing emissions along this lifecycle. Following the structural changes (splitting Lomi from Pela), 2022 has been established as a new rolling base year, to enable like-with-like comparison for future years.

The information provided within this report is sufficient for Pela to offset its 2022 emissions and can be used to better understand where opportunities to reduce the footprint exist. Annual analyses will allow for tracking progress over time towards goals set and will provide insight regarding the effectiveness of any initiatives undertaken to reduce the footprint.

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