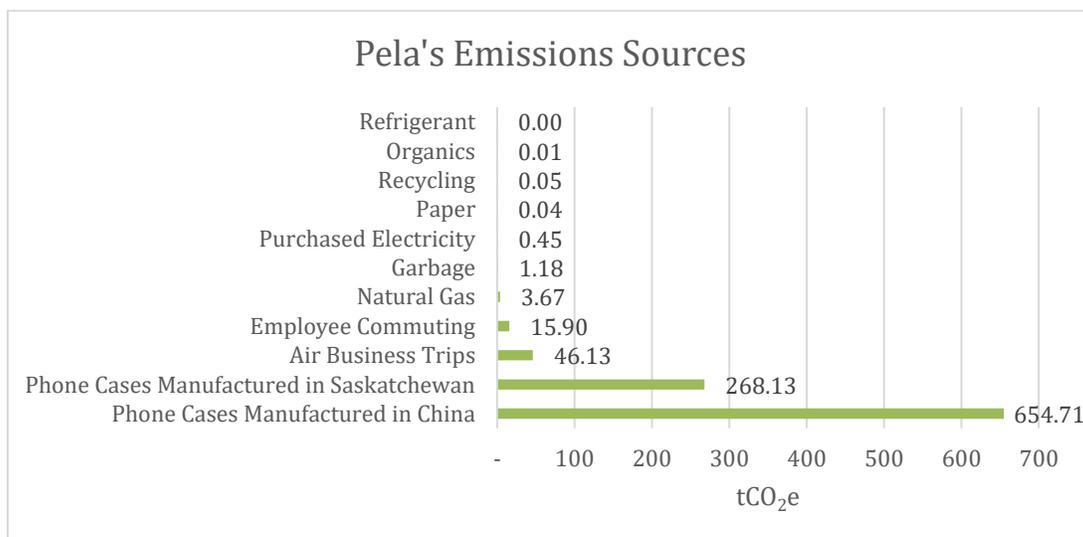


Pela's 2019 Carbon Footprint

GreenStep Solutions has calculated Pela's 2019 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.

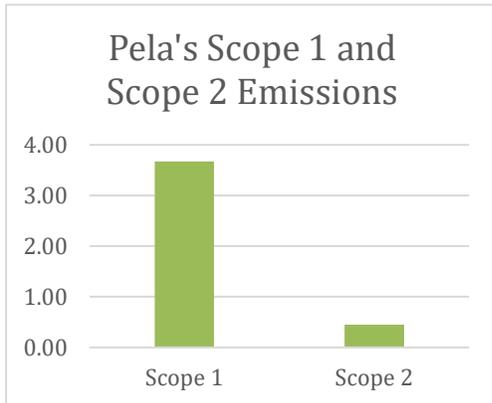
In 2019, Pela's operations were responsible for a total of 990.27 tCO₂e. As seen in the table, Scope 3 emissions form the bulk of Pela's footprint, at 99.58% of all emissions. Individual emissions sources, from largest to smallest, are depicted in the graph below.

	tCO ₂ e	% of Total
Scope 1	3.67	0.37%
Scope 2	0.45	0.05%
Scope 3	986.15	99.58%
TOTAL	990.27	100%



Scope 1: Direct Emissions

Scope 1 GHG Emissions, also referred to as direct emissions, 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 3.67 tCO₂e annually, consist of natural gas



consumed at the Innovation Centre to provide thermal comfort and to heat water, as well as emissions resulting from the on-site residential-style refrigerator.

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 the electricity generation station) but are a result of the

energy demands of the company. For Pela, Scope 2 emissions consist solely of electricity purchased by the Innovation Centre, as Pela uses this electricity for lighting, plug loads and other electrical equipment. Scope 2 emissions amount to 0.45 tCO₂e.

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 99.58% of Pela's footprint, for a total of 990.27 tCO₂e annually. Included in Pela's Scope 3 emissions are waste, recycling and compost; corporate travel; employee commuting; paper consumption; and the manufacture of Pela's phone cases. The largest opportunities for reducing Pela's carbon footprint will be found in Scope 3.

