

# SCOPE EMISSIONS INVENTORY GUIDANCE

Below is an overview of emission scopes 1, 2, and 3 across the value chain:

## SCOPE 1

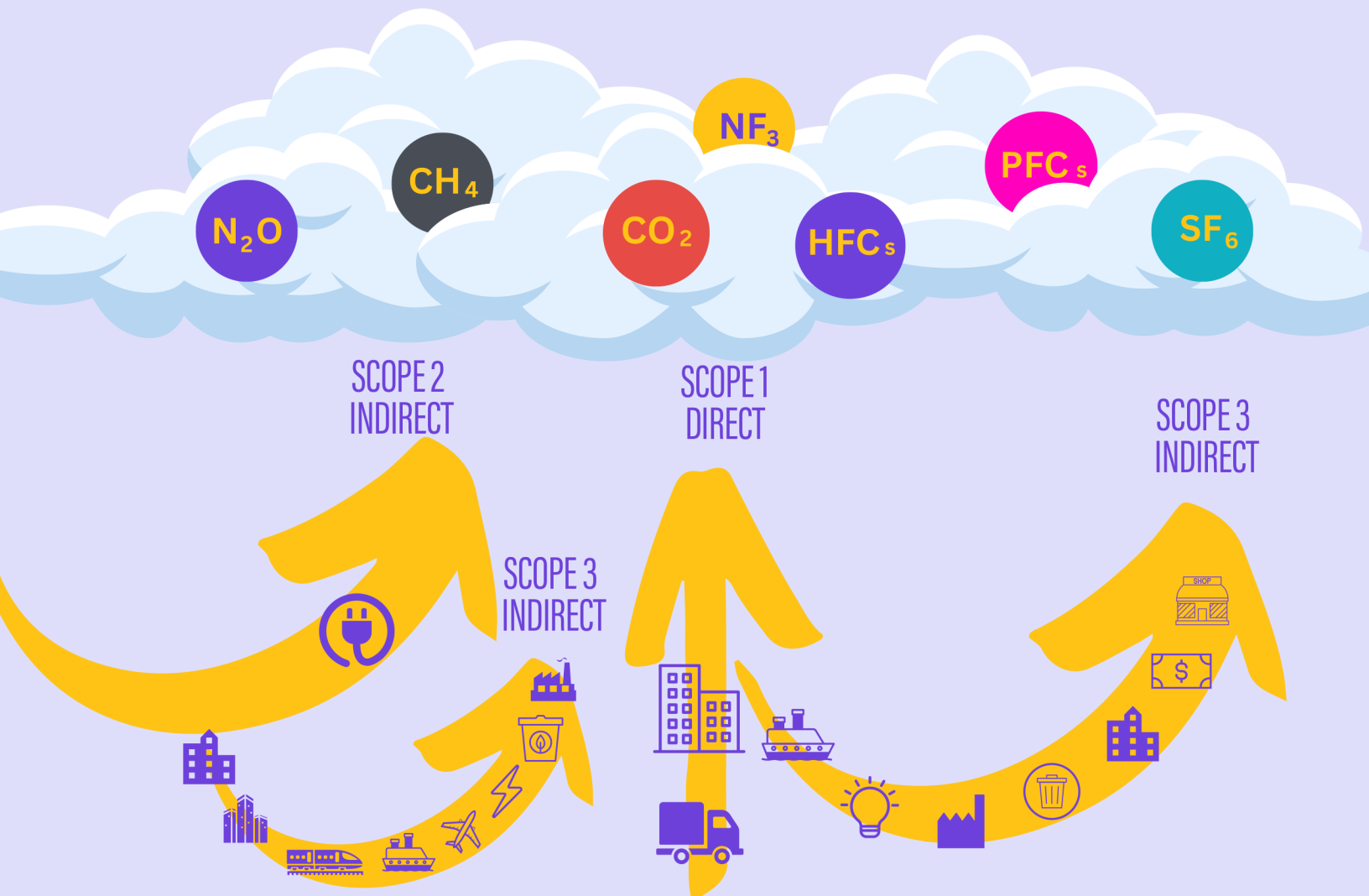
Emissions from operations that are owned or controlled by the reporting company.

## SCOPE 2

Emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company.

## SCOPE 3

All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.



Source: Adapted from WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard (PDF), page 5.

# QUANTIFYING OUR IMPACT

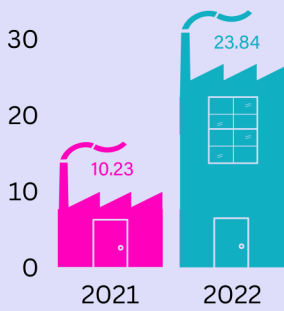
Cheekbone Beauty's Emissions Reporting Journey

## Our journey to become carbon neutral!

For 2021, we were only able to quantify our scope 1 and 2 emissions. We recognize that scope 3 emissions are an essential part of quantifying our impact and are aiming to incorporate more scope 3 emissions each year. In 2022, we included employee commuting.

Check out our impact so far!

### OUR TOTAL EMISSIONS

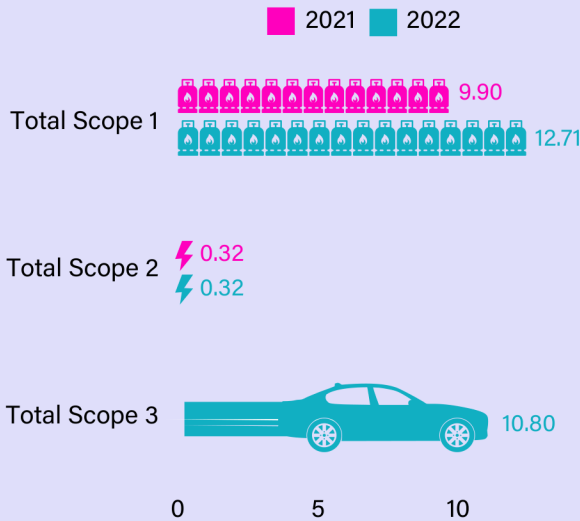


**A year has gone by, and our emissions have intensified!**

We recognize that our emissions have increased. This comes with our business growing, as well as adding an element of scope 3 in 2022..

### CHEEKBONE BEAUTY SCOPE 1, 2 & 3

2021 vs. 2022



#### Scope 1 overview

##### 2021 vs 2022

Energy Usage  
2021: 9.90 Tonnes  
2022: 12.71 tonnes

Fleet Transportation  
2021: 2.15 tonnes  
2022: 2.69 tonnes



#### Scope 2 overview

##### 2021 vs 2022

Electricity Usage  
2021: 0.32 tonnes  
2022: 0.32 tonnes



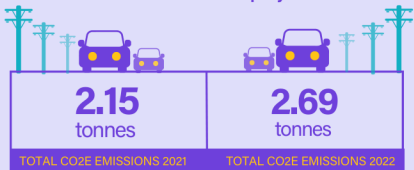
#### Scope 3 overview

##### 2022

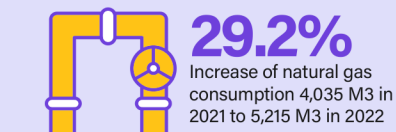
Employee Commuting  
2021: Not recorded  
2022: 10.8 tonnes

### SCOPE 1 IN DETAIL

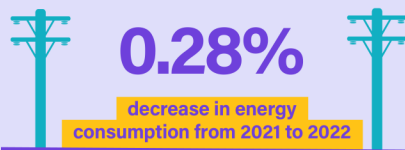
Emissions From Company Car



Emissions From Natural Gas



### SCOPE 2 IN DETAIL



**1,700** kWh - highest electricity consumption in 2021

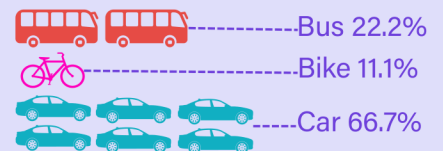
**1,425** kWh - highest electricity consumption in 2022



### SCOPE 3 IN DETAIL

2021 Scope 3 emissions were not recorded

**14.6 km** Employees' average commuting distance













In 2022, commuting accounted for 9.08 tonnes of CO2e, with car travel being the most common mode of transportation.



# OUR TARGETS

Cheekbone Beauty is committed to achieving measurable sustainability targets with KPIs aligned with SDGs

To achieve sustainability, we aim to reduce our carbon footprint and implement closed-loop systems to minimize waste and maximize material reuse. In addition, we also promote ethical and transparent supply chains to reflect our commitment to responsible business practices and a better future.

OBJECTIVE	TARGET	KEY PERFORMANCE INDICATOR(S)	ACTION & INITIATIVE(S)	REMARKS	RELEVANT SDGS
<b>Objective 1: Reach carbon neutrality</b>	By 2030, achieve carbon neutrality within scope 1 and 2 with 2022 as a baseline year	<ul style="list-style-type: none"> <li>Metric tons of CO<sub>2</sub>e reduced from carbon offset projects and Renewable Energy Certificates (RECs)</li> <li>Carbon credits purchased</li> </ul>	<ul style="list-style-type: none"> <li>Purchasing Carbon Offsets and RECs</li> </ul>	We have already partnered up with Bullfrog, an organization that purchases renewable energy on our behalf and supports renewable energy projects in Canada. We are also looking towards purchasing carbon offsets.	 
<b>Objective 2: Ensure suppliers adhere to high working and environmental standards</b>	Ensure that 100% of suppliers have aligned with an Environmental Management System (EMS) by 2030 with 2022 as a baseline year	<ul style="list-style-type: none"> <li>Number of suppliers that have EMS certifications</li> <li>Number of suppliers working towards EMS certifications</li> </ul>	<ul style="list-style-type: none"> <li>Developing a Supplier Code of Conduct for all suppliers to sign</li> </ul>	This code of conduct will require proof of these certifications, as well as a non-binding agreement that suppliers will work towards certification	 
<b>Objective 3: Improving product circularity</b>	By 2025, have 60% of product sales from refillable and reusable containers with 2022 as a baseline year	<ul style="list-style-type: none"> <li>Proportion of sales of refillable and reusable containers</li> </ul>	<ul style="list-style-type: none"> <li>Launching refillable SUSTAIN Lipsticks and Harmony Lip gloss</li> <li>Introducing a Green Rewards Program which will encourage consumers to purchase products in refillable and reusable containers</li> </ul>	Our sustainable efforts include launching refillable SUSTAIN Lipsticks and Harmony Lip gloss in 52 Sephora stores across Canada. Additionally, Green and Warrior Rewards Programs will be paired	  
<b>Objective 4: Improve reporting on scope 3 emissions</b>	By 2027, track and report on 50% of downstream transportation emissions with 2022 as a baseline year	<ul style="list-style-type: none"> <li>Tracking mileage, fuel consumption, and CO<sub>2</sub>e of downstream transportation emissions</li> </ul>	<ul style="list-style-type: none"> <li>Work with couriers to track distance travelled from facility to consumers and type of vehicle used</li> </ul>	We aim to improve tracking and reporting of our scope 3 emissions, starting with employee commuting in 2023 and moving towards downstream transportation.	  

# SCOPE EMISSION LEGEND

## SCOPE 1 DIRECT



Company Facilities



Company Vehicles

## SCOPE 2 INDIRECT



Purchased Electricity,  
Steam, Heating and  
Cooling for Own Use

## SCOPE 3 INDIRECT



Purchased goods  
and services



Business Travel



Transportation and  
Distribution



Employee Commuting



Franchises



Investments



Fuel and Energy Related  
Activity



Processing of Sold  
Products



Use of Sold  
Products



Leased Assets



End-of-life  
Treatment of  
Products



Waste Generated in  
Operations



Capital Goods