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

<table>
<thead>
<tr>
<th>Scope</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Scope 1</td>
<td>9.90</td>
<td>12.71</td>
</tr>
<tr>
<td>Total Scope 2</td>
<td>0.32</td>
<td>0.32</td>
</tr>
<tr>
<td>Total Scope 3</td>
<td></td>
<td>10.80</td>
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</tbody>
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SCOPE 1 IN DETAIL

- Emissions From Company Car
  - 2021: 2.15 tonnes
  - 2022: 2.69 tonnes

- Emissions From Natural Gas
  - 2021: 1,064 M3
  - 2022: 1,955 M3

  Highest natural gas consumption in 2021
  Increase of natural gas consumption 4,035 M3 in 2021 to 5,215 M3 in 2022

SCOPE 2 IN DETAIL

- 0.28% decrease in energy consumption from 2021 to 2022

- 1,700 kWh - highest electricity consumption in 2021

- 1,425 kWh - highest electricity consumption in 2022

- October with the lowest electricity usage in 2021 & 2022

SCOPE 3 IN DETAIL

- 2021 Scope 3 emissions were not recorded

- 14.6 km

  Employees’ average commuting distance

  - Bus: 22.2%
  - Bike: 11.1%
  - Car: 66.7%

  In 2022, commuting accounted for 9.08 tonnes of CO2e, with car travel being the most common mode of transportation.
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 1: Reach carbon neutrality
- **Target**: By 2030, achieve carbon neutrality within scope 1 and 2 with 2022 as a baseline year
  - Metric tons of CO2e reduced from carbon offset projects and Renewable Energy Certificates (RECs)
  - Carbon credits purchased
- **Action & Initiative(s)**: Purchasing Carbon Offsets and RECs
- **Remarks**: 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.
- **Relevant SDGs**: 13

### Objective 2: Ensure suppliers adhere to high working and environmental standards
- **Target**: Ensure that 100% of suppliers have aligned with an Environmental Management System (EMS) by 2030 with 2022 as a baseline year
  - Number of suppliers that have EMS certifications
  - Number of suppliers working towards EMS certifications
- **Action & Initiative(s)**: Developing a Supplier Code of Conduct for all suppliers to sign
- **Remarks**: This code of conduct will require proof of these certifications, as well as a non-binding agreement that suppliers will work towards certification.
- **Relevant SDGs**: 8, 12

### Objective 3: Improving product circularity
- **Target**: By 2025, have 60% of product sales from refillable and reusable containers with 2022 as a baseline year
  - Proportion of sales of refillable and reusable containers
- **Action & Initiative(s)**: Launching refillable SUSTAIN Lipsticks and Harmony Lip gloss
  - Introducing a Green Rewards Program which will encourage consumers to purchase products in refillable and reusable containers
- **Remarks**: 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.
- **Relevant SDGs**: 9, 12, 13

### Objective 4: Improve reporting on scope 3 emissions
- **Target**: By 2027, track and report on 50% of downstream transportation emissions with 2022 as a baseline year
  - Tracking mileage, fuel consumption, and CO2e of downstream transportation emissions
- **Action & Initiative(s)**: Work with couriers to track distance travelled from facility to consumers and type of vehicle used
- **Remarks**: We aim to improve tracking and reporting of our scope 3 emissions, starting with employee commuting in 2023 and moving towards downstream transportation.
- **Relevant SDGs**: 13, 12, 17
SCOPE EMISSION LEGEND

SCAPE 1 DIRECT
- Company Facilities
- Company Vehicles

SCAPE 2 INDIRECT
- Purchased Electricity, Steam, Heating and Cooling for Own Use

SCAPE 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