

pai.®

**GOODNESS
REPORT 2023**





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Introducing Pai's Inaugural Goodness Report

Our mission is to help people feel good in their skin, but also good about the choice they've made.

It stems from personal experience of battling the skin condition, chronic urticaria - trying to navigate baffling ingredient lists and dodgy product claims!

Pai was about redefining sensitive skincare so it no longer felt a compromise. Creating skin-transforming products with style and substance.

Transparency and sustainability have become common buzzwords. In our factory they are a daily commitment and way of life.

Becoming a B Corp in 2022 was a proud moment and the culmination of years of work laying the depth of foundations required to operate as a good business.



“We want people to feel good about their skin and good about the choice they’ve made.”

As you delve into the pages ahead, you'll discover how we've transformed ideals into actions, and our future aspirations and commitments. Thank you for being a part of our story.

**Sarah Brown &
Ed Saper, Co-Founders**

BUCKINGHAM PALACE
2016 RECEIVING A
QUEEN'S AWARD FOR
ENTERPRISE



PAI PILLARS



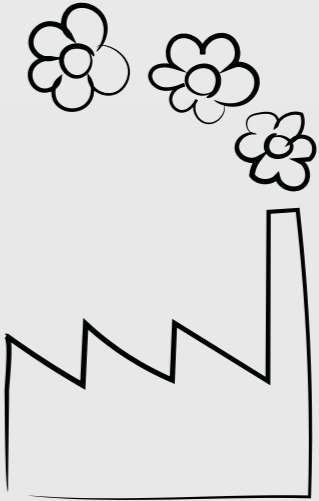
MADE FOR SENSITIVE SKIN.

Every product is clinically proven for sensitive skin.



CERTIFIED CLEAN.

Organic, cruelty-free skincare, made with 100% natural ingredients.



GOODNESS BUILT IN.

Our products are proudly made by us in London.



**MADE FOR
SENSITIVE SKIN**



We use a **96-hour human patch test** – rather than the standard 24 or 48.

Independent patch testing

We go the extra mile to bring peace of mind for those with reactive skin.

Every Pai formulation is independently patch tested and clinically proven to be suitable for sensitive skin.

We use a 96-hour human patch test - rather than the standard

24 or 48 - and the results are verified by a dermatologist in accordance with the standards of Good Clinical Research Practice.



Free skin coaching

When you've hit a wall with your sensitive skin, what you need is someone to talk to.

Our in-house skin coaches really understand what it's like to navigate challenging skin because they have personal experience of conditions like psoriasis and rosacea.

96% said the consultation helped resolve their skin concerns

99% said they felt better about their skin afterwards



Free 90-day returns

Customers with sensitive skin need to trial products to check if they react, and sometimes a sample isn't enough.

That's why they can return (for free) any Pai product if it doesn't agree with their skin.

**CERTIFIED
CLEAN**

OUR CERTIFICATIONS

In a beauty industry rife with greenwashing and cleanwashing, **consumers don't know who to trust.**

Our certifications are crucial kitemarks of authenticity that reassure customers that we are what we say we are - and that someone is checking.

All parts of our business are independently audited so that our customers can buy well.



**Anyone can say they are
“natural”, “sustainable” or
“clean” - but not everyone
can prove it.**



Pai became one of just **32 UK personal care brands** to be B Corp certified in 2022.

B Corp

B Corps are companies that are certified to have met rigorous standards of social and environmental performance, accountability, and transparency.

There are more than 3,750 Certified B Corporations across 150 industries and 75 countries, working together toward one goal: using business as a force for good.

Our business was scored across the core pillars of governance, people, community, environment, and customers.



Chris Turner, Executive Director of B Lab UK, said:

“Welcoming Pai to the B Corp community is an exciting moment, because they have an opportunity to lead the way within the beauty industry.”

“Their commitment will be an inspiration to others, and help spread the idea that we can redefine success in business to be as much about people and planet as it is about profit.”

OUR FIRST SCORE

87
points

WE ARE

10
points
higher

THAN THE AVERAGE
BEAUTY B CORP

LEAPS AHEAD OF

50.7
points

THE AVERAGE
COMPANY SCORE



Just the B-ginning!



GOVERNANCE 14.7 / 20



WORKERS 24.1 / 40



COMMUNITY 17.6 / 40



ENVIRONMENT 27.3 / 135



CUSTOMERS 3.1 / 5





Soil Association / COSMOS

This standard is designed to ensure natural and organic products are produced to the highest sustainability practices.

It encompasses all levels of the supply chain, from the growing of raw materials to the end of life of products - including ingredient biodegradability and packaging.

THE COSMOS STANDARDS STIPULATE:

- USE OF INGREDIENTS FROM ORGANIC AGRICULTURE
- RESPECTING BIODIVERSITY IN NATURE
- USING NATURAL RESOURCES RESPONSIBLY
- MINIMISING IMPACT TO HUMAN HEALTH / CONTAMINATION TO THE ENVIRONMENT
- ENCOMPASSING 12 "GREEN CHEMISTRY" PRINCIPLES



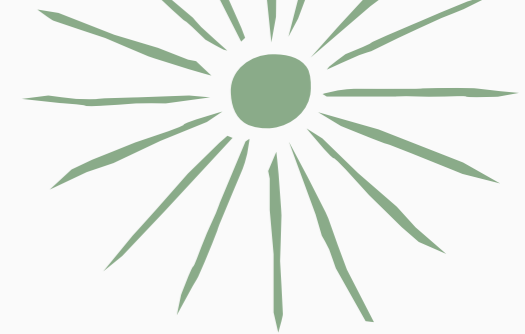
The Soil Association is the UK certifying body for COSMOS, the European standard for organic cosmetics.



**We have been certified by
the Soil Association/COSMOS,
one of the most rigorous organic
certification bodies,
since 2008.**



**The Vegan Society
accreditation builds on our
focus to respect nature.**



The Vegan Society

The Vegan Society certification confirms no animal-derived ingredients or by-products are used in the production of our ingredients or our finished formulas.



**Every single
one of our
products is
Vegan Society
certified,
without
exception.**



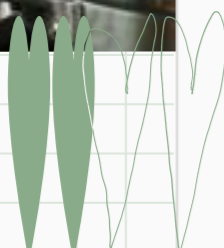
Cruelty Free International

Leaping Bunny is the internationally recognisable gold standard for cruelty free products.

It challenges decision-makers to make a positive difference for animals, and champion better science and cruelty-free living.

The ban on animal testing has recently been under question in the UK and Europe, and many brands still allow pre- and post-market testing in China.

This certification is essential reassurance for customers who never want to buy from a brand whose products have harmed animals.



We stand by campaigns to respect and protect animals, while pushing for innovative alternatives to animal testing.





Intertek

ISO 22716

An international standard of Good Manufacturing Practices (GMP) for the cosmetics industry, that ensures we maintain high standards at every stage of our supply chain.



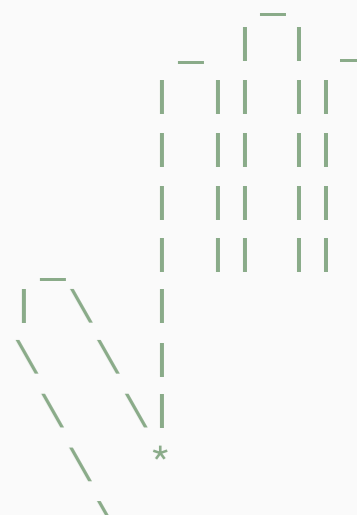
PROVENANCE

Provenance

We partnered with Provenance in 2021 to proof point our certifications at point of sale.

This customer-friendly tool verifies each claim and explains what they mean.

**What matters is that
our customers know what our
certifications mean.**



GOODNESS BUILT IN



PAI IS MADE BY PAI

Do you know how your skincare is made?

We are one of very few skincare companies who formulate and manufacture our products ourselves.

Being “vertically integrated” means we own the development process end to end. This gives us complete visibility of our supply chain and control over our sustainability efforts.

Owning every step of the product journey delivers unique formulas of exceptional quality - and that personal connection brings a touch of magic too.



PLANET-FRIENDLY PACKAGING

The global beauty industry produces more than 120 billion units of packaging every year.

Landfill - and the concept of burying rubbish out of sight (and out of mind) - offends us.

Clever cartons

A unique fold-out carton, to eliminate adhesives, leaflets or liners.

Cartons are 100% laminate-free, with 50% recycled / 50% FSC board, including biodegradable tamper seals.



Better bottling

Over 55% of primary packaging is glass, a material that's infinitely recyclable.



Reducing plastic

Over 80% of our tubes contain a minimum 57% PCR (Post-Consumer Recycled) plastic. The rest are sustainably sourced bioplastics from non-GM sugarcane.



Smarter shipping

Our cardboard pallets are made from 85% recycled materials from sustainable sources.



Recycling scheme

While 90% of Brits recycle their kitchen waste, only 50% recycle their bathroom waste.

(SOURCE: GLAMOUR, 2022.)

We have an online guide which explains how to recycle every packaging component of our products.

We have partnered with Recycle Now to make the programme as clean and green as possible for our customers.

All they have to do is follow these steps:



HOW CUSTOMERS RECYCLE :

- KEEP THEIR OUTER PAI MAILER BOX
- FILL THE BOX WITH PACKAGING ELEMENTS THEY'RE UNABLE TO RECYCLE AT HOME, AND LABEL THE BOX 'RECYCLING'
- CREATE A FREE RETURNS LABEL
- DROP OFF AT THE POST OFFICE, & WE DO THE REST





★ OUR PAIONEERS

A business is nothing without its people.★

What unites us as a team is a deep understanding of the customer we are serving, but also a deep connection to the product we're selling.

That collective creation and effort, all under one roof, is very special - and we put the same care into looking after the people who make it happen.



Employee Assistance Programme / 24 hours per day, 365 days per year



Pay



We pay London Living Wage, which is based on the actual cost of living. It's 22% higher than the national minimum wage and is recalibrated regularly.

Rest

Time out is important. On top of our annual leave policy, we have two 'recharge days' per year plus a Christmas shutdown when the entire company takes a breather.

Everyone has their birthday off, and after five years receives extended paid leave for a sabbatical.

Wellbeing

Our Wellbeing Committee leads on initiatives such as step challenges and discounts for health brands - alongside a regular monthly newsletter to share resources for staying well.

We have trained mental health first aiders on-site and an Employee Assistance Programme 24 hours per day, 365 days per year.

It offers access to:

- A TRAINED COUNSELLOR FOR IMMEDIATE SUPPORT OVER THE PHONE
- A GUIDED SELF HELP PLATFORM AND WELLBEING PORTAL
- MANAGEMENT SUPPORT HELPLINE

Family - friendly

We offer extended maternity and paternity leave, as well as flexible working for returning parents.

Two recharge days

Sabbatical

Two on-site Mental Health First Aiders



Charity partnerships

£75,000+

DONATED TO
MENTAL HEALTH
ORGANISATIONS

Since 2018 we have partnered with mental health charities to raise money and promote understanding of mental health issues.

The money we raise funds first conversations with a mental health professional.

In 2023 we launched our '10-Minute Moment' to encourage everyone to take a moment to check in on a friend or loved one.

This important message reached over 2.5 million people in July alone.



Community

In response to the Covid-19 pandemic and national shortage of hand sanitiser in 2020, our lab sprang into action to formulate and distribute Acton Spirit - a natural hand sanitiser that went from idea to reality in just two weeks.

Over 22,000 units were donated to frontline workers including supermarket staff, train drivers, schools, midwives, autism caregivers, care homes, food banks and NHS staff.

We received an Outstanding Contribution Award by The Sunday Times in May 2021 in recognition of these efforts.

Our team has rallied together to support other local groups and causes, too - including:

- SPONSORING BIKE RACKS IN OUR LOCAL PARK
- DONATING PRODUCTS TO FOOD AND BEAUTY BANKS
- COLLECTING GIFTS FOR DOMESTIC VIOLENCE UNITS AT CHRISTMAS
- ORGANISING DONATIONS FOR STAND WITH UKRAINE
- DONATING OUR WAREHOUSE PALLETS TO CULTIVATE LONDON
- DONATING IT EQUIPMENT TO GRENFELL TOWER'S TECH ROOM



22.



WE DONATED
22,000
units
TO FRONTLINE
STAFF

2
weeks

FROM CONCEPTION
TO REALITY



FOR OUTSTANDING
CONTRIBUTION

ACTON SPIRIT™

Pai Labs

Hand Sanitizing Gel
Alcohol (65%) &
Prebiotic Inulin

GOODNESS ROADMAP

This report has mapped out many of our achievements to date.

There is still much to do in driving continuous improvement in our business practices.

We've identified several areas of focus for 2024 and beyond, spanning B Corp's Community, Environment and Worker pillars.

As Mark Twain once said, "The secret to making progress is to get started."

So here we go.

"The secret to making progress is to get started."



Environment

- **REDUCE WATER WASTAGE BY 30% - THROUGH FACTORY INVESTMENT & UPGRADES.**
- **REDUCE GREENHOUSE GAS EMISSIONS - STARTING WITH ACCURATE ANALYSIS OF OUR 'SCOPE 3' EMISSIONS.**

- **(EVEN) MORE SUSTAINABLE INGREDIENTS**
 - TARGET 30% UPCYCLED OR ZERO WASTE (AGRICULTURAL) INGREDIENTS.

We upcycle ingredients from the food industry that would otherwise be thrown away. Our zero waste ingredients mean we send zero discards to landfill. Our all-natural waste is reused for plant fertilisers and animal feed.

- **DOUBLE OUR BIOTECH INGREDIENTS SOURCED**
Ingredients from biotechnology are biodegradable, produce less waste, have low to zero carbon footprint and require no land to produce.

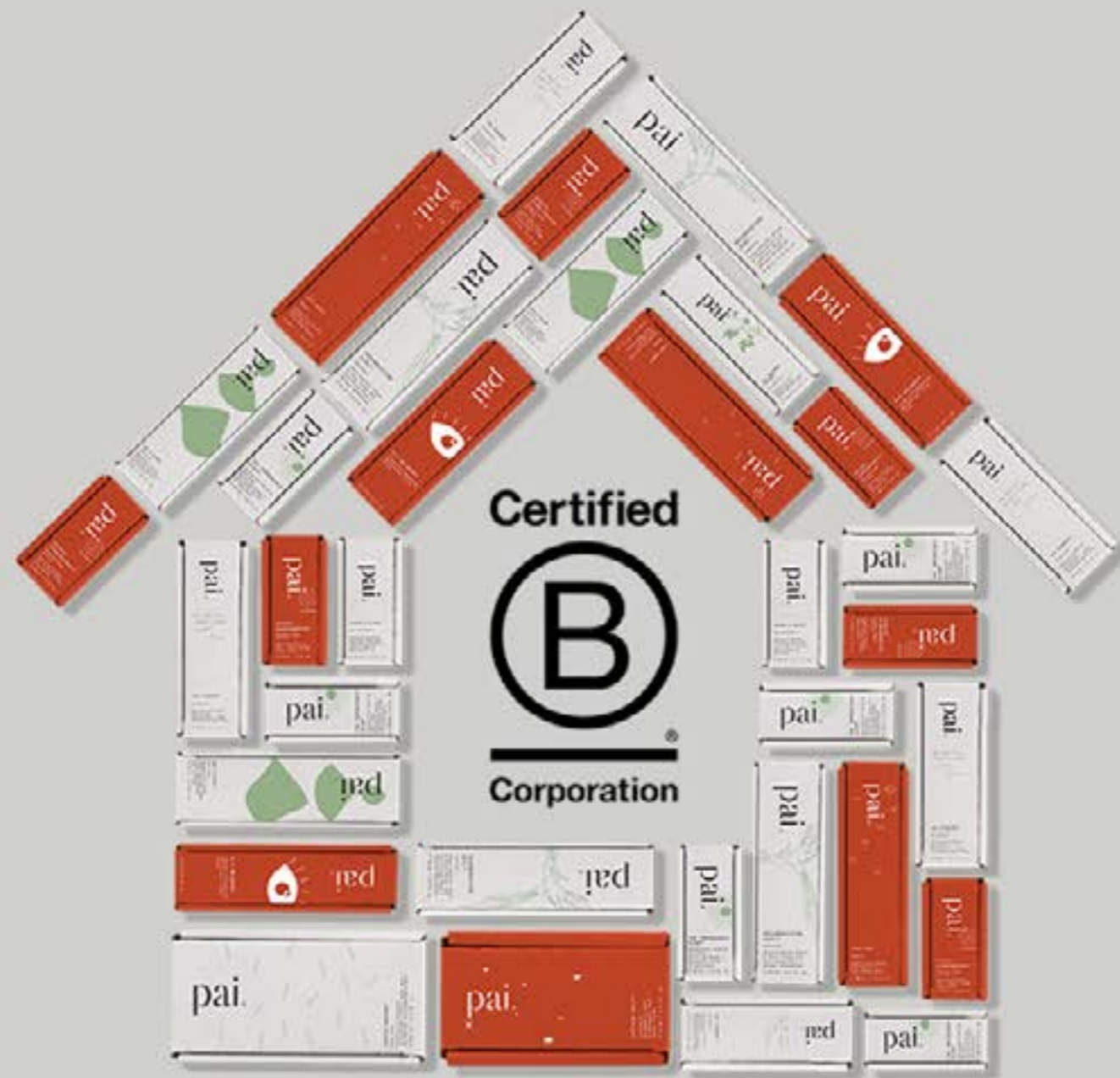


Workers

- **INTRODUCE SUPPLEMENTARY PRIVATE HEALTH CARE.**
- **FORMALISE OUR COMMITMENT TO TRAINING VIA PAID PROFESSIONAL DEVELOPMENT DAYS.**

Community

- **STRENGTHEN OUR PARTNERSHIPS WITH MENTAL HEALTH CHARITIES.**
 - Continuing our '10 Minute Moment' and progressing a further two initiatives to raise funds and promote understanding of mental health issues.



GOODNESS BUILT IN™

pai.®