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Here’s a question for you. What do you think when you think of the waste of the beauty industry or consumer goods industry in general? You might think “Oh, of course, packaging.” And yes. Beauty has a waste problem BUT it’s not just packaging and we learned that the hard way.

Throughout the product development process, pilot to mass production, transportation, and logistics, the beauty industry creates so much waste. When we were trying to perfect the ‘jiggly-jelly’ oil formula for Makeup Re-Wined, we ran multiple test productions that left us with thousands of unsaleable ‘pilot’ units. We also were unintentionally left with gallons of Matcha Hemp Hydrating Cleanser formula bulk from a botched production batch that did not meet our standards. Losing money is one thing, but we couldn’t consciously dispose of the hidden waste we created behind the scenes and act as if it never existed. That’s why we launched our Waste Me Not campaign and our first NYC IRL pop-up to bring awareness to the (surprisingly common but unknown) hidden waste issue by selling our Makeup Re-Wined pilot units and Matcha Hemp Body Wash that we repurposed from our product waste. Not only did we get coverage from Fast Company and FatMascara highlighting how we salvaged our waste, but also, we were able to welcome 3,000+ people to our 4-day pop-up. The best part was seeing how you, our community, brought your own friends to our pop-up and passionately explained the hidden waste problem, and what we were doing to solve it.

Aside from Waste Me Not, we had a busy 2022. We rolled out our Slow Down Skincare animation to emphasize the slow and steady growth model for sustainable growth. Our original 2020 Slow Down Skincare campaign aimed to inspire other beauty brands to commit to responsible production and encourage consumers to shop intentionally. In 2022, our goal was to enlighten the industry that thinking sustainably isn’t enough – we need to rethink growth and how we define it. We wanted to highlight that in the beauty industry’s race for “more” we have lost sight of the fact that we are creating waste at an alarming rate, and that businesses within beauty can do more by doing less.

With our commitment to Slow Down Skincare, we knew that the shareholders aka investors hold the biggest influence to dictate the trajectory of a company. Knowing that, we decided to become one—a shareholder of other companies to ensure sustainable growth. We delved into a completely new vertical creating our venture fund, Press Reset Ventures, to fund like-minded companies that are solving unique problems for the greater good such as Bluebird Climate, Innerbottle and Experiment Beauty. Our next venture will be setting up a new vertical to produce content to help consumers consume better.

In 2022, we continued to make progress in our own sustainability journey through our relentless pursuit of sustainable sourcing. We launched Makeup Re-Wined, which incorporates sustainably sourced, upcycled grapeseed oil, a byproduct of the wine industry. Additionally, we’ve been working with the Women’s Earth Alliance on a pilot program to support two communities in Indonesia to create an entirely traceable & sustainable supply stream of tamanu oil, the hero ingredient in Great Barrier Relief & Great Body Relief.

In 2023, we’ll continue to embody the mindset of a mighty tortoise and plan for slow and steady growth. Thanks so much for taking the time to read this report. That tells me how much you care about your impact as well. Please forward this to your friend(s) who might be interested in learning more about how a small brand can strive to make an impact in the big industry.
Our Business

5  Our Mission & Values
6  Stakeholder Wheel
7  Our Impact
Our Mission & Values

Our Values

1. Lead with Intention for People and the Planet
We want to create lasting change in the beauty industry and be a business for good. We believe in transparency across all our business practices and never default to a course of action that has not considered all of our stakeholders’ needs. We practice thoughtful and intentional communication and decision making, providing context and seeking input on why we’re doing what we’re doing, at every level.

To make an impact on people and on the planet, we know that it requires us to thoughtfully bring together different perspectives - whether they’re 1:1 or at scale, whether they’re internal or external. We always try to put ourselves in other people’s shoes, and better understand how to build with other people’s needs and motivations in mind.

KraveBeauty operates with sustainability at our core. In all decisions, from how we choose suppliers, develop products, source ingredients and ship internationally, we consider the potential environmental impacts and opportunities. We collaborate with fellow leaders and pioneers of innovative solutions to make the most tangible change possible.

2. Being Human
At KraveBeauty, we understand that we are responsible for and mutually dependent on all who are involved with and impacted by our business. This includes viewing the planet as an important stakeholder and understanding that social and environmental problems are not equally felt or solved.

We are made up of creative, unique, and empathetic people who are humans before employees. So we aim to create an environment that allows people to feel supported and empowered, where diverse voices and perspectives are shared. We are conscious of our blind spots and know that leading with compassion and kindness means checking our unconscious biases and undergoing a continual journey of self-directed learning.

Our PressReset Mission

KraveBeauty was founded 5 years ago to #PressReset on the skincare industry, dedicated to helping you reset your relationship with skincare and reject mindless 20-step routines. But soon, we realized that excess skincare is not only taking a toll on our skin but on our planet too. So we reoriented our mission to focus on humanizing the beauty industry for the people and the planet in order to create a more sustainable and equitable world. But so much has changed in these 5 years from widening structural inequities to a worldwide pandemic. We realized that in order to maximize our impact, our mission also has to evolve.

We want to inspire the industry to operate more on stakeholder capitalism over shareholder capitalism. We are here to write our own playbook; this means unlearning what we’re used to as the “success formula”. Over the past 5 years, we’ve continually created space for failure – recognizing when we are wrong and that there’s always room for us to improve and do better. KraveBeauty is a company of changemakers who challenge the status quo and break rules. A collective effort centered on creativity, innovation, and a human-centric approach. #PressReset is about using the power and privilege each of us has to transition systems towards a more sustainable and equitable future.

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At KraveBeauty, we understand that we are responsible for and mutually dependent on all those involved with our business, directly or indirectly.

This wheel outlines our key stakeholders, and we aim to engage each stakeholder in our decision making processes.

**EMPLOYEES**
Our employees are one of our most important stakeholder groups and we work to ensure each employee has agency and a voice with decision making.

**CUSTOMERS**
Our customers are our most important stakeholders, and our focus is to deliver high quality products that are good for our customers’ skin health.

**COMMUNITY**
Engaging with our communities is essential to our mission of humanizing the industry. Our community includes local communities, industry partners, ambassadors, and many others.

**PLANET**
We recognize the importance of considering the potential impact of every decision we make, so our planet deserves a seat at our table.

**SUPPLIERS & MANUFACTURERS**
We aim to maintain strong, cooperative relationships with our suppliers and manufacturers and we always seek out like-minded business partners who share our values.
Our Impact Pillars

Since our inception, we’ve envisioned KraveBeauty as a force for good, with sustainability woven into our DNA and to lead with intention for people and the planet. The core of our business practices have always focused on conscious consumerism – hitting #PressReset on industry norms and moving away from shareholder capitalism to prioritize our stakeholders.

We want to seek long-term value creation by taking into account the needs of all our stakeholders – workers (both at Team KB and our partners), communities (both the skincare industry at large and our customers), and the planet. Improving the livelihoods of workers and communities, and taking climate action to leave the planet better than we found it are how we plan to leverage KraveBeauty’s core capabilities for social impact. This year, we’ve taken stock of what we’ve done in the past, what our founder stands for, and what our employees care about to refine our mission and focus on 3 main impact pillars.

Most of our company is made up of women, with a majority of them being of Asian descent. Through the lens of Elevating Economies and Ecosystems, we think we can make the greatest impact in the areas of: LGBTQIA+ / Women’s rights, BIPOC/AAPI issues, and sustainability. Many of our ongoing and future commitments target the intersection of these 3 impact pillars and our long-term hope is to develop a strong track record in all of the issue areas encompassed within. We’ve already begun that exciting journey with Women’s Earth Alliance.
Our Impact

Over the past 5 years, we’ve always been committed to supporting causes and advocacy groups that champion inclusivity and support underrepresented and marginalized communities.

Our giving has spanned a wide range of causes. We’re continuously donating at least 1% of all product sales, beyond just one campaign or promotion. This allows us to maximize our reach and support social justice issues affecting our community that we care about, but can’t directly impact.

We envision a future where, in addition to our long-term collaborations, we are constantly engaging our community and our employees. From a bi-annual stakeholder-selected social cause month, to quarterly employee-selected social causes, to on-the-ground engagements with affected communities. Giving is just one way that we are striving to serve our stakeholders and being a force for good.

*See Appendix for Details

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>PRODUCT</th>
<th>CASH</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>Women’s Earth Alliance</td>
<td>-</td>
<td>260,885</td>
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<tr>
<td>Great Barrier Reef Foundation</td>
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<td>Sunrise Movement</td>
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<tr>
<td>1% for the Planet</td>
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<td>Education Bridge</td>
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<tr>
<td>Pretty Brown Girl</td>
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<tr>
<td>Seniors Fight Back</td>
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<td>AAPI Women Lead</td>
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<td>Other &lt;$10K*</td>
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<td><strong>TOTAL</strong></td>
<td>51,625</td>
<td>535,224</td>
<td>586,849</td>
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</tbody>
</table>

Over the past 5 years, we’ve donated a total of $586,849 ($535,224 CASH / $51,625 PRODUCT).
Our Commitments

10  Sustainability: A Journey
11  Diversity & Inclusion
Let’s be honest — sustainability has become a buzzword. The term has been adopted by many industries and often means different things to different companies.

Sustainability, as has been defined by many, means meeting the needs of the present without compromising the ability of future generations to meet their own needs.

We recognize that sustainability is not just environmentalism — it also includes social and economic concerns.

At KraveBeauty, being critical and focusing on what truly matters instead of following the “sustainability trends” has been our top priority. Yes, recyclable, refillable packaging is amazing, but we believe that all consumer brands should first reflect on the amount of products they release.

That’s why we are committed to our Slow Down Skincare principle — committing to the most intentional and responsible production possible and avoiding creating unnecessary demand. This is the foundation of KraveBeauty’s sustainability strategy.

On a bigger scale, we want to work with our community and industry partners to drive systemic change that reduces our impact on the environment and creates social wealth.

By encouraging collective action and tapping into the immense social value of our community, we can magnify our impact and help shift the industry to a more sustainable future.

We acknowledge that there is no such thing as a truly sustainable company. But we aim to make the most sustainable decision possible in everything we do.

We recognize that sustainability is a journey, and we value progress over perfection.
Diversity, Equity & Inclusion

Since we founded KraveBeauty, our community has been growing. Now, it’s bigger than ever. The bigger we become, the more diverse we become and the more conscious we are of the impact our values and actions have.

From how we operate the business internally to how we represent our community, we aim to make every step forward contribute to becoming a more equitable and inclusive brand.

The world around KraveBeauty has changed immensely over the past 5 years. Now more than ever, we feel it is essential to be transparent, live our values and make our stance known. Our stance informs how we approach social impact, how our benefits evolve, and how we create an environment that allows everyone to be Human. KraveBeauty’s employees are predominantly female and feel deeply that the rights of women and other marginalized genders must be upheld. We believe that every individual deserves the fundamental right to choose and we will do all we can to protect access to reproductive care.

In summer 2022, KraveBeauty began offering reimbursements for travel and lodging expenses to all employees, their spouses and dependents who may be forced to travel for reproductive services. Additionally, we have begun to offer volunteer time off and will cover bail expenses for employees who engage in peaceful protest. As a signatory of Don’t Ban Equality, we stand against policies that hinder people’s health, independence, and ability to fully succeed in the workplace. We have posted a public statement on the Dobbs v. Jackson Women’s Health decision along with a donation to Women’s Reproductive Rights Assistance Project (WRRAP).

Our community is open to people of all identities, expressions, and abilities. KraveBeauty firmly supports LGBTQIA+ rights. Internally, we’ve normalized pronouns, facilitated discussions on what it means to display genuine allyship, and hosted panels on the experience of LGBTQIA+ members. This year with the launch of Makeup Re-Wined, we partnered with LGBTQIA+ content creators to amplify their voice and also donate to LGBTQIA+ non-profits of their choosing.

Hence, we believe that Diversity, Equity, and Inclusion are not just buzzwords but actions that are taken to ensure that everyone feels heard, seen, and valued within the community. Our ultimate goal is to create an environment that fosters inclusivity and empowers individuals to thrive with full agency and inclusion.

Our Stance

Being Human at KraveBeauty means that all marginalized communities are given the opportunity to thrive with full agency and inclusion.

We’re still at the beginning of this journey, but one that we’re fully committed to.
### Our Impact Goals

<table>
<thead>
<tr>
<th>Area</th>
<th>Goal</th>
<th>KPI(s)</th>
<th>Area</th>
<th>Goal</th>
<th>KPI(s)</th>
</tr>
</thead>
</table>
| Climate Change & Energy | - Continue to reduce and offset the carbon footprint of product packaging and transportation  | • % Manufacturing in local factories  
• % Post-consumer recycled plastics used  
• Total carbon footprint of product packaging and transportation; Total carbon offsets purchased  | Product Responsibility | - Increase the use of recycled material in our packaging to 80% by 2025  | • % of product packaging made of recycled and/or renewable material                           |
|                       | - Reduce Scope 3 Upstream Shipping emissions by shifting 50% of our offshore manufacturing to local factories by 2025  |                                                                              |                       | - Increase the amount of packaging material that can be recycled or reused  | • % of product and packaging that is recyclable, reusable and/or upcycled (including partnerships)  |
|                       | - Reduce Scope 3 Purchased Goods emissions by substituting virgin plastic for post-consumer materials and decreasing our overall plastic usage.  |                                                                              |                       |                                                                              | • % of carton packaging that uses FSC Certified paper                                          |
|                       | • Set Science-Based Targets across our value chain, including Scope 1, 2 and 3 emissions.  |                                                                              |                       |                                                                              | • % of products that offer refill options                                                      |
| Responsible Sourcing | - Enforce our supplier code of conduct and sustainable sourcing guidelines and create a supplier scorecard system by 2025  | • % supplier performance against standards and supplier scorecard  | Community & Partnerships | - Continuously engage in impactful sustainability campaigns, activism, and advocacy  |                                                                              |
|                       | - Ensure ingredient traceability as well as determining both social and environmental impacts of the key ingredients  | • % of key ingredients that are traceable in each product formula  |                       | - Become a certified Benefit Corporation (B-Corp) by 2025  |                                                                              |
|                       | - Source and use more upcycled and biotech ingredients  |                                                                              |                       | - Dedicate at least 50% of all sponsorships and paid partnerships to BIPOC and LGBTQIA+ creators as well as creators with disabilities  |                                                                              |
|                       | - Build strategic partnerships with manufacturers and suppliers who share our values  |                                                                              |                       | - Increase BIPOC & LGBTQIA+ Customer representation  |                                                                              |
|                       | - Audit and research ecotoxicity and biodegradability of every ingredient  |                                                                              |                       | - Conduct quarterly training for internal employees on sustainability and social responsibility  |                                                                              |
|                       |                                                                              |                                                                              |                       | - Publish a impact report annually  |                                                                              |

### Area AreaGoal GoalKPI(s) KPI(s)

- Climate Change & Energy
- Product Responsibility
- Responsible Sourcing
- Community & Partnerships

### 2022 Impact Report

**OUR COMMITMENTS**: PG. 12
## Our Impact Strategy

The Sustainable Development Goals (SDGs) are a global roadmap designed to lead countries and companies towards a more inclusive and sustainable world. Each of our focus areas supports specific goals. Learn More

<table>
<thead>
<tr>
<th>Climate &amp; Energy</th>
<th>Responsible Sourcing</th>
<th>Community &amp; Partnerships</th>
<th>Product Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 CLEAN WATER AND SANITATION</td>
<td>10 REDUCED INEQUALITIES</td>
<td>4 QUALITY EDUCATION</td>
<td>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</td>
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<tr>
<td>7 AFFORDABLE AND CLEAN ENERGY</td>
<td>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</td>
<td>5 GENDER EQUALITY</td>
<td>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</td>
</tr>
<tr>
<td>13 CLIMATE ACTION</td>
<td>14 LIFE BELOW WATER</td>
<td>8 DECENT WORK AND ECONOMIC GROWTH</td>
<td>10 REDUCED INEQUALITIES</td>
</tr>
<tr>
<td>15 LIFE ON LAND</td>
<td></td>
<td></td>
<td>17 PARTNERSHIPS FOR THE GOALS</td>
</tr>
</tbody>
</table>
Our Performance

15 Climate & Energy
20 Product Responsibility
23 Responsible Sourcing
25 Community & Partnerships
July 2021 was the hottest month ever recorded globally, and conditions are only expected to worsen. If we want to avoid the worst impacts of climate change, scientists say we need to keep the planet from warming more than 1.5°C above pre-industrial levels. This is a goal we’re not on track to achieve, and *humankind must act now*. We would be remiss if we didn’t mention that these impacts from climate change are not equally distributed. Climate change disproportionately damages the global South, and impacts are also disproportionate on a micro-level, with people of color and lower income communities more vulnerable.
Our commitment to climate action is driven by our recognition of the urgency required to deal with the climate crisis. As a brand producing goods and using resources, we understand that we are always going to have an impact, but we are dedicated to reducing our environmental footprint and helping to mitigate carbon emissions. This is why we pursued the Climate Neutral certification for 2 years in a row. This means that we measured our 2021 carbon footprint, offset our impact, and are working to reduce future emissions. We've broken down this year's footprint and a comparison to our baseline year or 2020.

From this breakdown, we know that the majority of our emissions come from Scope 3, our value chain, and we are focusing our reduction plan around this scope.

**KRAVEBEAUTY’S**

**Total Carbon Footprint**

**2021**

728 tonnes CO₂eq

**Scope Breakdown**

- **Scope 1**: 1.3 CO₂eq
- **Scope 2**: 12.7 CO₂eq
- **Scope 3**: 714.1 CO₂eq

From this breakdown, we know that the majority of our emissions come from Scope 3, our value chain, and we are focusing our reduction plan around this scope.

**2022**

711 tonnes CO₂eq

**Scope Breakdown**

- **Scope 1**: 0 CO₂eq
- **Scope 2**: 0 CO₂eq
- **Scope 3**: 711 CO₂eq

From this breakdown, we know that the majority of our emissions come from Scope 3, our value chain, and we are focusing our reduction plan around this scope.

**SCOPE 1**

Refers to direct emissions controlled by an organization.

**SCOPE 2**

Refers to indirect emissions from electricity, steam, and heat.

**SCOPE 3**

Refers to all other indirect emissions. Scope 3 is usually the greatest share of the carbon footprint, covering emissions associated with business travel, procurement, waste, etc.
Climate Neutral Certification

Our 2021 footprint is 17 tCO2e lower than our 2020 footprint. While we have been working hard to reach our reduction goals & make more intention decisions, this reduction is likely due to our exclusion of Scope 1 and Scope 2 emissions. In 2020, we did include Scope 1 & 2, but even then, they were only 2% of our total total footprint. Because our team was majority work from home in 2021, we did not use any fuels or electricity for an office and therefore had negligible scope 1 and 2 emissions.

One of the biggest differences between our 2020 and 2021 footprints was with transportation. We saw a significant decrease in upstream transportation. In 2020, upstream transportation represented 34% of our footprint. In 2021, it represented only 5%. We have worked hard to rely more on sea freight than air freight and to be more efficient with our upstream shipments. Conversely, we saw a slight increase in our downstream shipping emissions, likely due to our international expansion.

Additionally, we know that the almost 100% of our emissions are from Scope 3 and this is where our attention was best spent. As a DTC consumer goods company, materials and transportation are consistently our largest sources of emissions. Aiming to target our largest emission sources, we have set reduction goals to be accomplished by next year.

We completed our Climate Neutral re-certification, which means we measured our 2021 carbon footprint, offset our impact, and are working to reduce future emissions.

We understand that measuring and reducing are more important than offsetting, and we are working to reduce as much as possible.

While we will continue purchasing carbon offsets for activities we cannot yet reduce, we aim to also encourage our partners and suppliers to reduce their emissions.

We have offset 711 tonnes of CO2 and have created a Reduction Action Plan which includes 2 new and 1 continuous commitments:

- **In progress:**
  - Reduce Scope 3 Upstream shipping emissions by reducing our reliance on air freight. This involved improving demand planning & optimizing timelines.
  - Reduce Scope 3, Purchased Goods by sourcing more sustainable (traceable, upcycled, biotech) ingredients for new product formulas.

- **In progress:**
  - Reducing Scope 3 Upstream shipping emissions by shifting some of our offshore manufacturing to local factories by 2025

**SCOPE 3 BREAKDOWN**

- Purchased goods & services: 79%
- Downstream transportation & distribution: 6%
- Fuel & energy-related activities: 5%
- Upstream transportation & distribution: 5%
- Business travel: 3%
- Waste generated in operations: 2%
- Capital goods: 0%
The goal of the Dempsey Ridge Wind Project is to generate wind energy near Cheyenne, Oklahoma to reduce dependence on fossil fuel energy. Located across both Beckham and Roger Mills counties, the farm has 66 wind turbines that span 7,500 acres of agricultural land. The wind farm generates up to 132 megawatts of energy, which helps to power approximately 46,000 homes per year on renewable energy sources. This corresponds to a reduction of nearly 225,000 metric tons of carbon dioxide from the atmosphere each year.

Renewable energy in the US

The goal of the Haicheng Landfill Gas Project is to reduce methane emissions from the Haicheng Landfill site in Laojianshan, China from entering our atmosphere. The project will collect landfill gas (methane) and use it for electricity generation and the installed capacity is 2 MW. The power generated by the plant is delivered to the Northeast China Power Grid. The annual power generation is expected to be 16,000 MWh. The project is expected to reduce emissions by 80,000t annually.

Climate & Energy

Our Offset Programs

For the emissions that we are currently unable to reduce, we invest in carbon offsets. We offset our entire 2021 footprint by purchasing carbon credits to fund climate change solutions. In 2022, we supported three projects focused on advancing renewable energy generation, avoided deforestation and reducing landfill gas. Each project is independently verified, ensuring that they effectively protect our climate.

Avoided Deforestation in Brazil

The Agrocortex avoided deforestation project aims to preserve and protect some of the most threatened forests on the planet and an important biodiversity corridor that connects the Andes to the Amazon. In addition to being a safe haven for over 400 bird species and 188 tree species, this project also generates positive social and economic impacts in one of the poorest areas of Brazil.

Landfill gas in China

People who eliminate GHG emissions can generate and sell carbon credits. People who want to offset their emissions can buy carbon credits.

Carbon credits are generated through a variety of projects and technologies, ranging from reforestation initiatives that sequester (suck up) CO₂, to micro-grid solar projects which substitute fossil fuel-based energy production with reliable clean sources of energy that don’t emit greenhouse gases into our atmosphere.

*All the offset projects are Gold Standard verified, which is a third-party verification.
Logistics & Transportation

Ocean vs. Air Freight

We rely on a sophisticated global supply chain which means that transportation with upstream shipping represents a large chunk of our overall emissions. From our Life Cycle Assessment, we spotted an opportunity to decrease our emissions immensely by switching away from the reliance on air shipping to ocean freight.

However, we want to note that KraveBeauty was not immune to the effects of COVID and we felt the strain especially in transporting our products from South Korea to the US. The international supply chain became deeply congested, which came with long delays and resulted in a few air shipments.

We are committed to continuing choosing the majority of our shipments via ocean freight to ensure emission reductions with transportation of our products.

Top Projects

We offer a carbon neutral shipping option to our customers at checkout. Since 2020, our customers have offset more than 18 million pounds (8,170+ tonnes) of carbon through improved forest management, landfill gas capture, solar and other carbon projects.

1. McCloud River 849.93 t
2. Fiddler’s Canyon Solar Project #2 742.2 t
3. Greater New Bedford LFG (Landfill Gas) Utilization Project 528.5 t
4. South Kent Landfill Gas to Energy Project 509.89 t
5. University of Wisconsin Clean Energy and Energy Efficiency Project 397.41 t
6. Decatur County Solar Facility 392.01 t
7. Henrico County Landfill Gas Combustion Project 382.23 t
8. Hudson Farm 361.05 t
9. Prairie Pothole Avoided Grasslands and Shrublands Conversion 306.36 t
10. Hawk Mountain Improved Forest Management Project 218.18 t
Packaging is a huge area of impact for beauty brands and an area that needs to become more circular.

We like to think of packaging like a bathtub (stay with us). There is a faucet putting water (new plastic) into the bathtub (our environment). There is also a drain (recycling) removing water. Currently, we are putting more water in the bathtub than the drain can handle, thus overfilling the tub and harming our environment.

If your tub at home was overflowing, you would close the faucet, right?

Source: NYTimes Illustration by Rinee Shah
Our Journey to Circular

**Reduce**

One way to help slow the flow of new plastic is to use plastic that’s already out there. Last year, we began incorporating post consumer recycled (PCR) plastic into our product packaging and have been working to increase our total % of recycled plastic content. We have reached our goal of having 50% recycled material in our packaging, which we initially set for 2025.

This year, we removed the outer carton for the Great Body Relief. In 2023, we plan to incorporate fully recycled carton boxes for all other products. Paired with our 100% recycled shipper boxes, we will significantly reduce our consumption of virgin paper.

**MATCHA HEMP BODY WASH**

Another way we are working on reducing our material consumption is by designing products that use less materials. In 2022, we released the limited edition Matcha Hemp Body Wash in a refill pouch that uses less plastic, water and energy than traditional bottle packaging.

**Reuse**

Another way to keep plastic in circulation is by reusing and repurposing it. While we do not currently have a refill system, we are looking to launch one in the future. In the meantime, we are using and investing in innovative packaging solutions to push the refill market forward.

**INNERBOTTLE**

For the Great Barrier Relief, we utilize Innerbottle’s silicone bubble insert and bottle system. Innerbottle has introduced a circular economy platform RE-Turn in Korea that encourages customers to maximize sustainability and to reuse resources.

**Recycle**

Recycling is the final step in creating a circular system where plastics and other materials can have many lives. In 2021, our product line was 80% recyclable. However, there have been many changes in 2022.

To help with our recyclability journey, we are now a member of the US Plastics Pact, an organization that brings together businesses, not-for-profit organizations, government agencies, etc. for the goal of creating a more circular plastic economy. We are working to design our packaging in accordance with USPP’s design for recycling guidelines.

Additionally, we have a QR code on all of our packaging that links to a recycling guide to help you properly recycle your KB products. We know there are many rules when it comes to recycling and that they differ based on location, so we wanted to give our customers the greatest chance of their products being properly recycled and not landfilled.
As a skincare brand, plastic packaging is our most available option and sometimes we have to use it. While we are looking into ways to reduce our plastic dependence and switch to more sustainable alternatives, we still have a responsibility to manage our current plastic footprint.

That’s why we have partnered with RePurpose Global, a global coalition dedicated to reducing plastic waste. RePurpose Global is the world’s first plastic credit platform dedicated to reducing waste, reviving lives, and restoring nature’s balance. For every pound of plastic we use in our packaging, Waste Ventures India (a RePurpose Global affiliate) is helping to remove an equal amount from the environment.

Specifically, we fund the removal of multi-layered plastic that does not get collected because it has no commercial value & lacks collection infrastructure. MLPs are more likely to leak into the natural environment and pollute airways.

240 waste workers segregate, clean, and transport the plastic to cement kilns for co-processing. Some of the plastic waste is used for energy recovery and some is used in the creation of cement.

We know plastic offsetting is not a perfect solution. Ultimately, we want to reduce the amount of plastic we use, and this partnership is a step to achieving that goal.

Product Responsibility

RePurpose Global

28026 lbs of plastic waste cleanup funded in India
Overview

Biodegradability & Ecotoxicity
Vegan & Cruelty-Free
Ingredient Traceability

Responsible Sourcing

We want to ensure our products have as little of an impact on the environment and ecosystems as possible, which is why we have a goal to increase the biodegradability of all our wash-off products by 2025.

We also analyze the ecotoxicity of our key ingredients to ensure they have as little impact on aquatic life as possible and are actively working to find better alternatives.

In 2022, we reformulated our Matcha Hemp Hydrating Cleanser with the goal to increase the biodegradability of the formula. Based on the OECD 301B testing, the reformulation achieved the requirements for inherent biodegradability with a value of 42% ThCO2 after 28 days (vs. the 24.8% for the previous formula). From an ingredient standpoint, we reduced possible eco-toxicity by 2.47%.

Since the inception of the brand, our product development principle has always been to create vegan and cruelty-free products. We are a part of PETA’s Beauty Without Bunnies program certifying that we do not test on animals and that our products are vegan.

100% OF OUR FORMULAS ARE VEGAN & CRUELTY-FREE
As we outline last year, one of our goals for the future is to increase visibility on where and how our key ingredients are sourced. We are committed to tracking our ingredients from their source and identify areas for increased sustainability within our supply chain. This process involves building stronger and more intentional partnerships with our manufacturers and raw ingredient suppliers in order to mitigate both social and environmental impacts involved in product development. We also want to provide this visibility to you so that you are aware of where and how the key ingredients are sourced in the products you are using on a daily basis.

One of our goals we set last year was to source and use more upcycled and biotech ingredients. We are happy to announce that in 2022, we launched our first product utilizing an upcycled ingredient!

The grapeseed oil in Makeup Re-Wined

The grapeseed oil used comes from upcycled grape seeds, byproducts of the wine industry (hence, our name 🍷), to reduce the product’s environmental impact & create a circular economy. Our grapeseed oil supplier sources the grape seeds from wineries in Napa, California.

To help us connect with more upcycled ingredient suppliers, we have become a member of the Upcycled Food Association. They are working to grow the upcycled food economy and create streams for food products that would have been wasted.

We are aiming to incorporate even more upcycled ingredients into our products in the future, so we can not only cut down on waste in the world, but also reduce the virgin ingredients we harvest from the earth.

In 2022, we have continued to track our ingredients & uncover even more ingredient origins. Additionally, we have made traceability a key discussion point with our current and future suppliers, choosing to work with those that share our value.

With our Tamanu Oil Pilot Project, we are taking ingredient traceability to a new level. Not only do will we know where our oil comes from, we will know about & support the community in that region. To read more.

Last year, we announced that we created a formal Supplier Code of Conduct utilizing the UN Global Compact Principles and a process for gathering environmental and social data from our suppliers. We are currently working on implementing this code as well as ideating for a supplier sustainability scorecard, so we can hold our suppliers accountable for their social and environmental commitments.

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We are aiming to incorporate even more upcycled ingredients into our products in the future, so we can not only cut down on waste in the world, but also reduce the virgin ingredients we harvest from the earth.
At KraveBeauty, diversity, equity and inclusion is at the heart of Being Human. We know that the beauty industry has not been inclusive of everyone, and that change starts by first looking internally.

Our brand has been built by people who have been exactly where our audience is, and we want to continue to reflect that. Our differences are meant to be celebrated – including but not limited to gender identity, race, ethnicity, sexual orientation, ability status and age. Over the last 5 years, we’ve made conscious efforts to be inclusive, from removing barriers in our hiring process to seeking diverse inputs in product development to platforming marginalized communities in our marketing.

Diversity, equity and inclusion is a continual journey, and we still have so much room to grow. We take our responsibility towards our community and our employees seriously, and will always strive to better understand how to serve our stakeholders.
Employee Benefits & Education

Benefits at KraveBeauty

Our team’s well-being and happiness is paramount to us. We start by ensuring that our compensation is competitive and allows our employees to live sustainably. From the beginning, we’ve provided generous medical, dental and vision benefits alongside financial benefits like retirement savings contributions that we match.

In 5 years, so much has changed in the world, and our benefits have evolved with it. We have always been a remote-friendly company, starting with teams in South Korea and the US, but now, the majority of our employees work from home. We’ve expanded our paid time off for full-time employees from 10 days to 15 and recognized holidays from 10 to 14. We also offer 100% company matching on charitable donations. At KraveBeauty, we know how important it is to care for our employees and our annual surveys ensure that we are always listening.

With regard to compensation, we take a “one team” approach. All full-time employees receive a base salary and are bonus eligible under the same bonus plan regardless of employee level and geography.

Employee Education on Sustainability

To truly integrate sustainability into our business, it’s essential for our employees to be educated on sustainability topics and our goals. This is why we have made internal education a priority and have built on the educational resources from last year. We have been working on our goal set last year to have more trainings for internal education, and in 2021, we did 3 workshops focused on sustainability.

Community Education

Another one of our continuous goals is to provide education & communication on sustainability topics to our customers & community. Last year, we did so through several blog posts & social media campaigns. This year, we have also created multiple newsletters focused on sustainability topics, including a sustainability glossary for our internal & external communities.

Last year, we also launched our first ever sustainability report, which detailed our sustainability efforts & future goals. We are building on that report with this impact report & continuing to educate on our sustainability journey.
Women’s Earth Alliance

As a 1% For the Planet member since 2020, we have continuously donated 1% of our annual revenue to environmental nonprofits, no matter what our bottom line is. One such nonprofit that we have donated to is the Women’s Earth Alliance, a nonprofit dedicated to supporting grassroots women leaders working to reverse climate change and protect their communities, livelihoods, and health. In 2021, our donation was invested in WEA’s U.S. Grassroots Accelerator, which aims to support a diverse group of women leaders in deepening their strategies for change and scaling their climate solutions. We are proud to be establishing an ongoing long-term partnership with WEA to build an innovative pilot program to ensure sustainable & impactful tamanu tree production.

What is Tamanu?
Many of you have probably seen (or smelled!) our tamanu oil in our Great Barrier Relief or Great Body Relief. Tamanu is a hero ingredient, providing deep moisture and anti-inflammatory function.

Tamanu oil is derived from the fruit seeds of the tamanu tree, a tropical tree found across Asia, Africa, & the Pacific.

Similar to how the tamanu oil is a hero for our skin, the tamanu trees themselves are heroes for our environment. The trees support a wide array of biodiversity, help with soil erosion control, act as windbreak & firebreak for communities, and can help restore degraded land.

KB x WEA Pilot Project

Through the creation of this program with WEA, we will be supporting two communities in Indonesia. One community currently produces tamanu oil, but lacks safe & efficient equipment, especially for the deshelling & drying process for the tamanu seeds. Through our support, we will remedy these technological gaps, which will result in increased income for the tamanu workers and increased safety. Additionally, we will support the workers with business management & financial literacy, so they can be self-reliant & resilient.

The second community currently supports an agroforestry system, but does not grow tamanu trees. Through our support in this area, we aim to incorporate tamanu into the agroforestry system & create a regenerative and sustainable tamanu production. We aim to equip those in this community (50% of whom are women) with agroforestry skills and an increased income/quality of life.

Eventually, we hope to utilize the oil produced at the second community and incorporate it into our products, creating an entirely traceable & sustainable supply stream.
Community & Partnerships

Press Reset Ventures

**AND REPEAT**
Opening the door to mental health conversations
Founder: Jayme Cyk, Ben Rabb
[andrepeat.co](http://andrepeat.co)

**AUGUST**
Identifying gaps in period care, made by Gen Z for Gen Z and beyond
Founder: Nadya Okamoto, Nick Jain
[itsaugust.co](http://itsaugust.co)

**EXPERIMENT BEAUTY**
Inspired by science, Thoughtfully sustainable, Ridiculously fun
Founder: Lisa Guerrera
[experimentbeauty.com](http://experimentbeauty.com)

**INNERBOTTLE**
Innovative packaging solution with a circular economy platform
Founder: Steve Oh
[innerbottle.com](http://innerbottle.com)

**BLUEBIRD CLIMATE**
In business to decarbonize the consumer products industry
Founder: Anisha Gupta, Jamie McCroskery, and Dennis Lee
[bluebirdclimate.com](http://bluebirdclimate.com)
Community & Partnerships

SlowDownSkincare

We were taught to reduce before we reuse and recycle. That's why KraveBeauty's been committing to slowing down the fast-fashion like product launch cycle in the skincare industry. We want to use our platform to enlighten the industry that thinking suitably isn't enough – we need to rethink how fast or slow a company grows.

There are lessons to learn from a slower-paced friend. That taking it steady's the new business trend.

Redefining what growth looks like to you. Respecting the planet, and happy skin too.

Let's move with intention. Let's do more with less. Let's consciously change what we see as success.

KraveBeauty Launches Slow Down Skincare Initiative

At KraveBeauty, we like to go slow. In 2020, we first launched our Slowdown Skincare Campaign, where we committed to not launch any products for a year and reevaluate our portfolio.

This year, on Earth Day, we re-launched the initiative, using a spin on the classic children's tale, “The Tortoise and the Hare.” We, as an intentional brand, want to be like the tortoise, winning the race with gradual but stable progress. The campaign aimed to encourage our consumers and other brands to reexamine their contributions to the overproduction & overconsumption of beauty products.

The beauty industry, similar to the fast-fashion industry, is growing at an incredible rate and producing an enormous amount of unnecessary products. We believe the key to reducing our environmental impact is adopt a counter-mindset and commit to responsible & slow production.

For us, this is not a one-time commitment. We are dedicated to use our platform to continue enlightening the industry and our consumers and showing that slow and steady wins the race.
Community & Partnerships

Waste Me Not

In October of 2022, we launched our “Waste Me Not” campaign, aiming to bring awareness to the industry-wide hidden waste problem. Through this campaign, we peeled back the curtain on how we repurposed over $1.5M in retail value of unsaleable product waste we created in the past year. We also hosted our first-ever pop-up to showcase our waste and spread our messaging.

Fun fact: We had over 3,000 customers attend our NYC Pop-Up!

CHECK OUT OUR WASTE ME NOT VIDEO ON YOUTUBE!
Appendix

DONATION INFORMATION

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In May of 2022, we celebrated AAPI Heritage Month by collaborating with several other AAPI founded companies. Together, we created the Then I Krave’d Good Light Set and donated 100% of the profits to two organizations. Together, we donated over $20,000 to support AAPI communities.