

KRAVEBEAUTY

2021

**Sustainability
Report**

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A Letter From Our CEO ✨ ✨ ✨



Hey, this is Liah, the founder and the CEO of KraveBeauty. After publishing an annual letter, we have gotten an overwhelmingly positive response from you and our industry friends.

Reflecting on 2021, we are not only sharing our highlights, but also vulnerably opening up about our challenges, and what we've learned from them. Through this report, you'll be able to get a good grasp on what we, as a company, care about the most and where we are spending the majority of our time and resources.

I often tell our team that KraveBeauty is privileged to not have a shareholder to report to. Having investors can influence all aspects of the business, such as company governance, product launches, and our growth strategy. Seeing companies prioritizing investors and neglecting their true stakeholders—employees, customers, suppliers, community, and our planet—is heartbreaking. My personal goal is to keep **KraveBeauty's vision true and uphold our mission to make the industry more human—for the people and the planet.**

We believe the company's impact goes beyond just products. As a consumer, I know you care about what brands believe in and what they stand for. Companies have the power to influence how people think, and when that's used for good, I see hope for what our future could look like. This is

why I constantly think about growing KraveBeauty's influence, so that we can truly use our business for good.

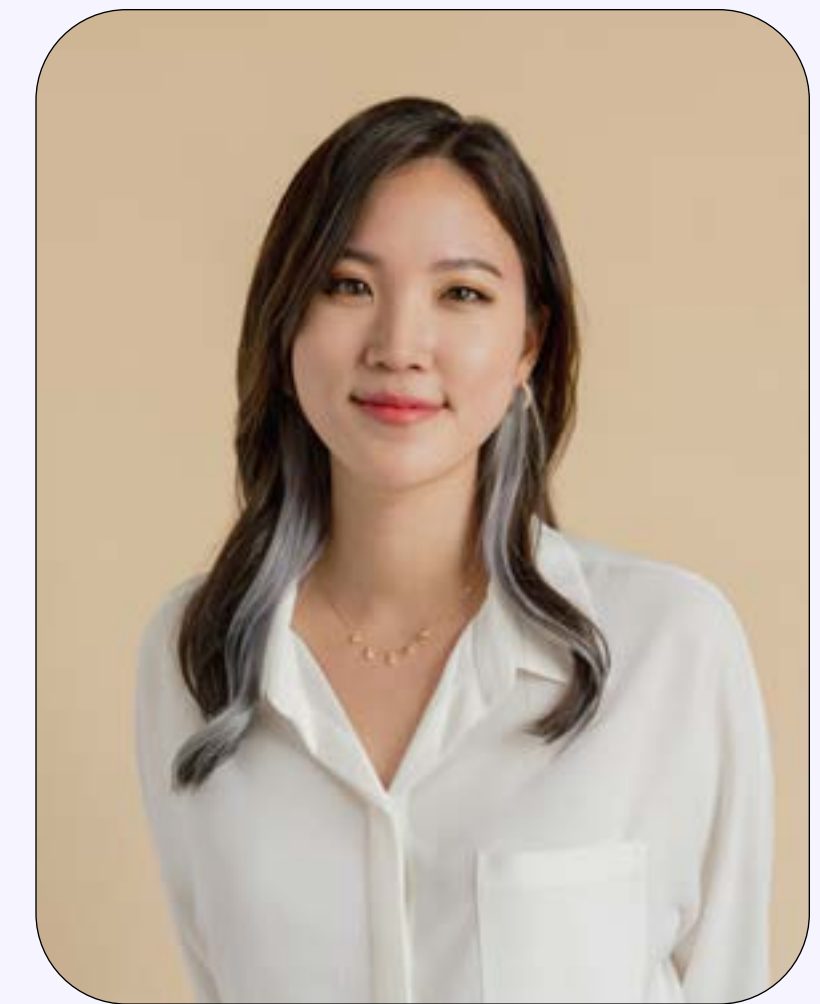
KraveBeauty is now 4 years old with only 4 products, and I appreciate that you are still here with us, repurchasing the same products over and over again. This means a lot to a company like us who runs by the **Slow Down Skincare** principle, practicing intentional and responsible production in an age where the beauty industry is becoming a lot like fast fashion. This concept is only possible when it has customers on board, like you, who practice intentional consumption and value evergreen, timeless products. 2021 was a significant year for us at KraveBeauty for a lot of reasons. But the most important milestone was we launched our **Brand Reset** on October 20th, 2021. We rolled out a more humanized brand identity system, new packaging solutions, and launched our Brand Pledge that commits to creating a more sustainable and equitable future.

In 2020, our goal was to begin building a more robust sustainability strategy with measurable goals. Now, wrapping up 2021, we are proud of our progress with this goal and are excited to share what we've accomplished so far. On top of being a proud member of **1% For The Planet** since 2020, we put our resources into identifying, measuring, and offsetting our business carbon

footprint and are now **Climate Neutral Certified!** Along with other certifications, our team has been investing and donating our dollars to multiple environmental solutions and grassroots organizations that are doing meaningful social justice work to create a more equitable society. I am incredibly proud of team KB, and I fully entrust them to make the most sustainable and inclusive decisions in their everyday work.

However, 2021 was also a year of continued social unrest, the Great Resignation, Global Supply Chain & Logistics delays, inflation, and a damning IPCC report indicating climate change is coming faster than expected. Seeing the world's challenges does make our work look rather small in the grand scheme of things. That is why it is important for us to keep growing our influence and for industry players to unite for the greater good. I am hopeful we will see meaningful systemic and infrastructural changes, and KraveBeauty is excited to be a part of the larger movement.

Thank you all so so much for watching KraveBeauty grow over the past years and taking this journey with us. KraveBeauty has grown up, but we are still the same company that sells a cleanser while telling you to cleanse less. We are not perfect and we'll never pretend to be, but we're out here trying our best and always valuing progress over perfection. We are humans after all.



Liah ✨

Our Business

5 Our Mission & Values

6 Stakeholder Wheel

Our Mission & Values

Our Mission

Since the inception of KraveBeauty in 2017, a lot has changed. A skincare expert and YouTube creator, Liah Yoo founded KraveBeauty to #PressReset on the skincare industry.

We were a brand that was created to help 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. That's when our mission evolved to:



Humanize the beauty industry for the people and the planet to create a more sustainable and equitable world

We want to inspire the industry to operate more on *stakeholder* capitalism over *shareholder* capitalism.

Our Values

1. #PressReset

We believe that we are changemakers, and we seek to find unique solutions that challenge traditional norms and conventions. We want to #PressReset on the beauty industry & beyond to use our influence to transition it towards a more sustainable future.

2. Have Integrity

We want to walk the walk instead of tagging along to current trends in the industry. Because sustainability is at the core of our business, we are intentional about every company decision, carefully weighing impacts and ensuring we are making the most tangible change we can.

3. Lead with Intention

We want to create lasting change in the beauty industry and be a business for good.

To do so, we must lead and build with intention and remember to consider the smallest details alongside the bigger picture. KraveBeauty is committed to advocating for industry change and aims to spearhead a new picture of what a business can and should look like.

4. Include Everyone

We actively seek to include diverse voices and perspectives at our table, and we create the space for others to voice their points of view.

Beyond the internal team, we aim to engage all relevant stakeholders. This includes viewing the planet as an important stakeholder and understanding that social and environmental problems are not equally felt or solved.

5. Be Human

We are made up of creative, unique, & empathetic people who are humans before employees.

We aim to create an environment that allows people to feel supported and empowered. We extend this view to our customers as well, viewing them as multi-dimensional human beings, not metrics. Being human also means making mistakes, acknowledging them, and growing.

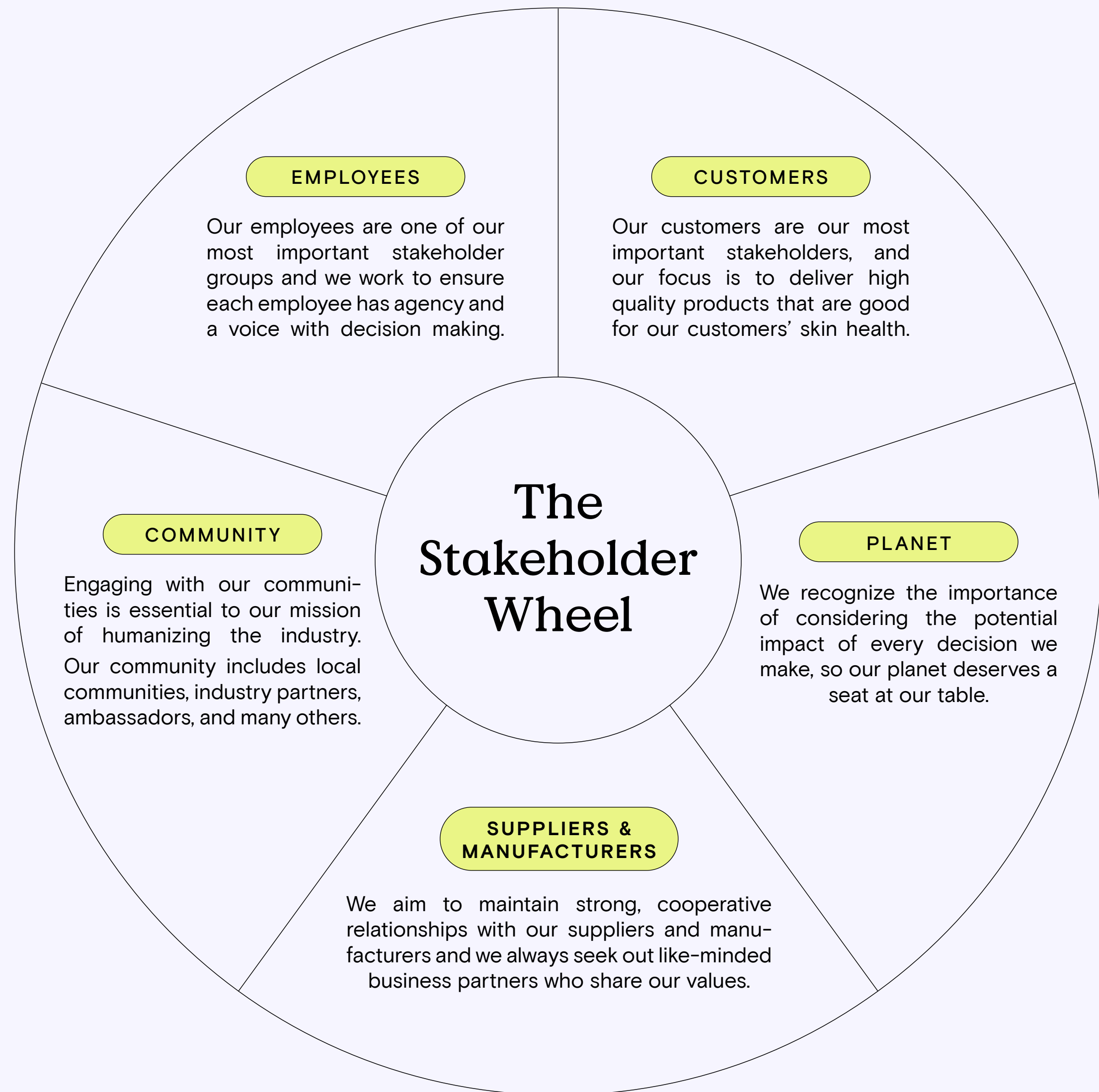




OUR STAKEHOLDERS 

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.





Sustainability Highlights ✨

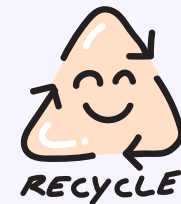
Climate Neutral Certified

TOTAL TONNES OF CARBON OFFSET

-728 tonnes CO₂eq

Product Recycling Guide

INTEGRATED TO OUR PACKAGING AND FOUND ON [OUR WEBSITE](#)



Packaging Changes

REDUCTION IN PACKAGING CARBON FOOTPRINT

Total

-68.0%

By Product

OAT SO SIMPLE WATER CREAM

-74.0%

MATCHA HEMP HYDRATING CLEANSER

-82.7%

KALE-LALU-YAHA

-87.6%

GREAT BARRIER RELIEF

-96.3%

Our Commitments

9 Sustainability: A Journey

10 Diversity & Inclusion



Sustainability: A Journey

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.

HERE IS WHAT "SUSTAINABILITY" MEANS TO US:

Sustainability

noun. sus·tain·a·bil·ity

Reducing KraveBeauty's environmental impact by being a responsible business and inspiring our stakeholders to be more conscious of their impact.



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 & 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.



Within the KB Team

Starting with our internal team, we have completely reset the way we hire to reflect our diversity, equity and inclusion goals. We've spread our recruitment to spaces that specifically provide opportunities to BIPOC talent and worked with human resources partners to reduce bias in hiring and screening candidates.

As a result, we've been attracting talents with diverse identities, backgrounds, and perspectives. We're continuing to develop internal training programs to empower team members and promote a culturally competent team.

To foster internal diversity, we have implemented several trainings, including Managing Bias, Diversity: Inclusion in the Modern Workplace & Harassment & Discrimination Prevention.

Additionally, we have implemented a leadership training process in which leaders at KraveBeauty must create an inclusive environment and a feeling of acceptance to all team members. Leaders are also expected to respect diverse perspectives and encourage team members to comfortably share their unique personal traits openly. The leadership training includes guidance on improving team member advancement by providing regular and consistent feedback and opportunities for growth.



Inclusive Hiring Strategy

Widened the search: active job posting beyond LinkedIn + Indeed such as The HBCU Career Center and Fifteen Percent Pledge

Involved various team members in the hiring process

When recruiting senior level positions (Senior Manager and above), we worked with recruiters that have access to diverse talent

Redacted the name from apps and resumes to reduce any implicit bias

Conducted an implicit bias training for all interviewers



Diversity & Inclusion

Partnering with Our Community

We're also prioritizing working with business partners who support our diversity goals including BIPOC and LGBTQIA+ owned/led brands.

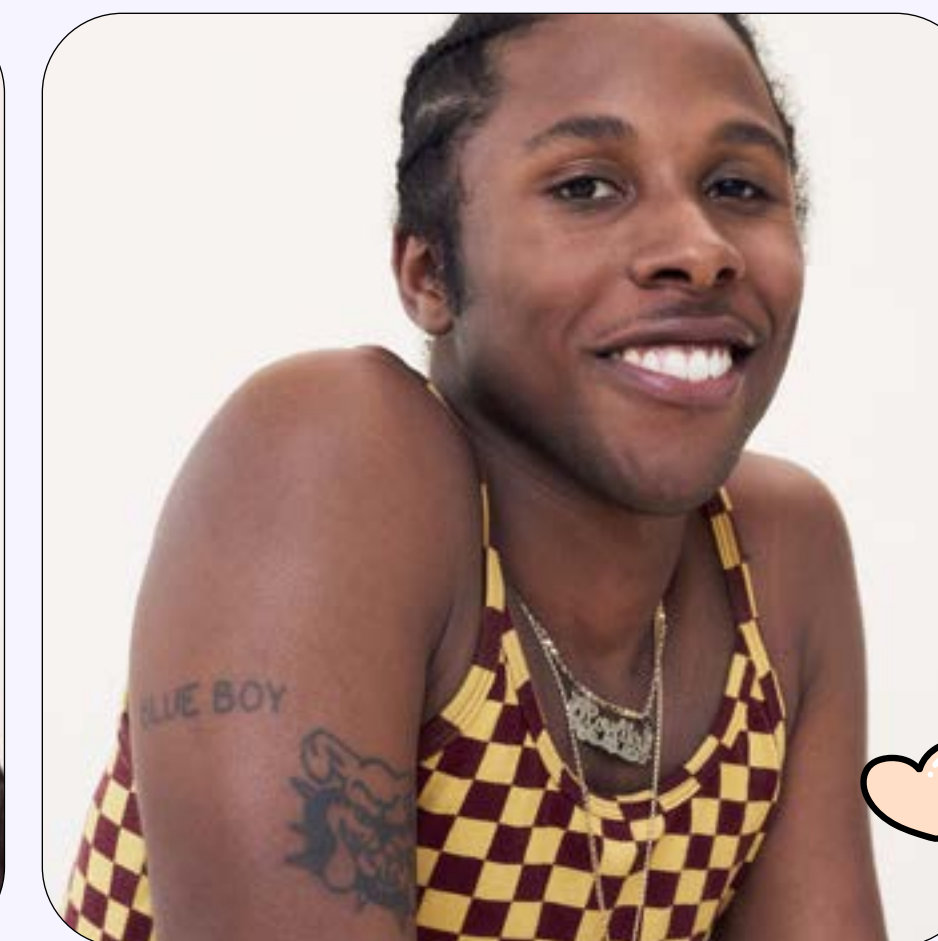
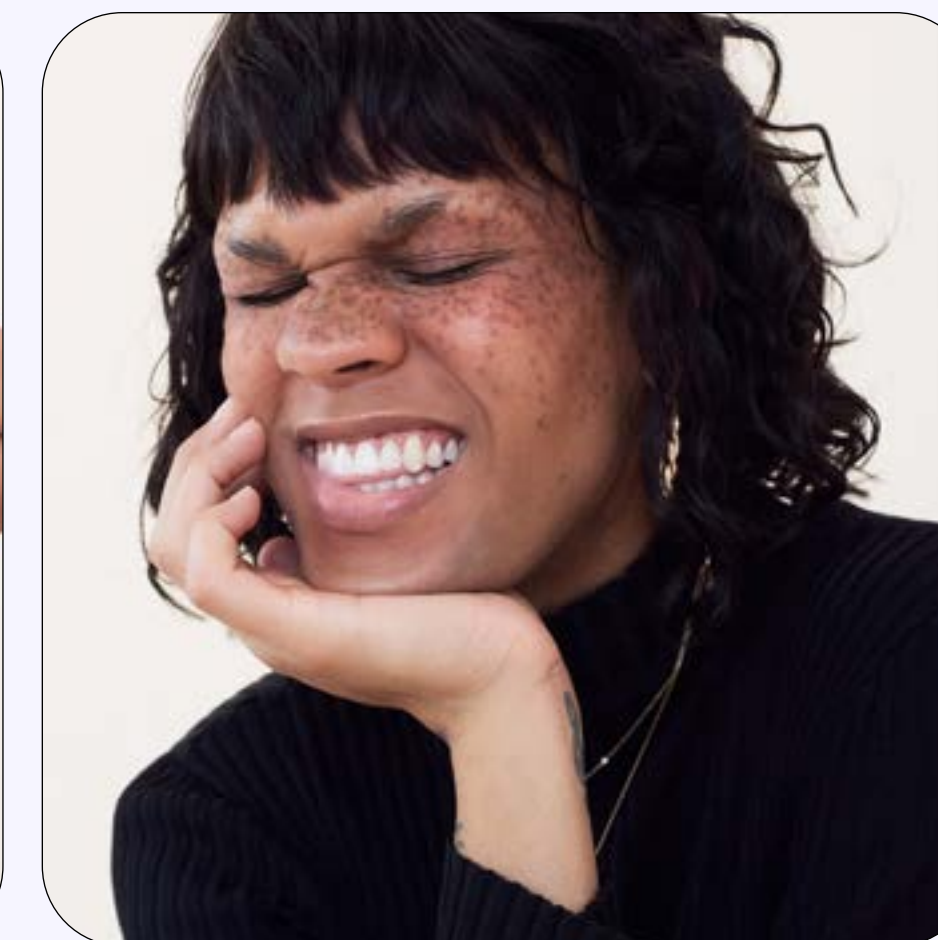
We've already partnered with like-minded creative and marketing agencies but our next step is creating a code of ethics to thoroughly vet potential business partners and commit to working with those who share our values. We're also on track to award at least 50% of all sponsorships and paid partnerships to creators and artists of color as well as creators with disabilities and diverse gender expressions.

Externally, we've always been conscious of the fact that representation matters. But now more than ever, we are paying close attention to how we work with and represent different identities. We're focusing our inclusivity efforts on making space for BIPOC, LGBTQIA+ community members, and humans with mental and physical disabilities. These identities are often overlooked and underserved

in the beauty community and need brands to prioritize them without tokenizing or invalidating their identities. Through all our marketing channels, our goal is to show the depth of our community and represent diverse skin tones, textures, facial/bodily features, hair types/textures, gender expressions, and physical abilities in a genuine and multi-dimensional way.

Finally, we're launching a community resource portal on our website where we'll host original, evergreen content to educate our community on causes and issues we should care about. This program will help us invest resources to create and share educational material that's focused on highlighting social justice issues, calling out non-inclusive practices in the beauty industry and guidance on how to become better advocates to BIPOC, LGBTQIA+ community members, and humans with mental and physical disabilities.

To learn more, take a look at our [Inclusivity Pledge!](#)



Our Sustainability Strategy



Our Sustainability Goals

Area	Goal	KPI(s)	Area	Goal	KPI(s)
Climate Change & Energy	<ul style="list-style-type: none"> Continue to reduce and offset the carbon footprint of product packaging and transportation Reduce Scope 3 Upstream Shipping emissions by shifting 50% of our offshore manufacturing to local factories by 2025 Reduce Scope 3 Purchased Goods emissions by substituting virgin plastic for post-consumer materials and decreasing our overall plastic usage. 	<ul style="list-style-type: none"> % Manufacturing in local factories % Post-consumer recycled plastics used Total carbon footprint of product packaging and transportation; Total carbon offsets purchased 	Product Responsibility	<ul style="list-style-type: none"> Increase the use of recycled material in our packaging to 50% by 2025 Increase the amount of packaging material that can be recycled or reused 	<ul style="list-style-type: none"> % of product packaging made of recycled and/or renewable material % of product and packaging that is recyclable, reusable and/or upcycled (including partnerships) % of carton packaging that uses FSC Certified paper
	<ul style="list-style-type: none"> Set Science-Based Targets across our value chain, including Scope 1, 2 and 3 emissions. 			Community & Partnerships	<ul style="list-style-type: none"> Continuously engage in impactful sustainability campaigns, activism, and advocacy
Responsible Sourcing	<ul style="list-style-type: none"> Enforce our supplier code of conduct and sustainable sourcing guidelines and create a supplier scorecard system by 2025 	<ul style="list-style-type: none"> % supplier performance against standards and supplier scorecard 	<ul style="list-style-type: none"> Become a certified Benefit Corporation (B-Corp) by 2022-2023 		
	<ul style="list-style-type: none"> Ensure ingredient traceability as well as determining both social and environmental impacts of the key ingredients 	<ul style="list-style-type: none"> % of key ingredients that are traceable in each product formula 	<ul style="list-style-type: none"> Dedicate at least 50% of all sponsorships and paid partnerships to creators and artists of color as well as creators with disabilities and diverse gender expressions 		
	<ul style="list-style-type: none"> Source and use more upcycled and biotech ingredients 		<ul style="list-style-type: none"> Commit to an inclusive hiring strategy 		
	<ul style="list-style-type: none"> Build strategic partnerships with manufacturers and suppliers who share our values 		<ul style="list-style-type: none"> Increase BIPOC & LGBTQ+ Customer representation 		
	<ul style="list-style-type: none"> Increase the biodegradability of wash-off product ingredients by 2025 	<ul style="list-style-type: none"> % of wash-off product ingredients that achieve readily biodegradable status 	<ul style="list-style-type: none"> Conduct quarterly training for internal employees on sustainability and social responsibility 		
	<ul style="list-style-type: none"> Audit and research ecotoxicity and biodegradability of every ingredient 		<ul style="list-style-type: none"> Publish a sustainability report annually 		



Our Sustainability 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](#)

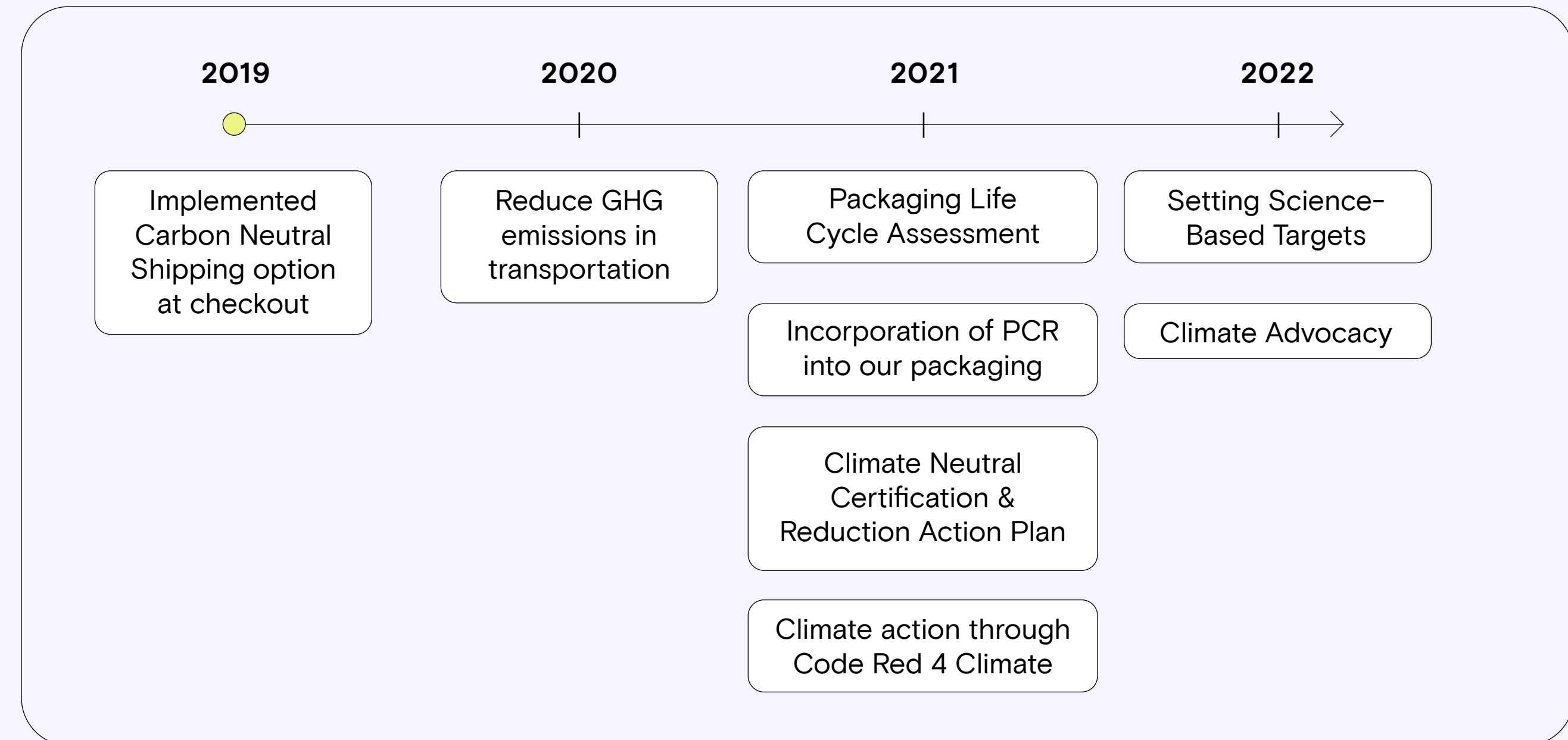
Climate & Energy	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	13 CLIMATE ACTION 	15 LIFE ON LAND 	
Responsible Sourcing	10 REDUCED INEQUALITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	14 LIFE BELOW WATER 		
Community & Partnerships	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	8 DECENT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

Our Performance

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KraveBeauty's Sustainability Journey



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.

Overview

Climate & Energy

KraveBeauty's Sustainability Journey

Climate Neutral Certification

Our Offset Programs

Logistics & Transportation

Goals

Climate & Energy

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.

The first step in reducing our carbon footprint is to measure it, which we have now completed for the 2020 year.

Below, we've broken down our greenhouse gas emissions for 2020 from Scope 1 to 3.

SCOPE 1

Refers to direct emissions controlled by an organization.

SCOPE 2

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

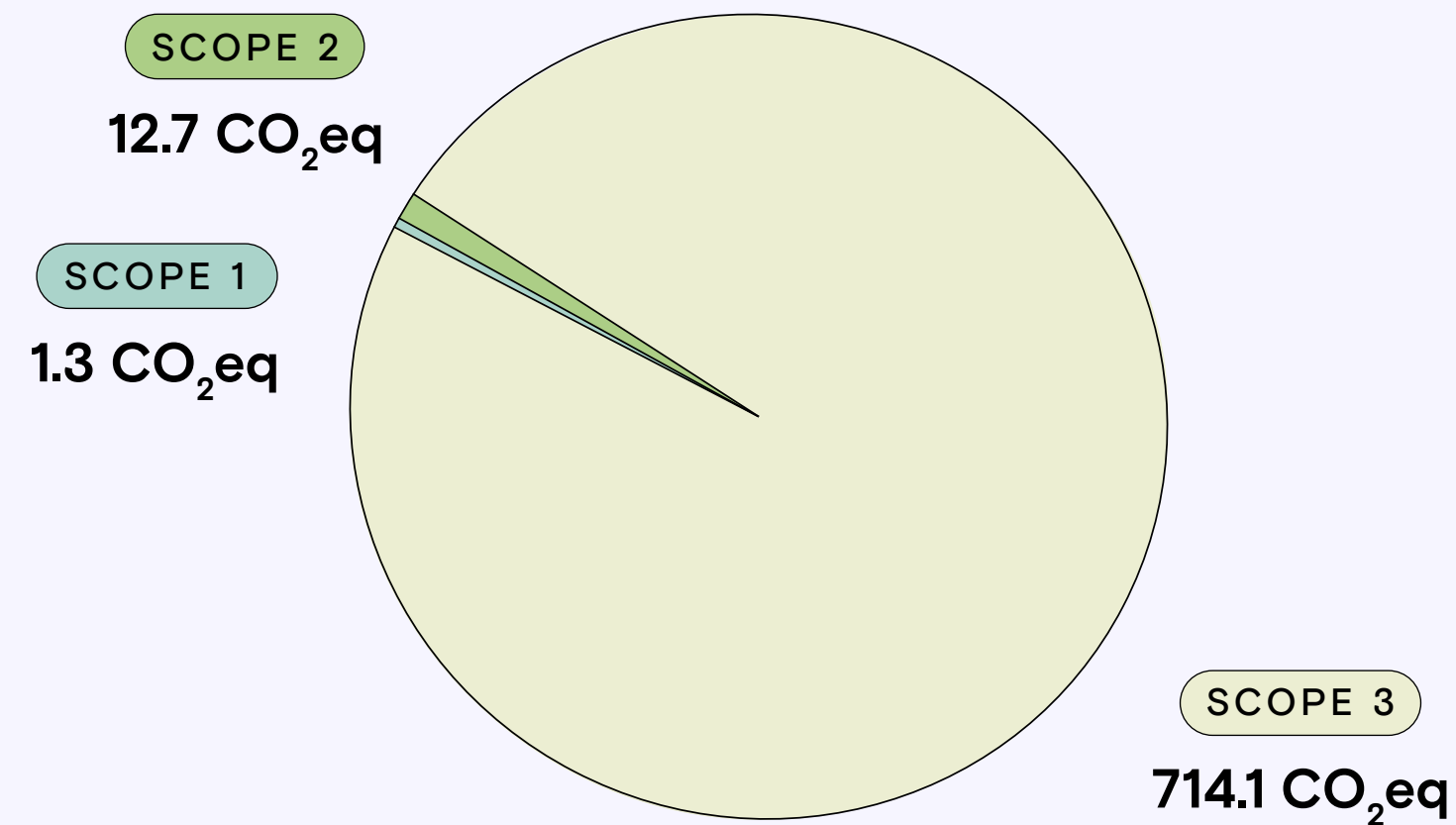
SCOPE 3

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.

KRAVEBEAUTY'S

Total Carbon Footprint
728 tonnes CO₂eq

Scope Breakdown



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.

Climate Neutral Certification

We are now **Climate Neutral certified**, which means we measured our 2020 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. Industry-wide change is required to truly align with the 1.5 degree warming goal, and we are actively seeking opportunities to foster inter and intra industry collaboration around this goal.

We have offset 728 tonnes of CO₂ and have created a Reduction Action Plan which includes the following commitments:

Reducing Scope 3 Upstream Shipping emissions by shifting 50% of our offshore manufacturing to local factories by 2025

Reducing Scope 3 Purchased Goods emissions by substituting virgin plastic for post-consumer materials and decreasing our overall plastic usage

Climate & Energy

Our Offset Programs

These are all the offset programs we contribute to through our Climate Neutral Certification.

The programs are also verified for additionality, which means that these projects would not exist without the funding provided through this carbon market.

Avoided Deforestation in Peru

Brazil Nut Concessions Project uses brazil nut harvesting as an alternative source of revenue to deforesting the Peruvian Amazon. By empowering local communities to preserve the forest, this project is effectively avoiding deforestation and biodiversity loss.

Clean Cookstoves in Kenya

This project manufactures and distributes the Jikokoa cookstove, which can prevent up to 4.46 tonnes of CO₂e/year and reduces deforestation associated with fuel collection. Efficient stoves are safer, healthier, and enable households to save time and money.

Reforestation in Brazil

Fazenda Sao Nicolao is a reforestation project located in the Amazon rainforest/ Atlantic forest boundary region (1900 hectare project). This project is replanting and replenishing this area of forest (almost half the size of the island of Manhattan) with a mix of 54 native species.

Wind Energy in China

The Gansu Province Wind project aims to increase electricity generation from wind-powered resources in the Northwest China Power Grid. This project expands renewable energy production while also stimulating local job creation.

Biomass in India

This project supports two cogeneration plants in Punjab, India that utilize waste rice husk as fuel for electricity generation. By switching from predominantly fossil-fuel power, an estimated 65kt of CO₂e are saved annually.

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

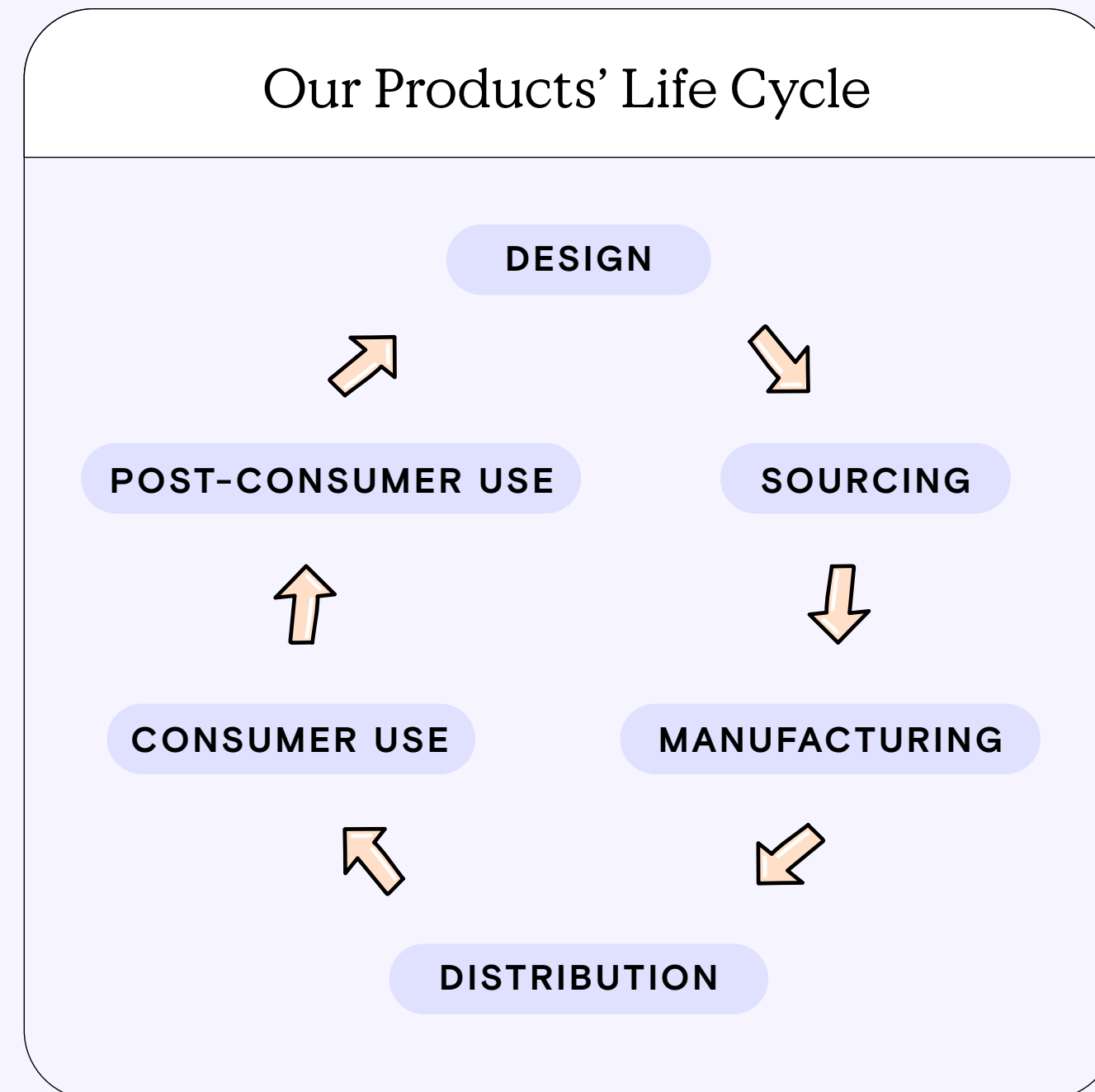


Logistics & Transportation

The Supply Chain

The supply chain is often responsible for the bulk of a company’s environmental impact. Supply chains involve energy-intensive production and global transportation, as products are made and shipped.

Therefore, when creating sustainable products, the supply chain is central, from aligning with suppliers who share our values to ensuring responsible and emission-saving transportation.

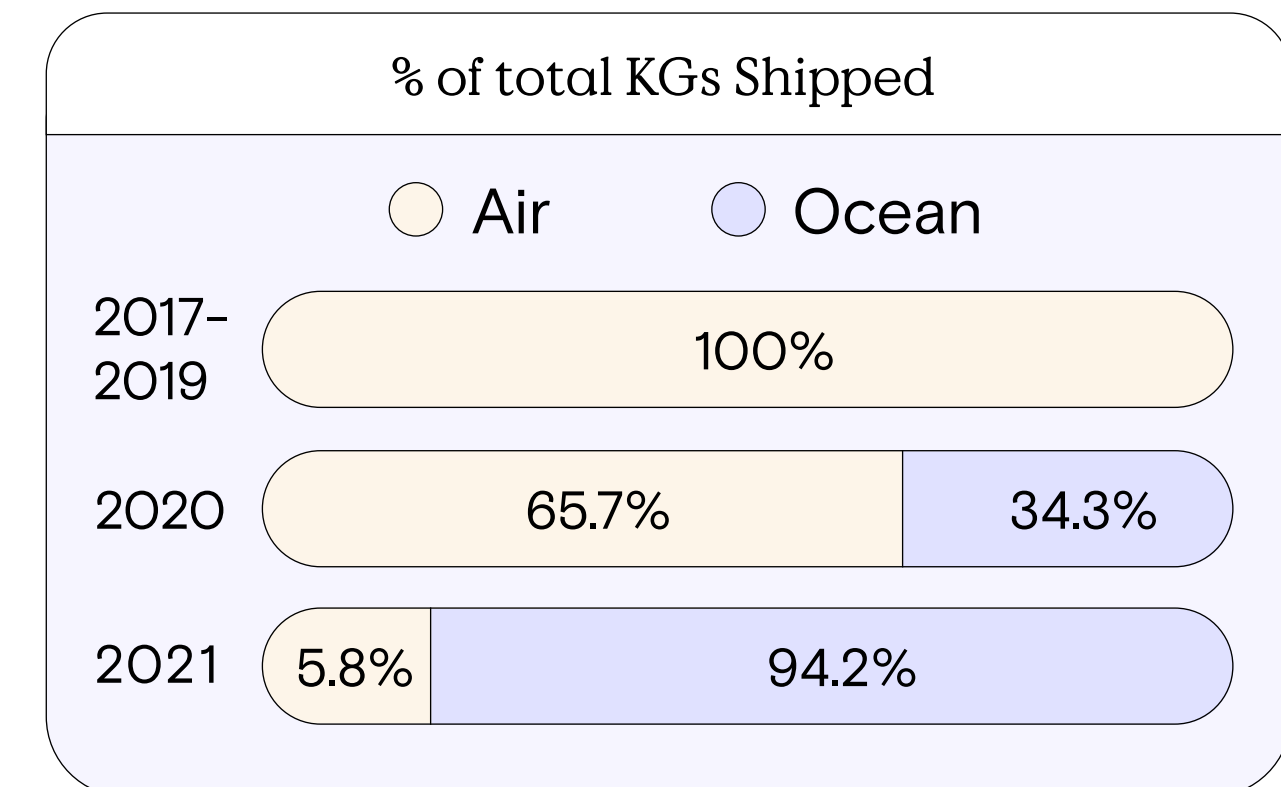


Ocean vs. Air Freight

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.



Climate & Energy

Logistics & Transportation

Carbon Neutral Shipping at Checkout

We offer a carbon neutral shipping option to our customers. By using data inputs such as package weight and transportation distance, we estimate the amount of carbon emitted.

Together with our customers, we have offset more than 15 million pounds of carbon by investing into renewable energy, landfill gas capture, and forestry management offset programs.

AS OF FEB 4, 2022

Total CO₂ Offset

15,037,904 LBS



Climate & Energy Goals



1. Continue to reduce and offset the carbon footprint of product packaging and transportation
2. We plan to reduce Scope 3 emissions by shifting 50% of our offshore manufacturing to local factories by 2025 and substituting virgin plastic for post-consumer materials and decreasing our overall plastic usage
3. Set Science-Based Targets across our value chain, including Scope 1, 2 and 3 emissions



Overview

Responsible Sourcing

Biodegradability & Ecotoxicity

Vegan & Cruelty-Free

Ingredient Traceability

Our Ingredient Suppliers

Goals

Biodegradability & Ecotoxicity



We want to ensure our products are having 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 have and are conducting an OECD-301F biodegradability testing for our existing and future wash-off products, and we hope to make formula adjustments to meet our goal.

We are also analyzing 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.

Vegan & Cruelty-Free



Our product development principle has always been creating our product cruelty-free and vegan. In 2021, we made progress by achieving the PETA Cruelty-Free and Vegan certification.

100% OF OUR FORMULAS ARE VEGAN & CRUELTY-FREE



Ingredient Traceability



One of our goals for the future is to increase visibility on where and how our key ingredients are sourced. We call this an ingredient traceability project. The objective of this project is to track an ingredient from its 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.

The ingredient traceability project also provides us an opportunity to do better by identifying and replacing key virgin/impactful ingredients with upcycled or biotech-enabled ingredients to reduce our environmental impact.



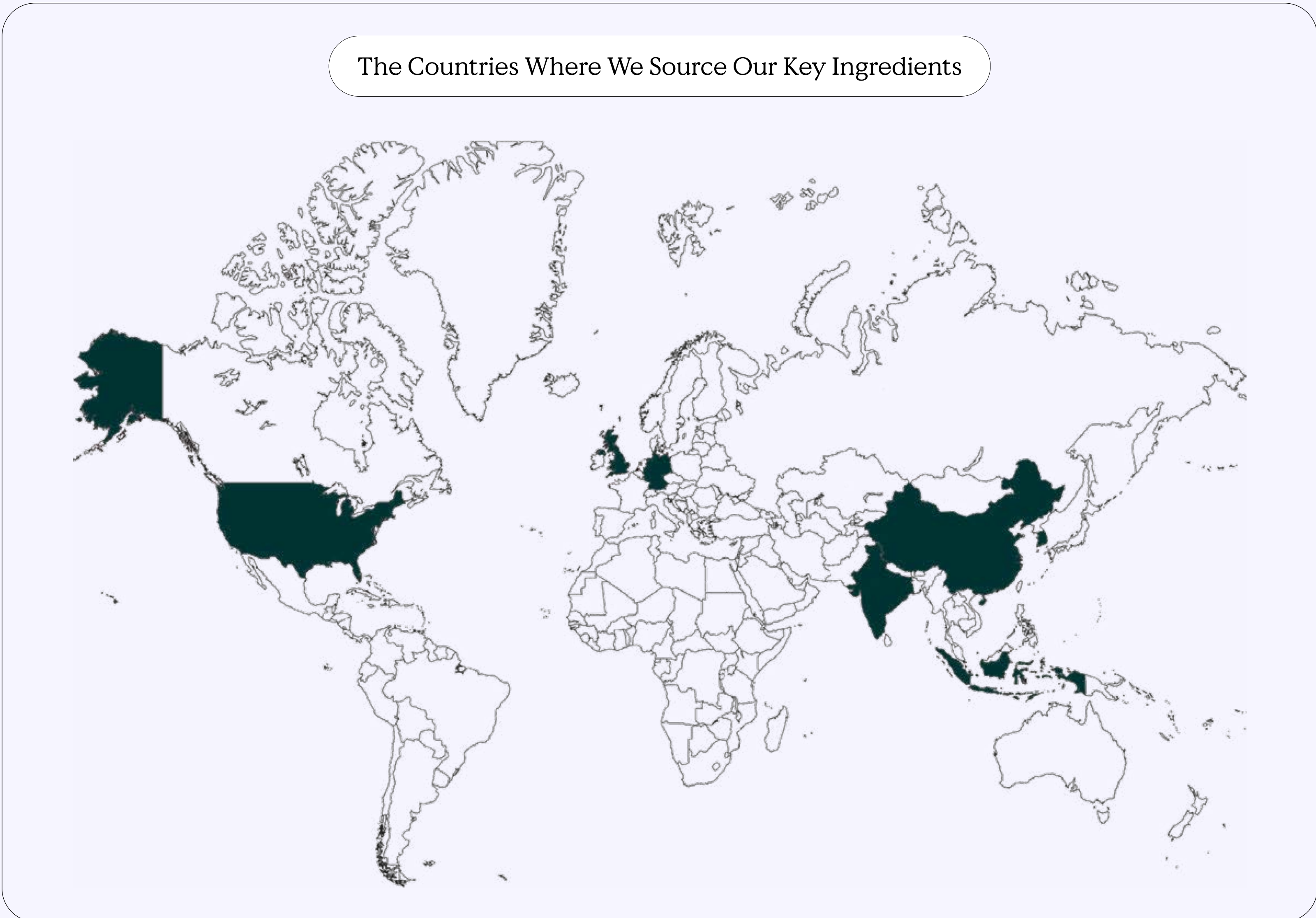
Our Ingredient Suppliers

In 2020, we set a goal to create a standard for suppliers and a process for sustainable sourcing by 2021, and we are excited to announce that we have met that goal!

We have 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. A supplier sustainability scorecard is also in the works, so we can hold our suppliers accountable for their social and environmental commitments.

We are actively working on reducing our supply chain's impact on the environment. This involves shifting some of our manufacturing to the United States, which will also cut down on emissions resulting from transportation.

The Countries Where We Source Our Key Ingredients





Responsible Sourcing Goals

SUSTAINABLE SOURCING

1. Enforce our supplier code of conduct and sustainable sourcing guidelines
2. Create a supplier scorecard system by 2025
3. Ensure ingredient traceability as well as determining both social & environmental impacts of the key ingredients
4. Source and use more upcycled and biotech ingredients

BIODEGRADABILITY & ECOTOXICITY

5. Increase the biodegradability of wash-off product ingredients by 2025
6. Audit and research ecotoxicity and biodegradability of every ingredient



Overview

Product Responsibility

Our Packaging Changes

Packaging Recyclability

FSC Certified Paper

UV Ink Printing

Labels & Stickers

Goals

Our Packaging Changes

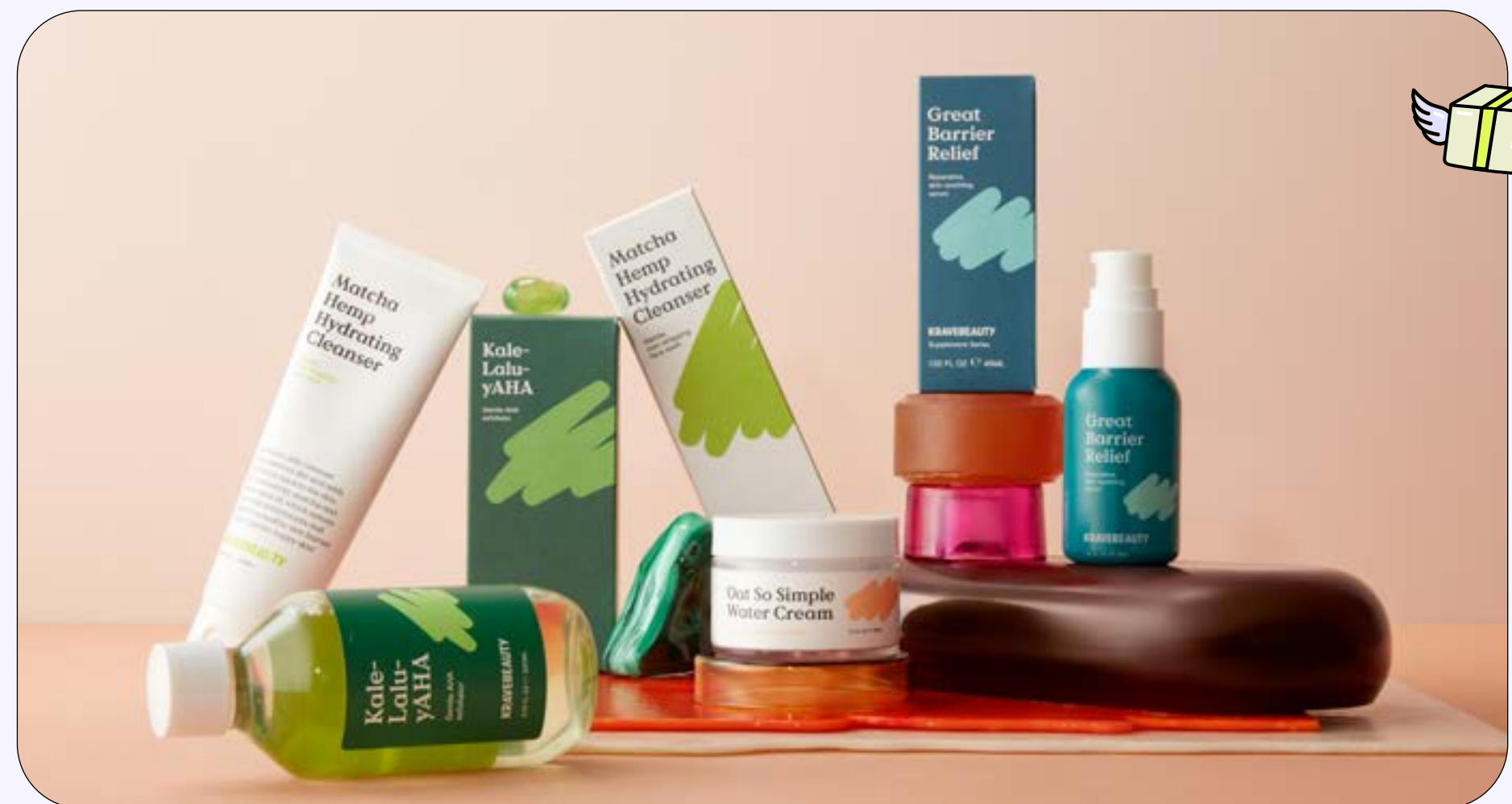
The main objective for our packaging update was to better align with our sustainability mission.

We reduced our carbon footprint by switching out our packaging material to be recyclable and/or incorporate recycled content into our packaging. We also wanted to address some feedback from our community on user experience.

The next page provides more details on each product change!

-68.0%
Decrease in
Carbon Footprint

40%
Post-consumer
Recycled Plastic





Packaging Updates

CARBON FOOTPRINT REDUCED:

-82.7%.



50% recycled tube

CARBON FOOTPRINT REDUCED:

-74.0%.



* 100% recycled jar starting in March 2022

CARBON FOOTPRINT REDUCED:

-87.6%.



100% recycled bottle

CARBON FOOTPRINT REDUCED:

-96.3%.



100% recycled bottle

While we did not incorporate PCR in 2021, our shift to ocean freight did reduce the carbon footprint by 74.0%.

Switched out the aluminum cap to a PP cap as these materials are more compatible with our Kale-Lalu-yAHA formulation. We noticed product buildup when using the aluminum cap.

Introduced a silicone bubble to make the bottle easily recyclable (no rinsing needed!). The silicone bag also improved the evacuation of product so consumers are able to use the last drop.

Product Responsibility

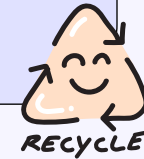


Packaging Recyclability

Our second goal alongside incorporating more recycled content is to make our products more recyclable, and we've done this!

With our packaging changes:

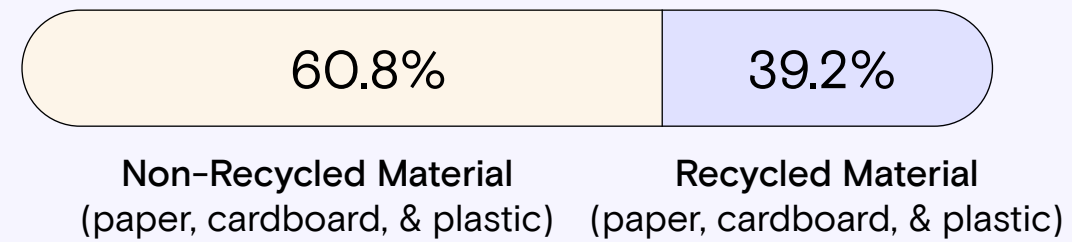
Our product line is now **80% recyclable** and we want to keep increasing this percentage.



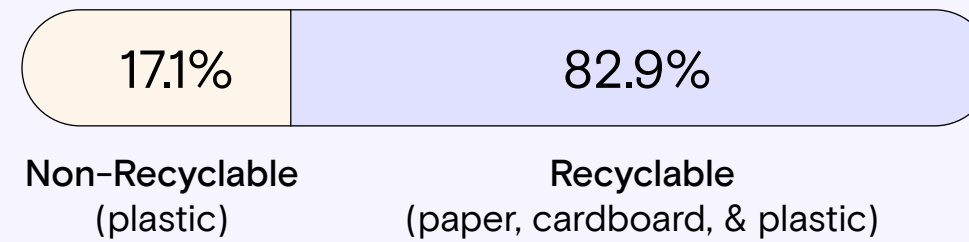
Additionally, we have added a QR code to our packaging that links to a recycling guide to help you properly recycle your KB products. We know there are many rules when it comes to recycling and that they differ based on location, so we wanted to give our customers the greatest chance of their products being properly recycled and not landfilled.

Our recycling guide features recycling instructions, common recycling-related vocab, our packaging journey, and recycling resources based on geographic location.

Packaging from Recycled Material



Recyclable Packaging



FSC Certified Paper

Demand for forest products, such as timber and paper, puts increasing pressure on our world's forests. This is why we've updated our folding cartons to incorporate a mixture of materials from FSC-certified forests, recycled materials, and/or FSC controlled wood. The Forest Stewardship Council (FSC) helps manage forests responsibly with consideration for the environment, the wildlife, and the people who live in them.

UV Ink Printing

Unlike conventional oil-based inks, UV ink dries instantly. The UV process also does not release VOCs (Volatile Organic Compounds), making it a safer option for operators and the environment.

Labels & Stickers

DID YOU KNOW?

Stickers are generally *not* recyclable due to the sticky adhesive. But the label stickers we put on our products use a new adhesive that allows the label to come off easily with water in the recycling facility, which also requires less heat. So no need to take off the sticker labels before recycling!



Product Responsibility Goals

1. Increase the use of recycled material in our packaging to 50% by 2025
2. Increase the amount of packaging material that can be recycled or reused

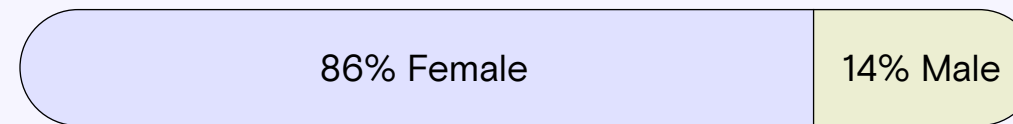




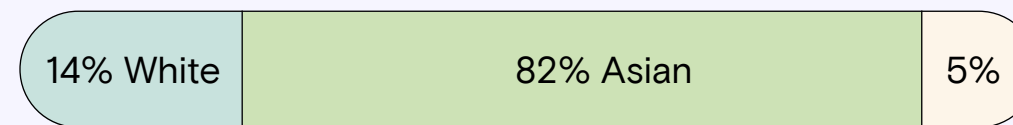
The KB Team

About Our Employees

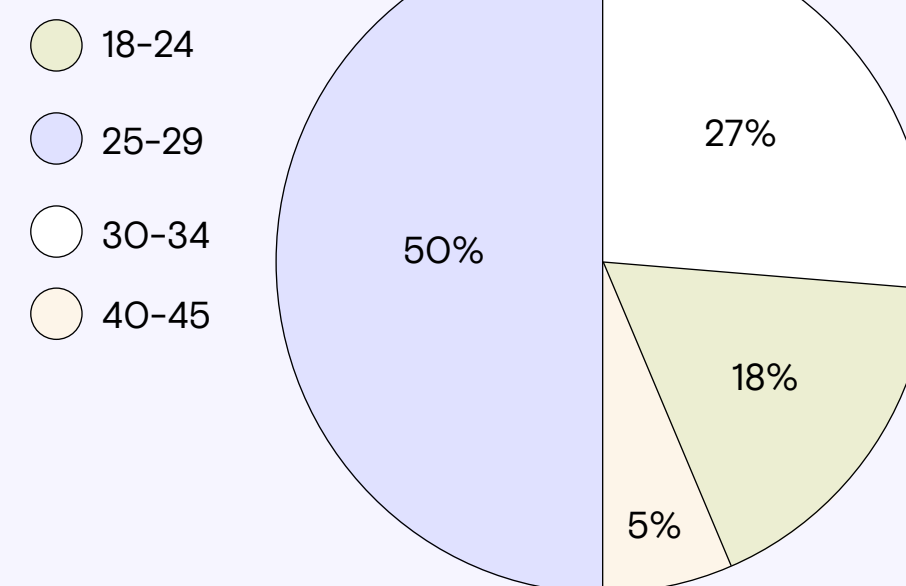
GENDER



RACE



AGE



*Based on the employee census survey on December 1, 2021. Includes both Korea and U.S. teams' full-time & part-time employees and interns.

Overview

Community & Partnerships

The KB Team

The KB Family

Marketing & Education

Partnerships

Wages

We aim to create as much social wealth as possible and contribute positively to our team's wellbeing and happiness. This starts with ensuring a living wage for our full-time employees, so they don't have to choose between working and living.

Internal Education

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 we have already implemented several educational resources, including a sustainability workshop, NY recycling tour, and biweekly sustainability newsletters.

Additionally, we have a goal for the future to incorporate more workshops on sustainability topics and ensure each employee is contributing to sustainability goals, both individually and as a team.

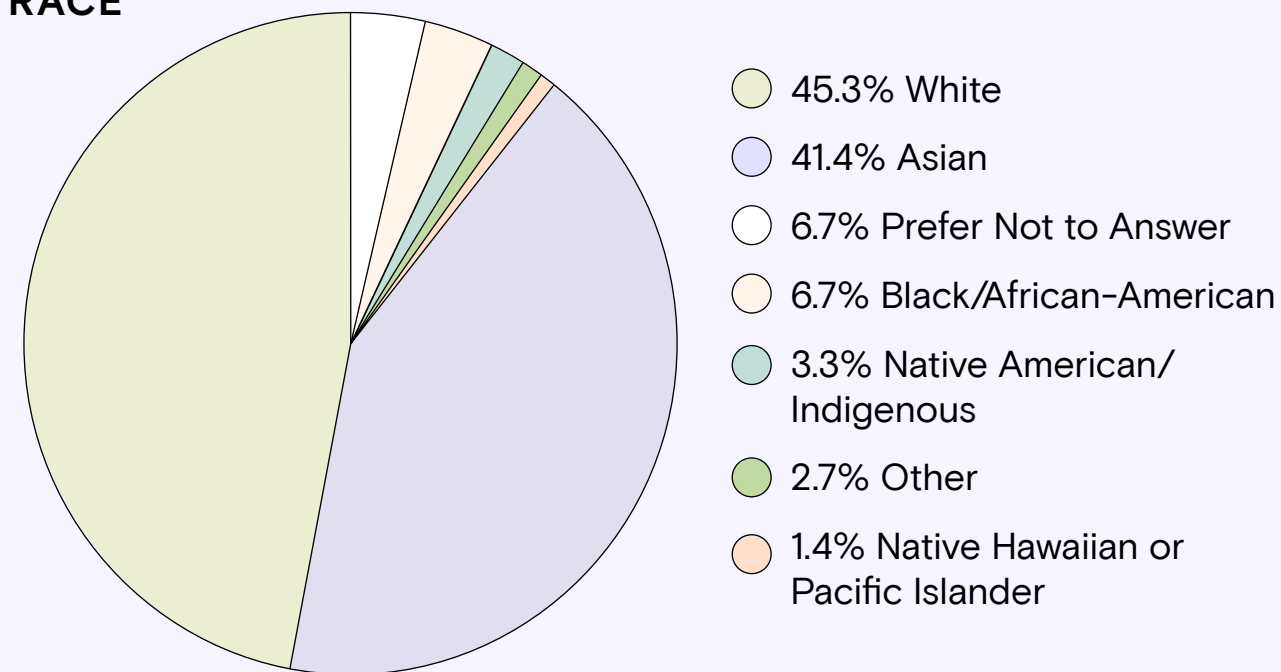
Community & Partnerships

The KB Family

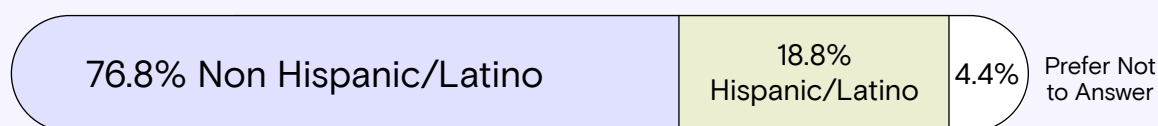
KraveBeauty Customers

Our goal from 2020 was to increase our Black customer representation, and while we have accomplished this, we still have much more work to do to ensure even greater diversity in our customer base.

RACE



ETHNICITY



*Please note that this data was taken from a customer insights survey we conducted and might not accurately represent our entire customer base

KraveBeauty Creators & Ambassadors

In 2020, we also set a goal to partner with even more diverse group of creators and ambassadors. It is important for us to use our influence to uplift BIPOC & LGBTQIA+ voices, and we are proud to report that we have accomplished our goal.

In the next year, we look forward to partnering with even more creators and artists of coloras well as creators with disabilities and diverse gender expressions.

Total Partnerships (Paid):

96

Total LGBTQIA+ & BIPOC Partnerships (Paid):

69.8%



Marketing & Education



Slow (Down) Skincare Campaign

The kick off of our sustainability journey our SDS campaign helped us solidify our sustainability priorities and values for the future.



1 As part of our commitment to reduce our environmental footprint, we pledged to not release any new products in 2020 nor drive consumer overconsumption with constant promotions or obsessive marketing tactics.

2 We dedicated 8 weeks to education across our digital and social media channels, focused on sharing scientifically-backed information about sustainability practices with our community.

3 We shed light on the environmental footprint of the beauty industry and openly discussed with our community about common practices that negatively affected people and the planet.

4 We worked with influencers to spread the message of reducing over repurposing and collaborated with them to do sustainability-focused content that taught their communities how to be mindful Earth citizens.

5 In partnership with the Great Barrier Reef Foundation, we led an Earth Week donation drive to donate 10% of all Great Barrier Relief sales.
We totaled over \$10,000 in donations!



Community & Partnerships

Marketing & Education

Sustainability Topics on Social Media

CLIMATE CHANGE

It's Krave Climate Week!

At KraveBeauty, sustainability is a core value, and we understand the urgency for climate change action. Tune in this week to learn more about climate change, what we're doing, and what you can do.

PACKAGING

On Sustainability

A bouncy jelly cleanser that removes dirt and odds hydration back to the skin. It's powered by matcha and hemp seed oil, which restore essential antioxidants and support a healthy skin barrier. Happy skin!

RECYCLING

Recycling Glossary

- PET: Polyethylene Terephthalate** - Clear and strong plastic widely used for packaging. It is a strong and inert material that is extremely lightweight and efficient to transport.
- PP: Polypropylene Plastic** - Resin built from the polymerization of propylene. It's the second most widely produced commodity plastic and is known for being shaped and formed easily.
- CoEx Tube: CoExtruded Plastic Tube** - A plastic tube that is made from a mix of polyethylene and EVOH (ethylene-vinyl alcohol copolymer).

RESPONSIBLE CONSUMPTION

Sustainable tips for the holiday season

CONSUME LESS + CONSUME BETTER

Do I need the Snack Pack?

Have I tried all KraveBeauty products?

- YES: Do I want an all-in-one skincare kit?
 - NO: Do I know someone who would love this kit?
 - NO: Don't Need Snack Pack
 - YES: Need Snack Pack
 - YES: Do I travel?
 - NO: Do I know someone who would love this kit?
 - NO: Don't Need Snack Pack
 - YES: Need Snack Pack
 - YES: Need Snack Pack
- NO: Need Snack Pack



Partnerships

1% For the Planet

In 2020, we joined 1% For the Planet, through which we pledge to donate 1% of our annual revenue to environmental nonprofits, no matter what our bottom line is.

We have given to multiple organizations in the past, including the **Barrier Reef Foundation** and our newest partnership is one we hope will be long-term and create a significant impact.

We are partnering with the **Women's Earth Alliance**, which is dedicated to supporting grassroots women leaders working to reverse climate change and protect their communities, livelihoods, & health.

This year, our donation will be 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.



ShoppingGives

We've started a partnership with ShoppingGives to invite our customers to be a part of our impact. With ShoppingGives, a portion of each purchase is donated to one of our partnering organizations.

Did you know that one third of all food goes to waste while millions of people go hungry? That left a bad taste in our mouth. That's why we decided to pay it forward during the 2021 holiday season and donate \$1 of all Snack Pack purchases to The Farmlink Project.

The Farmlink Project is an organization that connects farmers to food banks, delivering millions of pounds of farm fresh produce (that would otherwise be wasted!) to feed families in need.



WITH YOUR HELP, WE DONATED OVER
96,160 Meals



CodeRed4Climate

In September, we joined over **250 brands** to use our influence and mobilize our communities towards advocating for key climate policy from lawmakers. Together, we elevated climate as an issue to solve within the beauty industry and executed a massive digital activation that generated over **200 million impressions**.

We are hoping to extend the impact from CR4C and continue to partner with other beauty brands on climate action. We are reducing our footprint (and that's great!), but we alone as one brand are not going to make the difference we want and desperately need. We want to spark change within the industry and that begins with recognizing the importance of collective action.



Community & Partnerships Goals

1. Continuously engage in impactful sustainability campaigns, activism, & advocacy

2. Become a certified Benefit Corporation (B-Corp) by 2022-2023

3. Dedicate at least 50% of all sponsorships and paid partnerships to creators + artists of color as well as creators with disabilities and diverse gender expressions

4. Commit to an inclusive hiring strategy

5. Increase BIPOC & LGBTQIA+ customer representation

6. Conduct quarterly trainings for internal employees on sustainability and social responsibility

7. Publish a sustainability report annually

Additional Information

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MORE INFORMATION

[Sustainability Page](#)

[Recycling Guide](#)