



PAULA'S CHOICE
SKINCARE

2022 IMPACT REPORT

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ABOUT THIS REPORT

We are pleased to share our first environmental, social and governance (ESG) impact report with our stakeholders. Through our partnership with third-party experts, we have established a starting baseline for our overall ESG performance. This includes our greenhouse gas (GHG) emissions data and environmental targets; diversity, equity and inclusion data; and employee wellness and benefits initiatives.



LETTER FROM OUR CEO

Paula's Choice has always been rooted in the mission of revealing the truth about skin and skincare. Even before we started producing skincare products, we helped people find the right ones by writing books designed to educate consumers about ingredients that are good for the skin and those that aren't. Today, every employee at Paula's Choice shares a passion for our collective purpose and vision—a dedication to the truth in skin and skincare, to education and to making a positive impact on our community.

Our skincare philosophy is to challenge beliefs and myths and to empower our customers with smart, safe products backed by scientific research. Unfounded skincare information abounds, especially when it comes to ingredients. At Paula's Choice, we cut through the noise—citing exact studies and sources, we explain the research and clearly define what you need to know about skincare. Our team continually evaluates new data and research around skincare and ingredients, and we are committed to using only research-backed ingredients to address all skincare needs—no matter the age, skin type or concern of our customer.

Our belief in science doesn't stop with our formulations. We understand the threat that the climate crisis presents to our planet and all living beings. While we recognize that the production of consumer goods will always have a footprint, we fiercely believe we can

minimize our impact and become a true environmental leader in the beauty space. We are taking steps to reduce our GHG emissions, approaching this from different angles—including how we source energy, optimize our production locations and shipping routes, reduce virgin plastic in our packaging and more.

We have established core values for how we operate as a company. Critical among these is “We stand for inclusivity and anti-racism,” a value we strive to integrate into every aspect of our operations. This involves creating diverse and equitable recruiting practices, educating our staff on fostering a safe and inclusive workplace, and improving how we formulate and test our products.

We are happy to share our first Impact Report with you. In the following pages, you will find detailed information about our progress thus far and our goals moving forward. As we progress, we will be transparent in our pursuit of sustainability-focused goals. We invite you to continue reading about what the team at Paula's Choice is doing to make a better impact on our planet and our people.



Erika Kussmann
CEO, Paula's Choice Skincare

ABOUT PAULA'S CHOICE

HISTORY

Paula Begoun, the founder of Paula's Choice, was driven by personal experience to transform the beauty industry. As someone who struggled with eczema and acne, she tried countless cosmetic products that either worsened her condition or failed to provide lasting results. Determined to understand the science behind formulas and educate consumers on her findings, Paula set out to tell the truth about skin and skincare.

In 1975, Paula was fired from a cosmetics counter job for being honest with clients about what products could and could not do for their skin. This experience inspired her to double down on her mission, and she went on to become a self-published author of 18 books on the beauty industry, including the internationally recognized titles *Don't Go to the Cosmetics Counter Without Me*, *The Original Beauty Bible* and *Blue Eyeshadow Should Be Illegal*. Her books have sold nearly 3 million copies and have been translated into eight languages.

In pursuit of her vision, Paula founded Paula's Choice, a brand that aligned with her values and findings. Since launching as one of the first online beauty retailers in 1995, Paula's Choice has expanded its reach to millions of customers worldwide, offering innovative, science-backed products that work.



1975	Paula is fired from her cosmetic counter job for telling clients the truth about what products could and couldn't do for skin.
1985	Paula self-publishes her first best-selling book.
1995	PC launches as one of world's first online beauty brands.
1997	PC launches in Australia.
2000	PC launches one of industry's first leave-on exfoliants—our bestselling 2% BHA Liquid.
2002	PC launches Ingredient Dictionary.
2005	PC launches in Europe.
2008	PC launches in Taiwan and South Korea; launches Beautypedia.
2019	PC partners with TerraCycle®; launches in India.
2020	PC goes hybrid in response to the COVID-19 pandemic.
2021	PC sold in Sephora stores across US.
2022	PC launches in Singapore.
2023	PC sold in Sephora stores across Canada.



ABOUT PAULA'S CHOICE

OUR PURPOSE

The purpose that Paula established decades ago lives strong within our brand today. In a world of misinformation, we believe in the transformative power of giving access to the truth. We have been uncompromising in embodying this concept through our core values to fulfill our intended mission.

OUR CORE VALUES

WE PUT OUR CUSTOMERS FIRST

WE ARE A CULTURE OF FEEDBACK

WE THRIVE ON CHANGE

WE STAND FOR INCLUSIVITY & ANTI-RACISM

WE REACH SUCCESS TOGETHER

WE ACT RESPONSIBLY TO MINIMIZE OUR IMPACT ON THE PLANET

ABOUT PAULA'S CHOICE

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRATEGY

We recognize that everything we do has an impact on the planet and its people. In 2022, we appointed a dedicated director of global sustainability to oversee our environmental initiatives and to drive change. Our goal was to build the foundation needed to create a long-term strategy aimed at improving our environmental, social and governance (ESG) performance.



In partnership with external sustainability experts, we deployed a series of projects designed to assess our baseline impacts and the ESG topics where Paula's Choice could make the biggest difference. We used a methodical approach informed by industry-defined best practices¹ to ensure our efforts were as comprehensive as possible.

The results of these projects have helped us understand our baseline ESG performance, informed roadmaps for improvement and increased our ability to navigate an evolving responsible business landscape. Our goal is to weave ESG through the fabric of our business to influence how we make decisions and interact with our stakeholders—including our employees, communities, supply chain partners, customers and the planet.

We have dedicated employees across the globe who are committed to reaching our goals, and our ESG initiatives are also sponsored by executive leadership across our human resources, R&D, operations, brand and finance teams.

¹ GHG Protocol, GRI Standards, Science Based Targets initiative, SASB Standards.

Paula's Choice was created to bring truth and transparency to our customers through science-backed products—now we're using science-informed methodologies to address our footprint. We are challenging ourselves to minimize our impact on the planet and becoming as passionate about caring for the planet as we are about caring for our skin.

OUR PRODUCTS

At Paula's Choice, our philosophy is Smart, Safe Beauty. We don't promise miracles with our products, we deliver results. Over the past year, we have dedicated time and resources to understanding the impacts of our product packaging and delivered on packaging improvement projects, and we continue to identify opportunities for improvement across our product components.

FORMULATIONS

We put our customers first by providing straightforward solutions that are backed by scientific research.

As part of our Smart, Safe Beauty philosophy, we only use ingredients that research shows to be safe and effective for skin. Our dedication to the science and truth behind our products runs deep. We are not a brand that leans into industry fads. Beauty trends, such as "clean beauty," are not clearly defined and tend to promote fearmongering. To make the best products, we continually evaluate emerging data and research around ingredients and skincare to confirm efficacy before including them in our products.



All our products are [Leaping Bunny](#) certified. This certification verifies that our products are cruelty-free, meaning we never test on animals during any stage of product development or application. We closely track regulatory compliance for all new and existing ingredients within our products.

TRANSPARENCY

We are committed to giving our customers access to the truth about their skincare products. We cite the exact studies used to guide our formulations on each of our product pages. We even developed Beautypedia in 2008. Beautypedia began as a site for research-backed skincare and makeup reviews. In 2023, we launched the [Beautypedia Ingredient Checker](#), which lets users instantly analyze any skincare product based on the efficacy of each ingredient. It's the only ingredient analyzing tool that rates ingredients from best to worst based on cited research from a broad range of fields including anatomy, physiology, dermatology, cosmetic chemistry, genetics, environmental science and safety.

4,000,000+

Since Beautypedia's launch in 2008, consumers have spent over **4 million** hours reading through the free resources provided to them, including detailed information about over **2,000 ingredients**. Over **18 million** devices have accessed these free resources since the launch.



OUR PRODUCTS

PACKAGING MATERIALS

In 2022, we began incorporating post-consumer recycled (PCR) plastic into our packaging.

While we are dedicated to transitioning to more recyclable packaging, one of our primary concerns is ensuring the integrity and safety of our skincare formulas. Packaging plays a crucial role in preserving the quality and efficacy of our products, and any changes must maintain the high standards our customers expect from us.

Additionally, there are infrastructure challenges that we need to navigate. Municipal recycling systems and facilities vary across regions, and not all areas have the necessary capabilities to process certain types of packaging materials.

Despite the challenges, we remain steadfast in our commitment to making our plastic packaging more recyclable. We understand the urgency and importance of reducing our environmental footprint, and we are actively researching and testing packaging materials that are both designed for recyclability and protective of our product formulas.

Our customers can recycle with TerraCycle®, a free program that allows consumers to send in their empty Paula's Choice packaging at no cost to them. TerraCycle® exists to recycle packaging that is not recyclable curbside and is available for our customers in North America and the U.K.

We avoid the use of individual product cartons whenever possible. However, sometimes we need the carton for regulatory purposes or to protect more delicate packaging. By 2025 these cartons will be made from 100% [FSC-certified](#) paper stock. FSC's certification system enables businesses and consumers to choose products that use wood and paper from sustainably managed forests.

The corrugated shipping boxes we use throughout our supply chain are made with a minimum of 35% recycled content.



In 2022 we expanded our TerraCycle® partnership to Canada and the U.K.

Over **500,000** empties have been collected across the U.S., Canada and the U.K. since our launch in 2019.

WE'RE AIMING TO:

- + Transition all individual paper product cartons to **FSC-certified** paper stock from sustainably managed forests by 2025
- + Reduce use of virgin plastic in our packaging by **50%** by 2026²
- + Achieve **50%** recycled content in our plastic packaging by 2027³
- + Ensure that **75%** of our plastic bottles are designed for recyclability by 2030



² Compared to our 2021 baseline.

³ By weight across our line.

This bottle is 96% recycled plastic, excluding the cap.



OUR GHG EMISSIONS

Over the past year, we have laid the foundation to create an environmental program that addresses our GHG emissions. The intent of our program is to mitigate impacts stemming directly from our owned and operated facilities, as well as those of our key supply chain partners.

EMISSIONS CALCULATION

In 2022, we calculated our Scopes 1, 2 and 3 GHG emissions, in metric tons of CO₂ equivalent (MTCO₂e), for calendar year

2021. Our GHG emissions were calculated using the globally adopted GHG Protocol Corporate Standard. The results of the exercise gave us insights into the biggest GHG emission hotspots of activities within our operations and value chain. As is the case for many consumer goods brands, the majority of our GHG emissions were Scope 3 emissions, which are caused by activities taking place across the value chain—material sourcing and production, product manufacturing, transportation and

associated employee activities. We have committed to measuring our GHG emissions annually and to set absolute reduction targets.

It's important that we note that there was one piece missing from our first GHG calculation: GHG emissions associated with sourcing of ingredients that make up our formulas. We did not have the processes in place to calculate these for this report, but they will be included in our 2022 GHG inventory (to be published in 2024).



“At Paula’s Choice, we take our environmental and social responsibilities seriously. We’ve always led with transparency, and now we’re extending that philosophy to our sustainability efforts. This report is the first step in sharing our impact and taking our stakeholders on this journey with us. We will have big wins, and some losses, but we will be open about our progress along the way.”

—Erin Boudreau
Director, Global Sustainability

OUR GHG EMISSIONS

REPORTING SUMMARY

The following table displays total GHG emissions across Paula's Choice operations and activities (Scopes 1, 2 and 3) for calendar year 2021 (January 1 to December 31, 2021), except for ingredient sourcing.

Emissions Year	GHGs Reported	Geographic Boundary	Organizational Boundary	Total MTCO _{2e} (2021 Location-Based)	Total MTCO _{2e} (2021 Market-Based)
Calendar year 2021 (January 1 to December 31, 2021)	All seven GHGs covered by the Kyoto Protocol (CO ₂ , CH ₄ , N ₂ O, SF ₆ , HFCs, PFCs, NF ₃)	Global operations (U.S., EU, and Asia markets)	Operational Control Approach: Under this approach, a company accounts for 100% of GHG emissions from operations over which it or one of its subsidiaries has operational control.	38,458	38,372

EMISSIONS BREAKDOWN ^{4, 5}

2021	MTCO _{2e}	% of Emissions
Scope 1	54.21	0.14%
Stationary combustion	54.21	0.14%
Mobile combustion	0.22	0.00%
Scope 2	91.12	0.24%
Electricity (market-based)	91.12	0.24%
Scope 3	38,226.65	99.62%
Purchased goods and services	15,226.88	39.68%
Capital goods	1,624.41	4.23%
Fuel-and energy-related activities (not in Scope 1 or 2)	7.56	0.02%
Upstream transportation and distribution	19,975.09	52.06%
Waste generated in operations	148.12	0.39%
Business travel	76.74	0.20%
Employee commuting	134.13	0.35%
Downstream transportation and distribution	559.29	1.46%
End-of-life treatment of sold products	474.43	1.23%
Total (market-based)	38,372	100%

⁴ See [Appendix](#) for further definition of scope categories.

⁵ Listed percentages may not add up to 100% due to rounding.

OUR GHG EMISSIONS

EMISSIONS REDUCTION

To minimize transportation, we are beginning to regionalize our supply chain to source and manufacture both packaging and finished goods in multiple locations, with the goal of producing all parts closer to our customers. We are also investing in additional shipping routes and warehousing to reduce the miles a product needs to travel.

To address the Scope 3, or value chain, emissions produced by our suppliers' operations (the manufacturing of our packaging and filled goods), we will work to create an annual reporting and scoring system informed by research-backed, global frameworks and assessments such as CDP and Sustainability Insight System THESIS for our supplier engagement. This system will help us develop a set of ESG metrics to track within our supply chain and identify material topics to reduce Paula's Choice value chain emissions.

We are actively working on establishing our GHG reduction goals and building comprehensive plans around them. Our team is dedicated to ensuring that our goals are ambitious, achievable and aligned with global sustainability frameworks. After taking the time to develop a robust strategy, we aim to communicate our plan in our 2024 report.

CARBON CREDITS

We can't offset our way out of climate change, and that is why our focus is on making meaningful reductions. However, as we take steps to reduce our emissions, offsetting allows us a way to make a positive impact today. Since 2019, we have offset the GHG emissions associated with our U.S. employee air travel through tree planting partnerships. In 2022, we partnered with [Tree Nation](#) and began offsetting travel for employees worldwide.



In October 2022, we joined forces with [Cloverly](#) to offset the GHG emissions from shipping product orders placed on our websites in the U.S., Australia and across the EU. Cloverly uses carbon credit projects verified by reputable organizations and registries in the voluntary markets, including Gold Standard, Verified Carbon Standard, American Carbon Registry, Puro.earth, Plan Vivo and BeZero Carbon.

⁶ Source: [EPA GHG Equivalencies Calculator](#).

2,700+

We've offset 2,747.48 MTCO_{2e} since our launch with Cloverly. That's the equivalent of **7 million miles** driven by an average gas-powered passenger vehicle.⁶

OUR PEOPLE & COMMUNITIES

We wouldn't be where we are without the hard work of our employees and the support of our communities. We are committed to fostering a culture of inclusivity and respect for all individuals, including, but not limited to, those from BIPOC (Black, Indigenous and people of color), LGBTQIA+ and disabled communities. Our core values revolve around embracing diversity, equity and belonging. We strive to create a supportive environment where everyone feels valued, heard and empowered to bring their authentic selves to work. We actively seek diverse perspectives, recognizing that they enrich our collective experiences and fuel innovation. We prioritize fair and unbiased practices, ensuring equal opportunities for advancement and eliminating barriers that may exist. By nurturing an inclusive workplace, we aim to create an environment where all individuals can thrive, contribute and find success within our organization.

DIVERSITY, EQUITY AND INCLUSION

In 2020 we began working with a leading consulting firm to create a comprehensive DEI program and roadmap. We collected direct feedback from our employees to help shape the four pillars of our program: Leadership and Management, Culture and Development, Consumer and Product, and Policy and Processes. Within each pillar, we have identified priorities and actions that will help strengthen inclusivity in our workplace. The work we've done allows us to build a

solid foundation for our DEI roadmap and initiatives moving forward.

Examples of the work we've done include aligning on inclusive norms such as adding pronouns to email signatures, establishing interview rubrics to encourage hiring practices that reduce bias, providing all managers training on interpersonal and systems bias and encouraging all managers to promote flexibility and work-life balance within their teams. All employees are trained monthly on a variety of bias and diversity topics.

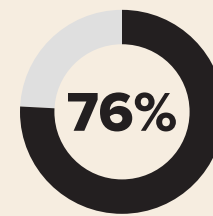
In 2021 we added Juneteenth as paid company holiday. And in 2023 we created our first employee resource group (ERG), with more to follow in 2024.

Our [On the Rise](#) program is a yearlong project designed to support and amplify the voices of 10 Black content creators in the beauty space who each have under 30K followers. The program is open to U.S. and Canadian citizens over the age of 18. Selected participants enter a paid content partnership with Paula's Choice and receive a host of additional benefits.

In response to the recent restrictions in reproductive freedoms, we signed the [Don't Ban Equality](#) pledge in 2022 to show that these actions go against our company values and negatively affect efforts to promote equality in the workplace.

GLOBAL TEAM

As of year-end 2022, Paula's Choice had 506 people around the globe, with 51% of our employees based in North America.



76% of our global workforce is female-identifying.

And in our Amersfoort, Netherlands, office we have nearly 30 nationalities represented.

NORTH AMERICAN TEAM

In 2022, we measured our baseline employee racial and ethnic diversity in North America.

The COVID-19 pandemic encouraged us to examine long-term remote and hybrid work options, and this transition has been very successful; we currently have a 50% remote workforce, a percentage that continues to grow. Because of our support for remote work, we can cast a wider geographic net when hiring and look outside of the greater Seattle, Washington, area.

White (not Hispanic or Latinx)	54.86%
Black or African American	7.00%
Hispanic or Latinx	13.23%
Asian	18.68%
Native Hawaiian or Pacific Islander	1.17%
Two or More Races (not Hispanic or Latinx)	5.06%

OUR PEOPLE & COMMUNITIES

BENEFITS

Our employees are more than a number. They are partners, parents, friends, caregivers and more. Because of this, our benefits are designed to support the health and wellness of our teams at work, and at home:

- + In North America, all employees receive competitive benefits that prioritize work-life balance and overall wellness. Benefits include comprehensive health care, including dental and vision. We provide a variety of leave options, including short-term and long-term disability. We also offer a retirement plan and match 4% of employee contributions. In 2022, we upgraded our comprehensive health insurance and our employee assistance program (EAP) to better meet the needs of our employees across North America. We also subsidize public transportation for employees who commute.
- + We support all families welcoming children into their lives—regardless of the gender of the parent and whether the child arrives through birth, adoption or surrogacy—and are proud to offer 16 weeks of paid parental leave to all North America-based employees.
- + Our Seattle headquarters is dog-friendly.

- + All North America-based employees are set up with a free subscription to Headspace, and we host regular group meditation sessions.

“It feels good to work for a company where the ethics are held to the highest standard. We’re always going to do what’s right for the customer, we’re striving to do better for the planet and internally, employee wellbeing is prioritized.”

—Desiree Stordahl

“I love the people here! And the products are beyond incredible too.”

—Emily Ma



“Our brand philosophy, mission, and the impact we have on customers is near and dear to me. We’re not just selling products, we’re educating on skin and ingredients, countering false and misleading information—all while helping people around the globe achieve the best skin of their lives. Year over year, our standards get higher, ingredients more innovative, and our formulas even better.”

—Deb Kilgore

Global Director, Skin Care Knowledge
Paula’s Choice Employee for 21 years

OUR PEOPLE & COMMUNITIES

EDUCATION & COMMUNICATION

We believe in continuous learning and provide our employees with various training and education opportunities. All employees receive foundational training when they begin their journey at Paula's Choice, including courses on the Code of Conduct, anti-harassment and inclusivity. All managers receive executive training and coaching to help them find their leadership style and ensure they are living our values with their direct reports. Our employees also have access to Paula's Choice University, an online training platform that provides both professional development and contextual information about the organization. In 2023 we will be launching a Sustainability module within this platform to further educate our teams around the world.

In 2020 we created the Paula's Choice Communications Team. This is an employee-led cross-functional group that plans, creates and shares key messages internally. Their purpose is to further drive brand identity and reputation by ensuring that information flows smoothly across the business in a proactive and timely manner. Key messages are generally U.S.-centric and focus on heritage months, cultural holidays and current events of importance to our workforce.

We also have an employee-led PC Connection group, which works with senior leadership and the human resources team

to create a positive work culture. This group is responsible for providing pulse checks to the HR team and creating activations to build community and social connections for North America-based employees. These activations can take the form of celebrations, events, employee challenges, fundraisers and more.

COMMUNITIES

We are passionate about giving back to our communities. To maximize our impact on communities, we align our engagement and donations to include DEI and climate-focused organizations. In 2022, we donated to seven organizations: [One Tree Planted](#); the [Marsha P. Johnson Institute](#); the [International Lesbian, Gay, Bisexual, Trans and Intersex Association \(ILGA\)](#); chemistry scholarships at Hampton and Howard Universities; [World Central Kitchen](#) and [Puget Soundkeeper Alliance](#).

We know that community engagement is important to our employees, so we offer each employee eight hours of paid time off (VTO) a year to volunteer.

650+

In 2022, employees in the U.S. and EU logged over 650 VTO hours.



ETHICS & PRIVACY

Paula's Choice is committed to conducting business responsibly and ethically. All our employees sign our Employee Handbook, which includes various ethics policies including those on non-discrimination, anti-harassment and anti-corruption, among others, as well as the Code of Conduct. Additionally, all employees receive Business Integrity Training annually.

The Paula's Choice cybersecurity framework includes mandatory standards and regular audits. Regular penetration testing is also conducted on our systems. All employees receive comprehensive cybersecurity training, which includes monthly awareness training and weekly phishing simulations. Our data privacy and security disclosures are publicly available for all of our customers to read on our [website](#).

APPENDIX

Except where otherwise stated, the data in this report covers the calendar year 2021.

The information and data contained in this report was vetted by internal subject matter experts on the various topics included in this report, as well as our third-party consultant.

We partnered with Seattle-based Sustainable Business Consulting, which was recently acquired by Point B.

SCREENING/MATERIALITY THRESHOLD

The GHG inventory included any emissions sources anticipated to contribute more than 5% to the company's Scope 1 and Scope 2 carbon footprint. Scope 3 emissions categories include activities based on relevance, materiality and availability of quality data.

APPENDIX

EMISSION CATEGORIES AND SOURCES

The table below lists the operational boundaries and emissions sources included in this study.

Scope	Category	Emission Sources Included	Exclusions
Relevant & Calculated			
Scope 1	Stationary combustion	Natural gas consumption at: <ul style="list-style-type: none"> + Seattle, WA, U.S. office + Kent, WA, U.S. warehouse + Netherlands office + Germany office 	U.K. satellite office
	Mobile combustion	Company-owned fleet	None
Scope 2	Purchased electricity (market-based)	Electricity consumption at corporate offices and warehouses: <ul style="list-style-type: none"> + Seattle, WA, U.S. office + Kent, WA, U.S. warehouse + Amersfoort, Netherlands office + Berlin, Germany office + Shanghai, China office + Seoul, South Korea office + Changhua, Taiwan office + Changhua, Taiwan warehouse 	U.K. satellite office
Scope 3	Category 1: Purchased goods and services	Purchasing records (indirect spend on products and services paid by company management): <ul style="list-style-type: none"> + Food and beverage services + Telecommunication services + Software, information services Purchase of durable goods: <ul style="list-style-type: none"> + Purchase of final product from Tier 1 contract manufacturers + Purchase of packaging components from Tier 1 packaging vendors + Upstream raw materials for packaging 	Upstream impacts from production of product formulas

Scope	Category	Emission Sources Included	Exclusions
Relevant & Calculated			
Scope 3	Category 2: Capital goods	Goods that enable the organization to provide products or services: + Computer and electronic products + Electrical equipment and machinery + Construction services	None
	Category 3: Fuel and energy-related activities	Transmission & distribution (T&D) losses from the electric grid	Upstream emissions from fuel and electricity purchases
	Category 4: Upstream transportation and distribution	+ Inbound shipments from packaging vendors and contact manufacturers to U.S., EU, Asia + Transfer orders between facilities and markets	None
	Category 5: Waste generated in operations	Waste generated at corporate offices and warehouses	+ Germany office + U.K. satellite office
	Category 6: Business travel	+ Air transportation + Ground transportation + Hotels and accommodation	None
	Category 7: Employee commuting	Employee commuting to and from corporate offices	Employees' "virtual" workspaces
	Category 9: Downstream transportation and distribution	+ B2B outbound shipments (to retail customers) + B2C outbound shipments (direct to end customers)	Shipments from our business retail customers to their end customers
	Category 12: End-of-life treatment of sold products	Packaging waste disposed at product end of life	None
Relevant & Not Calculated			
Scope 1	Fugitive emissions	Fugitive emissions from operated facilities are screened and do not meet the current materiality threshold.	
Not Relevant to Paula's Choice			
Scope 3	Category 8/13: Upstream/downstream leased assets	Beyond rented office space, there is no indication of leased assets in which Paula's Choice is the lessee or lessor.	
	Category 10: Processing of sold product	There is no additional processing of sold products.	
	Category 11: Use of sold products	Assumptions on product use are variable; energy-intensive activities may not be relevant to all sold products and are not considered in our current scope.	
	Category 14: Franchises	Paula's Choice does not operate any franchise locations or facilities.	
	Category 15: Investments	Investments are not relevant to the reporting boundary and are out of scope for the base inventory.	

APPENDIX

FACILITIES INCLUDED

The table below lists the facilities included in the 2021 inventory. These are facilities where Paula's Choice owned operations, such as offices and warehouses.

Facility Name	Location	Occupied Area (Square Feet)	Facility Type	Ownership Type
Seattle HQ	Seattle, WA, U.S.	20,754	Office	Leased
Kent Warehouse	Kent, WA, U.S.	20,495	Warehouse	Leased
EU NL Office	Amersfoort, Netherlands	9,684	Office	Leased
EU German Office	Berlin, Germany	–	Office	Leased
China Kerry Center Office	Shanghai, China	4,773	Office	Leased
Korea Office	Seoul, South Korea	1,820	Office	Leased
Taiwan Office	Changhua, Taiwan	6,406	Office	Owned
Taiwan Warehouse	Changhua, Taiwan	6,406	Warehouse	Owned

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