



greencircle
SALONS

Sustainability Report 2022



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"Do your little bit of good where you are; it's those little bits of good put together that overwhelm the world."

Archbishop Desmond Tutu

A Message From Our Founder and CEO

One of the greatest challenges to sustainability is ALSO the FIRST challenge we encountered in the early days of Green Circle: convincing people that they **can contribute**. That they *can* make a difference. Problems of a global scale can, for many of us, seem too immense or complex to handle, too big for small efforts to make any difference. Fast forward to today, with over 16,000 waste warriors, 20+ major brand and distributor partners, and 1.4 million pounds of waste kept out of landfills in 2022 alone, and it's clear that when each of us does our "little bit", we can change the industry and change the world for the better.

Today, it is with deep humility and pride that we publish our second annual (2022) Sustainability Report. Thank you for taking the time to review the highlights of our year, learn about our ongoing work and explore our new initiatives. We hope you are inspired!

Some of our greatest accomplishments in 2022 include:

- Offsetting 13,155 metric tons of Scope 2 emissions on behalf of our salon members
- Planting 10,000 trees in partnership with American Forests

- Collaborating with the "Beauty Changes Lives Foundation" to offer five scholarships toward continuing education tuition
- Receiving the "Recycling Council of Alberta" award for the launch of our 2021 bio-composite bin

New initiatives we launched in 2022 include:

- Offsetting all Scope 1, 2 and 3 emissions through our partnership with Sea Trees/Sustainable Surf to restore coastal ecosystems
- Joining the SME Climate Hub with our Green Circle company goal to achieve net zero emissions by 2030
- The creation of the world's first styling comb made from recycled salon plastics and hair!

With deep gratitude to our incredible team at Green Circle Salons, and to all of our stakeholders we'd like to thank you for creating a circular, low carbon and restorative beauty industry. Together we are igniting a pathway that is clearly defining the salon industry of, and for our future and an industry that will truly give back more to the planet than it takes. Onward!

Numbers 2022 Highlights



**BEAUTY
CHANGES
LIVES**

SCHOLARSHIPS
MENTORSHIP
INSPIRATION

We developed the Environmental Beauty Scholarship, in partnership with the Beauty Changes Lives Foundation. Five recipients each received \$4,000 toward tuition.



10,000

Trees were planted in partnership with American Forests.



13,155 tCO2e

of member salons scope 2 carbon emissions were offset with our new Carbon Neutral Benefit.

1.4 million pounds



of beauty waste was kept out of landfills and waterways thanks to our dedicated Waste Warrior community.

100%



of the beauty waste recovered from our members was diverted from landfill.

28,432 pounds



of PPE waste was kept out of landfill thanks to our PPE Recovery Initiative.

Innovation

Recycling Council of Alberta R's of Excellence Award

IN 2022, GREEN CIRCLE SALONS WAS PRESENTED WITH A BUSINESS WASTE REDUCTION AWARD FROM THE RECYCLING COUNCIL OF ALBERTA.

This award was for our innovation in turning waste into a useful product. To date Green Circle Salons has produced 5,000 bio-composite bins, each bin containing 1.5 pounds of human hair. The next iteration of our bins will be produced using the recycled HDPE material collected from our salons.

Our aim is to create alternative uses for this readily available and valuable by-product that ensures we never see hair as waste again.



Each bin is made of **recycled plastic (PP)** and **1.5 pounds of hair** collected from our **Waste Warriors!**

Join the Circle Stakeholders

Waste Warriors:

16,000+

Distributors:

37

Schools / Academies:

70

Member Salons:

3,600

Manufacturers:

19

Consumers Impacted/Year:

15 million



Our Waste Warriors are...



Sustainability Pioneers



Visionaries



Environmental Guardians



Innovators



Collaborators & Stakeholders

Educators & Influencers



Community Mobilizers



Thought Leaders



Core Values

OUR CORE VALUES ARE OUR GUIDING PRINCIPLES THAT HELP US WITH EVERY DECISION WE MAKE AND SHAPE OUR VISION FOR THE FUTURE. THEY DEFINE OUR CULTURE AND WHO WE ARE AS A TEAM.

"It means that we do more than profess our values, we practice them. We walk our talk—we are clear about what we believe and hold important, and we take care that our intentions, words, thoughts, and behaviors align with those beliefs."

Brene Brown



All-In

We go above and beyond every day to help bring our mission to life.

Big Heart

We act with courage and humility, and we value diversity and inclusion.

Possibility

We see challenges as opportunities, carve our own path and go where no one has gone before.

Sustainability

We're being the change we want to see in the world. We're making beauty beautiful.

Our Credentials



We are a certified B Corporation. Our business meets the highest standards in verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.



The Carbon Trust Certification – recognizes organizations that follow the best practices in measuring, managing and reducing their environmental impact. This certification guarantees we are a zero waste to landfill (ZWTL) company.



We proudly offer members Carbon Neutral Salon Certification. Through Offset Alliance, we invest in projects globally that offset the carbon emissions from salon services.

SUSTAINABLE DEVELOPMENT GOALS



Green Circle Salons is a proud member of United Nations Global Compact. The UN Global Compact helps companies align their strategies and operations with **17 SDGs** (Sustainable Development Goals). The SDGs are based on the 10 universal principles related to human rights, labour, environment and anti-corruption.

Here at Green Circle Salons, these goals help guide us in our mission to make a positive impact on the environment, climate *and* beauty industry. Our sustainability initiatives can be tied to each of the 17 SDGs, particularly our 4 focus areas:

- SDG 4 Quality Education
- SDG 12 Responsible Consumption & Production
- SDG 13 Climate Action
- SDG 14 Life Below Water



Our Priority Waste

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

Waste reduction is central to our mission at Green Circle Salons. In 2022, here are some of the ways we battled beauty waste:

- We operate as a **Zero Waste to Landfill** business, meaning 100% of all recovered waste is repurposed, recycled or converted to clean energy.
- We are committed to continuous improvement in finding the highest and best use for each material stream that we collect.
- We continue to focus on developing new, innovative and closed-loop solutions for items that were once destined for landfill.
- We are investing in sustainable innovation projects, like our bio-composite bins!



Our Priority Carbon



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

In an effort to battle climate change, Green Circle Salons is committed to reducing our operational carbon emissions:

- We measured our 2021 impact through our first full carbon footprint analysis (scope 1, 2 and 3 emissions), following the Greenhouse Gas Protocol. This will serve as the baseline against which we will measure improvement over time.
- We invested in renewable energy for our Canadian facilities.
- We offset the annual energy consumption of our US facilities.
- To reduce the climate impact created by beauty waste shipments, all shipments continue to be sent through UPS' carbon neutral program.

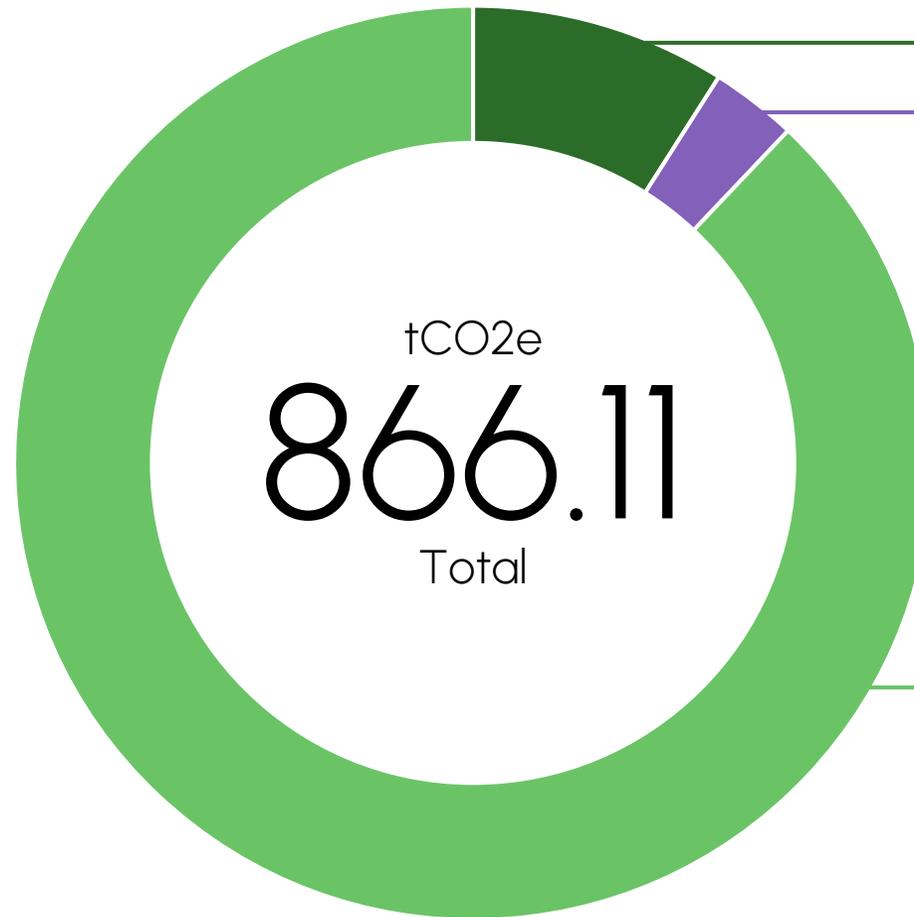


Our Priority 2021 Carbon Footprint



**TAKE URGENT ACTION TO
COMBAT CLIMATE CHANGE
AND ITS IMPACTS**

Green Circle Salons is a proud member of the SME Climate Hub, a global initiative that empowers small to medium sized companies to take climate action and build more resilient businesses. Through the SME Climate Hub, we commit to lowering our impact on the environment through authentic action. Green Circle Salons has set a goal to achieve net zero emissions by 2030.



Scope 1

9.0% | 77.94 tCO₂e

Scope 1 covers direct emissions that come from sources that are owned or controlled by Green Circle Salons.

Scope 2

3.0% | 26.40 tCO₂e

Scope 2 covers indirect emissions from the purchased or acquired energy consumed by Green Circle Salons.

Scope 3

88.0% | 761.76 tCO₂e

Scope 3 includes all other indirect emissions that occur in Green Circle Salons' value chain, including diversion of salon waste.



Our Priority

Carbon Neutral Certification



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Green Circle Salons introduced the first industry-wide Carbon Neutral Salon Certification in North America. This certification, included with Green Circle Salons programs at no additional cost, offsets the scope 2 carbon emissions created by our member salons. Now the emissions resulting from the energy used during day-to-day operations for member salons are offset.

Green Circle Salons partnered with Offset Alliance to measure and offset member salons 2022 annual emissions. Salon emissions were offset through Verified Carbon Standard (VCS) projects, with meaningful impact on communities and biodiversity in-line with the United Nations Sustainable Development Goals (SDGs). During 2022, this program contributed to renewable energy and wastewater treatment facilities.



13,155 tCO₂e

of member salons scope 2 carbon emissions were offset with our new Carbon Neutral Benefit



Salto Pilão, Brazil
 Salto Pilão is a run-of-river hydroelectric plant lowering the carbon intensity of electricity production in southern Brazil, and helping to increase the share of renewables as energy demand rises due to economic growth in the region. It reduces more than 290,000 metric tonnes of CO₂ per year and creates local jobs.



Kornburi, Thailand
 The Kornburi wastewater treatment project in northern Thailand prevents local air pollution from one of the region's largest cassava starch production facilities. By capturing biogas emitted from cassava processing, and converting it into renewable fuel for energy production, it reduces more than 39,000 metric tonnes of CO₂e per year, and creates local jobs.

Our Priority Water



**CONSERVE AND SUSTAINABLY
USE THE OCEANS, SEA AND
MARINE RESOURCES**

Green Circle Salons partnered with Sea Trees by Sustainable Surf to restore coastal ecosystems and offset our 2021 operational carbon footprint.

- As an Ocean Positive | Verified Climate Neutral Brand, Green Circle Salons helped sequester more carbon emissions that we created – having a positive impact on the ocean and the life it supports.
- 90% of all carbon in the global carbon cycle is stored in the ocean and mangrove forests remove 5-10 times more CO₂ out of the atmosphere than tropical rainforests! This project had a co-benefit of planting 3,400 mangrove trees in Mida Creek, Kenya and restoring 866 square feet of kelp forest in Palos Verde, California.
- Through our operations, Green Circle Salons kept 124,661 pounds of recovered excess hair color from entering our waterways. That's enough hair color to fill 119,432 water bottles!



Our Priority Education

4

QUALITY
EDUCATION



ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION

As a proud B Corp member, we are committed to providing education to the beauty industry and our community. Here are some of the ways we brought education to life in 2022:

- Green Circle Salons, through the Beauty Change Lives Foundation, developed the Environmental Beauty Scholarship for students enrolled in a cosmetology or barbering program that leads to licensure. Five recipients each received \$4,000 towards tuition for their respective programs during 2022.
- We provided our community of 16,000+ Waste Warriors with details on the impact they created in 2021 through Waste Diversion Certificates.
- We shared content with our social media community about beauty waste recovery and why it matters.



**BEAUTY
CHANGES
LIVES**



Sustainable Development Goals in Action

SDG

What We Are Doing In 2023

Other SDG's Impacted

Zero waste to landfill



We continue to close the loop and our next project will involve the design and manufacturing of salon tools that put recycled beauty waste back in the hands of beauty professionals.



100% resource recovery with all materials and products recovered, recycled or reused at end of use



Together with our Waste Warrior community, we continue to keep excess hair color from waterways and waste from entering our rivers, lakes and oceans. We are working with manufacturer and distributor partners to create responsible end of life solutions that have a positive impact on life below water.



Commitment to our stakeholder education



We collaborate with 70 schools and academies who are committed to providing sustainable education for the next generation of beauty professionals. Also, in partnership with Beauty Changes Lives, we are excited to continue to offer scholarships that empower future talent to make beauty beautiful.



Commitment to Net Zero Emissions



As a result of our 2021 Carbon Footprint Analysis, we have set long-term reduction strategies for our operational carbon emissions. We have committed to achieve NET ZERO emissions by 2030 and will achieve this through continuous improvement. In the meantime, we will continue to offset the emissions we cannot reduce in order to remain a carbon neutral company.



Green Circle Salons Social Wellbeing

Our Team and Culture

Green Circle Salons would not have grown into the business it is today without our fantastic team members. We are so proud to be surrounded by such brilliant and committed individuals focused on keeping people, business, and the planet beautiful.

Here are some of the ways our team shows up for you:

- We are ALL-IN! Our team is not content with the status quo. We go above and beyond every day exploring innovative solutions and technology that will drive continuous improvement in our operations. We continue to work toward a regenerative economy that will benefit all our stakeholders.
- We live our VALUES! Our core values are our north star. They guide our decisions, they inspire us to find solutions, and they motivate us as we keep people and the planet beautiful.
- We are PROUD to be a certified B Corporation! We are a business with a purpose that looks to disrupt the ordinary way in which goods and services impact our world, creating positive change for people and the planet.
- We use 5% of our net profit to SUPPORT women, children and the planet. We work with non-profit, for-profit and charitable organizations** to achieve this.

*Supports a decent standard of living for the worker, including food, water, housing, education, health care transportation, clothing, and other essential needs.

** These organizations include but are not limited to charities, renewable energy providers, and carbon offset projects.

Charitable donations

\$116,165

Amount donated, financial or in-kind, to charity since 2017



Living Wage* Employer

Since 2020, all of our employees in Canada and the U.S received a minimum of living wage salary



Employee satisfaction

3.91

Based on Q12 employee satisfaction survey

Employee health and wellbeing

100%

Full-time employees with access to extended health benefits

An aerial photograph of a rugged coastline. The left side shows a dense forest of green trees on a hillside. The right side features a rocky cliffside with several small buildings and a path. The ocean is dark blue with white waves crashing against the rocks. A large purple circle is centered over the image, containing white text.

**Thank you
for helping us
make beauty
beautiful.**

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