

The RealReal

Climate Change Policy

Climate change and its impacts pose increasingly dire challenges to individuals, businesses, and society at large. From supply chain disruptions to increased operational costs associated with extreme weather events, the impacts of climate change on businesses are tangible and escalating. At The RealReal, we recognize both the moral imperative and the strategic necessity of addressing the climate crisis with a sense of urgency and responsibility. For that reason, The RealReal's commitment to climate action extends beyond compliance with future regulations and social license to operate; it is aligned with our core values and business model.

Climate change presents both risks and opportunities for our business, and while we are keen to seize those opportunities, it is crucial for us to manage the risks as well. The best way to do both is by continuing our efforts to reduce our greenhouse gas emissions, while enabling our buyers, consignors, and other value chain stakeholders to do the same.

To this end, we are constantly evaluating and implementing projects to reduce our greenhouse gas emissions and enhance our resilience to climate-related risks. This includes investing in energy efficiency, increasing our use of renewable energy, being purposeful in selecting the packaging materials and formats we use, and integrating sustainability considerations into decision-making processes across the company.

Climate change is a global challenge that no single business, industry, or nation can address on its own. We recognize the importance of collaborating with stakeholders like buyers, consignors, suppliers, policymakers, and the communities where we operate. By working together, we can leverage collective expertise and resources to drive meaningful change. We are committed to forging partnerships and advocating for policies that promote sustainability because it will amplify The RealReal's positive impact and contribute to collective efforts to address climate change. Examples of past cross-sector partnerships are an upcycling collaboration with a leading higher education institution and direct partnerships with fashion designers.

As an embodiment of our commitment to climate action, we are in the process of transitioning away from non-renewable energy sources and improving both carbon and energy efficiency in our operations. Tracking our progress over time requires calculation of The RealReal's carbon footprint at least once per year. We are committed to using the latest scientific data and most relevant methodologies to ensure these calculations are as accurate and granular as possible.

Our Principles for Greenhouse Gas Emissions Management

- **Pursue progress over perfection.** Climate action and its nuances are challenging for businesses which must balance other priorities alongside sustainability to remain successful. We aspire to be as aggressive as we can in pursuit of addressing climate change. But we recognize that prioritizing progress is more effective than holding out for

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perfect solutions or outcomes; and that is incredibly important during a time when urgency demands a high premium on all the near-term progress we can realize.

- **Be transparent.** The practice of carbon accounting and the means and methods of reducing greenhouse gas emissions are changing constantly. Corporate climate programs must continue evolving not only to remain aligned with the most rigorous standards, but also to enable deeper, more granular efforts to reduce climate impacts. The RealReal aspires to be as transparent as possible in sharing the evolution of its efforts to address climate change with buyers, consignors, investors, and the public.
- **Prioritize operational reductions.** Reducing emissions within our operations is the truest way to minimize The RealReal's climate impacts. We believe in using, and do use, market-based instruments like renewable energy certificates, carbon offset and removal credits to mitigate climate impacts we cannot yet avoid, but those instruments are not a substitute for operational reductions.

Our Approach to Championing the Circular Economy

- The RealReal aims to enable wider access to retail and luxury products that are pre-owned, extending the life cycles of those products. In doing so, we also aim to grow the total market for consignment and resale.
- As a means of quantifying the environmental impact avoided by purchasing certain types of products pre-owned, we developed The RealReal Sustainability Calculator. It enables a more concrete understanding of the water use and greenhouse gas emissions avoided by each type of product purchased on our platform.
- The RealReal is one of the founding organizations of the American Circular Textiles policy group, or ACT, a collective of companies that advocates for policy promoting circularity and sustainability in fashion in the US.
- Over the years, we have expanded the types and conditions of products we accept for consignment, which has widened the pool of potential goods that can be resold. By accepting products that are of Fair and As-is condition, more resale goods are accessible to a greater number of people - which can displace more new products and strengthen the circular economy.
- In the past, The RealReal pioneered partnership programs with leading luxury brands including Gucci, Burberry, and Stella McCartney to promote recirculation of their products. We are excited to continue those sorts of innovative partnerships in the future.