

# The RealReal

## **Environmental Policy**

The RealReal is a thought leader in sustainable luxury, and we seek to promote the recirculation of products across the broader retail industry. We are committed to leading and innovating to create a more sustainable fashion industry in which we partner with luxury brands, consumers, employees and suppliers to raise awareness about the benefits of resale. Our mission to empower consignors and buyers to extend the life cycle of luxury goods translates into measurable environmental savings. In addition to the positive environmental impact of our business model, we aim to increase the eco-efficiency of our operations by promoting sustainable practices across all areas of our business.

From pioneering partnerships with luxury brands to internal initiatives to participation in global environmental programs, we take action to reduce our own carbon footprint and advocate for industry-wide sustainability.

### **Industry-Leading Partnerships**

- We work with brands such as Gucci, Burberry and Stella McCartney to promote the recirculation of their products on The RealReal. Our partnership with Gucci was the first time a brand partnership has included an incentive to buy resale, and included the launch of an online shop featuring pre-loved Gucci items. The Gucci partnership was grounded in sustainability as The RealReal and Gucci together planted a tree with One Tree Planted for each Gucci purchase or consignment.
- In our work to reduce fashion's footprint, we expanded our focus to address the high volume of goods that can't live on in their current state and risk being part of the garbage truck's worth of textiles that are landfilled or burned every second, starting with our repair services. Our ReCollection program extends those efforts by transforming unusable materials into luxury pieces, innovating across categories and in partnership with some of our favorite brands including Balenciaga, Jacquemus and Stella McCartney

### **Participation in Global Environmental Initiatives**

- Became the first retail company to join Gucci CEO Marco Bizzarri's CEO Carbon Neutral Challenge, pledging to become carbon neutral in 2021
- Joined the UN Climate Change's Fashion Industry Charter for Climate Action, which endeavors to achieve a 30% reduction in greenhouse gas emissions by 2030, and net-zero emissions by 2050. We are the first and only resale company that is a member of the UN Climate Change's Fashion Industry Charter for Climate Action
- Became the first resale company to join the Sustainable Apparel Coalition to be part of the broader sustainability conversation in the fashion industry
- Became the first reseller to join the Ellen MacArthur Foundation

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- Participated in Clothing Reuse Market Makers, a joint initiative of World Resources Institute (WRI), Waste and Resources Action Programme (WRAP) and participating companies
- Became a member of the United Nations Global Compact, committing to implement universal sustainability principles and take steps to support UN goals
- Created in 2015, the Sustainable Development Goals are a collection of interlinked global goals aimed at creating a more sustainable future for all by 2030. At TRR, we are driving impact to support the following goals:
  - **Zero Hunger** - We have supported Feeding America to help people facing hunger in the United States.
  - **Quality Education** - We support quality education for all communities through The RealReal Foundation.
  - **Gender Equality** - At The RealReal, 68% of employees are female, 60% of board members are female and we are led by our female founder and CEO, Julie Wainwright.
  - **Decent Work And Economic Growth** - We create domestic jobs and drive economic growth while also saving water and carbon through resale.
  - **Responsible Consumption And Production** - We are bringing an ever-increasing number of people into the circular economy, allowing them to extend the life of luxury by buying and selling.
  - **Climate Action** - We achieved carbon neutrality in 2020 a year ahead of our goal and are committed to reducing emissions by 30% by 2030 and net zero emissions by 2050.
  - **Life On Land** - We purchase nature-based offsets that include reforestation projects through our partnerships with One Tree Planted and Bonneville Environmental Foundation.



## First-Of-Its-Kind Sustainability Calculator

- Developed the innovative TRR Sustainability Calculator that quantifies the positive impact of consignment – measuring the greenhouse gases, energy output and water

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usage saved by the resale of women's and men's items. Our calculator also educates consumers on the environmental benefits of resale. Through Mar. 31, 2021, 18,732 metric tons of carbon and 896 million liters of water were saved by consignment on The RealReal since inception.

- Partnered with consulting firm Shift Advantage to research the fashion industry's impact on the environment and build our custom calculator

## **Environmental Management System**

- Developed an Environmental Management System to track sustainability objectives, goals, and targets including quarterly progress reports to management and the board
- Comply at a minimum with all applicable environmental laws and regulations, and continually improve our environmental management system
- Regularly update stakeholders on our environmental initiatives including the metric tons of carbon and millions of liters of water saved by consigning with The RealReal since inception
- Deliver quarterly updates on sustainability initiatives to our CEO, and are committed to updating our Board of Directors on our sustainability initiatives on a quarterly basis as well

## **Sustainable Company Culture**

- Uphold our environmental policy and standards with all employees, vendors and suppliers. Sustainability is built into our onboarding process for new employees.
- Promote an internal culture that seeks to reduce our carbon footprint and promote sustainability goals
- Listen to customer needs and educate consumers on the positive impact of consignment on the environment

## **Charitable Giving**

- Joined One Tree Planted's Million Tree Challenge and donated to environmental charities such as charity: water and the Rainforest Alliance
- In 2020, we donated nearly \$500,000 to charitable organizations including Black Girls CODE, NAACP Legal Defense Fund, Fashion Girls for Humanity, Slow Factory Foundation, American Red Cross, Springboard 2000 Enterprises, Project Glimmer, CFDA Foundation, Hetrick-Martin Institute, Voto Latino, Black in Fashion Council, Golden Gate Performing Arts, etc.
- We also made a number of in-kind donations in 2020—from products to commission to resources—to organizations including Get Us PPE, Fashion Girls for Humanity, Fashion Our Future, Feeding America, Nurse Heroes and the New York State COVID Relief Fund.

## **Managing Our Environmental Impacts**

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We are committed to managing salient environmental risks in our industry through the following actions:

- Reduce our energy consumption by focusing on energy efficiency throughout our operations including the use of Google Cloud and other third party Cloud vendors for our technology infrastructure
- Reduce our office paper consumption and minimize the use of paper for our marketing and distribution activities whenever possible
- Reduce our water consumption in all facilities
- Reduce the waste we generate and recycle our waste, including our IT waste. We aim to increase the use of recycled material in our operations and achieve zero waste certification at our distribution centers.
- Reduce the emissions derived from our business travel by minimizing the number of long-distance trips of our employees, stimulating the use of alternative means of communication and video conferencing
- Seek suppliers that support us in this journey through their solutions and business practices
- Encourage strong product stewardship by promoting the recirculation of luxury goods and delaying end-of-life product management until it is absolutely necessary