

# The RealReal

## **Supplier Management and Performance Program**

### **Supplier Management Program: Monitoring and Remediation**

The RealReal is committed to creating a more sustainable future by striving for the highest standards of authenticity, sustainability, and responsibility across all global suppliers and service providers. The majority of The RealReal's top 25 suppliers and service providers in the United States are subject to strict environmental and labor laws and The RealReal expects supplier compliance with all local and applicable laws and regulations. In addition, The RealReal expects all suppliers and vendors to comply with The RealReal's Environmental, Occupational Health and Safety, and Human Rights Policies.

### **Supplier Conformance and Corrective Action**

A comprehensive Supplier Responsibility Program is part of The RealReal's 2021 roadmap. The Supplier Responsibility Program will assist suppliers through a phased implementation that focuses on defining standards, monitoring performance, and correcting deficiencies. The RealReal is committed to striving for the highest standards in environmental sustainability, human rights protection, and employee health and safety across all business operations including global suppliers and service providers.

You may view our formal policies on these topics at [investor.therealreal.com/social-impact](https://investor.therealreal.com/social-impact).

### **Supplier Responsibility Program Implementation Plan**

Since the RealReal's suppliers are diverse and range widely in size, sophistication and industry, implementing a one-size-fits-all approach to a code of conduct will not work. Rather than the exclusionary practice of punishing those that have not yet begun such a process, we will provide guidance and support to assist suppliers in creating responsible business operations.

The RealReal will utilize a phased implementation for its Supplier Responsibility program. The RealReal will work with small suppliers and organizations to help them on the journey, document their progress, and offer guidance to those that wish to develop their programs and continue doing business with The RealReal. The RealReal will reserve adverse action for situations where suppliers are unwilling or unable to change and improve. Audit efforts will expand to a greater portion of the population over time based on spend, risk, and data from previous audits. The RealReal will take immediate action in response to claims of human rights violations by its suppliers, regardless of when the last audit occurred. Early audits will be scheduled, random audits will be introduced as a program component over time. As the program and The RealReal grow and evolve these efforts will go deeper into the supply chain.

### **Year 1**

# TheRealReal

## *Large, established organizations:*

- Receive questionnaire to document current state and future plans concerning all major topic areas- human rights and labor practices, health and safety, including environmental initiatives, and ethical management practices
- The RealReal will review publicly available data and the questionnaire
- Information requests will be sent to understand any potential violations and their connection to The RealReal business or projects
- Designate an executive sponsor or point of contact

## *Smaller organizations:*

- Provide The RealReal Supplier Code of Conduct
- Delay enforcement pending showing of progress
- Provide templates and best practices to help them get started
- Ask for compliance roadmap by end of year one
- Designate an executive sponsor or point of contact

## **Year 2**

- Initiate audits focused on highest spend and greatest risk with an emphasis on one or more of the major topic areas- human rights and labor practices, health and safety, including environmental initiatives, and ethical management practices
- Develop Minority and Women Owned Business Enterprises and Service-Disabled Veteran Owned Business spend tracking toolkit and collect data from Tier 1 suppliers on their spend
- Emphasize and reward continuous improvement
- Leverage the executive intervention process instead of penalties or termination
- Study community impact and look for measurable outcomes and opportunities for further program development including reviews deeper into the supply chain as appropriate