



2020 REI GREENHOUSE GAS INVENTORY REPORT

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1. Introduction

The calculation of REI’s Scope 1, 2, and 3 emissions is based on the Greenhouse Gas Protocol Corporate Standard (Scopes 1&2) and Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The Scope 3 emissions are calculated by category in accordance with the guidelines of the GHG Protocol Standard (at least “minimum boundaries”).

2. Descriptive information

Information	Company Response
Company	Recreational Equipment, Inc (REI)
Company description	<p>At Recreational Equipment, Inc. (REI) we believe a life outdoors is a life well-lived. We believe that it's in the wild, untamed and natural places that we find our best selves, so our purpose is to awaken a lifelong love of the outdoors, for all.</p> <p>Since 1938, we have been your local outdoor co-op, working to help you experience the transformational power of nature. We bring you top-quality gear and apparel, expert advice, rental equipment, inspiring stories of life outside and outdoor experiences to enjoy alone or share with your friends and family. And because we have no shareholders, with every purchase you make with REI, you are choosing to steward the outdoors, support sustainable business and help the fight for life outside. Today the REI community has 19 million lifetime members, over 13,000 employees and 168 locations in 39 states and the District of Columbia.</p>
Consolidation method	Operational control of owned and leased retail, distribution, and office sites, including offices in Shenzhen, China.
Description of the businesses and operations included in the company's organizational boundary (Description of the inventory boundary, including an outline/description of the organizational (scope 1) boundaries of the reporting company)	<p>REI reports scope 1 and scope 2 emissions from all owned and leased sites, owned and leased vehicles, dedicated service vehicles by other companies, HVAC refrigerant losses during service, and reimbursed employee vehicle travel. REI operates retail stores only in the US, in 39 states as mentioned above.</p> <p>Scope 3 emissions are reported for all REI branded products as well as those of other brands which we carry, and all other relevant categories based on REI activity. Relevant scope 3 emissions categories that are part of REI's Scope 3 emissions inventory are listed below.</p>
The reporting period covered	01/01/2020 -12/31/2020
A list of scope 3 activities included in the inventory	<p>Category 1: Purchased goods & services (including REI branded and other brand retail products, as well as non-product purchasing for operations, office, etc.)</p> <p>Category 2: Capital goods</p> <p>Category 3: Fuel- and energy-related activities (not incl. In Scope 1 or 2)</p> <p>Category 4: Upstream transportation and distribution</p> <p>Category 5: Waste generated in operations</p> <p>Category 6: Business travel</p> <p>Category 7: Employee commuting</p> <p>Category 9: Downstream transportation and distribution</p> <p>Category 11: Use of sold products</p> <p>Category 12: End-of-life treatment of sold products</p>

<p>A list of scope 3 activities excluded from the report with justification for their exclusion</p>	<p>Category 8 (Upstream leased assets): Leased space and long-term leased vehicles are treated as REI’s under operational control. No other upstream leases.</p> <p>Category 10 (Processing of sold products): REI does not calculate and report GHG emissions from processing of sold products, as the Co-op does not sell intermediate products intended for further processing.</p> <p>Category 13 (Downstream leased assets): Not relevant, no downstream leased assets</p> <p>Category 14 (Franchises): Not relevant for REI as we do not own or operate franchises.</p> <p>Category 15 (Investments): Not relevant; REI maintains its treasury in a mix of safe investments, primarily fixed income instruments.</p>
<p>Once a scope 3 base year has been established, the year chosen as base year and rationale for choosing the base year</p>	<p>2019 – REI has long reported on aspects of its business, being one of the first retailers to do so in 2006. In 2019, we completed our first full, WRI Protocol compliant footprint of our operations, to establish a baseline for subsequent reduction work.</p>
<p>Once a base year has been established:</p> <p>Scope 3 emissions in the base year</p>	<p>1,312,707</p>
<p>Scope 1 base year</p>	<p>4,632</p>
<p>Scope 2 base year</p>	<p>26,242</p>
<p>Once a base year has been established, the chosen base year emissions recalculation policy and context for any significant emissions changes that trigger base year emissions recalculations</p>	<p>Changes to procedures which result in calculated emissions changing by more than 5%; major divestitures or acquisitions.</p>

3. Greenhouse gas emissions data – 2020

	CO2eq, mtons	% of Total
Scope 1	3,995	0.35%
Scope 2 (Location Based)	26,792	2.37%
<i>Market Based</i>	0	
Scope 3	1,098,473	97.27%
Scope 3 Category	Scope 3 Breakdown	Scope 3%
Category 1—Purchased Goods & Services	792,168	72.12%
Category 2—Capital goods	24,405	2.22%
Category 3—Fuel- and energy-related activities	15,502.78	1.41%
Category 4—Upstream transportation	21,092.73	1.92%
Category 5—Waste generated in operations	2,893.25	0.26%
Category 6—Business travel	597.15	0.05%
Category 7—Employee commuting	21172.2	1.93%
Category 9—Downstream transportation	179,579.62	16.35%
Category 11—Use of sold products	16,753.00	1.53%
Category 12—End-of-life treatment of sold products	24,308.98	2.21%
Grand Total	1,129,261	

4. Biogenic Carbon Emissions – not relevant to REI

5. Description of scope 3 methodologies and data used

Category	Types and sources of data used to calculate emissions	Methodologies, allocation methods, and assumptions used to calculate the emissions
1 – Purchased goods & services	<p>Activity data (primary data): Quantity and monetary purchasing volume of the goods and services purchased in the reporting year were obtained from REI internal business data management systems.</p> <p>Emissions factors (secondary data): Raw materials and packaging: Cradle-to-gate emissions factors were obtained from commercially and publicly available databases such as Higg MSI and ecoinvent . Economic factors were obtained from Exiobase database for categories where spend was used as a basis.</p>	<p>Product data was obtained from REI business systems. Product weight and materials were used with Higg MSI emission factors to calculate embedded carbon. For some product categories with complex compositions or where material factors are not readily available, spend factors (for the production region) were applied against sales demand.</p> <p>For non-product spend on packaging, operational supplies, and services, we applied spend factors against the total spending on each category.</p>
	Estimate of data quality*	Good
	% Data from suppliers	0%
2 – Capital spend	<p>Activity data (primary data): Monetary purchasing volumes of capital goods purchased in the reporting year were obtained from REI internal business data management systems.</p> <p>Emissions factors (secondary data): Supply chain emission factors for spending on capital goods were obtained from Exiobase, converted from 2011 EUR to USD and inflated to 2020.</p>	<p>The GHG emissions that are associated with REI's capital goods were estimated by assigning categories of spend to appropriate Exiobase spend factors. For example Building Improvements was assigned the Exiobase factor Construction work.</p>
	Estimate of data quality	Good
	% Data from suppliers	0%
3 – Fuel- and energy-related activities (not included in scope 1 or scope 2)	<p>Activity data (primary data): The quantities of fuel and energy (electricity) purchased in the reporting year were obtained from REI utility bills and internal business data.</p> <p>Emission factors for cradle-to-gate emissions were calculated for fuels and electricity from ecoinvent factors. The grid related loss factor was taken from the EPA egrid data on the EPA Hub.</p>	<p>Amounts of fuel purchased were calculated from purchasing data, either from direct records or estimated based on spend and average fuel prices. Amounts of grid electricity were obtained from utility bills. These amounts were multiplied by the appropriate upstream, cradle-to-gate factor to obtain the CO₂eq emissions.</p>
	Estimate of data quality	Good
	% Data from suppliers	0%

4 – Upstream transportation and distribution	<p>Activity data (primary data): Shipping data on weight, trip distance, and mode were obtained for all product transport paid by REI from the logistics providers. Some providers calculated Wheel to Tank emissions for REI product, and this value was used.</p> <p>Emissions factors (secondary data): EPA Hub transportation factors for truckload vehicle mile and LTL ton-mile transportation.</p>	<p>Emissions from the transport of REI branded goods inbound to REI distribution centers is calculated by the logistics provider, using product weights, shipping lanes and distances, and all transport modes port to DC. Data on shipment weights and distances is provided for all other supplier's products by REI's US logistics providers. For full truckload shipments, EPA vehicle-mile factors from the EPA Hub (2020) were applied. For Less-Than-Truckload, ton-miles were calculated for each shipment and the appropriate EPA factor applied. For some of the shipments of product to customers, the carrier was unable to provide detailed weight and distance shipping, so average per-shipment weight and distance factors were calculated based on order data, and applied to the total number of shipments.</p>
	Estimate of data quality	Good
	% Data from suppliers	18%
5 – Waste generated in operations	<p>Activity data (primary data): The amount of waste to landfill was obtained from billing data based on service levels (volume of containers and frequency). Actual weight data was available for compactors and baled materials.</p> <p>Emissions factors (secondary data): Emission factors for MSW to landfill, and organics composting were obtained from the EPA Hub</p>	<p>Amounts of waste were calculated from the service level volumes and EPA densities. Where service level data was unavailable, such as stores with shared services provided by the landlord, the waste was estimated based on sales. Compost was reported as billed. Some locations have compactors which report actual tonnages, and commodities such as baled cardboard are also actual weight.</p>
	Estimate of data quality	Good
	% Data from suppliers	0%
6 – Business travel	<p>Activity data (primary): Trip mileage for air and hotel-nights data was obtained from REI's travel management provider. Rental car mileage was provided by rental companies.</p> <p>Emissions factors (secondary data): CO₂e conversion factors for short-haul, medium-haul and long-haul flights were taken from EPA's Emission Factors Hub. Factors for car travel were also obtained from the EPA Hub. Average mpg of US car fleet used to convert miles driven to gallons of fuel,</p>	<p>Air travel was reported by travel services company as total segments flown, with mileage per segment. EPA Hub emission factors for short (<300 miles), medium (<2300 miles) and long haul segments (>2300 miles) were applied, and the total CO₂e calculated.</p> <p>Rental car mileage and/or gallons of fuel used was reported by REI's main rental car providers for each rental. For a small number of other rentals, mileage was estimated based on the reservation days and an assumed 51 miles per day of travel. US fleet mileage of 24.9. EPA factors for vehicle miles and gallons of fuel were then used to calculate carbon.</p> <p>Hotel nights were reported by our travel services provider. A factor for hotel-nights was calculated from an EPA study on emissions from events & travel. Factors for kWh electricity and mmBtu natural gas are given for various levels of hotel room; REI used Midscale with Food & Beverage, and converted these consumption values to CO₂e emissions with EPA Hub factors.</p>
	Estimate of data quality	Good
	% Data from suppliers	0%

<p>7 – Employee commuting</p>	<p>Activity data (primary data): Number of employees per location. Estimated travel distance based on King County commuting surveys for REI HQ and Seattle store. Mode estimated by calculating percentages of participation in alternate commute for HQ, DC, and retail employees.</p> <p>Emission factors (secondary data): EPA Hub factors (2020) for vehicle travel, bus, van, and train.</p>	<p>HR maintains a listing of employees per site as of end of each month. Travel distances were developed based on commuting survey data for HQ office and Seattle store, required by King County. Average roundtrip distance for HQ as reported in survey was used for HQ, DC, and non-urban store employees, and the Seattle store distance for urban store employees. Percentage of employees using public transit was obtained from HR data on employees receiving a transit subsidy and the commute survey data. Full time employees were assumed to work 5 days/wk (one RT per day), 4.33 weeks per month. Part time employees were assumed to work 50% and thus have half the travel. EPA Hub factors for passenger-mile travel by car, carpool, vanpool, bus, and rail were used to calculate CO₂e_q emissions.</p>
	<p>Estimate of data quality</p>	<p>Fair</p>
	<p>% Data from suppliers</p>	<p>0%</p>
<p>9 – Downstream transportation</p>	<p>Activity data (primary data): Return shipments data was obtained from REI business systems for returns paid for by customer. Data for customer travel for REI Adventures trips and REI field events was obtained from REI business systems – count of attendees, and destination/trip type for Adventures trips. Data for customer trips to store (included as an optional data point) were obtained from REI customer data (count and average distance to store).</p> <p>Emissions factors (secondary data): EPA Hub factors for truck transport were used for logistics. EPA factors for air travel were used for Adventures trips.</p>	<p>Returns for used gear are paid by customer. Data on number of returns is available but individual shipping distance and weights were not. An average shipment weight and distance were calculated from distance from recommerce facility to most populated zip code in each state. Average order weight was calculated from order data. The EPA factor for ton-mile transport was used.</p> <p>For Adventure Travel, flight distance was assumed as an average of Denver, CO to top 10 jump-off airports, in the region trip originates (Europe, Asia-Pacific, Latin America, etc.), using airmilescalculator. In-trip emissions were calculated for hotel-nights and ground transport, using an assumed daily mileage for motor travel and EPA Hub factors. Cruise emissions were estimated with an emission factor per passenger-day from cruise industry data.</p> <p>Number of attendees to field events was obtained from REI business systems, and an assumed round trip distance was used with EPA Hub factors for passenger-miles.</p> <p>Customer trip emissions were estimated based on REI data for customer residence distance to closest REI store, along with a count of total visitors to the stores. Visitors were adjusted for multiple-person parties and some use of transit or foot traffic. Inclusion of customer trips to retailers is a recommended practice in the WRI GHG Protocol, but is not yet required.</p>
	<p>Estimate of data quality</p>	<p>Good</p>
	<p>% Data from suppliers</p>	<p>0%</p>

<p>11 – Use of sold products</p>	<p>Activity data (primary data): Units of products sold was obtained from REI business systems.</p> <p>Emissions factors (secondary data): Use phase emission factor for apparel was obtained from Quantis’ fashion study, and EPA egrid US average grid emissions for charging, and EPA Hub factors for combustion of propane and butane</p>	<p>Use was calculated for three categories of product: apparel & sleeping bags, electronics, and cooking fuel.</p> <p>For apparel, assumptions on wash frequency and item life were made for major categories of apparel (shirts, pants) and sleeping bags. A factor per kg of washing was obtained from the World Apparel & Footwear Life Cycle database. The weight of total units sold was determined by individual SKU weights and total units. For small electronics, an assumption of 2kWh per year charging and 3 to 5 year life was used with US grid average emissions. For electric bikes, an average battery size of 400 to 500 Wh, and were assumed to be charged weekly, again using US grid average. For fuel the units of cooking gas sold were assumed to be fully combusted, and EPA emission factors for propane and butane combustion were used.</p>
	<p>Estimate of data quality</p>	<p>Fair</p>
	<p>% Data from suppliers</p>	<p>0%</p>
<p>12 – End of life treatment of sold products</p>	<p>Activity data (primary data): Total amount of products sold (units and weight) were obtained from REI business systems.</p> <p>Emission factors (secondary data): EPA WARM factors for landfill and composting were obtained from the EPA Hub (2020)</p>	<p>Total weight of products sold in the reporting year were calculated from units sold and SKU level item weight. It was assumed, conservatively, that ultimately all product ends up in landfill. The EPA factor for landfill emissions was applied. Compost amounts were obtained from the service providers, converted from volumetric if necessary using EPA density for organic waste, and the EPA factor for compost applied.</p>
	<p>Estimate of data quality</p>	<p>Good</p>
	<p>% Data from suppliers</p>	<p>0%</p>

*Data quality is estimated as Good if data quality indicators (Precision, Completeness, and Temporal, Geographical, and Technological representativeness) are estimated as Good to Very Good quality. Fair is used if any category is rated fair. It is not believed that any data in the footprint is of Poor quality.