Reformation GHG Footprint Scope & Boundary

1. **Organizational Boundary Approach**

Organizational boundary conditions define the breadth of the GHG inventory by identifying the aspects of the business where an organization assumes responsibility for GHG emissions. Business operations may include wholly-owned operations, subsidiaries, incorporated and non-incorporated joint ventures, among others. According to the General Reporting Protocol, a company's organizational boundaries can either be defined by the amount of equity a company has in an operation ("Equity Share") or can be based in the company's operational control over an operation or facility ("Control Approach").

Reformation has defined our organizational boundaries through the Control Approach. The Control Approach can be defined as:

a. Company does not account for GHG emissions from operations in which it owns an interest but has no control. Control can be defined in either financial or operational terms.

2. **Operational Boundary Approach**

When using the control approach, organizations must choose either the "operational control" approach or "financial control" approach to consolidate emissions.

Reformation's operational boundary is defined using the Financial Control approach. The Financial control approach can be defined as:

a. Financial Control
    i. The lessee only accounts for emissions from leased assets that are treated as wholly owned assets in financial accounting and are recorded as such on the balance sheet (i.e., finance or capital leases).

Reformation has elected to quantify and report emissions associated with operations over which the company has financial control. Reformation has 21 facilities that are within the scope of the analysis in 10 locations. Zero facilities were excluded from the analysis.

3. **Scope**

a. **Scope 1, "Direct Emissions,"** represent emissions from combustible fuels and other sources that occur directly on site (e.g., refrigerants) and mobile emission sources;
b. **Scope 2, "Indirect Emissions,"** represent emissions that occur off site to produce electricity or steam purchased for use at a company's locations; and
c. **Scope 3, "Other Indirect Emissions,"** represent emissions from activities upstream or downstream from a company's core business such as product use, waste disposal, commuting, and business travel.

Accounting for scope 1 and 2 emissions is considered the minimum level of reporting for a high-quality inventory, while scope 3 emissions are considered optional to track and report.

The Reformation identifies all scope 1 emission sources, including:

d. Mobile emissions – Calculated based on the total mileage/ year of the company shuttle. This calculation includes CO2, CH4, and N2O emissions.

Purchased electricity constitutes scope 2 emissions. This is calculated for our headquarters and all of our retail stores that were open or opened in the operating year. In 2019 we closed the year with a total of 19 retail stores and 21 total buildings.

Scope 3 emissions are calculated for: categories 1-9 that are outlined in the GHG Protocol.

This GHG Protocol Corporate Standard covers the accounting and reporting of the six greenhouse gases covered by the Kyoto Protocol — carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF6).

	Greenhouse Gases							
Emissions Source	**CO_2**	**CH_4**	**N_20**	**HFC**	**PFC**	**SF_6**	**NF_3**	**CO_2e**
Stationary Combustion	X	X	X					X
Mobile Combustion	X	X	X					X
Purchased Electricity	X	X	X					X
Transmission & Distribution Losses	X	X	X					X
Scope 3 Categories	X	X	X					X

Sources:
https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf