

CASE STUDY: REI

SECTOR: Retail

SERVICE AREA: Nationwide – 27 states
(80-plus stores)

EMPLOYEES: Over 10,000 nationwide



Outfitting for Outdoor Adventure

Since its beginnings in 1938, REI has been committed to “inspiring, educating and outfitting for a lifetime of outdoor adventure.” Today, REI is one of the nation’s largest outdoor retailers. The company is dedicated to providing the highest quality products, educating both employees and customers, giving back to its communities, and helping the industry reduce its impact on the planet.

“We reevaluated the business and put a new structure to what we were doing and how, and we’ve found both environmental and financial benefits.”

– Kevin Hagen,
REI Corporate Social Responsibility
Program Manager

Climate Strategy Provides Direction

REI’s commitment to environmental stewardship is a natural fit with the company’s passion for the outdoors. The company’s recent adoption of a climate strategy was part of a larger, longstanding stewardship initiative already taking place. Assessing the carbon footprint helped staff gain insight and provided direction for future efforts.

REI identified five major areas for climate initiatives that reduce greenhouse gas emissions:

1. Energy use
2. Green buildings
3. Paper sourcing
4. Reducing waste and recycling
5. Responsible product stewardship

The company has been working on priority actions in each area.

Lighting Changes Save Dollars and Energy

REI used innovative lighting strategies for its new Boulder, Colorado, store. Solutubes and solar skylight systems channel natural daylighting throughout the building, saving 20 percent in energy costs. (Solar skylight systems both let light through and generate energy.)

At the Seattle Flagship store, the company has found that floor space lit with natural daylight outperforms other areas in sales because customers can “see the true color of things,” and employees enjoy working in naturally lit areas more. The building was also designed for solar use and control, with use of morning sun in the building warm-up stage and solar sunscreens to control the summer sun. Installation of variable speed HVAC fans and better temperature spread performance requirements have helped the retail giant cut down on energy costs within the store.

At the Sumner, Washington, distribution center, lighting retrofits saved approximately 1 million kWh. The local utility company paid for half of the costs, reducing both the payback period and upfront costs.

REI switched to purchasing 20 percent of its electricity from wind

and biomass energy sources, which reduced price volatility from rising energy prices and helped lower its carbon footprint at the same time.

In its Issaquah store, REI installed solar hot water heaters to save on natural gas costs.

Challenges

1. Setting accurate boundaries for the company’s carbon footprint.
2. Creating employee awareness at the retail level.
3. Getting upper management buy-in.

REI installed many Solutubes, a passive solar approach using highly reflective funnel-shaped tubes that channel daylight from the roof throughout the store.



PHOTO: SCOTT DRESEL-MARTIN

COST-SAVING ACTIONS

Other areas where companies could achieve cost savings and reduce carbon include:

Energy

Install an HVAC monitoring system. Purchase Energy Star equipment. Install demand controlled ventilation. Use automatic shutting doors, double or revolving doors.

Waste

Develop a product take-back program with your suppliers to reduce disposal costs. Work with suppliers and vendors to reduce excess packaging. Eliminate single-use cardboard boxes. Create procedures for reuse of packaging materials.

Transportation

Implement a no-idling policy. Provide information on alternative transportation for customers. Combine multiple deliveries to both reduce the trips and to ensure that vehicles don’t return empty to your site.

Materials

Conduct waste minimization audits. Use digital web flyers instead of paper. Avoid over-ordering by taking account of local factors and sale patterns. Consider just-in-time inventory.

Also consider looking at:

- Store layout and design
- Merchandise and inventory control
- Packaging
- Ads and marketing
- Customers and product take-back

For a detailed list with dozens of actions you can take to reduce your carbon emissions and save money, visit the Seattle Climate Partnership website at www.seattleclimatepartnership.org.

Solar water heating at REI.



PHOTO: SCOTT DRESEL-MARTIN

Overcoming Challenges

1. Go against conventional wisdom and broaden your footprint scope to include areas that you may or may not control. This can uncover information that might otherwise get overlooked.

REI began by considering the largest possible scope, including elements they did not even know how to measure. The company found that the

largest greenhouse gas emissions were coming not from its shipping or distribution network but from flights associated with REI Adventures, its travel company.

2. Communicate to your employees and customers in a language they understand. Connect carbon emission reduction to issues they care about, such as beating high gas prices for commuters, and

offer both tools and incentives to help employees choose alternative means to get to work.

3. Involve the chief financial officer early in the process to assess the financial implications and benefits of various options. Demonstrating cost savings and the potential return on investment will help get a climate action strategy off the ground and ensure its long-term success.

Carbon/Cost Savings Examples

COMPANY	ACTION	SAVINGS
Starbucks Seattle, WA	Installed high-efficiency light bulbs and distributed an energy conservation checklist to employees in 2,774 stores.	Saved \$36,000 annually in electricity costs.
Kelly Moore Paint Company Seattle, WA	Financial incentives from Seattle City Light's Energy Smart Services helped replace metal halides with T5 fluorescent fixtures and install motion light sensors in the aisles.	Saved an estimated \$5,864 annually with a payback of 1.4 years.
Staples Incorporated Seattle, WA	Installed energy management systems, energy-efficient HVAC systems, LED exit signs and made building envelope upgrades to one of its Seattle stores.	Saved \$985,425 a year (a 29.3% internal rate of return) with only a 3.15 year payback.
MacPherson Leather Company Seattle, WA	Replaced previous lighting with high efficiency lamp and ballast.	Saved 29,386 kWh and saved \$10,410 through Seattle City Light rebates.
The Boots Company Company-wide	Reused plastic transit trays for the delivery and display of its sandwiches.	Saved \$196,425 and 200 tons of plastic annually.
American Hardware Supply Butler, PA	Installed high benefit lighting retrofit to improve worker lighting and comfort at their 318,000-square foot distribution center.	Sales and productivity increased, and work errors and employee accidents were reduced. Saved \$102,546 annually with a payback of only 1.7 years.
Umanoff and Parsons Brooklyn, NY	Sold its leftover corrugated boxes to United Shipping and Packaging.	Saved approximately \$2,500 in disposal costs and made roughly \$300 on each sale, turning a cost center into a profit center.
Target Minneapolis, MN	Changed the specifications for individual item packaging and reduced the quantity of excess pins, clips, bags, paperboard inserts, tape and tissue paper in its items.	Saved an estimated \$4.5 million in labor costs and eliminated approximately 1.5 million pounds of waste.
Roche Brothers Supermarkets Massachusetts	Recycled organic wastes. Implemented a plastic film-recycling program, diverting all plastic film and shrink-wrap from the waste stream.	Saved \$60,000 a year in 3 stores. Saved up to \$1,000 annually.

Resources

Energy

Seattle City Light and Puget Sound Energy Conservation Services

Listing of financial incentives, conservation ideas and technical assistance to help businesses reduce energy costs.

www.seattle.gov/light/conserve/business/ and www.pse.com/solutions/forbusiness/

Transportation

Commute Trip Reduction

Website sponsored by the City of Seattle and SDOT provides information and resources about trip reduction laws, regulations, resources and more.

www.seattle.gov/transportation/commute.htm

Waste

Resource Venture

Seattle Public Utilities' Resource Venture program offers free assistance in creating and implementing a comprehensive recycling program.

www.resourceventure.org

Saving Water Partnership

Sponsored by a group of local utilities to provide information on rebates and tips to encourage participation in water conservation programs in Seattle and King County.

www.savingwater.org

Materials and Purchasing

Sustainable Purchasing

Includes City of Seattle resources for sustainable procurement and a vendor questionnaire and office equipment guidelines to help employers make sustainable purchasing decisions.

www.seattle.gov/environment/Purchasing.htm

Sector Specific

Green Seal

Developed environmental standards and certifies products following the Guiding Principles and Procedures for Type I Environmental Labeling adopted by the International Organization for Standardization (ISO 14024).

www.greenseal.org

GreenBlue

Encourages the creative redesign of products and systems through convening stakeholders, establishing ambitious objectives and developing practical design tools and resources.

www.greenblue.org/index.html

eLCie System™

The eLCie System™ is a suite of web-based software tools that streamlines the evaluation, quantification and labeling of the environmental impacts of products.

www.idce.org/elcie.html

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PHOTO: REI

PV array at REI's Boulder, CO, store as part of its commitment to renewable energy.

What is the Seattle Climate Partnership?

The Partnership is a voluntary agreement among Seattle-area employers to take action to reduce their greenhouse gas emissions. Twelve Seattle-area employers joined together to found the Partnership in response to Mayor Greg Nickels' challenge to the Seattle community to meet or beat the Kyoto Protocol targets. The Partnership has been growing; partners include large businesses such as Starbucks, Ivar's and Group Health Cooperative and small companies with only a handful of employees.

What does membership involve?

When businesses join the Partnership, they sign an agreement to take actions to reduce their own greenhouse gas emissions and help support efforts in the broader community to reduce emissions.

In exchange for making — and keeping — this commitment, partners receive a host of benefits, including high-quality technical assistance, access to utility incentive programs, opportunities for cost-saving collaborations such as joint purchasing arrangements and recognition for a job well done.

We want all Seattle companies to join the Partnership and make the pledge to reduce carbon emissions. See the current list of partners, find a comprehensive list of resources and download the Partnership Agreement at www.seattleclimatepartnership.org

**Or contact Charlie Cunniff, charlie.cunniff@seattle.gov or 206.386.9748
Seattle Office of Sustainability & Environment**



"We need to find a way to power our economy without toasting the planet. My Green Ribbon Commission recommended the establishment of a government and business partnership – the Seattle Climate Partnership – to help employers reduce their carbon footprints. These guidebooks are a tool to help businesses and institutions accomplish our common goals."

– Seattle Mayor Greg Nickels

INDUSTRY GUIDEBOOKS ARE AVAILABLE FOR:

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- Industrial
- Hospital/Medical
- Offices
- Property Management
- Restaurants



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