



Shop

Search for great gear & clothing



My REI Open til 9pm  
Chandler



Hi, Kendall  
Rewards: **\$6.68**



Cart



## 2022 Impact Report

### The collective good a co-op can do

REI is a different kind of company. As a co-op, we measure success against our positive impact on our employees, members, society and business. Our Impact Report shows what we've done (with your support!) to help connect every person to the power of the outdoors and engage them in the fight to protect it.

P.S. Not a member? A lifetime membership is just \$30 and comes with tons of perks. [Learn more about membership](#)

**\$3.85B**  
in co-op sales

**\$92.3M**  
in employee retirement and incentives

**\$6.9M**  
invested in over 503 nonprofit partners

**\$223.7M**  
distributed in Co-op Member Rewards to our 23M members

### 2022 Highlights



#### Cooperative Action

More than 78,000 members of the REI community have joined us in advocating for the outdoors through our grassroots advocacy program since its 2021 launch. Together, we've sent more than 250,000 messages to decision-makers at the state and national levels, helping to pass three bills that tackle the climate crisis and make the outdoors a more equitable place to recreate.

[Learn more about Cooperative Action](#)

#### ESG Scorecard

Our ESG Scorecard allows us to transparently track our progress against key performance indicators across environmental, social and governance topics.

[View the scorecard](#)





### Outdoor Afro

In 2022, Outdoor Afro Inc. and REI launched a co-create hike collection to help solve unmet needs in outdoor apparel and celebrate Black joy in nature.

[Read the press release](#)

### Co-op Membership

For the first time in 84 years, we significantly changed the ways that members can connect with the co-op. A lifetime REI membership includes benefits that make it easier for people to make the most out of every experience outside and be part of a community that supports a new outdoor culture.

[Learn more about membership](#)



### Path Ahead Ventures

In 2022, Path Ahead Ventures launched three programs for founders, partnered with 39 entrepreneurs, provided \$370,000 in grants, and invested \$2.3 million in 11 companies.

[Watch the video](#)

## 2022 by the numbers

Because we're a co-op, we measure our success differently than most companies. For us, success means running a healthy business and making a positive impact on our employees, members, and society.

### Employees

- Over 16,000 employees
- \$50 million in competitive pay adjustments
- \$92.3 million in employee retirement and incentives
- Introduced the REI Access Plan to provide access to medical coverage for every employee who needs it
- Launched The Way Forward, our commitment to reimagining the employee experience

### Members

- 23 million members
- \$223.7 million distributed in Co-op Member Rewards

### Society

- \$6.9 million contribution to 503 nonprofit partners by REI Co-op
- Additional \$2.9m donated to 31 nonprofits by new public charity, the REI Cooperative Action Fund, [during its FY'21 and FY'22](#)
- 250,000 messages sent to decision makers through REI's grassroots Cooperative Action Network

### Business

- [\\$3.85 billion in revenue](#)
- Opened five new stores and expanded into one new state
- 370 metric tons of CO<sub>2</sub>eq per million dollars of revenue, up 2% from 2021





## More ways we put our values into action



Fighting the Climate Crisis



Product Impact and Re/Supply



Eliminating Waste



REI Co-op Brands



Co-op Compass Group



Partnerships, Philanthropy, & Government Engagement



Building an Inclusive Workplace



Progressing an Inclusive Outdoor Industry



# Product Impact and Re/Supply

The gear we design, develop, and sell represents both our greatest impact on the climate and the planet, and our greatest opportunity for advancing more sustainable business practices. In addition to pushing ourselves, our partners, and the broader industry to advance responsible production and consumption, we seek to provide our members with great gear that stands the test of time. Creating a more sustainable future is a complex challenge, and we're not alone in tackling it. We actively collaborate with other retailers, brands, and manufacturers to create common tools and solutions.

We're proud of the products we sell under our own name. REI Co-op brand and Co-op Cycles products are an embodiment of our values and an opportunity to help lead the industry in implementing more sustainable practices. We're also fortunate to carry other leading outdoor brands. While we don't oversee their supply chains, we influence responsible choices through education, engagement, and collaboration—and by holding the brands we sell to high standards, just as we do for ourselves.

## Engaging Brand Partners

REI is committed to collaboration in advancing more sustainable business practices. We believe we can make a far bigger impact together than alone. Organizations innovate new solutions, and it's through partnerships that those benefits can be applied broadly. Collaboration is also critical for creating standards to measure social and environmental impacts. Together, we can create common understanding about what's important and how we solve challenges.

## REI Product Impact Standards

REI [Product Impact Standards](#) are designed to help our brand partners create more sustainable and [inclusive products](#). These standards outline our expectations of all brands sold at REI regarding how they manage key environmental and social impacts associated with products. The standards also identify REI's “preferred attributes,” which are leading sustainability attributes that help reduce carbon emissions or support other positive outcomes. We encourage brand partners to use these attributes for their products.

Each year, REI asks brand partners to share updates on their sustainability performance via an annual assessment. We use the data to track our collective progress, guide our assortment decisions, and help us understand how we can best support brands in aligning with REI's standards. We believe that awarding business to brands that have strong sustainability practices





# Eliminating Waste

Eliminating waste is good for our business and good for the planet. For years we have worked to design and scale packaging sustainability standards and minimize waste throughout our operations. We will continue to do so, and we will learn from our experiences and share openly with others.

## Zero Waste

REI continues to work toward a 2025 goal of zero waste across our operations. The threshold for "zero waste," as defined by [certifiers such as TRUE](#), is diverting a minimum of 90% of waste from landfills. We have achieved this in our distribution centers and are continually raising the bar in our retail stores, often with the direct input and assistance of our store employees, who share our passion for this work. In 2020, we launched plastic film backhaul across our entire fleet as a direct result of employee input about how much plastic they were dealing with in-store.

We use a "reduce, reuse, recycle" framework to eliminate waste at the front end of the manufacturing process. We also examine and re-engineer practices causing waste generation throughout our operations, from manufacturing and product placement in our stores, to our work with local waste authorities and haulers.

Here are a few ways we're working toward our aspiration to become a zero-waste organization:

- Requesting that our vendor partners seek alternatives to individual plastic bags for shipping of product and charging them a recycling fee for using individual plastic bags. This action alone could eliminate over 50 tons of plastic film waste per year.
- Implementing backhaul of film plastics from our stores to our distribution centers for baling and recycling with [Trex](#). This will divert the largest segment of material in our retail waste stream from landfills. To date, we have recycled nearly 1.4M pounds of plastic through this program, enough to make nearly eight football fields of decking.
- Achieving [TRUE Zero Waste](#) certification for our Sumner, WA, distribution center in 2019 and certifying our Bedford, PA, and Goodyear, AZ, distribution centers in early 2021. In 2022, we certified our Seattle and Issaquah, WA, retail locations.
- Joining with industry peers in establishing a recycling system for e-bike batteries. In 2022, REI joined an [initiative](#) coordinated by PeopleForBikes to have batteries collected and recycled by Call2Recycle.
- Increasing recycling and recovery options for difficult-to-recycle materials in our waste stream by partnering with suppliers and peers in retail to develop innovative system solutions.



## REI Co-op Brands

We love being outside and we believe that time outside is a right for everyone. The gear we make through our [REI Co-op](#) and [Co-op Cycles](#) brands are designed to improve your time outside, no matter who you are or where you go.

We create durable, high-quality products that are made to equip generations of users for any adventure outside. To do this, our teams get outside with members in the dirt, wind, and rain to put our designs to the test. That's how we know our gear works for you and can be passed down for a generation—or two. And everything we make is Climate Neutral® certified.

Our calling goes beyond simply making products. From designing gear to last generations to making bikes to bring joy to every rider on every ride, each product is the embodiment of our values and love for being outside.

Need a little help or inspiration to get out there? We've got you covered. Our in-store experts are always happy to help, whether you need a bike tire fixed or advice to prepare for an upcoming adventure.

Shop the REI Co-op collection of [women's clothing](#), [men's clothing](#), [backpacks](#), and [camp chairs](#), [mountain bikes](#), [gravel bikes](#), [electric bikes](#), [hybrid bikes](#) and [kids' bikes](#), plus [deals](#) on REI Co-op gear—and be reminded that life outdoors is fundamental to a life well lived.

## Materials Sustainability

REI is committed to sourcing more sustainable materials. We work hard to align our business practices with our stakeholders' expectations and industry best practices. It's not an easy task. We create many complex products that utilize a variety of materials and components. These supply chains are often intricate and dynamic in nature.

We use our influence to drive positive impact across the industry. REI brand products prioritize best-in-class materials:

- **Recycled materials:** Recycled materials lessen our need to extract new, raw materials and typically have a reduced carbon footprint relative to their virgin counterparts. We seek to use certified-recycled materials when they are available and meet the performance requirements of our products.
- **Cotton:** We prioritize organically grown cotton because organic farmers follow best practices that promote ecological health. We offer a wide assortment of products that contain organically grown cotton.
- **Lyocell and modal:** Protecting our forests is important to REI and our members. We prioritize products that come from responsibly managed forests. For cellulosic fibers made





# Co-op Compass Group

We evaluate our success as a business across four measures: employees, members, society, and business. Our employees come first, and we rely on deep insights from across our organization to understand their needs.

Recognizing that culture is led from the top, our most senior leaders act as role models, listening to the voices of our employees on how best to advance and support belonging through our formal employee advocacy program, the Co-op Compass Group.

## History

Developed in 2022, the Co-op Compass Group is part of REI’s commitment to reimagine the employee experience and to ensure we’re creating a workplace where team members feel heard, supported and can thrive.

The intention of the Co-op Compass Group is to improve the way the co-op listens and responds to feedback, concerns and ideas through direct engagement between senior leaders and employees in our stores, distribution centers, sales and customer support, and experiences teams. The group creates connection and partnership between employees and leaders; raises the voices of store employees as a critical source of influence for co-op experience and impact; and inspires our direction forward. The guiding principles of the group are:

- **We raise voices:** Compass Group connects 24 employees directly with senior leaders and business partners once a quarter for in-depth discussions. These meetings provide a space and platform for our members to share their perspectives and experiences at the co-op. Compass members discuss a range of topics to ensure REI delivers a positive business, community, and environmental impact.
- **We gather insights:** Compass members provide unique perspective and insight on these topics and share considerations and suggestions. Our members’ ideas help inform and shape the co-op strategy, experience, impact, and direction.
- **We drive impact:** Senior leaders and business partners explore the feedback, ideas and suggestions from Compass members and deliver store employee-informed results. They are committed to Compass’ success and leverage their relationships and resources to support the Compass Group and remove roadblocks to enhance impact.

The Co-op Compass Group was co-created with our employees. Employees shared optimism about the opportunity to have a voice and support for a program that is diverse; fosters genuine conversation and influence; has clear structure, focus and accountability; and accounts for the unique needs of store employees. This collaborative process included:



# Partnerships, Philanthropy, and Government Engagement

We believe that time outside is a human right. The outdoors should be a place where everyone can feel welcome to be themselves, access opportunities, and connect with their community. From jogging in city parks to enjoying a picnic at a local beach to summiting high mountain peaks, people find meaning in time outside in many ways.

We recognize that we have work to do—as individuals, as a co-op and as a society—to evolve the outdoors and outdoor culture to be more reflective and inclusive of the many ways people enjoy time outside. In parallel, we must continue to support the health, vitality and accessibility of our parks and public lands. We must be good stewards of the outdoor places where we love to play.

Here are some of the ways we're working to inspire and enable a life outside for everyone:

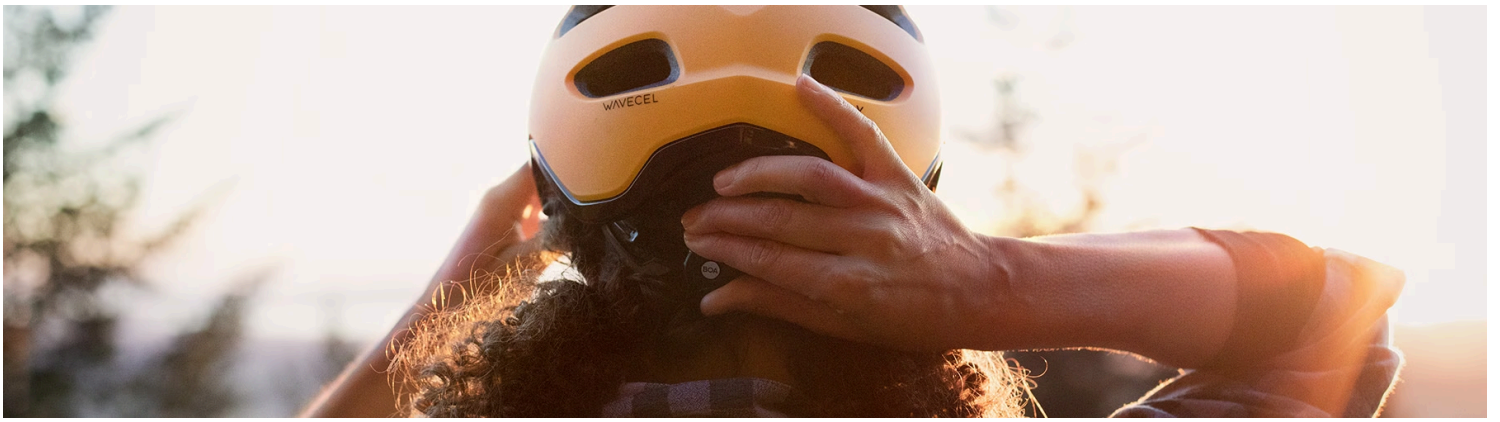
- Offering an increasing number of inclusive, local outdoor experiences designed with and for diverse communities.
- Supporting and partnering with hundreds of organizations that are advocating for a healthier, more accessible and inclusive outdoors.
- Strengthening the REI Cooperative Action Network—our grassroots advocacy network—and our broader advocacy efforts to simultaneously:
  - Advance public policies aimed at breaking down barriers that make time outside less accessible or less welcoming for marginalized communities;
  - Fuel efforts to assure the government prioritizes stewardship of outdoor spaces.
- We are growing our community-supported public charity, the REI Cooperative Action Fund, to harness the collective power of our members and further expand the movement for a more equitable and inclusive outdoor community.

## Fostering More Inclusive Experiences and Expertise

Since 2008, we have been building multifaceted experiential partnerships with dozens of organizations and leaders working toward a more inclusive outdoor community, including organizations such as [Adaptive Adventures](#), [Black Girls Do Bike](#), [Black Girls RUN!](#), [The Venture Out Project](#), [Unlikely Hikers](#), [LatinXHikers](#), [52 Hike Challenge](#), and others who strive for a more inclusive outdoors. New partnerships in 2022 included:

- [All Bodies on Bikes](#)
- [National Brotherhood of Skiers](#)





# Progressing an Inclusive Outdoor Industry

We believe that everyone belongs outside. The outdoors should be a place where everyone can feel welcome to be themselves, access opportunities, and connect with their community — no matter who they are, where they live, or what they love to do. Unfortunately, that’s not true for everyone today. To close this gap, we must do a better job as an industry and an outdoor community to reflect the various ways people find joy and meaning outside.

Working toward a future where everyone can experience the benefits of time outside is why we’re here. It’s why we’re taking a holistic approach to working together with [our employees](#), members, and industry and community partners to equip and inspire every person with what they need to find joy and meaning outdoors. For REI, this means:

- **Ensuring we reflect the voices and perspectives of future co-op members** through inclusive, community-centered approaches to developing products and experiences that reflect a broader spectrum of ways people experience the outdoors.
- **Creating a more relevant and inclusive industry** through programs that support founders of color and aspiring product designers from historically excluded communities.
- **Leading and supporting efforts to drive more inclusive product development practices** among outdoor brands.
- **Dismantling barriers to belonging** that can show up in outdoor products, experiences and environments.

## Community-centered design

At REI, we are committed to channeling the ethos of community-centered design in our practices and processes across the enterprise. We aim to design our offerings *with* and for historically excluded communities through intentional partnerships, customer insights and research, and integration of these voices upstream in the design processes. This approach applies to our marketing, products, experiences, environments, and more. Practices like focus groups, product testing, and multi-organizational brainstorming and hackathons have been instrumental levers as we commit to this direction. Ultimately, we adhere to the inclusive design principle of “solving for one, extending to many” as we seek to create offerings that both meet the needs of specific customers and are also better for the collective.

In 2022, we worked with Outdoor Afro, Inc. to [co-create a hike collection](#) to help solve unmet needs in outdoor apparel and celebrate Black joy in nature. For the first drop in the multilaunch collection, Outdoor Afro, Inc. and REI worked closely with members of the Black community to understand their outdoor product needs and begin developing a collection to inspire and ignite



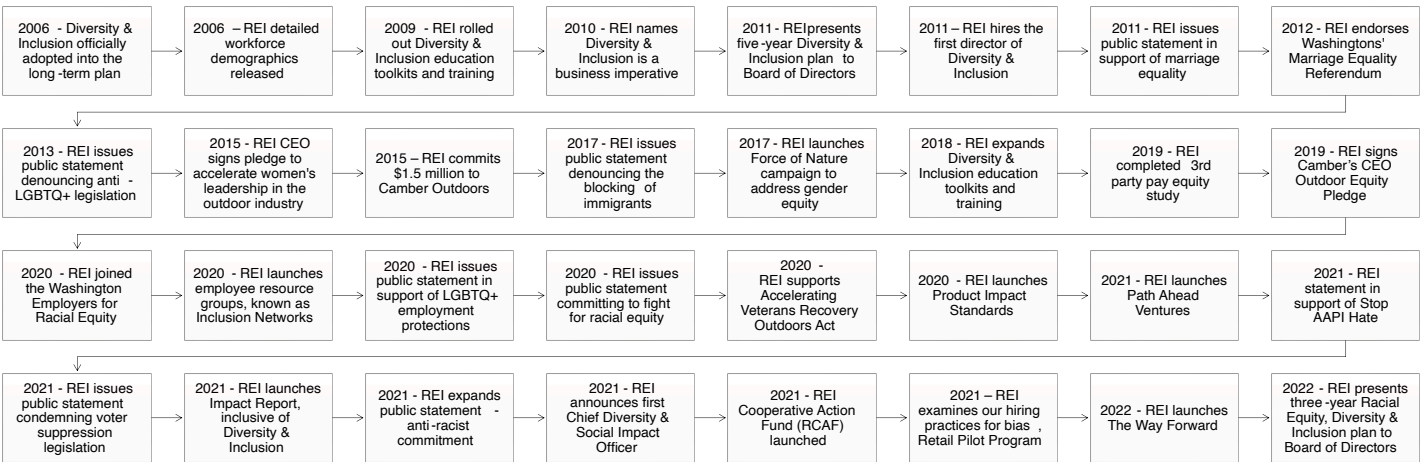
# Building an Inclusive Workplace

At REI, we believe the outdoors is for all. While we have worked to build a more inclusive co-op and outdoor community, the reality today is that outdoor culture and the outdoor industry are still not welcoming to or representative of all people. As one of the largest players in the outdoor industry, we recognize that to drive the change we want to see in our industry and our society, we must start from within the co-op.

We are committed to becoming a fully inclusive, anti-racist, multicultural organization. We know that there's strength in our diversity—that each employee brings unique skills, experiences, and perspectives. As we work toward this commitment, we will need to find different ways of working, create a sense of belonging for all employees, and actively listen and learn.

This builds on decades of diversity and inclusion work at the co-op.

## Diversity & Inclusion: 2006 to 2022





We have much to be proud of, yet we are humbled by our aspirations and the change that is still needed toward our commitment. We know we have not always gotten it right, but we remain steadfast in our commitment to celebrating our diversity and promoting equal opportunity and inclusion for all.

## Our Approach

Today, the co-op is not as racially diverse as the communities we serve. Therefore, our Racial Equity, Diversity, and Inclusion (REDI) approach leads with race. By increasing representation from the Black, Indigenous, and People of Color (BIPOC) communities in our workforce, the co-op aims to close the gap across multiple dimensions of diversity within the organization. We are taking a holistic approach in this work, which includes:

- Learning and education that promotes racial equity and inclusion.
- Examining our pay and benefits.
- Prioritizing work that creates belonging and community among all employees.

## Learning and Education

We continue to prioritize employee education that promotes inclusion and racial equity, ensuring our workplace ecosystem understands individual and systemic bias toward people who identify as part of the BIPOC community and intentionally works to address it. Recent examples include:

- **REDI Learning Hub:** All employees can access a collection of self-paced modules on REI's Spark learning management system. Available modules include Inclusion at REI, Leading Inclusion, Managing Bias, and Psychological Safety. In addition to these existing modules, we relaunched our new employee training to celebrate our REDI commitments. We also expanded the REDI glossary—which is designed to create a shared understanding of frequently used words related to REDI—in partnership with a working group of employee representatives throughout the enterprise.
- **Courageous Conversations:** Human Resource Business Partners (HRBPs) completed 14 hours of learning dedicated to developing skills around effective conversations about race, racism, and race relations. In four half-day workshops, HRBPs learned foundational norms for engaging in courageous conversations around race, practiced engaging with other participants, and developed skills for handling common pitfalls and resistance to these conversations.
- **Managing Bias in Hiring:** We revised and relaunched our Managing Bias in Hiring as a 30-minute e-learning module with a 60-minute facilitated follow-up discussion session for store managers who are new in their role or new to the co-op in preparation for seasonal hiring. This training will extend to the enterprise in 2023.
- **Departmental Learnings:** We facilitated monthly REDI conversations across various departments, including IT, Co-op Brands, Supply Chain, Sales & Customer Support, and Marketing. Employees who participated in these conversations examined what REDI means at REI, what systemic racism is, and how their identities hold different levels of power and privilege. The foundation of these learnings will evolve and extend to the enterprise in 2023.
- **Enterprise-wide Expansion:** Departmental Learnings will evolve and extend into five enterprise-wide trainings, called The Co-op REDI Learning Series: (1) Race & Racism in the Outdoors; (2) Identity & Intersectionality; (3) Relational Behavior & Dominant Culture (4) Implicit Bias; and (5) Power Sharing. This learning series will build foundational awareness. To help drive accountability, leaders will participate and serve as champions of the Co-op REDI Learning Series in advance of employee cascades, and we will measure progress and report survey responses to inform our future employee education programs.

## Pay and Benefits

REI is committed to rewarding co-op employees with competitive pay and benefits, which is why we have 4/5-star ratings on Glassdoor for Culture & Values and Work/Life Balance, and a 4/5-star rating on Indeed for Diversity & Inclusion.

REI pay philosophy is to offer competitive and compelling base pay. Our pay ranges are based on market data of how comparable jobs are paid at similar companies and industries outside REI.

- **Pay Analysis:** We conduct analyses of pay and compensation practices in consultation with expert third-party firms following industry-leading standards. In July 2022, we delivered \$50 million in pay adjustments for over 16,000 store employees, leading with equity by creating consistent rules around distribution and removing manager discretion from the process. We continue to review our processes and analyses so that we can consistently review and report on our equitable pay practices.
- **Pay Transparency:** In January 2023, REI began including a pay range on all job postings. Pay transparency is beneficial to candidates and improves pay equity. It also benefits the co-op, as it helps ensure candidates have expectations aligned with what we pay for certain roles.

As a purpose-driven and values-led business, we believe everyone should have access to affordable quality benefits, and we are responsible for putting that belief into action. Most importantly, we believe our employees should have a voice in what matters most in their compensation and benefits programs, and our offerings are informed by feedback we receive directly from the employees who benefit. Recent examples include:

- **REI Access Plan:** We believe everyone should have access to affordable, quality health care coverage. And as a purpose-driven and values-led business, we have a responsibility to put that belief into action. We're proud to offer employee-only coverage to every employee who needs it—regardless of hours worked—after only three months of employment.
- **Gender-Affirming Medical Care:** We've enhanced the coverage level for gender-affirming medical services by removing the overall dollar limit for services under a gender dysphoria diagnosis. Employees who identify as transgender can continue to seek the medical services they need and have access to a health guide who can help with navigating health care. We've also removed the lifetime dollar cap for services under a gender dysphoria diagnosis, retroactive to Jan. 1, 2021.
- **Military Leave Pay:** We've expanded the amount of pay we offer to members of the military while they are performing active-duty service (often referred to as military differential pay) from two weeks to 90 days. Full-time and part-time benefits-eligible employees on military leave will be paid differential pay for up to 90 days of active military duty or military training.
- **Bereavement:** Eligibility for bereavement pay has expanded to include part-time benefits-eligible employees. Full-time and part-time benefits-eligible employees will qualify for bereavement pay up to three days after a family member's death or close friend's death.
- **Adoption Assistance:** In 2022, REI expanded the types of adoption expenses that are eligible for reimbursement. This included expenses incurred by spouses and life partners, which is a rare and industry-leading benefit. Employees who have been benefits-eligible for 12 consecutive months can be reimbursed for qualifying adoption expenses that they or their spouses/life partners have incurred.
- **Mental Health Visits:** Every co-op employee and their household members have access to the Employee Assistance Program (EAP), which includes free individual counseling sessions with licensed therapists. Counseling support can take place either face-to-face,



over tele-video, online or through texting. In 2022, we increased the number of free mental health sessions from five per year to eight.

- **Accessibility & Inclusivity:** We launched an events calendar on our benefits page to connect employees to educational events offered by our partners, often focused on historically marginalized groups, related to the benefits and programs provided by REI.
- **Paid Time to Vote:** In partnership with REI Cooperative Action Network, REI launched [Your Vote Can't Wait](#) engage our member and employee community in the 2022 midterm elections. Additionally, we delayed opening our stores on Election Day and provided all employees with paid time to vote or volunteer.

## Belonging and Community

Belonging is that feeling of connectedness to a group or community. At REI, belonging is achieved when a person's identity is accepted and supported by their colleagues and the organization. We're helping build employee belonging and community through:

- **Employee Engagement Surveys:** Seeking feedback from our employees throughout their time at REI is an important part of understanding employee engagement as we continue to improve a sense of belonging across the co-op. We have continued to share a biannual all-co-op engagement survey, which continues to gauge employee sentiment around strategy, company direction, and belonging. In 2022, we improved our onboarding and exit survey approach by launching Lifecycle Surveys, allowing us to better understand our employee experiences at the start of their journey and make improvements to equip both employees and leaders. Our commitment to our employees and work environment is why, in 2022, more than 73% of REI employees felt a sense of belonging, and over 77% recommended REI as a great place to work.
- **Anderson and Leadership Award Recognition Program:** A time-honored tradition at REI, the Anderson Award (named after the co-op's founders Mary and Lloyd Anderson) and Leadership Award recognition programs provide the opportunity for all employees at the co-op to give and receive recognition for the ways in which they demonstrate our values. Each year in June, the Anderson and Leadership Award nomination process opens. Each fall, recipients are selected and are then celebrated the following year at a recognition event. In 2022, there were more than 14,000 total Anderson Award nominations submitted for 6,000 individual employees and more than 850 Leadership Award nominations submitted for 350 individual leaders. In total in 2022, we announced 235 Anderson Award recipients and 17 Leadership Award recipients, all of whom will be celebrated at in-person events in March and June 2023.
- **REI Co-op Inclusion Network Program:** In 2020, we launched the REI Co-op Inclusion Network Program, our employee resource groups (ERGs). Inclusion Network membership is open to all employees while providing safe spaces for underrepresented groups. Employees in the Inclusion Network Program share their perspectives through activities that positively influence our workplace culture and business. They strengthen the co-op community, support talent development, and advocate for change within the co-op and in society, keeping us moving on our progress toward becoming a fully inclusive, multicultural, and anti-racist co-op. Today, 14% of REI employees participate in Inclusion Networks.

A true sense of belonging that enables respect and dignity to flourish is rooted in being open to understanding and welcoming people from different cultures, backgrounds, and perspectives. It is a first step to building trust, acceptance, and appreciation. We are proud of the way we've honored the voices of our employees in 2022 through:

- **Accessibility Programs:** Removing barriers to promote an accessible workplace is important to REI. We provide accommodations during the application and interview process, as well as during employment. We also work with the National Organization on Disability on holistic approaches to support people with disabilities in our distribution

centers. While this is a start, we know there is much more work to do to support employees with disabilities at REI. In 2022, we launched the Accessibility Champions program, empowering employees to build skills, empathy, and community around a common goal: co-creating a culture of belonging for employees with disabilities at REI. Accessibility Champions meet monthly to set educational goals, hold each other accountable, share new learnings, ask questions, and review research studies from users of assistive technology.

- **LGBTQ+ Programs:** Our commitment to creating an atmosphere where LGBTQ+ employees feel safe and comfortable being themselves has been recognized by the Human Rights Campaign: REI has 100 out of 100 on its Corporate Equality Index, up from a score of 95 in previous years. While we don't measure LGBTQ+ status across our workforce, our Prism Inclusion Network and our longstanding nonprofit partnerships help us understand where we're doing well and where there are opportunities for growth. In 2022, REI continued its work to secure and defend the rights of our LGBTQ+ employees and members. In partnership with the Human Rights Campaign, we advocated for the successful passage of the Respect for Marriage Act and have rallied our members and employees to [support the Equality Act](#), which would finally secure LGBTQ+ people's rights in existing civil rights laws.

## Cultural Milestones and Celebration

We recognize holidays, events, memorials, and celebrations that represent the diversity of racial and religious heritages of our employees and community. Recognizing cultural milestones that represent the diversity of the co-op is a relatively simple but impactful step we can take to create a sense of belonging for everyone. In 2023, REI is celebrating the following cultural milestones across the enterprise:

- Martin Luther King Jr. National Day of Service
- Black History Month
- Women's History Month
- Asian American and Pacific Islander Heritage Month
- LGBTQ+ Pride Month
- Juneteenth
- Hispanic Heritage Month
- National Native American Heritage Month
- Veterans Day

While we know these are not exhaustive, the selection was made with an internal racial equity working group of employee representatives from every division at the co-op. These milestones showcase how inclusive actions connect to creating a culture of belonging within teams and across functions.

Over the last year, the co-op has prepared for these 2023 moments. Recent examples include:

- **REDI Learning Hub:** The REDI Learning Hub was expanded to showcase Cultural Milestones, providing resources for celebration and education. To help drive accountability, we have inclusive leadership expectations, measure progress, and report data to inform our actions.
- **Engagement Kits:** We share engagement kits across the enterprise that include posters, huddle cards, Inclusion Network events, leader guides, and education resources around our commitment to these moments and the employees who celebrate them.
- **Governance Structure:** We established a governance structure with employee representatives throughout the enterprise to increase equity and engagement. This Cultural Milestone meeting meets monthly to share priorities and align efforts where appropriate.



# Representation

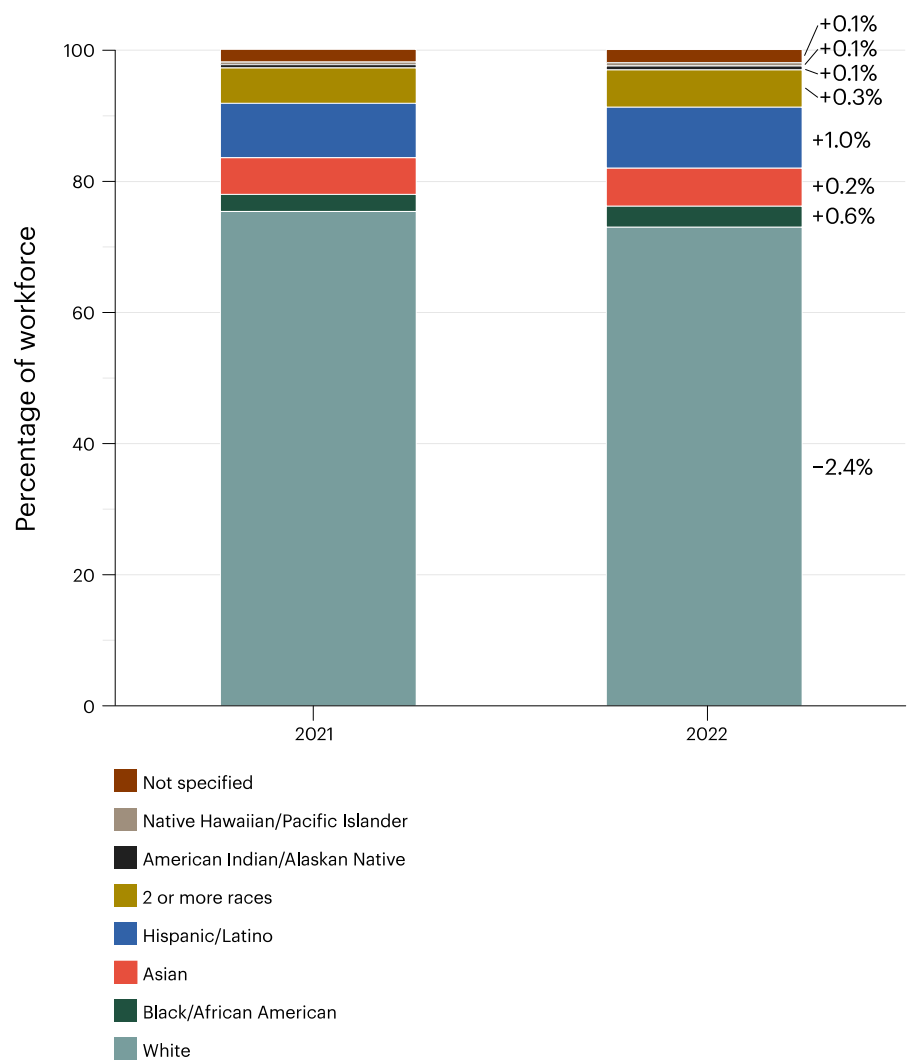
Over the past year, we have challenged ourselves to new levels of accountability around representation and additional transparency around workforce representation data. We are adopting more inclusive hiring practices and fully measuring and publishing the data that will help us understand where we are on workforce diversity—and where we need to go.

- **Inclusive Hiring:** The REI Diversity Talent Sourcing team drives our efforts to accelerate representation, and the Hourly Hiring Model plays a key role in its strategy. Launched in 2021 in stores, it was a change from our fully decentralized model of the past as it ensures that both recruiters and store leaders have responsibilities for hiring hourly talent in their regions and stores. In 2022, it was expanded to include hiring efforts in our distribution centers, experiences business, and sales and customer support.
- **Inclusive Interviewing:** Managing Bias in Hiring training was developed and expanded for interviewers. The 30-minute e-Learning module with a 60-minute facilitated follow-up discussion provides foundational knowledge on what inclusive hiring means, the recruitment process (with an emphasis on representation), and how to create a more inclusive selection process. Started in stores, Managing Bias in Hiring will extend to the enterprise in 2023.
- **Inclusive Internships:** REI remains committed to increasing the funnel of diverse talent in the outdoor industry to reflect and respond to the needs and preferences of an increasingly diverse consumer base. The REI Talent Acquisition team drives this effort and, in 2022, expanded the co-op’s intern program to support our commitments to REDI more strongly. In 2022, we partnered with Camber Outdoors, a nonprofit organization, and HIVE, a virtual recruiting platform, to launch the Leaders from The Future of Work Internship Program. This innovative diversity, equity, and inclusive-focused program engages individuals who identify as Black, Indigenous, Latina/o/x, Asian American and Pacific Islander in meaningful paid summer internships. The goal is to move beyond awareness, intent, and discussion of diversity, equity, and inclusion in the recruiting and hiring processes to tangible action and support of interns and industry entry points.

## Race

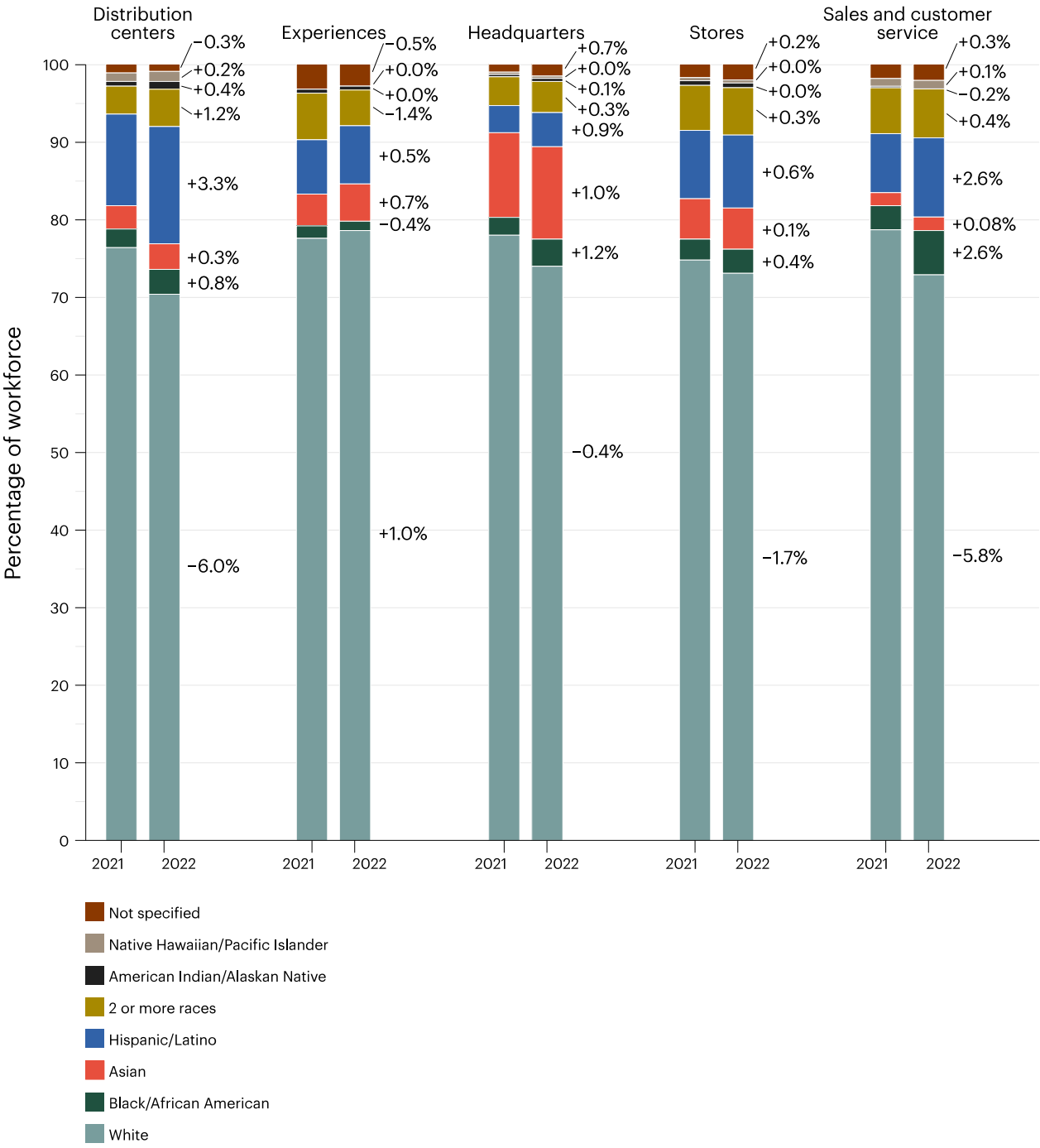
While we aim to close the gap across multiple dimensions of diversity, we remain committed to increasing representation from Black, Indigenous, and People of Color (BIPOC) communities, specifically tracking and publicly disclosing key diversity metrics for race and gender. REI continues to focus efforts on attracting and retaining Black talent, as this group continues to be an opportunity for growth within our workforce. In 2022, representation of BIPOC employees increased by 2.3%, with Black employees increasing by 0.6%.

### Racial Representation of REI Workforce, 2022 compared to 2021

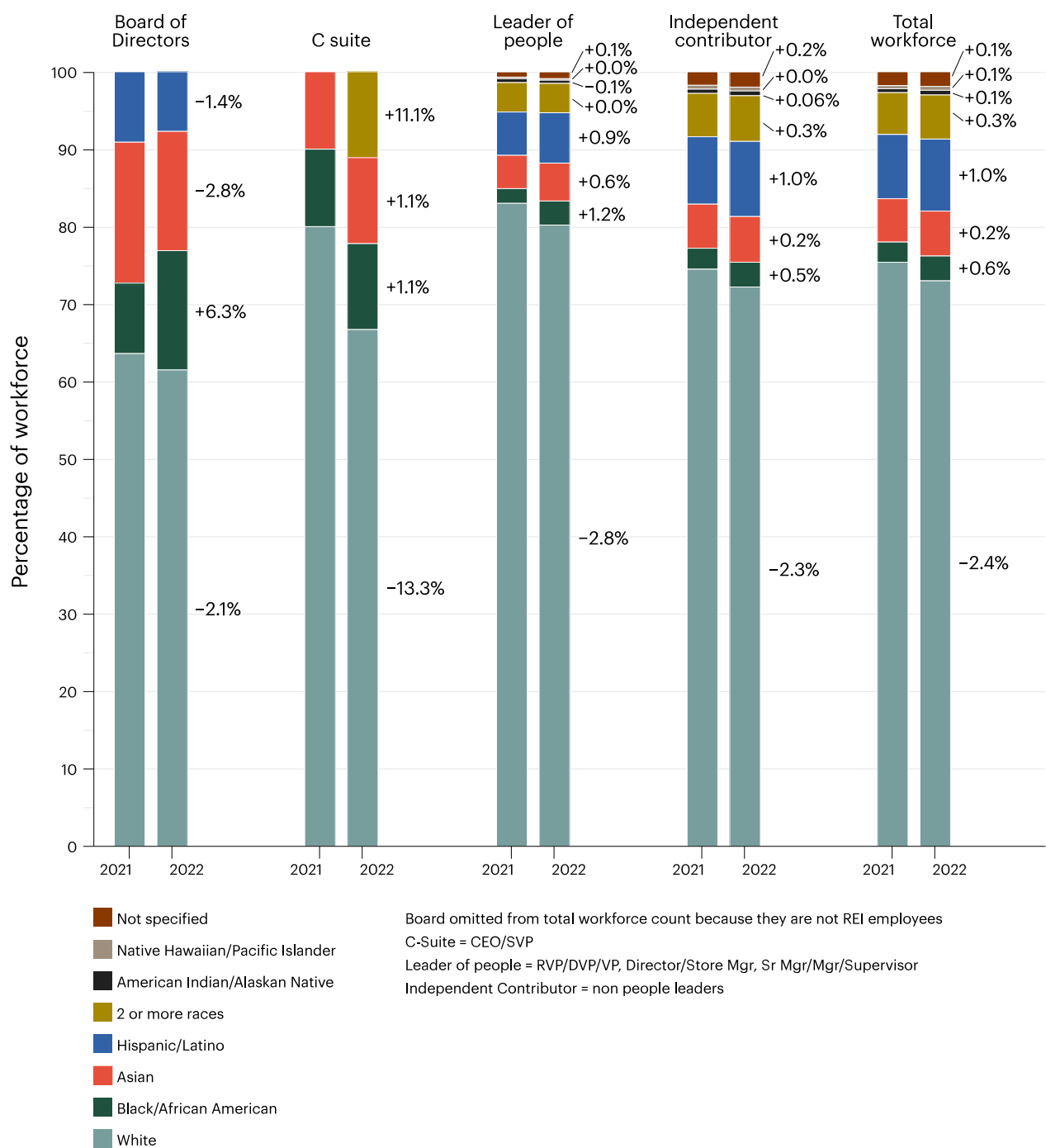


**Racial Representation of REI Workforce by Division for 2022**





BIPOC Representation of REI Workforce by Level for 2022



### Additional Themes

- Acceptance Rate:** At REI, acceptance rate is defined as offers that are accepted by a candidate, prior to their start date. In 2022, BIPOC applicants increased by 9% and the BIPOC candidate acceptance rate increased by 6%.
- Tenure:** We are referring to tenure in role based on the last date of hire. This may be different from overall company tenure, or time, at REI. Retaining BIPOC and Black talent remains an area for improvement. In 2022, the moving average termination rate was 24%-38% for BIPOC employees, 23%-33% for Black employees, and 19%-22% for white employees. Exit surveys launched in October 2022 will provide future insight into how we can improve.
- Promotions:** At REI, promotions are defined as a job code change and either a pay increase OR job level increase. Promotions increased across all racial groups in 2022. There was little discrepancy (1%) with promotions for white employees and BIPOC employees, with both groups experiencing a peak promotion rate of around 17% in 2022.

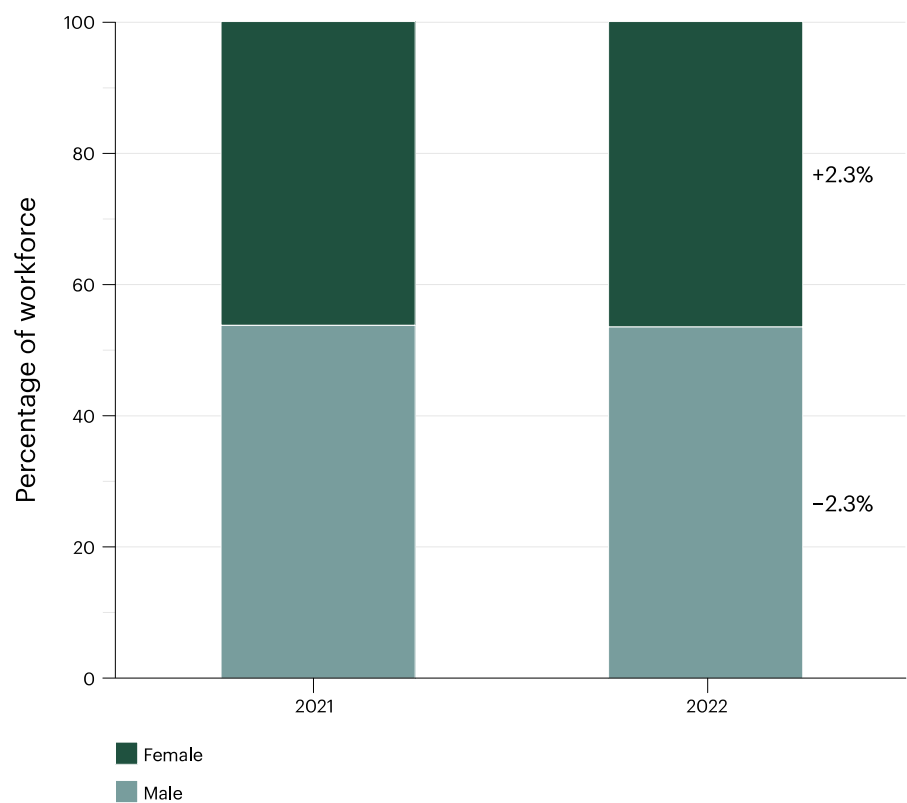
### Sex and Gender

Since launching the Force of Nature initiative in 2017, REI has steadfastly worked to broaden the narrative about who participates in the outdoors and to level the playing field for women. We are

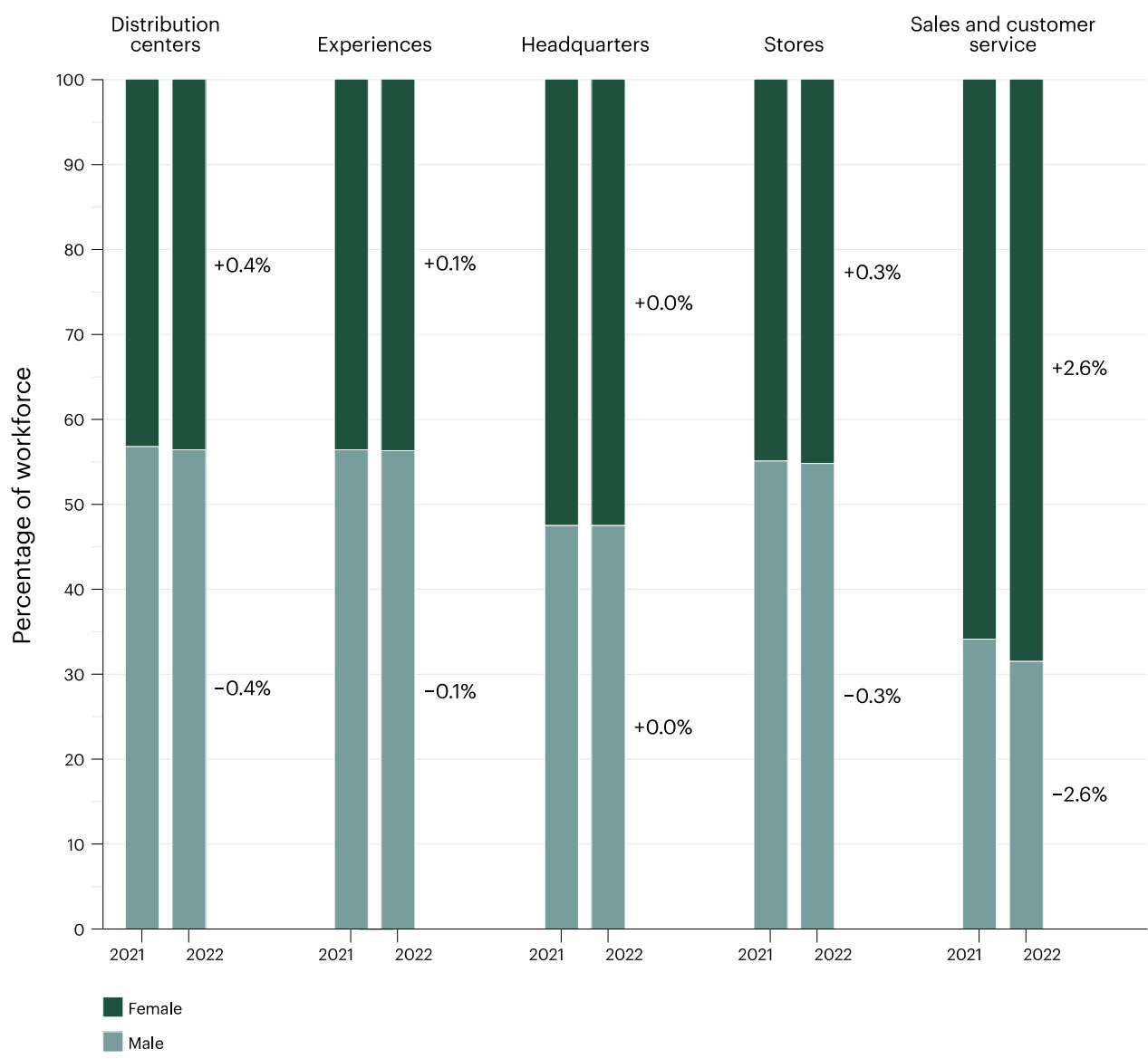


committed to gender equity and recognize the intersectionality between gender and race. REI acknowledges the difference between sex assignment and gender identity, and our internal system honors how employees identify in both regards. The data below follows Equal Employment Opportunity (EEO) designations: male and female, or sex assigned at birth. In 2022, we saw an increase in representation of female employees at most levels. We saw a 3% increase in our sales and customer support division, and about a 1% increase in our distribution centers, stores, and experiences divisions.

Male/Female Representation of REI Workforce, 2022 compared to 2021

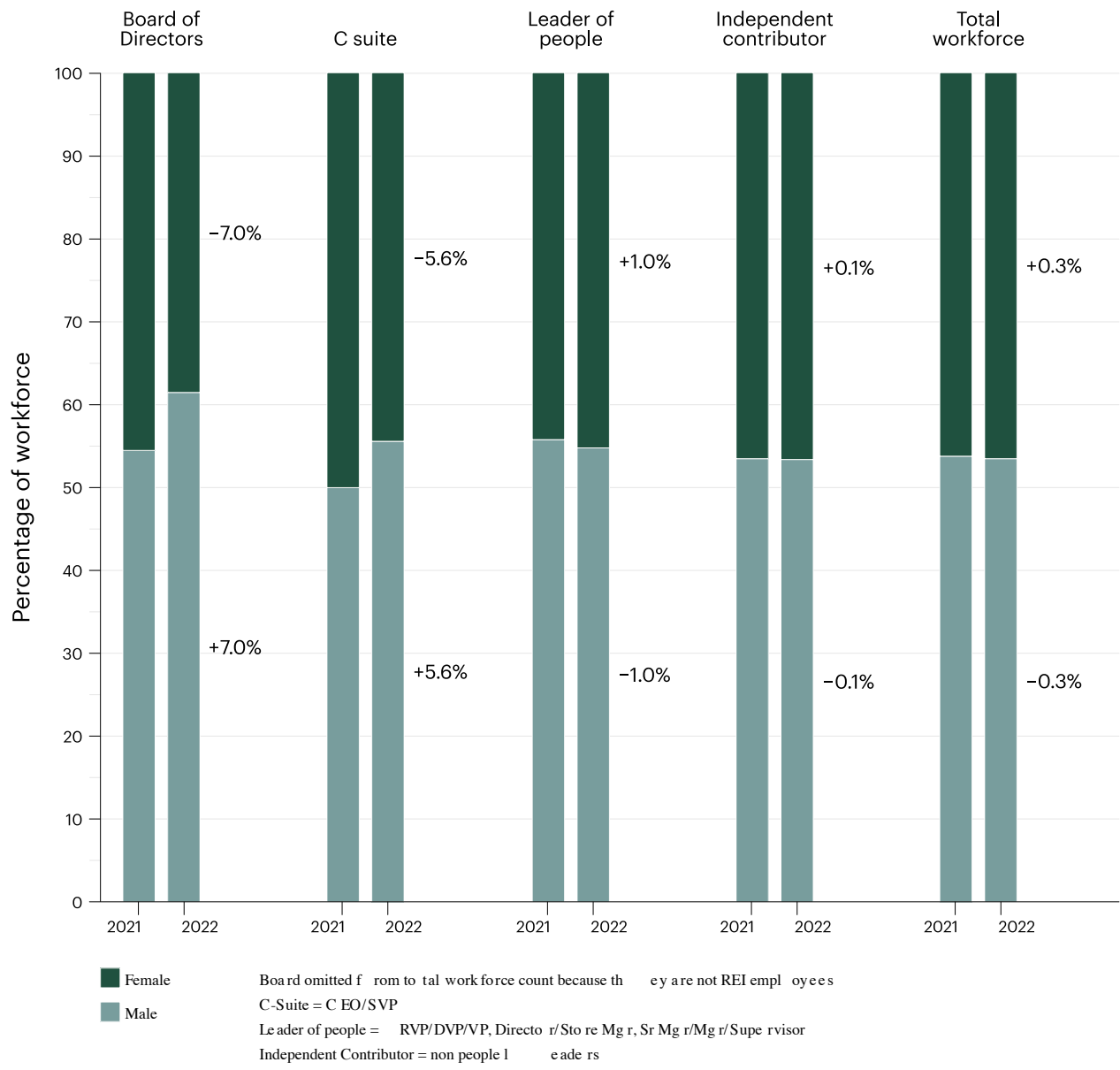


Male/Female Representation of REI Workforce by Division for 2022



Male/Female Representation of REI Workforce by Level for 2022





Additional Themes

- **Acceptance Rate:** At REI, acceptance rate is defined as offers that are accepted by a candidate prior to their start date. In 2022, applicants who identified as female increased by 6% in 2022, with acceptance rate remaining flat year over year.
- **Tenure:** We are referring to tenure in role based on the last date of hire. This may be different from overall company tenure, or time, at REI. In 2022, there was no clear disparity between the moving average termination rate for employees who identify as male or female.
- **Promotions:** At REI, promotions are defined as a job code change plus either a pay increase OR job level increase. The moving average for promotions for female employees showed steady increases throughout most of 2022 and was slightly higher (less than 1%) than the moving average for male employees at the end of the year.

more Black joy in nature. The result is a 22-piece hike collection that includes apparel and accessories that bring more inclusive design to the forefront. The collection includes fit options that consider a wider range of body types, shapes, and sizes, and new colors and graphics that embrace a desire for personal expression.

## Path Ahead Ventures

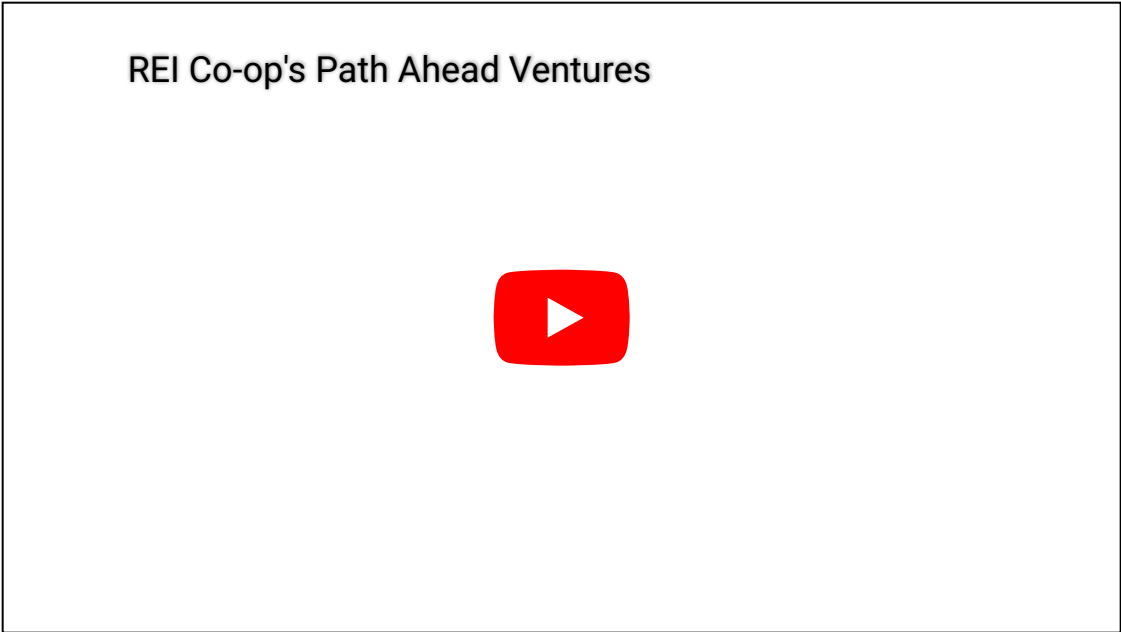
We believe the vibrancy of the outdoor industry depends on the economic mobility and contributions of diverse communities as customers and creators. [Path Ahead Ventures](#) offers full-spectrum support to startups owned and led by Black, Indigenous, Latina/o/x, Asian American and Pacific Islander founders. Our goal is to accelerate the success of these founders, whether they're just getting started or growing their businesses, to ensure the outdoor industry reflects the true diversity of the people who love, protect, and share life outside.

We set bold goals for diversifying the co-op's supplier base to advance racial equity at REI and beyond, but discovered lack of representation was a broader industry issue. After hundreds of discussions with founders, investors, and industry and community leaders, we identified where REI could bring unique value and invest for lasting impact. We launched Path Ahead Ventures in October 2021.

The co-op has committed \$30 million by 2030 to empower these founders of color. On top of this investment, by 2030 we aim to:

- Advance REI’s commitment to adding 200+ brands owned and led by founders of color, representing 15% of all brands sold at REI.
- Invest in and partner with 300 current and aspiring founders of color.
- Build a network of partners and domain experts for founders to access.
- Establish an industry-wide resource for fueling entrepreneurship, innovation, and job growth among underrepresented groups.

In 2022, Path Ahead Ventures partnered with 39 founders, launched three programs for founders, provided \$370,000 in grants and invested \$2.3 million in 11 companies. We also connected founders with more than 250 advocates, experts, and investors to enable engagement across the industry. We established an advisory board with respected outdoor industry professionals representing groups that align with the focus of Path Ahead Ventures.



Path Ahead Ventures includes three signature programs aimed to meet the needs of entrepreneurs at different stages in their journeys:

- [Embark](#) brings more founders of color into the industry, providing \$10,000 in equity-free grants plus guidance for founders launching their businesses.
- [Navigate](#) accelerates existing brands, offering group and individualized programming, a peer network, mentoring, access to industry experts and capital investment opportunities including a \$25,000 equity-free grant.
- [Investment Fund](#) provides founder-friendly growth capital to businesses that seek a strategic partner in the next stage of their lifecycle.

Path Ahead Ventures focuses on putting [founders](#) first, engaging the individuals behind each business, and recognizing the unique challenges for founders of color in the outdoor space. We partnered with REI Co-op Studios to create a series of mini documentaries for our incredible founders to showcase their journeys in the outdoor industry.

**Itacate Foods with Martha Y Díaz | A founder's journey to br...**



**allmansright with Livio Melo and Jennifer Jacobsson | Fou...**





PYNRS with Sidney Baptista | Championing community, cul...



## FAAS Design Collab

In 2022, we collaborated with [FAAS Design Collab](#) to offer a free, six-week inclusive design certificate program to an inaugural cohort of aspiring product designers who are members of diverse communities that have faced barriers to access and belonging in the industry, such as Black, Indigenous and other people of color, members of the LGBTQ+ community, and people living with disabilities . This 12-student cohort was selected by a diverse group of REI teams and community partners. They were challenged to take on some of the biggest inclusive design challenges and opportunities facing today's consumer, such as gender, sizing, adaptive design and more. For their final projects, students worked in teams to deliver innovative solutions for unmet wants and needs in the outdoor industry, inspired by the stories of Black, Indigenous, and people of color (BIPOC) environmentalists, activists, and heroes such as [Mary Fields](#) and [Fannie Lou Hamer](#).

Following the program, three students were selected to join the Co-op Brands design team for a paid, nine-month apprenticeship where they worked alongside REI employees to further their practice in gear and apparel design, while also driving progress and innovation through individual research and design projects. The apprentices focused on a range of topics from running gear and apparel, camp equipment, and inclusive helmet design.

## Product Impact Standards

Advancing equity in the outdoor and retail industries means holding ourselves, our brand partners, and the broader industry accountable to advance responsible production and consumption. Every product the co-op brings to its members is an opportunity to promote better ways of doing business that shape a positive future for people and the outdoor places they love. It was in that spirit that we first launched REI Product Impact Standards in 2018, raising the bar on [product sustainability](#) across REI offerings.

Today, the standards set expectations for how REI and our 1,000+ brand partners address issues related to sustainability, climate change, and diversity, equity and inclusion. They set the path for a more sustainable future that includes those who have been historically left out of our industry. In establishing and evolving the Product Impact Standards, REI listens to feedback from our members and brand partners, as well as industry groups and nonprofit partners that have expertise on social and environmental sustainability and inclusion.

Our focus with diversity, equity and inclusion standards is on eliminating discrimination and other negative social impacts related to the products we sell, as well as the practices and policies used to create and market them. The standards today have a particular focus on inclusive color palettes and language; avoiding cultural appropriation; and driving more

representation and inclusion in producing marketing campaigns and materials. These standards will help us deliver more relevant products that reflect the myriad ways communities find meaning outside.

As we monitor our own performance and that of our partner brands through an annual assessment, we're staying transparent with our members and fellow partners. Part of this work includes a commitment to share goals and progress related to brand compliance with our standards. In 2021, we were pleased to see an average 12.5% improvement across all four inclusion-related expectations, and 2022 data will be available later this year.

The Product Impact Standards are just one of the many ways REI supports better ways of doing business. They give our members and customers confidence that when they make a purchase at REI, they're investing in causes they care about and a better future for the people and places they love.

## **Continuous learning with our brand partner community**

Since the addition of our diversity and inclusion Product Impact Standards in 2020, REI has continued to support brands and the broader retail ecosystem in education about inclusive product design. This education has included dynamic, live workshops, and panel discussions where brand partners can engage in content around topics such as inclusive sizing, inclusive marketing practices, and more. In addition, REI co-authored an inclusive design playbook with subject matter experts Equitably Designed that is available on-demand to any of our 1,000+ brand partners.

Alongside our scaled education practices, REI teams utilize a companywide Diversity, Equity and Inclusion Product Triage process to empower employees across the enterprise to provide feedback on existing product. This feedback, coupled with ongoing research, has enabled REI to have one-on-one conversations with brand partners about opportunities to improve products and practices in terms of inclusivity. Results of these conversations have ranged from product renaming to brand partners revamping their design processes to putting the voices of community at the center.

- [Native Women Running](#)
- [Trail Mixed Collective](#)
- [Vasu Sojitra](#)

Examples of how we worked with experiential partners in 2022 included:

- Hosting 120 events that connected 5,000 people across the country to spend a collective 20,000 hours outdoors in celebration of Opt Outside.
- Bringing thousands of people together in Oakland, California and Washington, D.C., to celebrate Black joy outside and launch the Outdoor Afro x REI product collection with local partners and grantees.
- Collaborating with organizations like Adaptive Adventures and All Bodies on Bikes; and with outdoor leaders like [Nikki Smith](#) and Vasu Sojitra on community-centered design programs that help REI and our partner brands design more inclusive products, experiences and environments.
- Working with local partners such as the [Outdoor Journal Tour](#) and [Ch8sing Waterfalls](#) to bring the outdoors to more than 2,000 people in downtown Atlanta over two days of outdoor activities, music, art and plenty of s'mores at the GreATL Backyard Festival + Campout.
- Presenting the Boston Women's 10K for Women—the Northeast's largest women's sporting event—and welcoming nearly 4,000 runners.
- Helping our customers and community learn new skills, choose and maintain gear, prepare for trips, and have amazing adventures with expertise from leaders like [Adina Crawford](#) and [Mikah Meyer](#).

Through creative storytelling, raising awareness, and engaging outdoor experiences, these organizations provide welcoming and affirming spaces for communities to grow their love for the outdoors. By building connections with one another, they are supporting a reality where everyone feels welcome to be themselves, access opportunities, and find their place in the outdoors.

## Supporting the Broader Movement for Healthy, Accessible Outdoor Places

The co-op has supported outdoor-oriented nonprofits since its inception 85 years ago. We formally launched our place-based stewardship and conservation partnerships in 1973, making 2023 the 50th anniversary of our sustained programmatic work. Since then, REI and its affiliated charities have invested more than \$135 million in organizations across the country that share the goal of creating access to outdoor places and enabling transformational outdoor experiences for all people.

In 2022, the co-op supported over 500 organizations around the country, with cumulative donations and sponsorships of more than \$6.9 million. This is in addition to investments provided separately through the REI Cooperative Action Fund.

We do this because we know that creating a more accessible outdoors, and keeping our favorite places well-stewarded, is a collective effort. Change requires leadership and collaboration at all levels—local, state, and national.

### Local Community Investment

Locally, our store teams identify organizations in their communities whose missions focus on conserving, protecting and stewarding public lands, as well as those that connect nearby



underrepresented communities to time outdoors. We have a particular emphasis on organizations that are led by or serve the Black, Indigenous, people of color community, LGBTQ+ people, people with disabilities, and women. We accelerate change by offering multiyear, unrestricted funding for nearly 400 local partners. Examples include:

- [CorpsTHAT](#) connects the Deaf community to the outdoors through education, recreation and careers. CorpsTHAT was founded by Sachiko Flores and Emma Bixler who are dedicated to the conservation corps experience and expanding the horizons of the Deaf, Hard of Hearing and American Sign Language community in the outdoors. (\$6,000)
- [Get Outdoors Nevada](#) connects people of all backgrounds and ages to the state's diverse outdoor places. GON strives to foster and support a community that discovers, experiences, and connects to Nevada's many natural environments, from wild landscapes and recreational areas to urban trails and parks. (\$25,000)
- [Great Springs Project](#) is creating a greenway of contiguous protected lands between Austin and San Antonio over the Edwards Aquifer recharge zone. This green corridor will be connected by a network of spring-to-spring trails, linking four of the Great Springs in Texas: Barton, San Marcos, Comal, and San Antonio. Great Springs Project envisions unifying existing local efforts to address the most critical water, land, wildlife, and public health challenges facing the Central Texas Region. (\$15,000)
- [Greening Youth Foundation](#) engages underrepresented youth and young adults, while connecting them to the outdoors and careers in conservation. GYF's culturally based environmental education programming exposes participants to healthy lifestyle choices to create an overall healthier community. (\$20,000)
- [Transportation Alternatives](#) is reclaiming New York City's streets from automobiles and advocate for better walking, biking, and public transit for all New Yorkers. (\$10,000)

## National and State Partnerships

The nation's outdoor recreation landscape is expansive, both geographically and in terms of the types of communities and activities for which it serves. In addition to our annual support of hundreds of local organizations, the co-op partners with nearly 80 nonprofit organizations that are engaged in protecting outdoor places through advocacy at state, multistate or national levels. Examples include:

- **National Caucus of Environmental Legislators (NCEL)** NCEL facilitates shared learning and action among a network of more than 1,200 state lawmakers on a range of environmental issues. For several years now, REI has supported its Outdoor Working Group (OWG), a dedicated space for legislators to learn from each other, share best practices, and hear from experts about topics such as outdoor recreation, education, and equity. The OWG has already led to multiple policy successes nationwide and will continue to equip legislators with new ideas and the tools to incorporate outdoor engagement as part of state policy efforts.
- **Surfrider Foundation** is running a national campaign to engage coastal recreation users to act on climate change. Each year, 180 million people visit U.S. beaches to swim, surf, sail, view wildlife, or just walk the sandy shoreline. These treasured resources are under siege from the impacts of climate change. Surfrider engages its network of passionate, dedicated coastal users to demand bold action from federal, state, and local leaders on climate change.
- **The Trust for Public Land's Re-greening America's Cities with the Urban Drawdown Initiative.** This partnership among the Trust for Public Land, Urban Drawdown Initiative, and leading U.S. cities aims to catalyze adoption of community-based, natural climate solutions as part of each city's climate response. The goal is to demonstrate that urban landscapes can be transformed into regenerative carbon sinks and that ambitious re-

greening can deliver significant health, equity, and economic benefits to people and communities nationwide. The project delivered carbon accounting tools to each community, allowing them to develop data-driven carbon management plans, laying a path to apply nature-based practices to sequester carbon while simultaneously advancing economic development in underinvested neighborhoods.

## REI Co-op and REI Member Advocacy

For decades, REI Co-op has used our voice to advocate for issues that matter to life outside. Alongside a diverse network of organizations and industry partners, we advocate at local, state, and national levels for policies that address the climate crisis and advance a more just and inclusive outdoors.

### Direct Advocacy

In the last year, some of our more significant initiatives included:

- **New Mexico:** For far too many New Mexicans, quality time outside is out of reach due to systemic barriers that prevent people—disproportionately communities of color and local tribal communities—from enjoying the outdoors. Fortunately, New Mexico Gov. Michelle Lujan Grisham (D) and a group of bipartisan state leaders—Sen. Steven Neville (R) and Sen. Peter Wirth (D) and Rep. Nathan Small (D)—championed a historic proposal to safeguard access to nature for every New Mexico resident. The Land of Enchantment Legacy Fund would establish a permanent fund to preserve New Mexico’s lands and waters and ensure that everyone can [enjoy the outdoors as a basic human right](#).
- **E-bike Incentives:** Working closely with our partners at People for Bikes, we have helped champion legislation at the local, state, and federal level to create programs that provide incentives to help communities afford electric bicycles. At the time of publication, there are more than 20 e-bike incentive programs proposed or adopted in states across the country.
- **Outdoors For All Act:** 100 million Americans live without a quality park within a 10-minute walk from home. REI worked with coalition partners like the Trust for Public Lands to help ensure the Outdoors for All Act was introduced by supporting 8,000 REI employees and members in their efforts to contact Congress. This bill would permanently secure funding for greenspaces in underserved communities. [Learn more and take action](#).
- **Supporting the LGBTQ+ Community:** Nearly two out of three LGBTQ+ individuals living in the U.S. report experiencing discrimination and harassment in their lives. This past year, REI continued its work to secure and defend the rights of our LGBTQ+ employees and members. In partnership with the Human Rights Campaign, we advocated for the [successful passage of the Respect for Marriage Act](#) and rallied our members and employees to [support the Equality Act](#), which would finally secure LGBTQ+ people’s rights in existing civil rights laws.

### The REI Cooperative Action Network

In 2021, we launched the REI Cooperative Action Network to make it easy for our 16,000 employees and more than 21 million members to join us in advocating for the outdoors. The network harnesses the immense power of our co-op community to win policies that tackle the climate crisis and create a more just and equitable outdoors. The network provides easy-to-use tools to contact decision-makers, critical information about priority issues, and civic engagement resources.

In 2022, the network continued to grow by:

- Engaging an additional 78,000 REI Co-op Members, employees, and customers on issues.

- Sending more than 250,000 messages to decision-makers at both the federal and state level.
- Launching [Your Vote Can't Wait](#) to engage our member and employee community in the 2022 midterm elections. Additionally, we delayed opening our stores on Election Day and provided all employees with paid time to vote or volunteer.
- Helping pass the [Land of Enchantment Legacy Fund](#) in the state of New Mexico.

The voice of the outdoor community has great potential to be very powerful. Through our direct advocacy, advocacy alongside partners, and the growth of the Cooperative Action Network, we aim to organize and amplify our collective voice for greater impact.

## The REI Cooperative Action Fund

Recognizing that our own community investments can only go so far, REI launched a publicly supported charity in 2021. As a separate, 501(c)(3) organization, the [REI Cooperative Action Fund](#) aims to harness the collective power of the co-op's more than 23 million members to create a more equitable outdoors. For the first time in the co-op's 85-year history, this new fund allows co-op members, employees, and the public to contribute and provide financial support to an even broader network of nonprofit organizations building a more equitable outdoors.

The fund operates on a July to June fiscal year. It issued its [inaugural annual report](#) in late 2022 covering its first two fiscal years. During that time, the fund donated almost \$2.9 million in unrestricted funds to 31 nonprofits aligned with its mission. As more people participate and contribute, the fund will scale this investment. More information about the REI Cooperative Action Fund—including a list of grantees—can be found at [www.REIFund.org](http://www.REIFund.org).

REI Co-op is proud to be the founder and lead donor of the fund. REI's own contributions to the fund ensure that 100% of contributions from the general public are donated to its grantees. In the fund's founding fiscal years, the co-op's total support for the charity's operations and grantmaking amounted to more than \$4.4 million.



- External benchmarking research to understand environmental drivers and best practices for employee voice.
- Interviews with nearly 100 REI store employees to understand their interest and expectations for the Co-op Compass Group.
- Design workshops to inform the structure and program, which brought together a diverse group of REI store leaders from Stores, Distribution Center, Experiences, and Sales and Customer Service (SCS), as well as executive leaders and HQ staff from HR, Store Operations, Communications, Marketing, workforce Diversity, Equity, Inclusion, and more.

## Compass Group Membership:

Compass Group members come from all parts of our business and bring unique experiences, perspectives, and insights to our work. The group is composed of:

- At least one member from each of REI's 12 store regions
- At least one member from each of REI's four distribution centers (DCs)
- At least one member from sales and customer support (SCS)
- At least one member from experiences
- Seven seats will remain at-large and are selected from across stores, distribution centers, sales and customer support, and experiences to ensure a balance of perspectives.
- Five senior leaders, including the chief executive officer, chief people officer, chief customer officer, chief supply chain officer, and chief commercial officer.

Compass Group members serve 18-month rotations and maintain their job in their home location while engaging in this work, ensuring individuals bring relevant, real-time insights. Members will receive the support necessary for their participation, including:

- Paid working time and stipends
- Access to equipment and technology
- Store leader support
- Accommodations for Compass Group time and travel

Over 250 employees applied to be a part of the inaugural Compass Group. Screening and selection committees were convened from around the co-op to help select our members. Participants on the screening and selection committees were identified through current award mechanisms, including Store of the Year, Leadership Award, and Anderson Award. Recipients were selected with an eye toward balance and diversity.

## Strategy

The Compass Group held its first quarterly meeting in September 2022 and discussed career development and store communication. The topics that the Compass Group takes on will not and should not be solved overnight. The program builds sustainable and lasting impacts for our employees. That means driving work forward, while giving grace for the work to be done well.

We have high hopes for our Co-op Compass Group. While we know that the Compass Group was thoughtfully designed, 2022 was the first year of the program, and we expect it to evolve and grow in the years to come. As it grows, it will remain always in the service of supporting our employees and raising their voices.

from trees, such as lyocell and modal, we work only with suppliers that formally commit to protecting ancient or endangered forests and supporting long-term forest conservation.

- **Down and feathers:** We source down from birds that are treated according to leading animal welfare standards. This means enabling them to live healthy lives, express innate behaviors, and live free from pain, fear, or distress. To honor this commitment, we have adopted the [Responsible Down Standard](#) for 100% of our virgin down and feathers.
- **Wool:** We are committed to sourcing virgin wool from farms where sheep are treated according to leading animal welfare standards, and where land is responsibly managed. We prefer wool certified to the [Responsible Wool Standard \(RWS\)](#), a certification that provides additional assurance that farmers follow best practices for animal husbandry and sustainable land management.
- **Leather:** We do not endorse cattle farming in the Amazon biome, a region that has undergone significant deforestation. While REI Co-op does not source full-leather hides, when we do use leather, we prioritize suppliers rated by the Leather Working Group, which promotes responsible environmental stewardship practices in tanneries.
- **Materials we don't use:** REI Co-op does not use certain materials because of animal welfare concerns, environmental harm, the existence of preferred alternatives, or the absence of traceability mechanisms. This includes materials like alpaca fiber, angora, bamboo rayon, mohair, exotic leathers and fur, and dry-clean only fabrics.

## Chemicals Management

REI works closely with peer brands, the Outdoor Industry Association, and leading academic institutes to research, understand, reduce, and eliminate chemicals of concern in the manufacturing of our products.

Our approach begins with input-stream management, which ensures that chemicals are selected with due diligence before entering the manufacturing process. Our program also supports implementation of chemicals management best practices for safe chemical storage, handling, use, and treatment of waste.

The following tools serve as key building blocks for our Chemicals Management Program:

- [bluesign®](#) is the world's leading system for managing the environmental and human health impacts of textile manufacturing. Rather than solely focusing on testing finished items, the bluesign® system eliminates or tightly controls hazardous chemicals at each step of the production process. The system also addresses energy efficiency, water use, worker health and safety, and air and water emissions throughout the supply chain.
- The [REI Restricted Substances List \(RSL\)](#) is based on the bluesign® system and is intended to meet or exceed global regulatory requirements. Chemical testing to REI's RSL requirements is used to help ensure products, particularly those containing non-bluesign® materials, are safe for our members.
- In partnership with the Outdoor Industry Association (OIA) and leading outdoor brands, REI participated in the creation of the [OIA Chemicals Management Guide & Training for Manufacturers](#). This guide is a compilation of resources that support the outdoor industry in aligning around a common set of chemicals management practices and help our supplier partners adopt robust systems for managing chemicals throughout production.

## The Higg Index

The Higg Index is a suite of sustainability tools developed by the Sustainable Apparel Coalition (SAC). REI helped found the SAC, which now includes hundreds of companies that have committed to making a positive impact on the people, environment, and communities associated with manufacturing their products.

The SAC provides brands and manufacturers with a standardized platform for understanding and managing product sustainability. Each of the Higg Index tools—called “modules”—are used to assess aspects of the product lifecycle, including raw materials, manufacturing, brand practices, and product use. The modules provide different lenses for understanding the effects of our business and for setting improvement targets.

As the Higg Index has grown, so has our use of the modules. We use the tools to assess our own practices and engage strategic brand partners, and suppliers for REI Co-op products. In addition, we use the Higg Index Material Sustainability Index to assess the environmental impacts associated with the materials we use for our REI Co-op brand products. This enables us to make informed decisions and select materials that have a reduced impact on the climate and environment. Looking ahead, REI intends to continue expanding the use of the Higg Index tools across our business.

## Responsible Sourcing and Fair Labor

We believe everyone should have a working environment that is inclusive, safe, fair, and nondiscriminatory. Our goal is to extend REI values into the supply chain by supporting the people behind our products and working with suppliers to implement industry-leading practices.

Our [list of factory partners](#) is publicly accessible and identifies the locations around the world where we source gear and apparel. Depending on the country, relying solely on local laws and enforcement may not be sufficient for meeting our expectations. For that reason, REI introduced its Factory Code of Conduct in 1993. The [current code](#) establishes standards of workplace conduct for the factories that manufacture products we sell.

To advance the principles outlined in the code, we collaborate on supplier approval, social and environmental auditing, and supplier training. REI is selective about our factories, seeking out the most capable and responsible partners. Additionally, each year we audit the majority of the factories in our supply chain using the Social & Labor Convergence Program’s Converged Assessment Framework (CAF) and the Higg Index Facility Environmental Module (FEM), leading social and environmental assessment tools that are being widely adopted across various industries.

Audit data and findings are uploaded to a shared industry database, the Fair Factories Clearinghouse. REI then works with suppliers to identify the root cause of any finding that doesn't align with our standards to inform their development of a corrective action plan. REI maintains regular engagement with our suppliers throughout the corrective action plan implementation process to ensure that commitments made are followed through.

REI tracks our progress and that of our factory partners on an ongoing basis. In 2022, we were pleased to see that the average performance of our factory partners on the FEM environmental assessment improved in the majority of impact areas, which include energy and water usage, air and wastewater emissions, and waste management. In 2022 more than twice the number of REI suppliers completed the SLCP social assessment and had their results verified by a third-party than did in 2021.

For information about our work to prevent human trafficking and forced labor in supply chains, we encourage you to review the REI disclosures for the [California Transparency in Supply Chains Act of 2010](#).

## Global Partnerships



Implementing best practices in a global supply chain cannot be accomplished alone. REI has developed partnerships with associations, including the Social-Labor Convergence Project, International Labour Organization Better Work Programme, Fair Trade USA, and Fair Factories Clearinghouse. As an active member in these organizations, we build trust with suppliers and brands to work together to address systemic causes of fair labor violations.

### [The Social Labour Convergence Program](#)

The Social & Labour Convergence Program (SLCP) convenes almost 300 signatories representing a diverse group of brands, manufacturers, and labor rights groups in a collective effort to change the way work and improve labor conditions. As one of the first signatories, REI plays an active role in developing an industrywide protocol and verification process to objectively collect social and labor data. This data is then used to identify opportunities for improvement and track progress for the people behind our products.

REI continues to expand its use of the SLCP Converged Assessment Framework (CAF) in the supply chain for REI Co-op brand and Co-op Cycles. In 2022, REI fully transitioned away from our own audit and instead utilized more scalable solutions, such as the SLCP tool and collaborative supplier engagement via multi-stakeholder initiatives. We believe this collaborative approach is more effective than each brand engaging suppliers independently, as it better supports the scaled implementation of best practices across the industry.

### [International Labour Organization Better Work Programme](#)

The Better Work Programme is a unique partnership between the International Labour Organization (ILO) and the International Finance Corporation to improve labor standards and competitiveness in global supply chains. The ILO Better Work staff partner with factories to implement best practices in labor management. Their model ensures an ongoing, coordinated dialogue between factory employees and owners. REI strongly encourages participation for qualifying factories that create the REI Co-op products. We also partner with the ILO team to continuously strengthen the collaborative approach to ensure employee well-being.

### [Fair Trade USA](#)

A nonprofit known for its leading work in agriculture, Fair Trade USA has expanded those practices into apparel and home goods products. Fair Trade Certified™ products are made according to rigorous social and environmental standards, and the people who produce them earn a Fair Trade premium for certified products. A growing number of REI Co-op brand products are certified to the Fair Trade Factory standard, and we are proud to carry certified products from other leading brand partners.

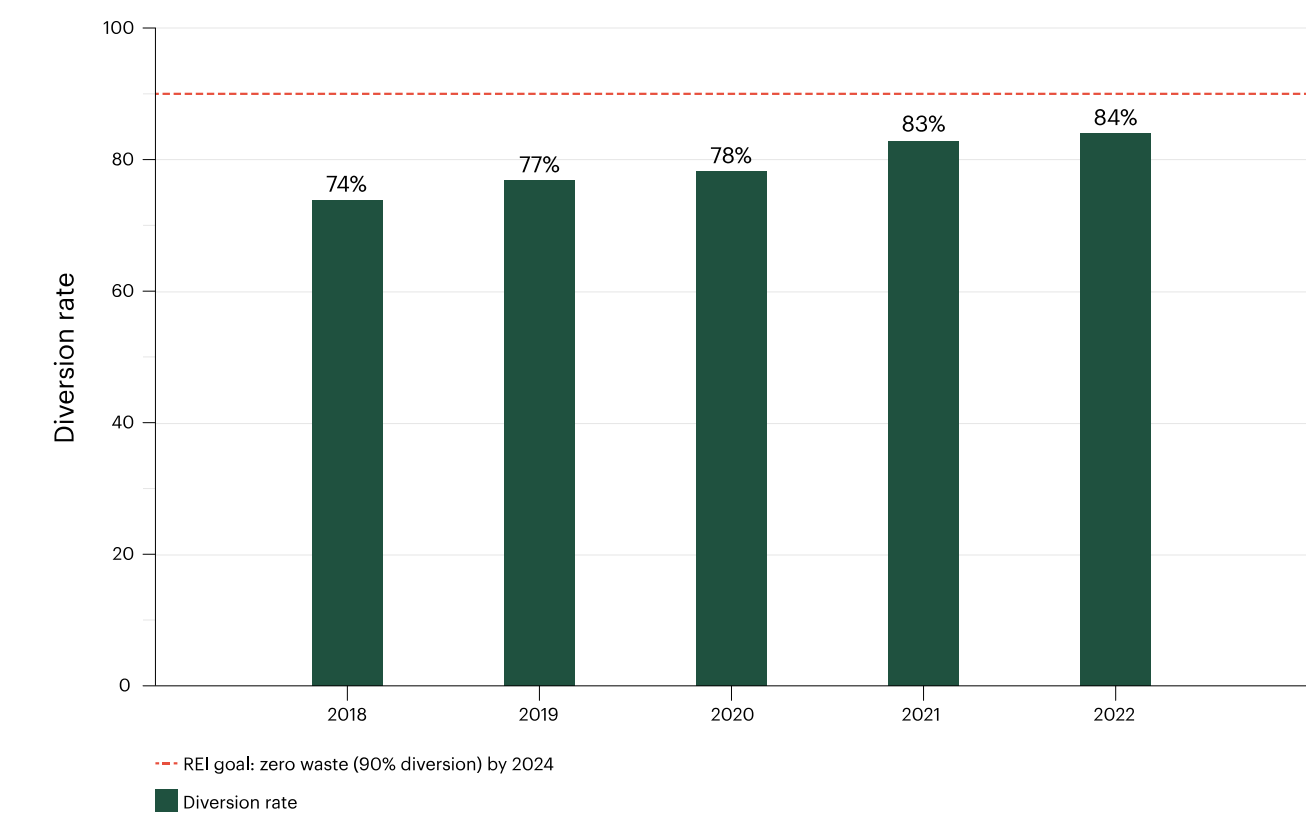
Through Fair Trade committees, manufacturing employees decide how to best use the Fair Trade Premium contributions from REI Co-op to address their individual and collective needs. In 2022, REI Co-op brand contributed more than \$500,000 in manufacturer employee premiums, bringing our cumulative total to over \$1.5 million since 2016.

### [Fair Factories Clearinghouse](#)

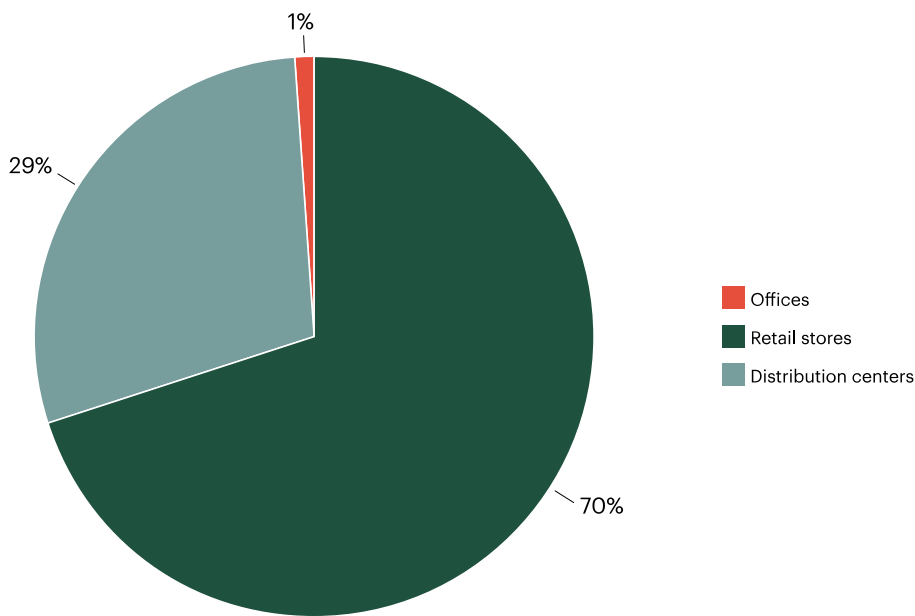
This nonprofit was launched in 2004 with support from the U.S. State Department to create sustainable, cost-effective monitoring systems for workplaces around the world. At the time, there was no comprehensive industry tool for managing or sharing labor audit information. REI uses the Fair Factories Clearinghouse (FFC) database as our primary system for maintaining reliable information on the REI Co-op brand supply chain, including factory audits, remediation plans and multibrand collaborations with shared suppliers. We contribute to the technical advisory group to continuously strengthen the FFC platform.

Overall, REI diverted 84% of operational waste from landfills in 2022. The graphs below show our progress toward our goal to be zero waste across our operations by 2025; and a breakdown of waste from retail stores, distribution centers, and offices.

### 2018-2022 Operational Waste Diversion from Landfill



### 2022 Operational Waste by Channel



### Packaging

The perfect packaging design finds the optimal balance of product protection, sustainable materials , and waste minimization. REI prioritizes paper-based packaging that is FSC-certified or made from certified postconsumer waste. We also focus on creating packaging that is designed to be easily recycled. With the assistance of the Outdoor Industry Association and the Sustainable Packaging Coalition, REI has published [sustainable packaging guidelines](#) to encourage and educate our vendors. These guidelines support not only REI Co-op and Co-op

Cycles, but also the brands we sell within our stores, and the greater outdoor and cycling industries.

Whenever possible, we seek ways to eliminate packaging altogether. We have largely eliminated the use of individual polyethylene plastic bags—commonly referred to as “polybags”—for REI Co-op brand apparel. To increase packing efficiency and reduce packaging waste, we implemented the “roll-pack” packaging method for most REI Co-op brand apparel styles. Products are loosely rolled and secured with a small twist of FSC-certified undyed paper.

[GreenBlue's How2Recycle Label™](#)

We're proud of our role in aligning the broader industry around the [How2Recycle® Label](#). It is a voluntary, standardized labeling system that clearly communicates instructions to consumers on how to recycle packaging. It involves a coalition of forward-thinking brands that want their packaging to be recycled and are empowering consumers through smart labels. Most of the primary packaging for our REI Co-op brand products is now labeled with the How2Recycle guidance. REI was one of the first brands to adopt the How2Recycle Label for our REI Co-op brand and Co-op Cycles product packaging. We encourage other brands and retailers to join us in this commitment.

## Paper and Sustainable Forestry

Healthy forests are essential for a healthy planet and for people to enjoy the outdoors. They’re also essential to REI’s business. We use fiber and the resulting paper products—including flyers, cardboard, shopping bags, hangtags and more—throughout our operations. As a co-op that inspires our members to spend more time outside, sustainable forestry is a natural focus for us.

Our [paper and paper products purchasing policy](#) is a direct reflection of our values. It's designed to positively influence paper supply chains well beyond our immediate sphere. We also intend our policy to support sustainable forestry systems. We believe that forestry products can be a much-preferred alternative to other materials—if sourced and produced by sustainable methods.

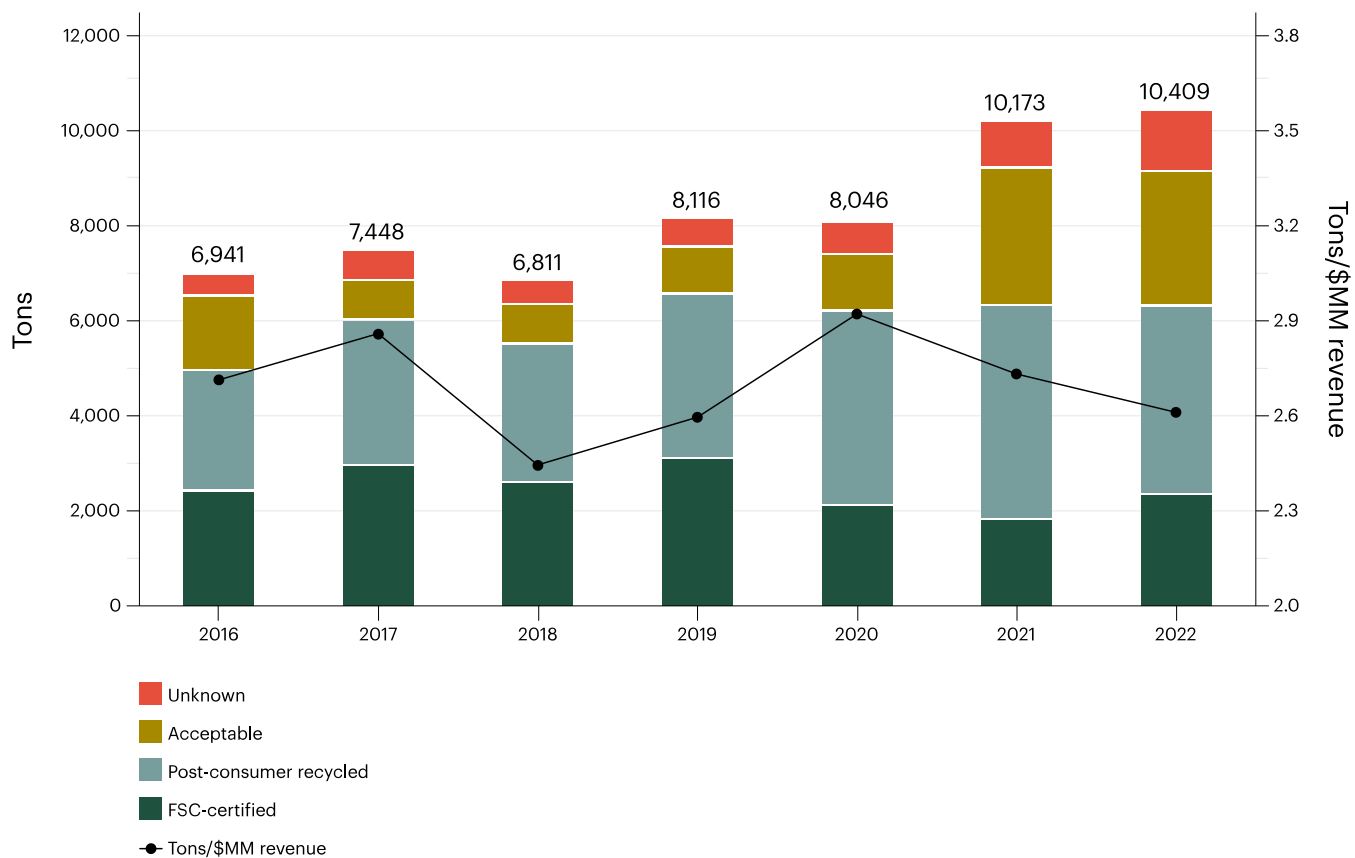
When we purchase paper products, we strongly prefer postconsumer waste, or virgin fiber harvested from Forest Stewardship Council (FSC)-certified forests. In 2022, REI received an FSC Leadership Award for our work to support responsible forest management and forest conservation through our preference for FSC wood products.

The accompanying graph summarizes the sources of paper used across the co-op in our marketing, omni-channel fulfillment, REI Co-op brand packaging, and operational paper use. “Acceptable” papers are defined as those containing pre-consumer recycled material, fiber from known, legal sources, or certified by other fiber certification systems such as Programme for the Endorsement of Forest Certification (PEFC) or Sustainable Forestry Initiative (SFI).



The mark of  
responsible forestry  
FSC® N002878

## 2016-2022 Paper Fiber Usage



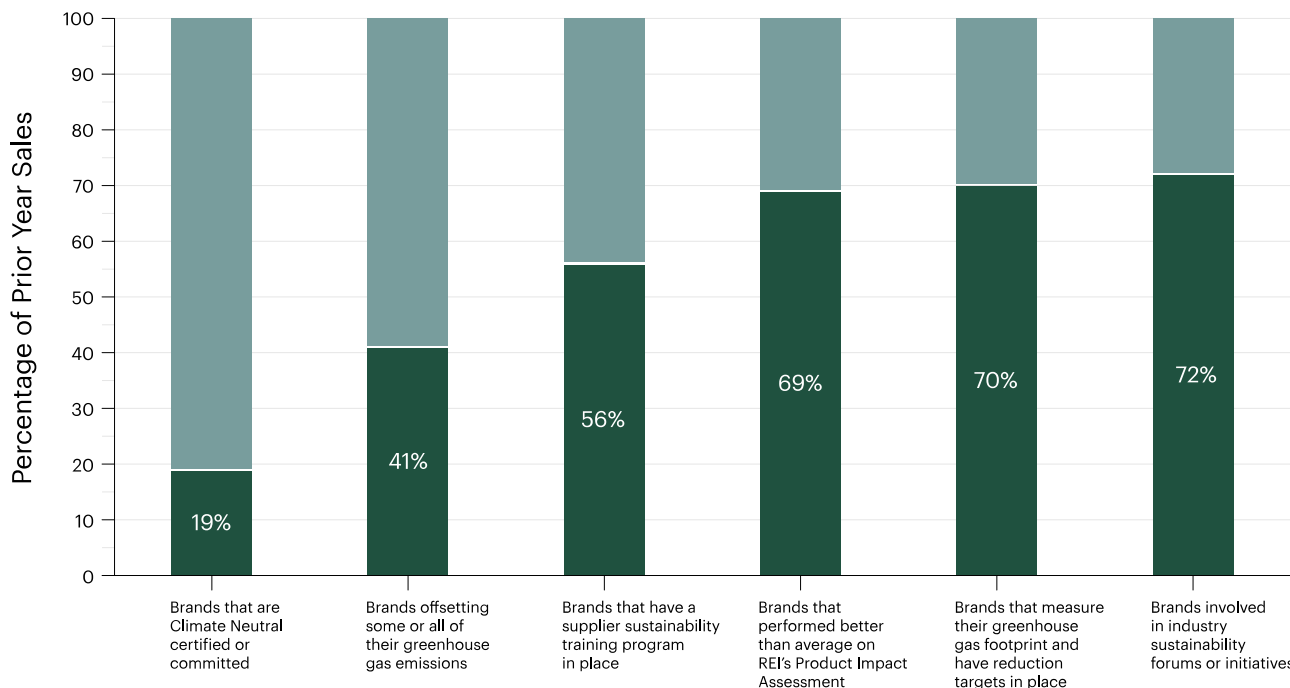


is a powerful way to drive change. In 2022, brands reported taking the following actions on sustainability, which accounted for the following portions of our 2021 sales (versus last year):

- 70% (+5 to LY) to brands that measure their greenhouse gas footprint and have reduction targets in place
- 41% (+10 to LY) to brands that offset some or all of their greenhouse gas emissions
- 19% (+3 to LY) to brands that are Climate Neutral® certified or committed
- 69% (+1 to LY) performed better than average on REI’s Product Impact Assessment
- 72% (-1 to LY) to brands involved in industry sustainability forums or initiatives
- 56% (-6 to LY) to brands that have a supplier sustainability training program in place

We seek out products that are made using our preferred sustainability attributes. In 2021, almost 31% of our sales came from products with at least one preferred attribute. By 2030, our goal is that 100% of the products we sell will have a preferred attribute, so that every product supports a healthier, cleaner, and more equitable planet.

2022 Product Impact Assessment: Brand Performance



REI is voluntarily eliminating from our products certain substances that may be found in outdoor performance products where we believe preferred alternatives exist. In instances where alternatives are limited, such as those outlined below, we proceed cautiously while working to identify and develop better options:

- **Antimicrobials, biocides and insecticides:** The human health and environmental impacts of many antimicrobials, biocides, and insecticides are not thoroughly understood. For these reasons, we are selective in our application of these treatments. We select only bluesign®-certified antimicrobials to ensure thorough evaluations for toxicity and efficacy have been conducted.
- **Flame retardant chemicals:** For many years, flammability standards have driven the use of flame-retardant chemicals in camping tents. Some flame retardant chemicals have been linked to undesirable human and environmental health effects. REI has partnered with its suppliers to identify and avoid certain flame retardants. REI has also participated in the creation of a new test method for flammability and contributed to the development of updated standards. This has enabled the elimination of flame-retardant chemicals across a

growing portion of our tent offering where they are unnecessary. We intend to expand this approach in the coming years.

- **Durable water repellent (DWR):** In the outdoor industry, per- and polyfluoroalkyl substances (PFAS) are often used in durable water repellent treatments for gear and apparel. REI is in the process of transitioning away from the use of PFAS in our REI Co-op brand products, and we've established the expectation via our [Product Impact Standards](#) that our brand partners do the same.
- **Polyvinyl chloride (PVC):** REI restricts the use of PVC due to human and environmental health risks in manufacturing and use. We have eliminated PVC from all products except certain bicycle subcomponents, where alternatives are being studied for efficacy.

## Microfiber Pollution

A growing body of research indicates that every time we wash our clothes, microscopic fibers are released into the wastewater and can build up in waterways. REI is working to better understand this issue and how we—along with the apparel and textiles industries—can address it. To that end, REI has [supported research](#) led by Ocean Wise, a Canadian nonprofit focused on protecting the world's oceans. REI is also a signatory member of [The Microfibre Consortium \(TMC\)](#), an organization composed of leading brands and manufacturers focused on developing practical solutions for addressing microfiber pollution. Our aim is to continue advancing our understanding so we can design and manufacture products in a way that reduces microfiber shedding.

## Advancing Product and Supply Chain Sustainability

REI scours the world to bring the best outdoor gear and apparel to our members. In the context of those global supply chains, the co-op is relatively small. But through strategic partnerships with leading organizations, we're able to create positive impacts far beyond our size. REI has been a driving force behind some of the most impactful multi-stakeholder initiatives, bringing together both global retailers and small specialty brands to help address the most challenging social and environmental issues in the supply chains and communities we all share.

### [The Outdoor Industry Association Climate Action Corps](#)

REI is a founding member of this industry-leading forum composed of almost 100 outdoor industry brands, suppliers, manufacturers, and other stakeholders. The Climate Action Corps is a forum where companies report greenhouse gas emissions, establish reduction plans, and collaborate to tackle shared challenges in the supply chain. The forum serves as a source of best practices for the REI Co-op & Co-op Cycles brands; and as a key platform for sharing experiences with other brands retailed by REI. [Learn more about Climate Action Corps](#)

### [The Sustainable Apparel Coalition](#)

REI has been a member of the nonprofit Sustainable Apparel Coalition (SAC) since its incorporation, helping evolve tools created in the outdoor industry and scaling them across the global footwear and apparel markets. The centerpiece of the SAC is the [Higg Index](#), a suite of groundbreaking assessment tools that empowers brands, retailers and manufacturers to measure their environmental and social impacts at each stage of the value chain. REI uses the [Higg Index](#) with our own brands and products, and we're encouraging its adoption across our leading brand partners.

### [Textile Exchange](#)

This nonprofit organization was founded to inspire and equip people to accelerate more sustainable practices in the textile value chain. Originally focused on organic cotton, Textile

Exchange (TE) has become one of the industry's leading sources of material sustainability knowledge and traceability standards. REI has worked with TE to better understand and reduce the environmental impact of our supply chains. We have also partnered to create, pilot, and launch material traceability standards that now serve as the foundation for many of the most common consumer-facing labels.

## Re/Supply and Circular Commerce

Most traditional businesses that create and sell products use linear supply chain models that take, make, use, and dispose of materials. The circular economy is a model that disrupts that process by extending the lifecycle of products through increased use and recapture of finite resources.

Members can participate in the circular economy at REI by buying or trading in their gear and apparel through our Re/Supply used-gear program. Re/Supply invites our members to extend the life of their outdoor products and brings us back to the heart of what it means to be a co-op: sharing among members to enable more accessible and sustainable ways to get outside.

With our Re/Supply offering, we are working to create the largest marketplace for high-quality used outdoor gear and apparel while innovating within our business model to better serve our members and achieve our 2030 climate goals.

We sell more than one million used items each year through the Re/Supply sections of our retail stores, and through our Re/Supply e-commerce site. Our used business continues to see double-digit growth year over year, and we are making progress toward our goal of decoupling business growth from carbon impact. Buying used instead of new typically avoids carbon emissions of 50% or more. This is based on REI Co-op's estimate of preparing used gear for sale versus making new gear.

In 2022, we expanded our Re/Supply trade-in service to all retail stores and took back nearly 100,000 items from members to resell to other members, keeping great gear out on the trail where it belongs.

We also continue to operate a Re/Supply retail concept in California and plan to open additional Re/Supply stores in 2023 and beyond.

## Rentals

Our [gear rentals](#) in selected stores give members and customers an affordable way to try out a new activity or use a pay-as-you-play model whenever they get the urge to go outside. We offer everything from snowshoes and cross-country skis to fully equipped camping and backpacking kits. Through 2022, we helped customers get outside—some for the very first time—by renting over 138,000 items through our in-store rental program.

## Expert Advice Articles and Videos

REI is the leading source for expert outdoor knowledge that our members and customers can trust. We help people learn skills, choose great gear, prepare for trips, and have amazing adventures. We have expanded our extensive library of gear care and repair guidance to help maximize the lifespan of our high-quality products and minimize environmental impacts. We now have nearly 300 articles and videos covering everything from repairing a tent to replacing bike chainrings.

## Shop Services and Product Repairs

For some product repairs, it's better to have an expert fix it. REI offers in-house maintenance and repair services for skis, snowboards, and bikes, with unique benefits and discounts for REI Co-op

Members.

In 2022, we serviced bikes, skis, and snowboards, for over 300,000 customers—including performing 70,000 free ski/board wax services and almost 100,000 free tire changes for our members. Every REI location offers bike repair services and over half offer snow services, performed by expert technicians

We've also partnered with several third-party organizations to provide high-quality repair services for common product categories, including apparel, footwear, and tent poles. Find more information about [how to get products repaired](#).





Transforming our Co-op for the Future.

Read Eric's letter

Archived Impact Reports

2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006

How are we doing?

[Give us feedback](#) on this page.

Sign up for REI emails

Co-op offers, events & cool new gear

Email

protected by reCAPTCHA

[Privacy](#) - [Terms](#)

[REI Privacy Policy](#)

Who we are

At REI, we believe that a life outdoors is a life well lived. We've been sharing our passion for the outdoors since 1938.

[Read our story](#)

Become an REI Co-op Member

Anyone can join and everyone belongs. Benefits include great gear offers, special pricing on events and an annual Co-op Member Reward—for life. Join once, enjoy forever.

[Join us](#)

Take a stand

Outdoor equity, climate action, places we love. Raise your voice in the movement to protect and share life outdoors.

[REI Cooperative Action Network](#)

Apply for the REI Co-op® Mastercard®

Earn a \$100 REI gift card after your first purchase outside of REI within 60 days from account opening.

[Details](#) | [Manage your card](#)

REI Co-op Account

- Sign Into My Account
- My Rewards Lookup
- My Wish Lists
- Membership Benefits

Orders & Returns

- Order Status
- Return Policy & Information
- Store Curbside Pickup
- Shipping Info

Gifts

- Outdoor Gift Ideas
- Gift Cards

Offers & Discounts

- Sales & Coupons
- Free Shipping Details

Shopping Tools

- Member Number Lookup
- New Gear Collections
- Used Gear
- Trade-in Program

Learning & Community

- Expert Advice
- Classes & Events
- REI Adventure Travel
- Uncommon Path
- Path Ahead Ventures

Work with Us

- Jobs & Careers
- Co-op Culture
- Sell at REI
- Affiliate Program
- Corporate & Group Sales

REI Co-op

- About REI
- Cooperative Action Fund
- Newsroom
- Technology Blog
- Stewardship



# Fighting the Climate Crisis

Climate change is an existential threat to life outside. We do not have the luxury to dismiss it as a political issue; it’s a human issue. As a member-owned outdoor cooperative committed to inspiring and enabling life outside for everyone, we use our business and voice to fight for the long-term health of the planet and our community.

## Here’s an update on our progress:

100% x 10

The percentage of our electricity from renewable sources for 10 consecutive years. See a breakdown of our commitment to renewable energy below.

7%

The percent increase in our 2022 greenhouse gas footprint compared with our 2019 baseline year.

371

metric tons of CO<sub>2</sub>eq<sup>1</sup> per million dollars of revenue

One way we track our emissions performance, beyond absolute emissions. Check out [how we calculate our greenhouse gas footprint](#), which has been [independently verified](#).

320,300

metric tons CO<sub>2</sub>eq

The volume of carbon credits we purchased to maintain carbon neutrality across our operations in 2022. Check out our [list of carbon credit projects](#).

## Our Three-Prong Strategy

How does the co-op help fight the climate crisis? We support large-scale societal changes that ensure the outdoors remains a transformative place for future generations. We organize our climate strategy along three lines of work:

- **Bold business leadership and innovation.** Businesses must lead the transition to a green economy and innovate ways to decouple economic growth from environmental impact. We aim to be a model retailer in this regard and collaborate with partners to scale leading practices.
- **Effective government.** Our advocacy focuses on the transition to a more environmentally sustainable economy. Lawmakers must adopt policies that accelerate greenhouse gas reductions and rapidly increase the use of natural solutions for carbon sequestration. [Our full climate policy platform can be found here.](#)
- **Empowered consumers.** As innovations and effective policies emerge, we must also empower consumers to make impactful choices in their own lives and advocate for change.

We continue to make progress against each of these lines of work. For example, 2022 marks our tenth consecutive year of powering our stores and distribution centers using 100% renewable electricity while keeping our total consumption nearly flat. This effort has collectively reduced the climate impacts of REI’s U.S. operations and demonstrates our environmental leadership as a retailer. Through groups such as the Outdoor Industry Association and the Sustainable Apparel Coalition, we continue to drive multi-stakeholder initiatives that address environmental and social sustainability challenges facing the supply chains and communities we all share.

REI also provides a platform for our employees, members, and customers to advocate for policies that tackle the climate crisis through the [Cooperative Action Network](#), a grassroots advocacy platform that makes it easy for anyone to raise their voice and message their elected representatives. Since launching this program, year, the network sent more than 250,000 emails to elected officials and contributed to the passage of the Inflation Reduction Act (IRA), the largest climate bill in U.S. history. The IRA includes roughly \$370 billion in investments in clean energy and climate priorities, which in turn is projected to reduce greenhouse gas emissions by about 40% below 2005 levels by 2030. This represents a historic opportunity to advance our national climate strategy, enhance health and well-being in both urban and rural communities, and ensure that future generations enjoy a healthy and vibrant planet.

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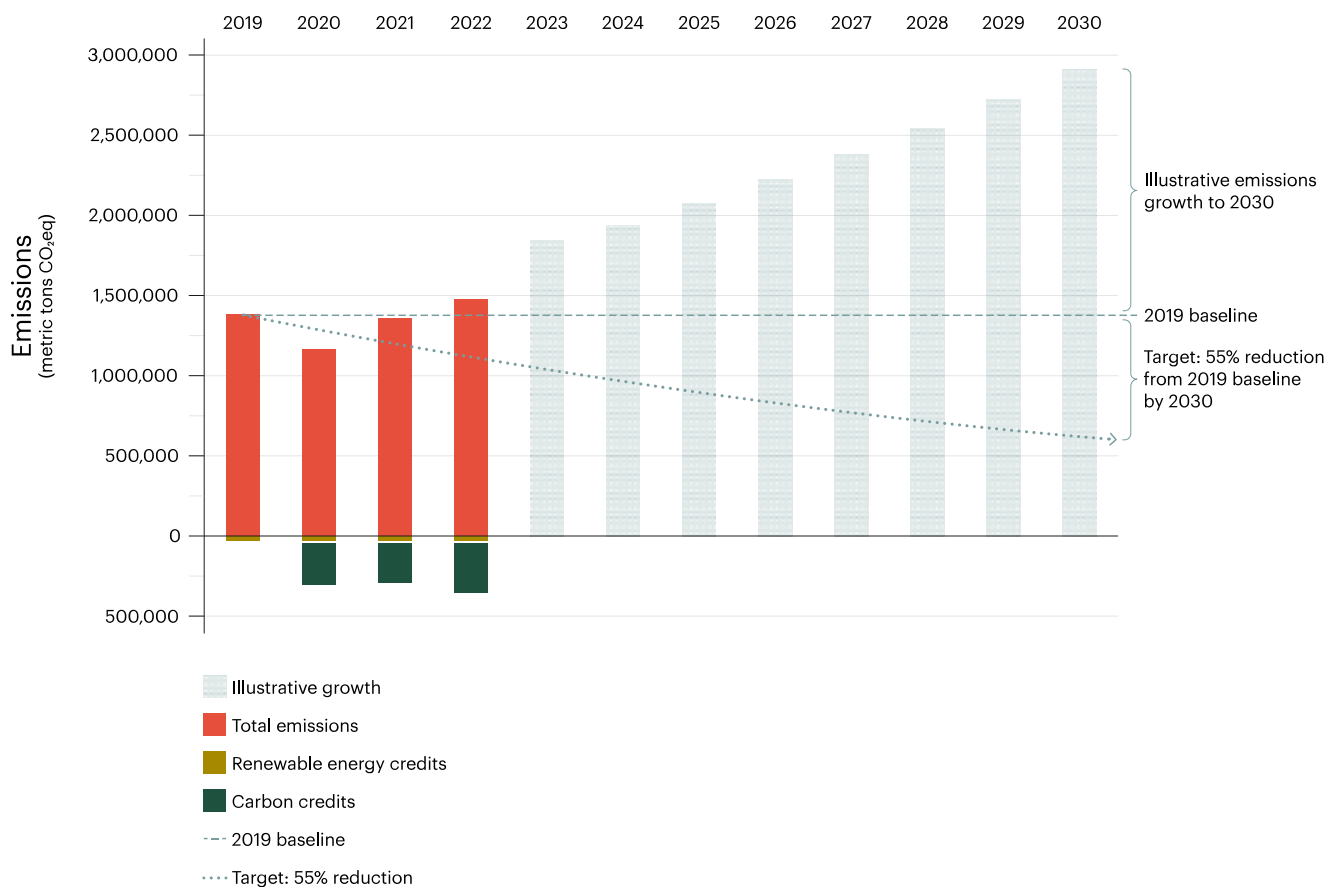
By 2030, our goal is to reduce our greenhouse gas emissions by 55% from a 2019 baseline while continuing to grow our business.

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## Our 2030 Climate Target

### 2019-2030 Actual vs. Projected Greenhouse Gas Emissions





By 2030, our goal is to reduce our greenhouse gas emissions by 55% from a 2019 baseline while continuing to grow our business. Our strategy prioritizes our global value chain, where we have the greatest opportunity for reductions.

We're focusing our work in the following areas:

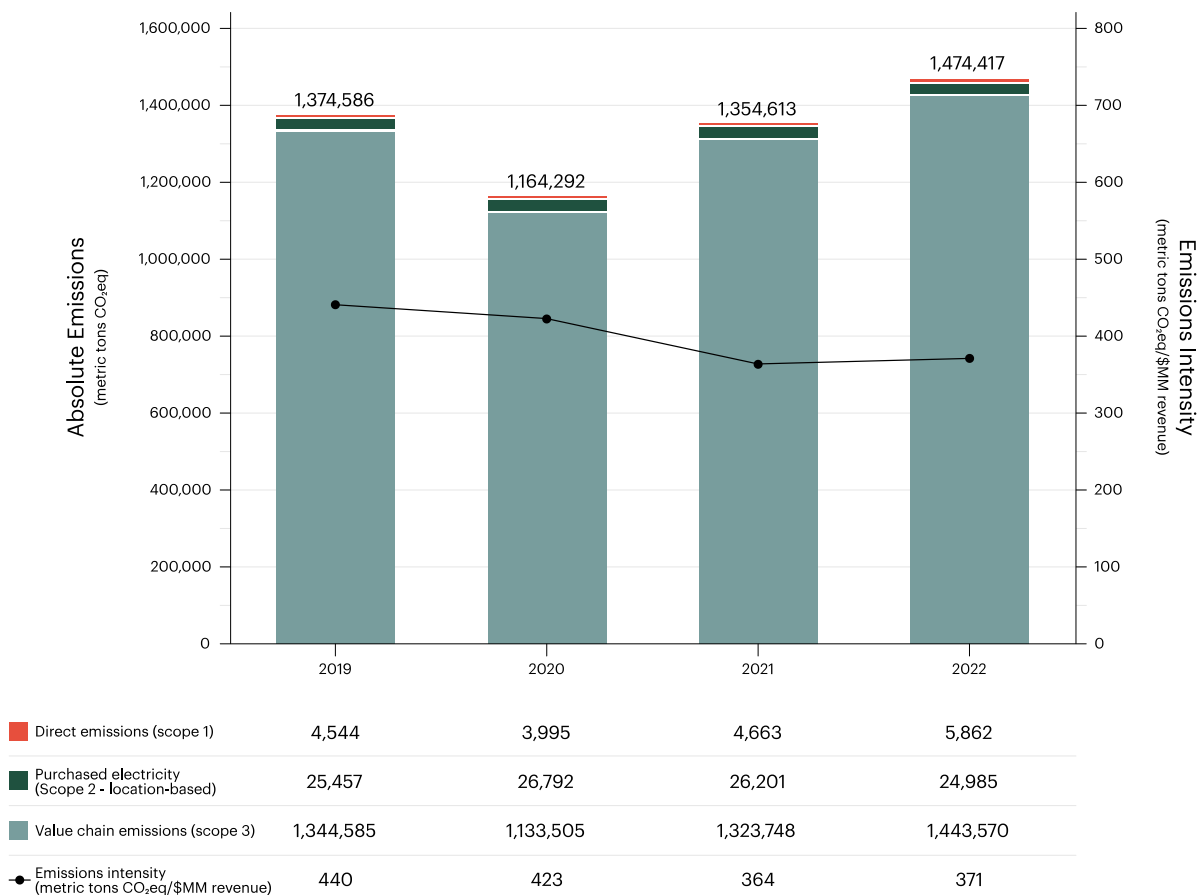
- **Create pathways to procure clean energy and electrify thermal processes across our global manufacturing supply chain.** Decarbonizing the energy required to manufacture products purchased through REI is the most important lever we can pull to realize our 2030 commitment. We seek to not only collaborate with REI Co-op brand manufacturing partners and invest REI dollars directly into solutions, but also to [work with brands across the outdoor industry and beyond, leveraging innovation and partnership to advance solutions](#).
- **Continue to source and scale recycled and renewable materials within our product supply chain**, recognizing that such materials typically feature reduced environmental footprints when compared to their virgin counterparts. Read more about how materials play a role in [minimizing product impacts](#).
- **Invest in and grow our less carbon-intensive lines of business**, including evolving our efforts to build more circular supply chain models. Read more about such efforts on our [Re/Supply page](#).

## 2022 Performance

The accompanying graph illustrates our 2019-2022 greenhouse gas footprint<sup>2</sup> and our strategic areas of focus as we progress against our 2030 target.

## 2019-2022 Annual Greenhouse Gas Emissions by Scope





The emissions data in this graph are broken down into three categories, per the Greenhouse Gas Protocol:

- **Direct emissions:** emissions from REI-owned or -controlled sources;
- **Emissions from purchased electricity:** indirect emissions from generating electricity to power REI operations; and
- **Value chain emissions:** indirect emissions from activities required to deliver all REI products and services.

Further details on activities included in each category can be found in our [inventory methodology document](#). In 2022, our total footprint was 1.474 million metric tons of CO<sub>2</sub>eq. This represents a 9% increase in absolute emissions versus our 2021 emissions and a 7% increase versus our baseline year of 2019. Our emissions increase from 2021 to 2022 was largely due to an increase in our value chain emissions. Specifically, emissions from making the products we sell (across REI Co-op brands and the 1,300+ brands we retail) continue to be our largest emissions category. Greater relative demand for emissions-intense products such as bicycles in 2022 versus 2021 ultimately drove total product carbon higher than in previous years.

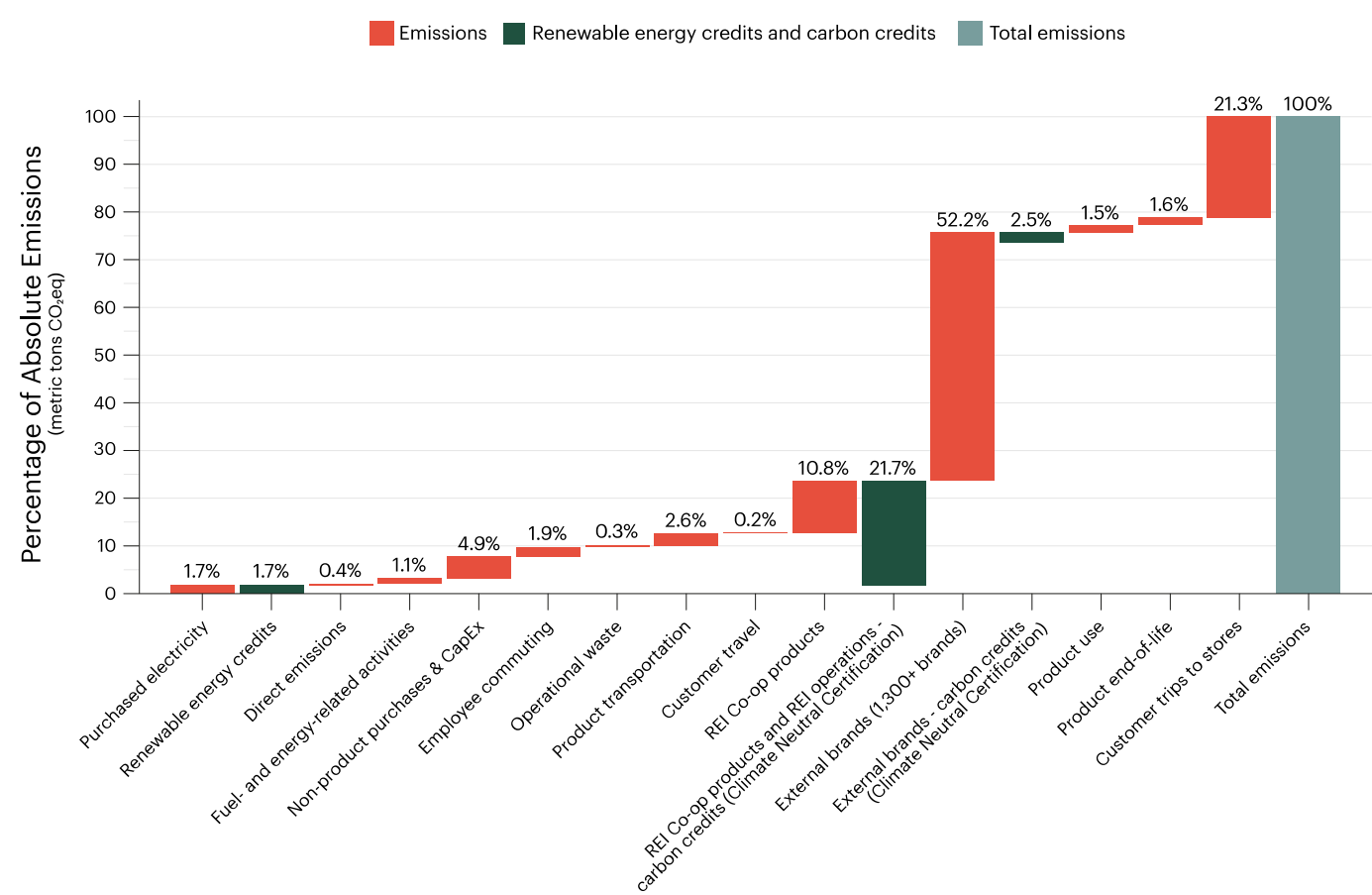
At the same time, we celebrate the following emissions reduction and data improvement efforts in 2022:

- **Lower-carbon materials:** We increased the uptake of recycled content in knit and woven polyester and nylon used in the gear and apparel REI Co-op makes, which helped decrease emissions from many of our textile-based products. Read more on our [Product Impact page](#).
- **Realizing emissions reductions for REI Co-op product manufacturing:** In 2022, for the first time, REI purchased and retired renewable energy certificates (RECs) on behalf of manufacturing partners. The RECs, from rooftop solar and large-scale solar farms in Vietnam and Indonesia, address electricity-related emissions from manufacturing REI products in those two countries, resulting in a 6% emissions reduction for co-op product. REI collaborated with each supplier throughout the process to ensure accurate accounting and retirement of the environmental attributes.

- **Improving product carbon data accuracy via brand collaboration:** In 2022, for the first time, REI collaborated with a strategic brand partner known for leading emissions reduction efforts to improve how we calculate product carbon. Our standard approach for calculating product carbon from our 1,300+ brand partners involves using industry average emissions factors from the [Higg Index](#) to estimate emissions associated with manufacturing representative product types across our product mix (e.g., a jacket, backpack, tent). For our 2022 footprint, we worked directly with this brand partner to collect emissions factors, aggregated by product type, that are specific to their brand. This work not only allowed us to improve the accuracy of our product carbon data, but it will also allow us to reflect actual carbon reductions from this brand over time and scale data accuracy efforts across even more strategic brand partners in future years.

The following graph illustrates the breakdown of our 2022 total enterprise footprint into its component parts, including our purchases of international RECs, domestic RECs, and carbon credits (as part of our commitment to carbon neutrality and Climate Neutral certification — see below).

## 2022 Greenhouse Gas Emissions by Source



## Carbon Neutrality

While we firmly believe a science-aligned absolute emissions reduction target is essential for every organization, we also believe we must account for and incur the cost of the residual carbon we still emit today. That’s why we remain committed to carbon neutral operations<sup>3</sup> in perpetuity. In 2022, for the third year in a row, we became Climate Neutral Certified for our operations, including our private label brands (REI Co-op and Co-op Cycles) and REI experiences programming. [Climate Neutral](#) provides an accessible and scalable solution for all organizations to set robust carbon reduction targets and offset any residual emissions along the way. The Climate Neutral certification for our private label brands means that we offset all embodied emissions from REI Co-op brand products with carbon credits.

In 2022, our operational emissions amounted to 320,300 metric tons of CO<sub>2</sub>eq. This value excludes emissions from electricity we consumed, which we covered in full via renewable

energy. We purchased an equivalent volume of verified carbon credits to fully offset our 2022 operational emissions. This purchase included credits created from forestry projects in North America to cookstove projects in Uganda—check out our [list of carbon credit projects](#).

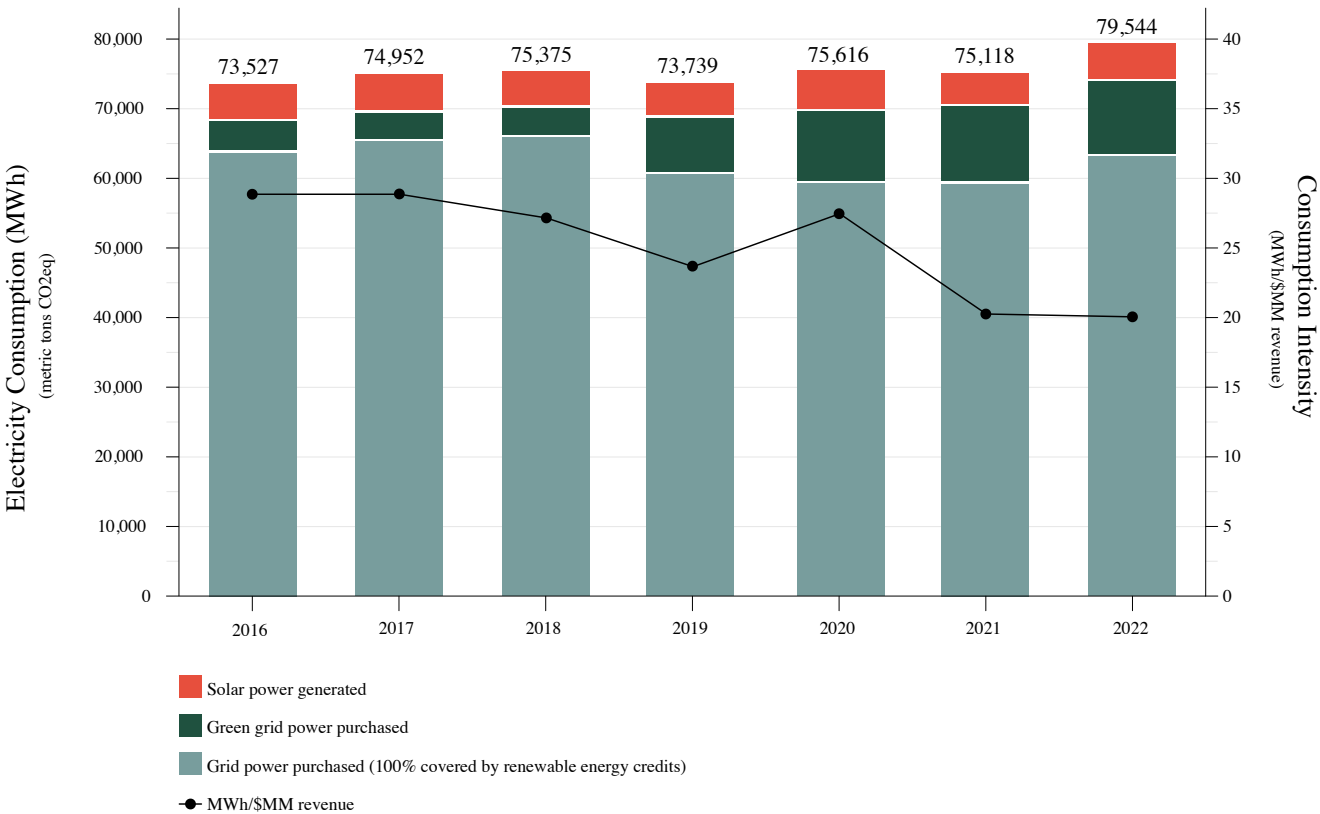
## Energy

Our efforts to power our stores and distribution centers using 100% renewable electricity sits within our broader approach to energy use in our operations:

- Using less energy through smart building design and energy-efficiency measures;
- Generating our own energy (e.g., rooftop solar panels);
- Contracting directly with utilities for long-term renewable energy;
- Increasing accessibility to renewable energy transactions by supporting transaction types with flexibility to accommodate small- and medium-sized buyers; and
- Where needed, committing to purchasing Green-e<sup>®</sup> certified renewable energy certificates for the remainder of our energy from the grid.

In 2022, REI powered its operations with 100% renewable electricity for the 10<sup>th</sup> year in a row. We achieved this through a combination of onsite solar generation, utility green tariffs, and renewable energy certificates (RECs). The accompanying graph breaks downs our estimated total electrical consumption for the past seven years, including the sources for all electricity consumed in our owned and operated buildings:

### 2016-2022 REI Electricity Consumption from Owned and Operated Buildings



In 2022, roughly 80% of our electrical consumption came from the grid and was generated from a mix of renewable and non-renewable sources. The remaining 20% of the electricity we consumed came from either energy we generated onsite with solar panels or from direct procurement of renewable energy through utilities or other third parties.

To achieve our 100% renewable energy goal in 2022, we purchased 63,357 MWhs of RECs to account for the grid power we consumed from utilities. These RECs were generated from wind and solar projects in the SPNO and MROW eGRID subregions (for our U.S. operations) and China (for our international office in Shenzhen, China).

In 2022, we revised our forward-looking renewable energy strategy to recognize leading practices that not only incorporate environmental and social considerations into procurement, but also focus on transactions that are local and accessible to buyers of all sizes. This means recognizing the barriers small- and medium-sized buyers face, such as volume, risk management, and price uncertainty. REI believes in the importance of supporting simplified transactions with shorter term lengths or decreased volumes. We also believe in sharing best practices and opportunities and will continue to work with the Clean Energy Buyer's Association to represent the small- and medium-sized buyer's perspective and invite others to join us on our renewable energy journey.

Within our operations, we take a variety of approaches to managing our energy use:

- **Solar:** We have 20 REI retail stores and two distribution centers equipped with solar panels, for a total installed capacity of over 4.1MW.
- **Clean Energy Buyers' Principles:** In 2014, we became one of 12 original signatories of the Buyers' Principles, a joint statement on renewable energy by a coalition convened by the World Wildlife Fund and the World Resources Institute. We have been a Silver-level member of the Clean Energy Buyers Association (CEBA) since 2020.
- **EPA Green Power Partnership:** In 2022, REI ranked No. 13 on the EPA's Green Power Partnership Top 30 Retail list based on annual Green Power usage. REI is the fifth largest retail partner to be a 100% Green Power User.
- **Partnering with utilities:** We were a foundational partner with Puget Sound Energy to develop their Green Direct renewable energy tariff. The Skookumchuck Wind Facility powers five of our local stores and our Sumner Distribution Center.
- **Lighting:** All our new stores and existing store refreshes are designed with 100% LED lighting.
- **Heating, ventilating and air conditioning (HVAC):** We're in the process of retrofitting the HVAC systems in our stores to improve energy efficiency and eliminate the use of freon, a substance harmful to the ozone layer.
- **Electric vehicle chargers:** We support clean transportation options to our retail locations and to the outdoor places where our members recreate through the installation of electric vehicle fast-charging stations. In 2022, we added two new electric vehicle charging stations. We host chargers in Seattle, Fremont, Sacramento, Salt Lake City, Tualatin, and three Denver-area stores, and we are actively working to expand our network to support the transition to electric vehicles.

## Green Building

REI's built environment—most notably our stores and distribution centers—is an important connection point to customers and employees. We run these facilities on 100% renewable electricity and seek additional opportunities to shrink our environmental footprint while engaging with the local communities.

For decades, REI has been at the forefront of the green building movement:

- In 1996, we opened our flagship store in Seattle, which green design features that became foundational components of the [U.S. Green Building Council's Leadership in Energy and Environmental Design \(LEED\)](#) certification criteria.



- In 2004, our Portland, OR, location became the first retail store in the country to earn LEED Commercial Interior (CI)® Gold.
- In 2016, our distribution center in Goodyear, AZ, became the first distribution center in the U.S. to achieve both LEED Platinum certification and Net Zero Energy.
- We currently operate five LEED-certified facilities, with a combined size of roughly 1 million square feet.

## Footnotes

[1] Throughout this report, we disclose emissions impacts in units of CO<sub>2</sub> equivalents (CO<sub>2</sub>eq), which is a metric measure used to account for and standardize the collective impact of several greenhouse gases. Our reporting focuses on carbon dioxide, methane, nitrous oxide, and fluorinated gases. We convert emissions from the latter three greenhouse gases into CO<sub>2</sub>eq by multiplying by their 100-year global warming potential (GWP) values from the Intergovernmental Panel on Climate Change. Accordingly, any references to “carbon” throughout this report should be interpreted as shorthand for the greenhouse gases for which we primarily account. [↩](#)

[2] In calculating our greenhouse gas footprint, we adhere to the WRI/WBCSD Greenhouse Gas Protocols for Scopes 1 & 2 (Corporate Standard), and 3 (Corporate Value Chain Standard) emissions. These standards are the most widely used greenhouse gas accounting protocols, providing a comprehensive global framework to measure and manage emissions from corporate operations and value chains. [↩](#)

[3] We define “carbon neutral” as the balancing of our operational greenhouse gas emissions with an equivalent investment in the removal, sequestration, or avoidance of emissions via carbon credits. We define “operations” as covering our Scope 1 and Scope 2 emissions, as well as all portions of our Scope 3 emissions except for emissions from: 1) products from the brands we retail and 2) customer impacts (e.g., product use, product end-of-life, and customer trips to stores). [↩](#)