

# All that's cooperatively possible

Behind every data point, graph slope, and quote in our annual report, there's a story.

Every day, in ways big and small, our employees, members, communities, and partners work together for the greater good and the great outdoors. Here, you'll find our challenges, triumphs, and hopes for the future. Most of all, you'll see the power of all that's cooperatively possible. We hope you'll join us on the journey.



2023 by the numbers

**15,000**

Employees

**24+ million**

Members

**\$3.76 billion**

in Co-op Sales

**\$57+ million**

for Employee Retirement & Incentives

**\$6+ million**

invested in 74 Nonprofit Partners by the REI Cooperative Action Fund

**\$200+ million**

in Co-op Member Rewards Distributed

*"I continue to believe people achieve more together than they are otherwise able to on their own."*

[Read this year's letter from CEO, Eric Artz](#)

EMPLOYEE

Change ripples from the inside out. Becoming a fully inclusive, anti-racist, and multicultural organization is how we will drive the positive change we want to see in our industry and society. And while we're not there yet, we're proud of the progress we've made together.

[Read our Employee Report](#)

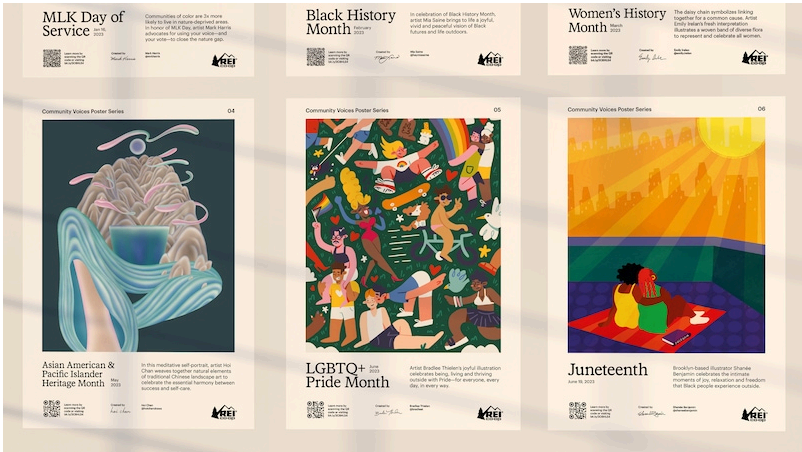


In 2023, the co-op launched a Career & Learning Center, revamped careers website, and more employee-centric initiatives.

### Always finding ways to learn, create, and work better

Recognizing that a diverse, representative workforce requires a focus on recruitment and retention, we widened our efforts in 2023 to reimagine the employee experience, ensuring employees feel heard and supported and can thrive in the workplace.

[LEARN MORE](#)



Designed to engage employees, the Community Voices Poster series featured artists from communities represented in cultural moments through the year.

### Cultivating a better culture

In 2023, the co-op expanded initiatives that better foster a sense of belonging—like our Inclusion Networks that create safe spaces for employees, learning sessions on race and racism in the outdoors, and prioritizing time and space to celebrate cultural moments beyond what’s on the typical corporate calendar.

[LEARN MORE](#)



## SOCIETY

Whether it’s through nationwide networking or grassroots passion, the co-op mobilizes with employees, members, and communities to connect every person to the power of the outdoors and engage them in the fight to protect it.

[Read Our Society Report](#)



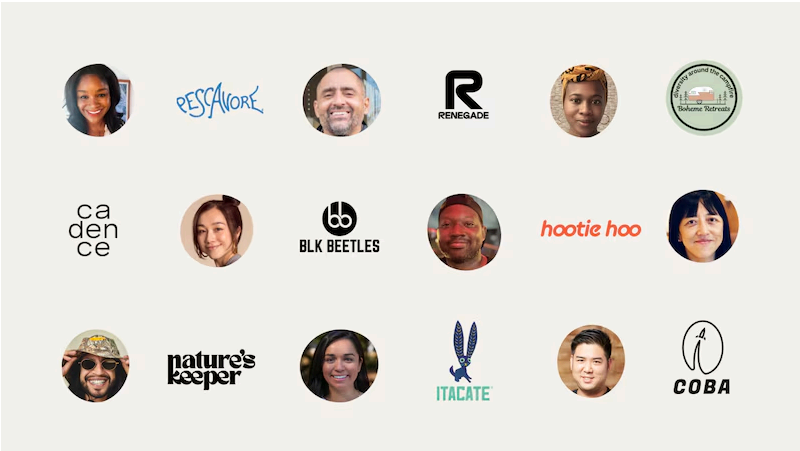
Richard Trent, Director of Friends of Anacostia Park in Washington, D.C.

### Getting to the park should be a walk in the park

In 2023, we launched Outside in 5, a community-led initiative with the goal of closing the nature gap by supporting national legislation and local projects like those led by Richard Trent: “Organizations like Friends of Anacostia Park are working with REI and the National Park Service to do everything in our power to reconnect communities to green space historically disconnected by inequitable development.”



[LEARN MORE](#)



Founders of color represent only an estimated 1% of entrepreneurs in the outdoor industry due to barriers and biases. It's time to change things.

Accelerating the success of founders of color

In 2023, Path Ahead Ventures distributed over \$2 million in investments and/or equity-free grants to 28 total brands owned by founders of color to continue to unlock the full potential of the outdoor community. And the investment goes deeper than capital. “Your network is your net worth,” says Pescavore founder Clarice Owens.

[LEARN MORE](#)



The REI Co-op Trailmade collection was designed to alleviate the feeling of fitting into a limited mold.

Driving change from first sketch to final stitch

In 2023, the co-op added new inclusive design practices that enable progress across the more than 1,400 brands we carry—including our own. “From sizing to sleeping bags, so many outcomes change as a result of listening to human stories, and though they’re focused on marginalized communities, the outcomes are better for everybody,” explains Nani V., co-op Senior Program Manager for Racial Equity, Diversity, and Inclusion (REDI).

[LEARN MORE](#)

PLANET

Solving the climate crisis requires cooperation on a whole new level—for our communities, future generations, and the long-term health of our business.

[Read Our Planet Report](#)



Our LEED Platinum-certified distribution center in Lebanon, TN, opened in 2023

**100% renewable, 100% electric, 100% human**

Solar panels on the rooftop. Systems that repurpose rainwater. Low water-use plants. And light—so much natural light. Every single detail of the co-op’s LEED-certified distribution center in Lebanon, TN, demonstrates what it looks like when, as DC4 Director of Operations Scott Jones puts it, we build “around what we stand for.”

[LEARN MORE](#)



In 2023, almost 53% of our sales came from products with at least one preferred sustainability attribute.

**Going further together with our partners**

Throughout 2023, we continued to help brands of every size tackle climate action in ways that work for them, from workshops to toolsets. “REI’s reporting becomes an impetus, a lens and filter to think about our sustainability,” says Sven-Saw President, Linnea Sewnson Tellekson.

[LEARN MORE](#)



High-efficiency cookstove that cuts fuel consumption in half compared to a regular charcoal stove

**Embracing new methods, blazing global trails**

In 2023, we invested in clean energy systems where we manufacture product, from stateside to worldwide. And we collaborated with our partners at BioLite to finance the production of clean cookstoves for communities in sub-Saharan Africa—advancing our carbon neutrality commitment while fostering better health outcomes and equity around access to clean air.

[LEARN MORE](#)



How We Measure Progress



**ANTI-RACIST COMMITMENT**

As one of the largest players in the outdoor industry, we recognize that to drive the change we want to see, we must start from within the co-op. We are committed to becoming a fully inclusive, anti-racist, multicultural organization, and this commitment guides our policies and practices.

[LEARN MORE](#)





ESG SCORECARD

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

[LEARN MORE](#)



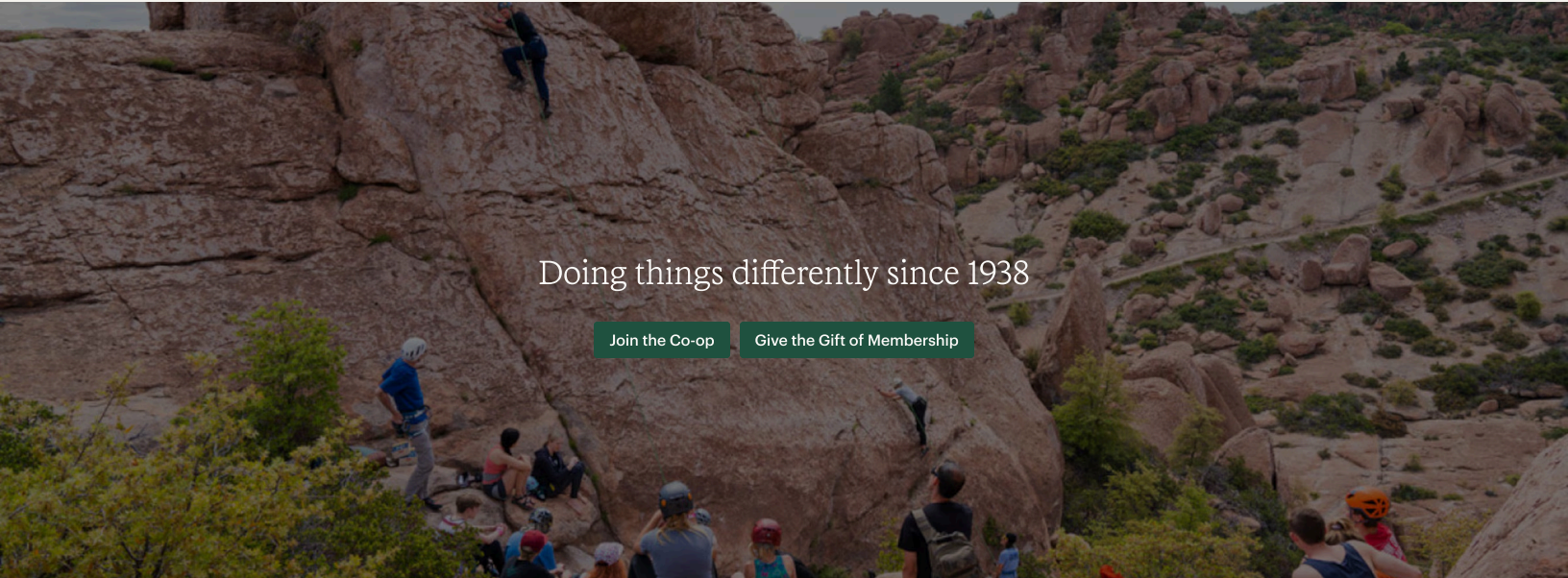
PRODUCT IMPACT STANDARDS

This is our annual assessment that covers social, environmental and REI practices. Of the 750+ brands we assessed, REI Co-op came out on top among many of the world’s leading outdoor brands.

[LEARN MORE](#)

Impact Report History

2022	2021	2020	2019	2018	2017
2016	2015	2014	2013	2012	2011
2010	2009	2008	2007	2006	





EMPLOYEE

Change ripples from the inside out. Becoming a fully inclusive, anti-racist, and multicultural organization is how we will drive the positive change we want to see in our industry and society. And while we're not there yet, we're proud of the progress we've made together.

JOURNEY

We are working to build a more inclusive co-op and outdoor community, and the reality is the outdoor culture and 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'RE HERE TO SEEK, CREATE AND BUILD BETTER.



A shop technician works on a bike.

Today, the co-op is not as racially diverse as the communities we serve. Therefore, our approach and practices to advance Racial Equity, Diversity, and Inclusion (REDI) lead with race. By increasing representation from Black, Indigenous, and People of Color (BIPOC) communities in our workforce, the co-op can close the gap across multiple dimensions of diversity within the organization.

In 2022, we focused heavily on increasing representation—attracting the best talent to drive our company forward. Recognizing that a diverse, representative workforce requires a focus on recruitment and retention, we widened our efforts in 2023 to reimagine the employee experience, ensuring employees feel heard and supported and can thrive in the workplace.

*“We know that time outside can inspire, empower, and heal. Yet, we also know that millions of Americans lack access to outdoor spaces, and even if they have access, many do not feel*



*a sense of safety or belonging outdoors. Our employee efforts help build a more equitable, accessible, and inclusive culture."*  
— Kristin R (she/her), Employee since 2022

---



Employees cheer while kayaking.

As we work toward this commitment of being a fully inclusive, anti-racist, multicultural organization, we recognize that “better” is a journey, not a destination. We have made progress, and we are humbled by our aspirations and the work that is still needed to further change from the inside out.

---

## COMMITMENTS

The search for better is never static. We are a workplace open to new ideas, new thinking, and professional growth. The accomplishments below are a testament to our shared values and efforts to work together as one co-op.

---

## WE ARE COMMITTED TO BECOMING BETTER.

---



A person mends work gloves.

---

Career & Learning Center ^

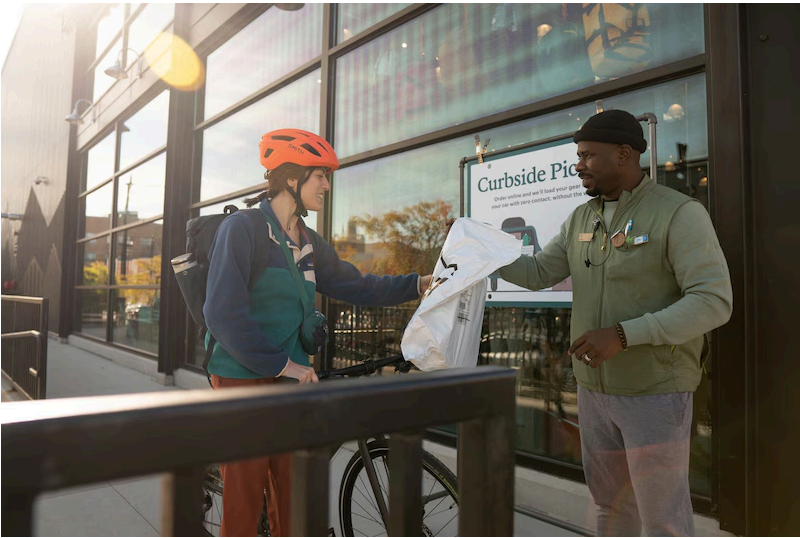
In 2023, we launched a Career & Learning Center to create a consistent and equitable employee experience across the co-op. Additional resources were introduced to help staff understand how their role fits into the broader co-op and explore growth opportunities.

---

---

*“We needed to align on one practice for the co-op that would work for everyone and enable every employee to grow at the co-op, whether that is transferring to another location or applying for a promotion. We spent many months researching*

*and speaking with employees in every sector to understand what was currently in place. It took a lot of collaboration.”*  
— Victoria B (she/her) Employee since 2021



Employee hands an order to a customer.

Internal Mobility



In 2023, we developed new internal mobility guidelines that apply to every sector at the co-op. Additionally, the team simplified job postings and extended relocation perks to include all full-time roles requiring an employee to be on-site or mobile to a specific location.

Engagement Survey Participation



In 2023, 86% of employees participated in our engagement survey, with nearly 14,000 responses and more than 51,000 comments. These results provide incredible insights into where we are strong, where we have opportunities to improve, and how we can continue to put our employees at the forefront.

Compass Group Employee Advocacy Program



In 2023, the Co-op Compass Group completed its inaugural year and shared insights to improve how the co-op listens and responds to feedback, concerns, and ideas. The Compass Group discussed six topics and ended the year with 15 concrete examples of positively impacting or influencing the employee experience.

CULTURE

Here at the co-op, we believe good company is part of what makes a great company. It’s why we strive in everything we do to foster a culture of respect, belonging, and hard work as we steward this one and only planet we live on.

Extension of Workforce Culture



Forbes Best Employers for Diversity & Women



Forbes America's Best Brands for Social Impact



For

WE CULTIVATE A BETTER CULTURE





Employees pose outside of a Boathouse.

### Anderson and Leadership Award Recognition Program

The Anderson Award and Leadership Award recognition programs provide the opportunity for all employees to give and receive recognition for demonstrating our values. In 2023, thousands of employees were nominated for these awards, with Anderson Award recipients celebrated in person in the Puget Sound area in June and Leadership Award recipients celebrated in person in Atlanta.

*“Every day, I go to work and try to do my job well—even on hard days—to make life better for my peers. I’m humbled by the [Anderson Award] recognition. The fact that it’s a peer-nominated award makes it meaningful.”*

— Nate H. (he/him), Employee since 2017



Employees arrive at Anderson Awards

### REI Co-op Inclusion Network Program

Our Inclusion Networks (Employee Resource Groups) create spaces for employees to 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.

*“For me, the Inclusion Networks are all about building community and providing a safe space for others like me. These networks provide a great opportunity to connect with people we regularly wouldn’t connect with and provide a way to elevate members’ careers through networking, event participation, and mentorship.”*

— Erik C. (he/him), Employee since 2020

### Cultural Milestones

We recognize holidays, events, memorials, and celebrations that represent the diversity of racial, cultural, 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 to create a sense of belonging for everyone.

### Enterprise-wide Learning

In 2023, we took our departmental REDI learnings—insights gained from listening to employees as well as internal and external research—and created five enterprise-wide trainings, called The Co-op REDI Learning Series, that engage employees around five in-depth topics. It’s co-op-wide, so everyone will participate in some form, whether it’s a facilitated session, a condensed e-learning, or related discussion topics via facilitation guides and resources.

- Race & Racism in the Outdoors

- Identity & Intersectionality
- Relational Behavior & Dominant Culture
- Implicit Bias
- Power Sharing

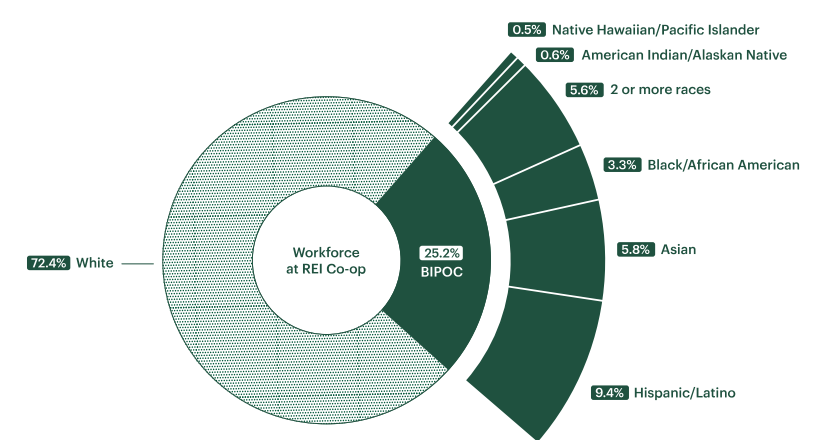
## REPRESENTATION

In 2023, we challenged ourselves to new levels of accuracy and accountability regarding data governance for workforce representation data. We remain committed to measuring race and sex assigned at birth, and publishing the data that will help us understand where we are on workforce diversity—and where we need to go.

### Race

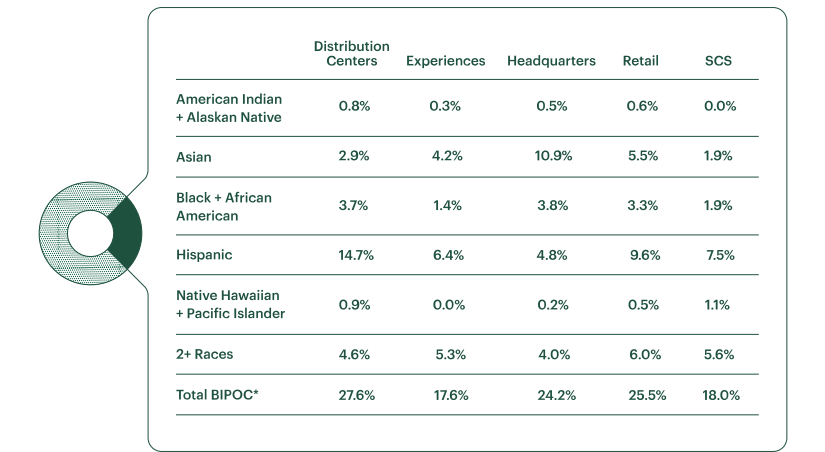
The co-op remains committed to increasing representation from Black, Indigenous, and People of Color communities, specifically tracking and publicly disclosing key diversity metrics for race. REI continues to focus efforts on attracting and retaining Black/African American talent, as this group continues to be an opportunity for growth within our workforce. In 2023, representation of BIPOC employees increased by 0.1%, with Black employees increasing by 0.1%.

Racial Representation of REI Workforce for 2023



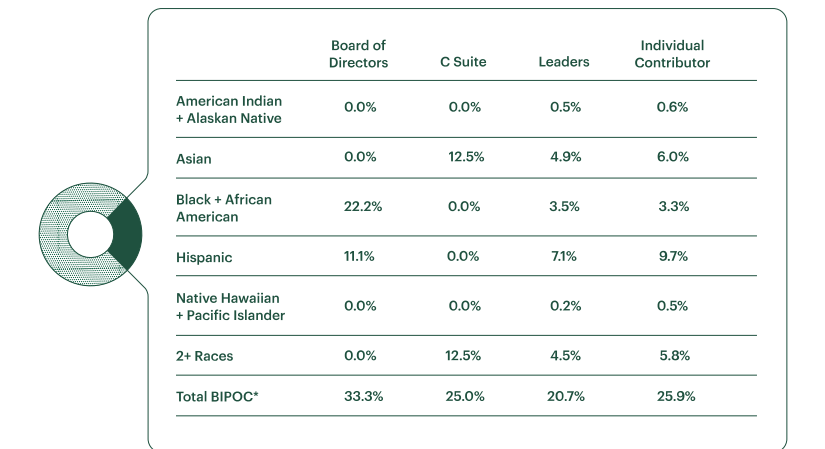
This graph illustrates the racial representation of the REI workforce in 2023.

Racial Representation of REI Workforce by Sector for 2023\*



This graph illustrates the racial representation of the REI workforce by sector (Distribution Centers, Experiences, Headquarters, Stores, and Sales and Customer Service) in 2023.

BIPOC Representation of REI Workforce by Level for 2023\*





This graph illustrates the representation of BIPOC employees across various levels of the REI workforce (Board of Directors, C Suite, Leaders, Independent Contributor, and Total Workforce) in 2023.

*\*Board omitted from the total workforce count because they are not REI employees*

*C Suite = CEO/SVP*

*Leaders = RVP/DVP/VP, Director/Store Mgr, Sr Mgr/Mgr/Supervisor*

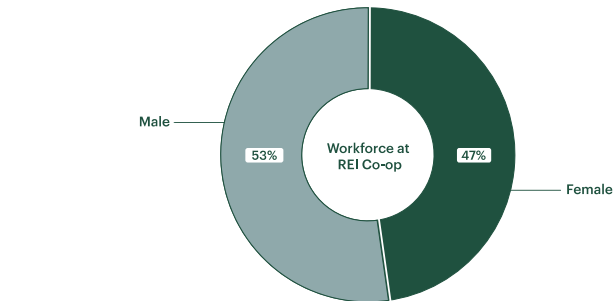
*Individual Contributor = non-people leaders*

*Employees who selected “Not Specified” are not visually represented.*

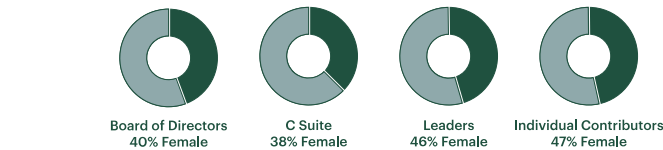
Sex & Gender

REI is committed to gender equity and acknowledges the difference between sex assigned at birth 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.

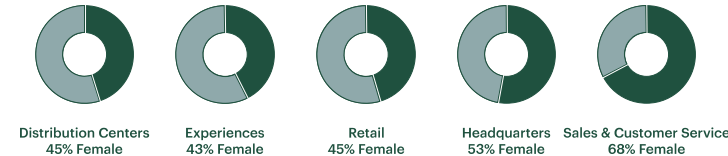
Male/Female Representation of REI Workforce for 2023\*\*



2023 Male/Female by Level



2023 Male/Female by Sector



This graph illustrates the percentage of our workforce identifying as male or female, by Level and by Division, in 2023.

*\*\*Board omitted from the total workforce count because they are not REI employees*

*C Suite = CEO/SVP*

*Leaders = RVP/DVP/VP, Director/Store Mgr, Sr Mgr/Mgr/Supervisor*

*Individual Contributor = non-people leaders*

BENEFITS

At REI, our benefits offering reflects our values and puts employee well-being first. 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 OFFER HOLISTIC BENEFITS FOR A BETTER LIFE



Employees kayaking

In 2023, we launched the REI Access Plan to provide access to medical coverage for every employee who needs it after only three months of employment.

We expanded mental and behavioral health services available to employees and their families to include programs to treat depression, anxiety, and burnout; comprehensive pediatric behavioral health for families, children and teenagers; and skill-building support for personal well-being and professional resilience.

In 2023, we also improved access to affordable, quality health care by adding virtual options for mental and behavioral health services and digital exercise physical therapy that can be accessed by eligible employees nationwide. For eligible employees required to travel at distance to access care, REI expanded our travel and lodging benefit to include gender-affirming and infertility services.

We distributed \$571 million in employee retirement and incentives in 2023, which includes the annual guaranteed 5% retirement contribution to REI eligible employees.

We're at our best when we live life outside. When an employee works at the co-op, every day is an adventure! To enable an employee to bring their best and most authentic self to work, we have embraced several modes of work, depending on employee position.

- **Remote:** Employees whose work is self-contained off-site and do not work out of a HQ satellite location
- **Mobile:** Employees who choose to work from a combination of locations that best suit their role, work, and team on a given day, including satellite offices and home offices
- **On-site:** Employees whose work requires them to work onsite at a designated location on a regular basis

**Want to learn more or apply at REI?** Visit our Careers Site to be the first to hear about events, new job opportunities, and the latest REI news and learn about life at the co-op.



Employees arrive at Anderson Awards.

[Learn More](#)

## STEWARDSHIP

Stewardship is how the co-op acts on its love for the outdoors. These actions include taking care of outdoor spaces, operating our business to improve its environmental footprint, addressing the impact of our products, and creating a rewarding workplace for our employees.

We Are Better Grounded in the Outdoors



A volunteer and employee help with trail maintenance.

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

- **Opt Outside:** Since 2015, we have closed our doors on Black Friday, encouraging employees and members to spend time outside rather than shopping—and in 2022, we committed to closing on Black Friday for good. All stores, distribution centers, activity centers, call centers, and headquarters receive a paid day off.
- **Way Day Program:** Twice a year, the Way Day Program allows staff to take a workday to partake in the activities that are important to them.
- **The Employee Challenge Grant:** REI employees can request a Challenge Grant for up to \$300 of REI brand product to support a personal outdoor recreation challenge. These help REI employees build up their outdoor recreation skills and product knowledge.
- **Employee Engagement in Impact Program:** In 2023, we launched interactive webinars to expand Retail Store employee understanding of, and engagement in, our Impact work. Key elements included employees making nonprofit recommendations for potential grants from the REI Cooperative Action Fund, bringing Cooperative Action Network advocacy to life in stores, and coordinating employee volunteer opportunities.

*“My job is to take folks outside— connecting them with nature, making and fostering connections with local organizations, and making sure they know that their job is important. It can be as simple as being in a park, all the way up to trail cleanups, hiking and backpacking. Creating better opportunities for employees to get outside—that’s my whole role here at the co-op.”*

— Carey M. (she/her), Employee since 2014



A volunteer and employee help with trail maintenance.

## REI BOARD AND GOVERNANCE

REI is founded on a governance model designed to ensure the organization’s long-term viability as a consumer co-operative corporation. That model includes a board composed of members to act as a steward and fiduciary of the co-op.

To effectively carry out its mission, the board seeks out passionate REI Co-op Members with the wide variety of skills and experience necessary to ensure our long-term success. All directors must have exceptional judgment and decision-making skills based on proven business acumen. We look for candidates with relevant experience operating businesses of similar size and scale to REI; a demonstrated history of innovation and disruption in the consumer experience industry; and proven effectiveness as a board member. Through the self-nomination



process, the board has a mechanism for members to nominate themselves for board service. All self-nominated candidates are considered during the selection process.

The board considers many factors in assessing the multifaceted experience necessary to be an effective REI board member. In addition to industry and work experience, the board looks for experience and skills that inform the realization of REI's commitment to racial equity, diversity, and inclusion in a meaningful way.

Members have a say in the governance of the co-op through the annual election process and member meeting.





SOCIETY

Whether it's through nationwide networking or grassroots passion, the co-op mobilizes with employees, members and communities to connect every person to the power of the outdoors and engage them in the fight to protect it.

GOVERNMENT AFFAIRS

At REI, we work to strengthen and harmonize the advocacy efforts of the outdoor sector and its not-for-profit partners. We actively support the broader movements for climate action and a more just, equitable and inclusive outdoors.

Cooperative Action Network

REI harnesses the power of our 24 million members and 15,000 employees to advocate for life outdoors. We focus on issues most dear to our community: fighting for policies that advance climate action, protect the places we love, and close the nature gap — the disparities in access to nature and outdoor spaces that exist among different populations. In 2023, the co-op community sent more than 500,000 messages to elected officials across federal, state, and local governments and helped secure an additional eight historic wins for the outdoors. These included the protection of nearly one million acres of Tribal lands through the designation of Baaj Nwaavjo I'tah Kukveni - Ancestral Footprints of the Grand Canyon National Monument; local e-bike incentives in Minnesota and Atlanta, Georgia; and more than \$1 billion in funding for parks and conservation in Texas, South Carolina and more.

Cooperative Action Network: Our People Power since 2021



230,000

PEOPLE

fighting for policies that advance life outdoors

800,000

MESSAGES

sent to local, federal & state elected officials

10

HISTORIC POLICIES

passed for the outdoors

50

STATES

involved in protecting the places & communities we love





The impact we've helped create for life outdoors since founding in 2021:



**1.2 billion**

TREES

being planted in national forests

**\$45 million**

FEDERAL FUNDING

allocated for connected trails to bike & run nationwide

**\$1 billion+**

STATE FUNDING

secured for state parks

**1 million+**

ACRES

of lands and water protected

### Mobilizing for Monuments

Across the country, Tribal Nations and other communities are calling for the protection of places sacred to them. REI, in concert with The Conservation Alliance, hundreds of local organizations, and dozens of outdoor brands, is joining these leaders in advocating for national monument designations that will ensure the future of spectacular cultural sites and critical habitats.

*“Establishing a national monument is first and foremost a community process. It is the best of democracy; people in a community or communities coming together with their neighbors and elected representatives to effect positive change.”*

— Sandy Schubert, REI Co-op Member and Executive Director of Tuleyome

We've rallied our members to collect more than 60,000 petition signatures in support of these monument expansions or designations. To date, we've celebrated the successful designation [Baa' Nwaa'vjo l'tah Kukveni—Ancestral Footprints of the Grand Canyon National Monument](#) and anticipate the successful expansion of San Gabriel Mountains National Monument and Berryessa Snow Mountain National Monument soon.

[Join us in mobilizing for monuments.](#)

### Other Campaigns

#### BLM Public Lands Rule

The Bureau of Land Management (BLM) manages 1 in 10 acres of U.S. land, yet only 15% of BLM lands are protected for conservation or recreation. Climate-driven pressures like severe drought and wildfires, invasive pests, habitat loss, and more make it clear: We cannot continue to manage these lands as we've done in the past. In June 2023, REI rallied our community to support the BLM's Public Lands Rule that emphasizes its role in ensuring healthy landscapes for the benefit of the public on 245 million acres of public lands. [Learn more here.](#)

#### Outdoors for All Act

In far too many low-income neighborhoods and urban areas, quality time outside is out of reach due to systemic barriers that prevent people—disproportionately communities of color—from enjoying nearby green spaces. The Outdoors for All Act seeks to close this nature gap by making a program called the Outdoor Recreation Legacy Partnership Program permanent law, which would secure funding for green spaces in underserved communities. [Take action here.](#)

#### TREES Act

In communities across the country, a lack of trees is a dire condition that leaves people vulnerable to deadly “heat islands,” high electricity bills, catastrophic flooding, dirty air, and other threats. In fact, low tree canopy is a common hallmark of larger inequalities. Neighborhoods with no or low tree cover often have lower home values, lower income levels, and higher populations of people of color. The TREES Act would create a program at the Department of Energy to plant a minimum of 300,000 trees annually in neighborhoods where they are needed most. Join us at [REI.com/trees](#).

### Outside in 5

A third of people in the U.S.—100 million of us—lack access to outside spaces close to home. In 2023, REI launched a new campaign to change that: Outside in 5.

Partnering with nonprofits like the [Trust for Public Land](#), REI supports projects like the [Hilltop green schoolyards in Tacoma, WA](#), that now provide access to 5,000 people who were without nearby green spaces.

REI has released a policy playbook for Outside in 5 that outlines our strategies to close the nature gap.



Outside in 5 first launched in the Anacostia Park neighborhood of Washington, D.C. in partnership with Friends of Anacostia Park.

[Learn More and Join Us](#)

### Outdoor Equity & Belonging

The outdoors should be a welcoming place, yet many communities face barriers to time outside. REI partnerships for outdoor equity are beginning to change that.

The [New Mexico Outdoor Equity Fund](#) supported 211 organizations to get 64,000 youth into the outdoors since 2019. REI helped secure permanent funding for the program last year.

REI and the National Caucus of Environmental Legislators [launched a toolkit in 2023 to help elected officials create equity funds in their own communities.](#)

### Public funding & ballot measures for recreation and conservation

Funding is a major barrier to establishing parks, trails, and improving public access to the outdoors. REI is supporting ballot measures for dedicated recreation funding across the U.S. and has already won a major victory in Texas.

REI supported the passage of Prop 14, a ballot measure in Texas championed by a bipartisan group of legislators that will [set aside \\$1 billion](#) to create more state parks.

Employees at the Dallas store worked alongside Environment Texas to host a press conference with state senators and premiere a campaign video. From sharing facts about the \$1 billion trust on the store community board to engaging with customers, grassroots passion shone through the co-op's efforts. This helped galvanize support for the campaign and helped to get it passed by a whopping 77%.

We look forward to supporting additional ballot measures for recreation and conservation in 2024.

*“In my nine years at REI, I've never heard of a press conference and a premiere for a campaign video being held at a store. This was something in our backyard, so it was very much a passion project for us. I hope that we can grow from this and make it a norm, because it impacts so many people. It was so cool to be at the foot of it and help launch it.”*

— Joanna R., Senior Community Outreach & Sales Associate, REI Co-op Dallas

### Co-op investments

Shaping public policy - and trying to affect government spending priorities - takes collective action and well-led coalitions. Successful advocacy is a team sport. To cohere and amplify our community's voice, the co-op annually invests millions in allied nonprofit partners. These partners are likewise helping to build the outdoor sector's political power and support broader advocacy movements.

As just one of dozens of examples, we work in communities across the country with [PeopleForBikes](#) to drive on-the-ground outcomes that increase access to and safety of mobility options like biking and walking. We're also working with them to make e-bikes more accessible by passing supportive legislation in multiple states.



[Take Action on the E-Bike Incentive Act](#)

### Climate

REI routinely advocates for public policy shifts aimed at combating climate change, whether that be through nature-based solutions such as forest regeneration and carbon sequestration or via corporate transparency and accountability.

Examples of our advocacy partnerships and successes in 2023 include: California passed nationally significant climate disclosure bills for corporate emissions. Michigan celebrated 100% clean energy legislation—the first in the Midwest. And Washington state launched a \$120 million clean trucks program.

REI was proud to support these bills. We were pleased to receive the Ceres BICEP Network State Climate Policy Champion Award for our work.



PATH AHEAD VENTURES


Path Ahead Ventures provides 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 entrepreneurs to ensure the outdoor industry reflects the true diversity of the people who love, protect, and share life outside.

Founders First Approach

Since 2021, Path Ahead Ventures has focused on putting founders first, directly engaging the individuals behind each business and recognizing the unique challenges faced by founders of color in the outdoor space.

A look into the founder experience

Path Ahead Ventures 2023 Navigate Founder Stories



Three years into our journey, we know there is more work to be done to diversify the outdoor industry and advance racial equity within society at-large.

*"Founders of color continue to face challenges in securing funding for their growing businesses. 0.13% of total capital allocated to U.S. startups went to Black founders in Q3 of 2023 (vs 1.2% in 2022) and less than 1% of total venture funding in 2023 went to Latina/o/x-founded companies (vs peak of 2.5% in 2021)"*

— TechCrunch & Crunchbase

The Co-op's 2030 Commitment

The co-op has committed \$30 million by 2030 to empower founders of color. REI also aims to:

- Invest in and partner with over 300 current and aspiring founders of color.
- Continue adding brands owned and led by founders of color, building to a representation of 15% of all brands sold at REI.
- 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.

Here's how we've progressed through 2023





Path Ahead Ventures hosted a Founders Market at The Big Gear Show in June. This was the largest in-person gathering we have hosted so far.

### Supporting Founders at Every Stage

We regularly seek feedback to continually evolve our support and ensure we are making a positive impact on founders and their businesses. Our goal is to support founders at every stage of their growth with capital, programming, community, and resources.

Capital

^

In 2023, Path Ahead Ventures distributed \$320k grants to 23 companies through our programming. These grants are equity-free and the founders can use these funds as they see fit to support the growth of their businesses. Additionally, we invested \$1.9Mm in 11 companies. While the investments provide capital in exchange for equity, the co-op keeps to a founder-first approach and never seeks a controlling interest in any of the companies. The following companies joined Path Ahead Ventures investment portfolio in 2023 (listed alphabetically):

- [Cadence](#) makes sustainable, on-the-go products.
- [COBA](#) makes coffee and tea energy bars.
- [Hairbrella](#) makes high-quality headwear for textured hair.
- [Hootie Hoo](#) makes premium outdoor apparel and outerwear for children.
- [Oros](#) develops innovative insulation technologies.
- [Renegade Running](#) is a specialty independent running retailer, based in Oakland, CA, crafted with a local community mindset.
- [September](#) is a women's swim and activewear brand.
- [ToughCutie](#) makes better-fitting women's merino wool hiking socks.
- [Usal](#) creates dynamic, engaging outdoor events and experiences aimed at connecting diverse, urban communities to the outside.
- [Varlo Apparel](#) makes multisport and cycling apparel.
- [WhitePaws RunMitts](#) makes convertible, thumbless mittens designed to accommodate fluctuating temperatures.

Programming

^

In 2023, we hosted the second cohort of [Embark](#) and [Navigate](#). We partnered with [Founded Outdoors](#) on a new ideation series to help aspiring entrepreneurs get started on their journey.

Community

^

In 2023, we added 35 founders of color to our community and launched an online platform enabling them to stay connected.

Throughout the year, we brought the founders together with store teams, local communities, the industry, and each other!

In June 2023, we hosted our largest founder gathering at The Big Gear Show in Denver. The event included a [Founders Market](#) and a reception to celebrate and network.

*"Your network is your net worth. The Path Ahead Ventures community and resources are an incredible network you can access that has an outsized impact."*  
- Clarice Owens, Founder of Pescavore

Resources

^

We grew our network of advocates, experts, and investors to almost **400** people who are available to guide our founders through programming or direct mentorship. We provided hands-on support for our portfolio companies in finance, strategy, and operations. Additionally, we provided new avenues for our brands to generate awareness and sales.

### Moments in 2023



Varlo (Navigate 2023) participated in the Outdoors for All community day at the REI in King of Prussia, PA.



Lestarya Molloy, founder of Fridie Outdoors, tabled at the Timber! Outdoor Music Festival in Seattle in July.

Thr  
at 1

[Learn more about PAV](#)

## INCLUSIVE DESIGN

REI is committed to enabling everyone to experience the best of time outside—no matter who they are, where they live, or how they get out. Doing so authentically means designing with more people in mind: understanding and accounting for how factors like gender, age, body size, racial identity, and more can shape the way each of us experiences the outdoors. By bringing the voices and perspectives of our members and partners directly into the way we create and market our offerings, REI teams are empowered to better understand and meet the needs of diverse customers, so that we can deliver offerings and experiences that are better for everyone.

## Solve for one, extend to many

At REI, we are committed to channeling the ethos of inclusive design across the co-op. Simply put, we know that when we design our offerings with and for those most historically marginalized, we will improve the outcomes for our community at large.

We know that that every decision we make—whether about the products we sell in our stores, our workshops and classes, or our store environments—has the potential to be more inclusive and relevant for customers whose voices and experiences have been historically overlooked by our industry in the past, such as communities of color, LGBTQ+ people, and those living with disabilities. We believe in consulting the experts, our customers themselves, to best understand those needs.

The credo “nothing about us, without us” guides REI’s approach to inclusive design, which we enabled through dynamic relationships with community organizations, innovative processes like design hackathons, and multiorganizational brainstorms, and by consistently engaging marginalized communities upstream in our own development processes.



REI Co-op Trailmade collection, 2023

In 2023, we scaled our inclusive design practices to build more relevant brand experiences with—and for—our current members to help each one feel seen, thought of, and valued throughout their journey with REI.

## Diversity and Inclusion Product Impact Standards

In 2023, we built on our strong foundation with our assortment through the expansion of the Diversity & Inclusion expectations included in our Product Impact Standards, which have been informed by the needs of



“We not only set expectations, but we also partner with industry experts to offer open-source education on those topics to bring folks along. We're trying to form a community of practice, so that it's not about who gets there fastest and furthest, but how we can support each other so this industry as a whole can be better.”

— Nani V., Senior Program Manager, REI

We continue to uphold our commitment to these expectations across the co-op. Every REI employee is empowered to share feedback on product that may be out of alignment with any part of our standards through our anonymous reporting tool.

Our own REI Co-op brands serve as a key indicator of progress as it relates to alignment with our standards. REI Co-op brands remain 100% in compliance with all diversity and inclusion expectations.

### Trailmade Collection

Inclusive Design insights were critical to the development of the 2023 REI Co-op brands [Trailmade collection](#), designed to meet the needs of entry-level backpackers. Design teams met with key inclusion partners such as [Latino Outdoors](#) and [Unlikely Hikers](#) to understand the barriers that existed for communities newer to the activity. Insights from these conversations unveiled opportunities in topics like color palettes, affordability, gender-open design, inclusive sizing, and accessibility, which ultimately contributed to this collection being REI's most successful Member Collection to date.

### Inclusive Marketing

REI marketing and storytelling capabilities are critical ways in which the co-op embraces an inclusive design mindset. In 2022, REI partnered with Bold Culture to launch a comprehensive audit of marketing practices, and in 2023 began implementing these results to train more than 200 employees on multicultural marketing best practices.

## COMMUNITY PARTNERSHIPS

REI is committed to building community everywhere we operate, incorporating inclusive practices into hundreds of events and programs across the country each year. We're building diverse partnerships with organizations and leaders dedicated to fostering a more inclusive outdoor community.

### Inclusive Partnerships Highlights

- Hosted or supported over 100 events welcoming over 65,000 participants across the country that centered the experiences of people who identify as members of the BIPOC, Women, Veterans, LGBTQ+, and/or people with disabilities communities.
- Engaged in a five-city listening tour with [Minority Veterans of America](#) and convened diverse Veterans to discover effective strategies to close the nature gap.
- Supported an [All Native Climb of Mount Tahoma](#), increased Native visibility on the mountain, and inspired Native climbers to enjoy the connection to their land.
- Held our first events with Erick Cedeño, the “[Bicycle Nomad](#),” gathered 350 people across five locations, and raised awareness of Black History through the lens of cycling.
- Hosted the [REI + Brooks Night Run for Women and Gender-Expansive Runners](#) in San Francisco and Sacramento, which spotlighted the issues that women and gender-expansive people face when running in the dark—and found joy in taking on the night together.
- Partnered with [Outdoor Journal Tour](#) to host the second annual We Hike to Heal campout and retreat for women of color.
- Sponsored over 130 Opt Outside events with over 5,000 participants for over 25,000 hours outside.
- Hosted REI's inaugural partner network summit with 32 representatives joining for three days of outdoor programming, strategy workshops, collaboration, and community building.

These partners and events are establishing inclusive and affirming spaces for communities to cultivate their passion for the outdoors. Through fostering connections, they contribute to a reality where everyone feels embraced in expressing their true selves, accessing opportunities, and discovering their rightful place in the outdoors.

2023 National Inclusion Partners



Inclusion Partners enjoying outdoor activities at REI Meydenbauer Boathouse in Bellevue

### REI COOPERATIVE ACTION FUND

Across the country, hundreds of nonprofits are working hard every day to create a more equitable outdoors for everyone. In 2021, REI launched a public charity—the REI Cooperative Action Fund—to bring broader, communitywide support to that movement.



REI Cooperative Action Fund

The REI Cooperative Action Fund is incredibly proud of our growing community of generous donors. In fiscal year 2023 (July 1, 2022-June 30, 2023), 890,000 people and organizations donated to the REI Fund which, in turn, supported \$6 million in funding for 74 local, regional, and national nonprofits—all working to create a more equitable outdoors for everyone. It's testimony to the growing strength of our cooperative action.

Cooperative action. Cooperative change.

REI has donated the total cost of the REI Cooperative Action Fund operating expenses—which means that every single dollar donated by the general public directly supports grantees. To learn more about the REI Fund and its investments, check out its 2023 Annual Report, which captures the impact made over the fund's fiscal year.



REI COOPERATIVE ACTION FUND 2023 ANNUAL REPORT

The collective strength of our community is making a difference. Every donation adds up to a big impact. The power of one person to make a difference in the world always rings true. That one person, joined by millions of others with a shared vision, is unstoppable.



Native Like Water, Imperial Beach, CA

LEARN MORE ABOUT THE REI COOPERATIVE ACTION FUND GRANTEES

Creating Space Outside

This initiative supports organizations that are increasing equitable access to parks, trails, open space, waterways, and more. We prioritize community-led solutions that bring nature's individual and environmental benefits closer to home for marginalized communities. During our fiscal year 2023 (July 1, 2022 - June 30, 2023), \$1.5 million was distributed to 20 grantees.

Connecting People Outside

This initiative supports organizations led by and serving populations that, systemically, have not had as easy access to outdoor places. These include Black and Indigenous communities; people of color; LGBTQ+; people with disabilities; women; and low-income communities. We prioritize organizations that cultivate connections, healing, and joy outside. During our fiscal year 2023 (July 1, 2022-June 30, 2023), \$2.9 million was distributed to 40 grantees.

Centering Health Outside

This initiative invests in strengthening and amplifying scientific research, and supporting Traditional Ecological Knowledge, that demonstrates how time outside in nature improves mental, physical, and emotional health, as well as resilience for people and communities. During our fiscal year 2023 (July 1, 2022 - June 30, 2023), \$1.6 million was distributed to 13 grantees.

Cooperative action is a powerful force for change

\$9.5M  
IN SUPPORT

890K  
DONATIONS

74  
GRANTEES

\$6M  
DISTRIBUTED

Learn More About the REI Cooperative Action Fund





## PLANET

Solving the climate crisis requires cooperation on a whole new level—for our communities, future generations, and the long-term health of our business.

## CLIMATE

REI is a member-owned cooperative committed to inspiring and enabling life outside for everyone. We harness that cooperative spirit to do all that’s humanly possible for our community, the planet, and the long-term health of our business in fighting the climate crisis.

Here’s an update on our progress



**100% x 11**

The percentage of our electricity from renewable sources for 11 consecutive years.

**-6%**

The percent change in our 2023 greenhouse gas footprint compared with our 2019 baseline year.

**303**

metric tons of CO<sub>2</sub>eq per million dollars of revenue, a 9% decrease from our carbon intensity in 2022.

**240,422**

metric tons of CO<sub>2</sub>eq, the volume of carbon credits we purchased to take responsibility for our operational emissions in 2023.

[Learn about CO<sub>2</sub>eq](#)

We support large-scale societal changes that ensure the outdoors remains a transformative place for this generation and future generations.

### More on our climate strategy

#### Empowered consumers

We empower our members to [reimagine consumption](#) and make impactful choices in their own lives while advocating for change through the [Cooperative Action Network](#).

#### Effective government

Our direct and grassroots advocacy focuses on the transition to a more environmentally sustainable economy. Lawmakers must adopt policies that accelerate clean energy adoption, the circular economy, and natural climate solutions. [Our full climate policy platform can be found here](#).

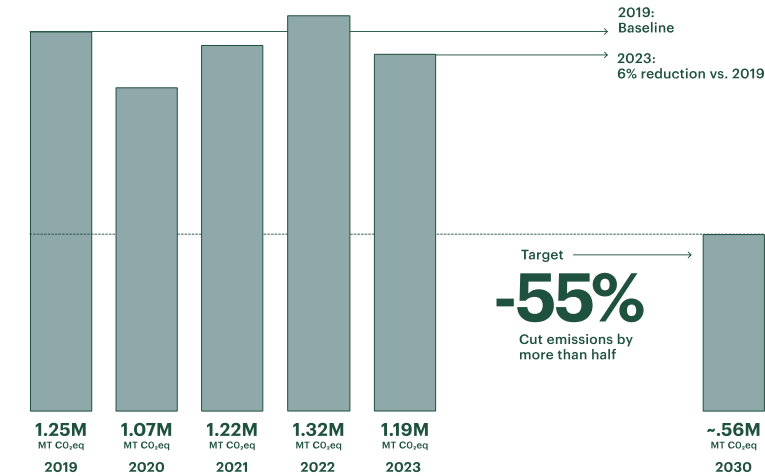
#### Bold business leadership and innovation

Businesses must lead the transition to a low-carbon economy and innovate ways to decouple economic

## Our 2030 Climate Target

During the current decade, we aspire to more than halve our greenhouse gas emissions as we progress toward our long term goal to be net-zero by 2050. In 2023, we formalized this goal with an approved target validated by the Science Based Target Initiative (SBTi). Our SBT defines absolute reductions by area of the business and an engagement target for external brands we retail. It also codifies our net-zero target. More information on our independently verified greenhouse gas footprint and SBT can be found in the Disclosures & Regulatory Compliance Section.

2019-2030 Actual vs. Projected Greenhouse Gas Emissions



Between 2019 and 2023, we saw fluctuations in our absolute annual emissions largely due to macroeconomic impacts from the global pandemic. However, over that same period, we also saw our emissions intensity (a measure of emissions/revenue) consistently decrease by nearly 25%, from 402 to 303 metric tons of CO<sub>2</sub>eq per million dollars of revenue. This means that, as a business, we’ve been generating fewer emissions over time to deliver the quality outdoor gear and experiences you know and love.

## More on our emissions reduction approach

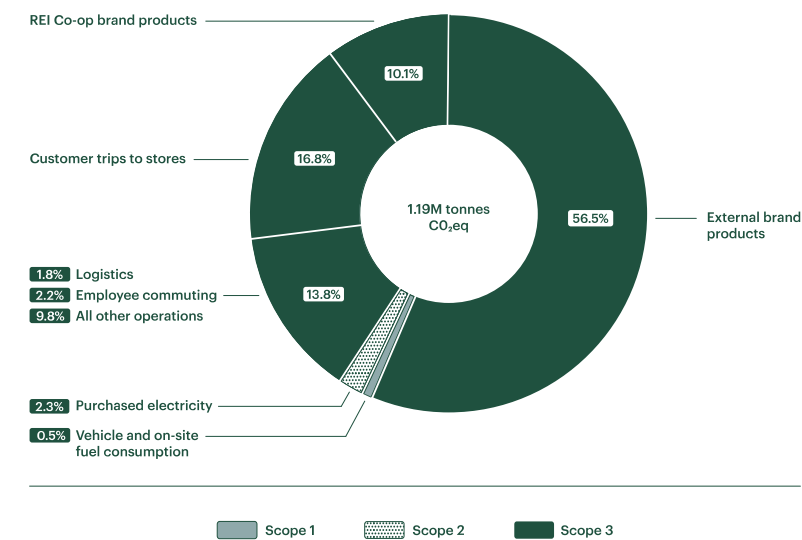
Our emissions reduction approach prioritizes the most impactful interventions across our global value chain, where we have the greatest opportunity to realize reductions:

- **Powering our global supply chain with clean energy:** We’re collaborating with our manufacturing partners and other outdoor brands—and investing our own funds—to scale clean energy and energy efficiency in the factories and countries where our products are made.
- **Bringing innovative low-carbon materials to market:** Such materials typically have reduced environmental footprints compared to their conventional counterparts. Read more about how materials play a role in minimizing product impacts.
- **Developing carbon-efficient lines of business:** We’ll continue to invest in and grow more sustainable business operations, including circular supply chain models. Read more about such efforts on our [Re/Supply page](#).

## 2023 Emissions

Greenhouse gas emissions from the products we sell make up the majority of our total enterprise emissions, which we divide into scope 1, 2, and 3. Scope 1 emissions are from sources that REI owns or controls, such as stores or vehicles; scope 2 emissions are from purchased electricity; and scope 3 emissions are all other value chain emissions.

2023 Greenhouse Gas Emissions by Source



Our 2023 emissions were 10% lower than our 2022 emissions, and 6% lower than our emissions in our 2019 baseline year. In other words, we have begun to make significant progress against our climate target.

## How we reduced our 2023 emissions

Our 2023 emissions were 10% lower than our 2022 emissions, and 6% lower than our emissions in our 2019 baseline year. In other words, we've started making meaningful progress against our climate target. We were able to achieve these reductions through the following interventions:

- **100% renewable electricity:** Last year we powered our stores, offices, and distribution centers with 100% renewable electricity for the eleventh year in a row.
- **Lower-carbon materials:** In 2023, our usage of recycled polyester and nylon across REI Co-op products increased to 49% and 41%, respectively, as a portion of our total usage of these materials. Using recycled materials is an important part of our emissions reduction strategy because producing them typically emits less carbon than producing their conventional counterparts. We have also begun using other innovative materials in our footwear offering that we expect to help us further reduce emissions and our reliance on petroleum. These include LanzaTech yarns (made using a process that captures industrial waste gases) and algae-based BLOOM foam content in select footwear styles.
- **Reducing emissions from REI Co-op product manufacturing:** In 2023, REI purchased clean energy in five countries to reduce electricity-related emissions from manufacturing REI products by 11%. We achieved this through a new four-year partnership with [Powertrust](#), an aggregator of high-impact renewable energy projects, to accelerate small-scale distributed solar projects in Cambodia, Vietnam, and Indonesia. We also instated a phaseout requirement for the use of on-site coal, with no new coal-based equipment by 2023 and the elimination of any existing coal usage by the end of 2025 for all tier 1 and nominated tier 2 suppliers.
- **Engaging brand partners to reduce emissions:** In 2023, REI engaged dozens of our largest brand partners through a series of workshops to help them measure their carbon emissions and create emissions reduction goals and action plans. We ended the year with over 62% of our sales volume coming from brands that have science-aligned emissions reduction targets in place and will continue working to grow that number.
- **Reduced emissions from international freight:** Since 2022, we've [participated in DHL's GoGreen Plus program](#). This partnership helped us directly reduce ocean freight emissions from shipping product to our U.S.-based distribution centers by 35% in 2023.
- **[Achieving Climate Neutral Certification for the fourth year in a row:](#)** This third-party certification program keeps us accountable for achieving continual emissions reductions over time, in line with our SBTi-approved 2030 carbon reduction target.

Learn about our emission reductions investments

*“We’re driving decarbonization for REI in new and creative ways with an eye toward collaboration and scalability. Achieving the co-op’s climate goals is front and center, but accelerating climate action across our industry and beyond is our ultimate objective.”*

— Evan S., International Renewable Energy Manager at REI Co-op

Learn how bike sales avoid emissions

### Carbon Markets Strategy

While we are prioritizing our science-based emissions reduction target, we believe in taking responsibility for any residual emissions we generate today. We also recognize the importance of going above and beyond our value chain to contribute to meaningful activities that mitigate climate change globally. That’s why we’ve committed ourselves to compensating for our climate impacts by purchasing high-quality carbon credits in volumes equal to our operational emissions – and we’ve done so every year since 2020. You can see a full list of the carbon projects we’ve invested in [here](#).

Our carbon markets strategy centers on balancing our operational greenhouse gas emissions with an equivalent investment in the removal, sequestration, or avoidance of emissions via carbon credits. “Operational emissions” include our scope 1 (owned and direct) and scope 2 (purchased electricity) emissions, as well as all portions of our scope 3 (value chain) emissions except for emissions from: 1) products from the external brands we retail and 2) customer impacts (e.g., product use, product end-of-life, and customer trips to stores).

Unpack our climate neutral certification



BioLite clean cookstove

### BioLite Partnership

In 2023, we also celebrated a first-of-its-kind, multiyear carbon partnership with BioLite. Many in the outdoor community know them as the brand committed to [powering your outdoor adventures](#) with cooking, lighting, and heating technologies. But did you know they also provide access to affordable clean energy solutions like improved cookstoves for millions of off-grid families across the globe? BioLite’s mission is to empower people and protect our planet through access to renewable energy, and we couldn’t be more proud to support them in this mission. This partnership symbolizes our continued commitment to taking responsibility for emissions in an impact-driven, human-centric way.

We provided BioLite with upfront capital to help manufacture and distribute clean cookstoves to 30,000 households across sub-Saharan Africa. The carbon credits generated from communities using these clean



cookstoves instead of more polluting wood- and charcoal-burning stoves will help us account for the impacts of our own operational emissions over the next several years.

“There’s a very human-oriented element to BioLite’s work: they’re focused on empowering households across sub-Saharan Africa with access to cleaner energy solutions. Equity also plays a role in their approach, since women and girls, who often spend more time performing household chores, can be disproportionately exposed to air pollution from cooking fumes. BioLite offers an elegant solution for improving both social and environmental outcomes at the same time.”

— Gillian L., Sustainability Manager at REI Co-op

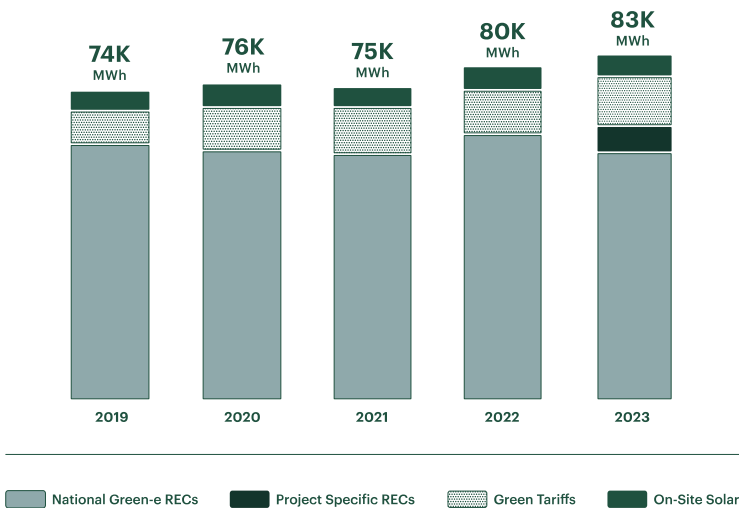
## RENEWABLE ENERGY AND GREEN BUILDING

REI operates over 180 stores and four distribution centers across 42 states and the District of Columbia. How we operate those buildings and procure energy has an impact.

We recently celebrated **10 years of 100% renewable energy** in our U.S. operations. 2023 kicks off our next decade of 100% renewable energy, and we upped our commitment to focus on:

- **More local renewable energy** such as rooftop solar panels on our facilities and contracting directly with local utilities for long-term renewable energy
- **More accessible renewable energy** by supporting transaction types with flexibility to accommodate small- and medium-sized buyers
- **More energy-efficient buildings** through smart building design and energy-efficiency measures

2019-2023 REI Electricity Consumption from Owned and Operated Buildings



In 2023, our U.S. electricity came from 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 five years, including the sources for all electricity consumed in our owned and operated buildings.

### Our approach to renewable energy

We procure as much renewable electricity as possible from local sources. In 2023, 21% came from either energy we generated onsite with rooftop solar panels (“on-site solar”) or from direct procurement of renewable energy through utilities (“green tariffs”). The remaining 79% of our electricity consumption came from the grid via standard or default utility service (“standard utility service”). We procure RECs to match our electricity purchased via standard utility service, including 6,000 RECs from recently built solar projects in North Carolina (“project specific RECs”). As we continue to implement our next generation of renewable energy work and honor our commitment to 100% renewable energy, we purchase Green-e® certified renewable energy certificates (“National Green-e RECs”) for the remainder of our energy from the grid.

Our forward-looking renewable energy strategy recognizes 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.

The co-op is committed to sourcing locally generated, renewable energy in each of its more than 180 stores and to supporting clean energy projects that also benefit homeowners, renters, and small businesses.

[See how we’re making renewable energy more accessible](#)

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

Unpack how we green our buildings

*“This building (DC4) truly represents REI’s commitment not only to business growth, but to sustainability, the community that we are in, and our associates—starting with the idea of creating a great place for our people first. This building was built around what we stand for.”*

— Scott J., Director of Operations, Lebanon, TN, Distribution Center



DC4 in Lebanon, TN

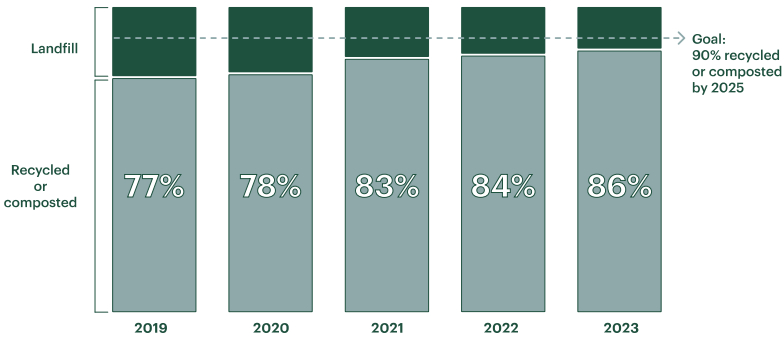
Credit to Al Neyer

### ELIMINATING WASTE

Eliminating waste is good for our business and good for the planet. REI has had a long-standing commitment to becoming a Zero Waste organization.

The graph below shows our progress toward our goal to be zero waste, which industry defines as diverting at least 90% of waste from landfill, across our operations by 2025.

#### 2018-2023 Operational Waste Diversion from Landfill



Overall, REI diverted 86% of operational waste from landfills in 2023

### Unpack our path to zero waste

Zero Waste, as defined by [certifiers such as TRUE](#), requires diverting a minimum of 90% of waste from landfills and waste-to-energy (WTE). 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. Here are a few ways we’re working toward our aspiration to become a zero-waste organization:

- In 2023, REI went completely shopping-bag free across all retail locations, a move that will eliminate approximately 425 tons of paper waste.
- We’ve requested that the external brands we sell find alternatives to individual plastic bags for shipping and charge brands a recycling fee to incentivize the shift away from this practice. In 2023, the business volume representing external brands’ compliance with this request increased from \$974M to \$1.39B (a 42% increase).
- Implementing backhaul of plastic film and bike foam from our stores to our distribution centers for recycling into plastic lumber by [Trex](#). To date, we have recycled nearly two million pounds of plastic through this

- program, enough to make over 11 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. Nearly all of our retail stores serve as collection points, creating a battery end-of-life solution for our members who purchase e-bikes from REI.

*“Work that we helped to start, that we played a role in, is being rolled out companywide. It’s super important for the employees’ voices to be amplified and heard and for them to see results like this. Going bagless is a tangible, visible way for people to see what our values are and how we care for the world. Small things like this are worth a thousand words.”*

— Rick W., Store Manager, St. Louis Store

### Learn about sustainable packaging

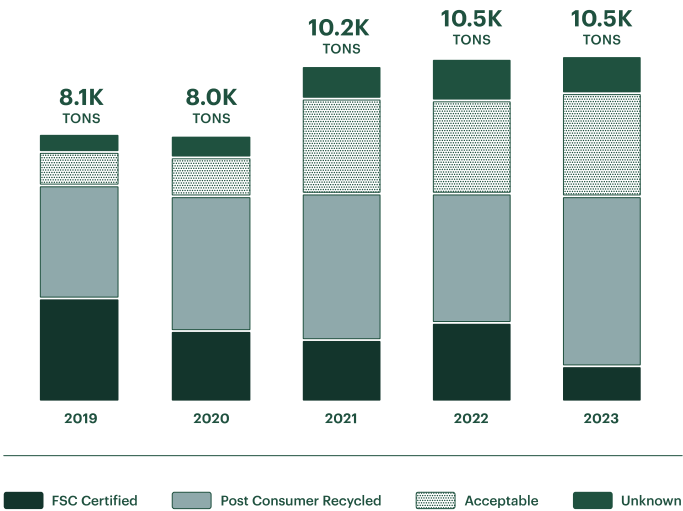
REI prioritizes paper-based packaging that is FSC-certified or made from certified postconsumer waste. We also focus on creating packaging that is designed to be easily recycled. With the assistance of the Outdoor Industry Association and the Sustainable Packaging Coalition, REI has published [sustainable packaging guidelines](#) to encourage and educate our vendors.

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.

We’re proud of our role in aligning the broader industry around the [How2Recycle® Label](#). This is a voluntary, standardized labeling system that clearly communicates to consumers how to recycle packaging.

Dig into sustainable paper and forestry

2016-2023 Paper Fiber Usage



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).

### ENGAGING BRANDS AND INDUSTRY PARTNERS

REI is committed to advancing more sustainable business practices, and we know we can make a far bigger impact together than on our own. That’s why we collaborate with other brands, retailers, and manufacturers to develop and scale best practices to help solve our industry’s biggest sustainability and impact challenges.

### REI Product Impact Standards

The REI Product Impact Standards are designed to help customers shop with confidence, knowing that the co-op’s values are reflected in the products we assort. The standards outline REI’s expectations regarding how we and our brand partners manage key impacts related to sustainability and inclusion. They also identify “preferred attributes” or leading product features that we encourage our brand partners to use across their products to help reduce carbon emissions and support other positive outcomes.



63%

The percentage of our prior year sales \$ from brands that have set a science-aligned emissions reduction target

53%

The percentage of our 2023 sales \$ from products using one of REI's preferred sustainability attributes

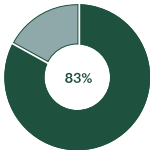
We prioritize the merchandising of products with REI's preferred sustainability attributes. In 2023, almost 53% of our sales came from products with at least one preferred attribute. By 2030, our goal is that 100% of the products we sell will have a preferred attribute, so every product supports a healthier and more resilient planet, and more equitable and inclusive society.

Each year, we ask brands to share updates on their sustainability and impact practices—helping us track our collective progress, make informed decisions about the products we assort, and understand how to best support brands in aligning with our standards.

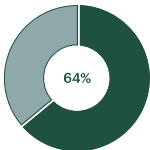
*“Each year REI asks us: ‘Do you have this policy? Is it public?’ Those questions have been an impetus, a lens, and a filter to think about our sustainability. Everyone has an impact. Every little thing matters. We don’t get out of this because we’re a little family-owned business! Yes, it’s challenging—but the world depends on all of us doing this. If not us, then who? If not now, then when?”*

— Linnea Sewnson Tellekson, President, Sven-Saw

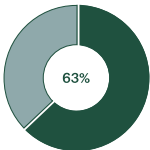
2023 Product Impact Assessment: Brand Performance



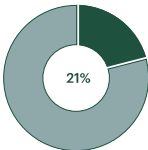
Involved in industry sustainability forums or initiatives



Have a sustainability training program in place



Measure their greenhouse gas footprint and have science-aligned reduction targets in place



Climate Neutral Certified™

Our brand partners continue to excel across a multitude of climate and sustainability initiatives ranging from measuring greenhouse gas emissions to pursuing Climate Neutral certification.

Industry Engagement

Partnering with leading organizations helps us create and scale positive impact well beyond what we could do on our own. REI has been a driving force behind some of our industry's most impactful multi-stakeholder initiatives, bringing together global retailers and small specialty brands to address challenging social and environmental issues across our supply chains and in the communities that we share.

The Outdoor Industry Association (OIA) Climate Action Corps

REI is a founding member of this industry-leading forum composed of almost 100 outdoor industry brands, suppliers, and manufacturers. The Climate Action Corps is a forum where companies report greenhouse gas emissions, establish reduction plans, and collaborate to pursue shared emissions reduction opportunities.

[The Outdoor Industry Association \(OIA\) Climate Action Corps site.](#)

Cascale

REI has been a member of the nonprofit [Cascale](#) (formerly known as the Sustainable Apparel Coalition) 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 assessment tools that brands, retailers, and manufacturers use to measure their environmental and social impacts across the value chain. REI uses the Higg Index to inform design decisions and better understand our supply chain and product footprint.

Textile Exchange

This nonprofit organization was founded to inspire and equip people to accelerate more sustainable practices in the textile value chain. [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 are based on linear supply chain models that take, make, use, and dispose of materials. The co-op seeks to lower its collective carbon impact by maximizing the life of all the things we've already made. One way we can accomplish this goal: buying used or repairing items instead of replacing them.

Re/Supply is a great way for our members to participate in the circular economy by either buying used or trading in items they're no longer using (which then helps another person get outside!). Keeping gently used

items in circulation is good for the planet, good for our members, and good for REI. Even better, used gear will help another REI Co-op Member get outside!

We also invite our members to engage with the circular economy by renting commonly used equipment and keeping their gear in tiptop shape through our shop or repair resources.

Re/Supply

REI has a long history of encouraging the exchange of used gear. We offered used outdoor gear to members for more than 60 years through our well-known “garage sale” events at retail stores across the country.

Today, REI is building the largest marketplace for high-quality used outdoor gear and apparel products. Our Re/Supply used gear program invites members to extend the life of outdoor gear and apparel and keep it out on the trail where it belongs. In addition, buying used gear instead of new typically avoids carbon emissions of 50% or more.\*

We sell more than one million used items each year through the Re/Supply sections across our stores and online. In 2023, we opened our second Re/Supply store in Oregon, joining the co-op’s first Re/Supply store that opened in California in 2020. Our used business continues to see double-digit growth year over year as we make progress toward our goal of decoupling continued business growth from carbon impact.

REI’s Re/Supply Program brings us 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.

*\*Based on REI Co-op’s estimate of preparing used gear for sale versus making new gear.*

Rentals

Our [gear rental program](#) gives members and customers an affordable way to try out a new activity or use a pay-as-you-play model whenever you get the urge to go outside. We offer everything from snowshoes and cross-country skis to fully equipped camping and backpacking kits. Through 2023, we helped customers get outside—some for the very first time—by renting over 138,000 items through our in-store rental program.

Shop Services and Product Repairs

Sometimes it’s better to have an expert fix it. REI offers in-house maintenance and repair services for skis, snowboards, and bikes, with unique member benefits and discounts for REI Co-op Members.

In 2023, 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, all performed by expert technicians.

Expert Advice Articles and Videos

REI is a leading source for expert outdoor knowledge that our members and customers can trust. We help people learn new skills, choose the right gear, and properly pack for epic adventures. REI maintains an expansive library of nearly 300 [articles](#) and [videos](#) on gear care and repair guidance to help maximize product lifespan, while minimizing environmental impact.

PRODUCT SUSTAINABILITY

Built together to stand apart. That’s the way we make our REI Co-op gear and Co-op Cycles—and there’s no better evidence of that philosophy than in our commitment to purpose-led innovation in product sustainability. We rely on the collective expertise of our members, employees, and partners to test, iterate and refine our products season after season. With purpose-led innovation, we pioneer change for people and the planet through best-in-class product, processes, and standards. All so that the outdoors can be preserved, protected, and enjoyed for this generation—and the many to come.

Materials Sustainability

We create many complex products, from tents to backpacks, all of which utilize a variety of materials and components. Manufacturing these materials accounts for the biggest portion of our products’ environmental footprint. To reduce that footprint, we are committed to sourcing better materials with a lighter environmental footprint. REI prioritizes the following materials that help us reduce the impact of our products:

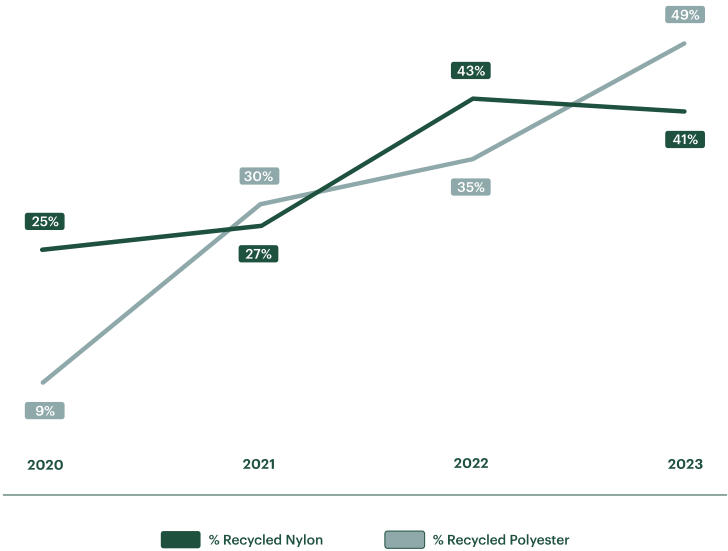
Recycled materials

Recycled materials lessen our need to extract new raw materials and typically have a reduced carbon footprint relative to their virgin counterparts. We prioritize 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 an assortment of products that contain organically grown cotton.	
Lyocell and modal	^
These semi-synthetic fibers are made using cellulosic feedstocks typically derived from trees. Protecting our forests is important to REI and our members. We prioritize materials that come from responsibly managed forests. For cellulosic fibers 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, 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 <a href="#">Responsible Down Standard</a> (RDS) 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 <a href="#">Responsible Wool Standard</a> (RWS), a certification that provides additional assurance that farmers follow best practices for animal husbandry and sustainable land management.	
Leather	^
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. We do not endorse cattle farming in the Amazon biome, a region that has undergone significant deforestation.	
Materials we don't use	^
REI Co-op does not use certain materials due to animal welfare concerns, environmental harm, the existence of preferred alternatives, or the absence of traceability mechanisms. These materials include alpaca fiber, angora, rayon made from bamboo, mohair, exotic leathers and fur, and dry-clean only fabrics.	

Polyester is one of our highest volume materials. 2021, REI joined the [2025 Recycled Polyester Challenge](#), an industry initiative organized by Textile Exchange to accelerate the adoption of recycled fibers. Our goal as part of the challenge was to convert at least 45% of our polyester usage to recycled by 2025. We achieved that goal two years early by getting to 49% recycled polyester in 2023. REI has also seen a significant increase in our use of recycled nylon in recent seasons, reaching 41% in 2023.

2020-2023 Recycled Nylon and Polyester



REI has significantly increased its percentage of recycled polyester and nylon use since 2020.

### Chemicals Management

We strive to use the most benign and well-understood chemical inputs to make the products we sell. Our preferred approach to chemicals management involves vetting the chemicals that go into our products for environmental health and safety *before* they enter the manufacturing process. Where we don't have a means of reviewing chemical inputs, we focus on testing finished materials for compliance with our chemical management expectations. Click below to learn more about the tools that serve as key building blocks for our chemicals management program.

bluesign®	^
bluesign® is a 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. In 2023, 70% of REI Co-op brand fabrics (by count) were bluesign-approved.

bluesign®

REI Restricted Substances List (RSL) ^

REI's RSL is based on the bluesign® system and is intended to meet or exceed global regulatory requirements. Chemical testing helps ensure products, particularly those containing non-bluesign® materials, meet our requirements.

[REI Restricted Substances List \(RSL\)](#)

OIA Chemicals Management Guide & Training for Manufacturers ^

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.

[OIA Chemicals Management Guide & Training for Manufacturers](#)

REI is voluntarily eliminating certain substances from our 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 they have been thoroughly evaluated for toxicity and efficacy.

Flame-retardant chemicals ^

For many years, flammability standards have driven the use of flame-retardant chemicals in camping tents. REI partnered with its suppliers to identify and avoid certain flame retardants. We also helped create a new test method for flammability and contributed to the development of updated standards. This 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) have been used in DWR 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.

RESPONSIBLE SOURCING AND FAIR LABOR

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

### Learn more about responsible sourcing and fair labor at REI

REI first introduced its Factory Code of Conduct in 1993. The [current code](#) establishes standards of workplace conduct for the factories that manufacture the products we sell. Our [list of factory partners](#) is publicly accessible and identifies the locations around the world where we source gear and apparel.

## Industry Tools & Global Partnerships

Implementing best practices in a global supply chain is difficult when working alone. To enable collaboration with suppliers and other brands to continuously elevate social and environmental conditions in our shared supply chains, REI is an active member of the following labor organizations and uses shared industry tools where possible.

The Higg Index	^
<p>The Higg Index is a suite of environmental assessment developed by Cascal (formerly known as the Sustainable Apparel Coalition), of which REI is a founding member. Cascal now includes hundreds of companies that have committed to making a positive impact on the people, environment, and communities associated with manufacturing their products.</p> <p>The Higg Index 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 and manufacturing. The modules provide different lenses for understanding the effects of our business and how we can continue to lessen our impact.</p> <p>As the Higg Index has grown, so has our use of the modules. We use the Brand and Retail Module (BRM) to assess our own practices, and we use the Facilities Environmental Module (FEM) to engage suppliers for REI Co-op products. In addition, we use the Higg Index Material Sustainability Index (MSI) 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</p> <p>REI tracks our progress and that of our factory partners on an ongoing basis. In 2023, we were pleased to see the following results from our factory partners* using the FEM environmental assessment and other reporting mechanisms:</p> <ul style="list-style-type: none"><li>94% of suppliers completed an independently verified FEM module.</li><li>93% of suppliers set a science-aligned emissions reduction target.</li><li>100% provided a greenhouse gas emissions reduction action plan.</li></ul> <p>*Note: This includes tier-1 factory partners where we have a direct relationship and tier-2 suppliers that provided nominated materials for REI Co-op brand products.</p>	
The Social & Labour Convergence Program	^
<p>The Social &amp; Labour Convergence Program (SLCP) convenes hundreds of signatories representing a diverse group of brands, manufacturers, and labor rights groups in a collective effort to elevate labor conditions in international supply chains. 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 to track progress for the people behind our products.</p> <p>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. 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.</p> <p><a href="#">The Social &amp; Labour Convergence Program</a></p>	
International Labour Organization Better Work Programme	^
<p>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 brand products. We also partner with the ILO team to continuously strengthen its collaborative approach to ensure employee well-being.</p> <p><a href="#">International Labour Organization Better Work Programme</a></p>	
Fair Trade USA	^
<p>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. Many 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.</p> <p>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 2023, REI Co-op contributed \$575,000 in manufacturer employee premiums, bringing our cumulative total to over \$1.6 million since 2016.</p> <p><a href="#">Fair Trade USA</a></p>	

DISCLOSURES AND REGULATORY COMPLIANCE

The following section provides additional information on highly technical subjects as well as required language for

compliance with various standards to which REI operations adhere.

**Reference materials – disclosures and regulatory compliance folder under “Environment”**

- [Read our greenhouse gas verification statement](#)
- [Read our greenhouse gas inventory report](#)
- [Read our 2023 carbon credit portfolio summary](#)

**Definitions**

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 external brands we retail and 2) customer impacts (e.g., product use, product end-of-life, and customer trips to stores).


**SBTi Commitment**

We follow the Science Based Target Initiative’s recommendations for footprint boundaries for our SBTi-approved targets.

Open the SBTi Commitment 

**Supply Chain Fair Labor**

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.

Learn more 

---