Mary Beth Laughton REI Co-op, President & CEO May 8, 2025

To the REI Co-op community --

I'm so excited to be writing this letter to you all, at the very beginning of my journey as your new president and CEO. I've spent the past few months listening to and learning from our employees, members and key vendor partners across the country.

All have made it clear to me that we have a lot going for us. This community values the outdoors, believes in the co-op, and wants to help shape a thriving future for our business and the industry. I've seen just how proud people are to be part of REI—and how committed they are to using our collective voice to stand up for the things that matter most.

But I've also heard that we have some work to do to regain the full trust of our community.

Today I'm excited to share with you where we're going next, and my four commitments to the co-op community:

- For our members, putting you at the center of everything we do
- For our employees, keeping REI a great place to work, where anyone can belong and thrive
- For our customers, doubling down on what makes our retail experience unique
- And finally, staying true to our co-op values—and most importantly, ensuring they're met with action

I'll share more about these in a moment, but first I want to acknowledge the broader environment that we're in.

The last few years have been challenging, not just for REI but the greater outdoor industry. The external environment remains incredibly turbulent, and we can't yet predict the full impacts of tariffs, uncertainty in the markets and shifts in consumer confidence. We're also witnessing an onslaught of attacks on public lands and basic human rights that stand in direct opposition to the values at the heart of our co-op.

And yet, I remain hopeful. We have an incredible team of 15,000 passionate employees. We have a 25-million member community with enormous potential. And, most importantly, we have a shared sense of purpose that will guide us through whatever tough choices we must make. Today our board chair Chris Carr <u>shared an update</u> on our recent board of directors election. Coming into this role, that's a clear sign to me that we have a big opportunity to actively seek out and listen to what our members and employees are telling us.

One of the most valuable lessons I learned early in my retail career is that the answers we seek are often found in our stores, through real conversations with employees and members. Going forward, I'm committed to elevating more of these voices throughout the co-op.

In that spirit, I'm making four commitments to you all today.

**To our members, I commit to putting you at the center of everything we do**. REI was founded in 1938 by 23 people around a simple idea: that access to the outdoors belonged to everybody and that they had a better chance of solving a problem together than they did apart. Today, we're not giving every single person who loves the outdoors a clear enough reason to become a co-op member, and we're not engaging enough with the 25 million people who already are. We need to find ways to differentiate and add value to our membership.

We're going to do this by listening to what our members want, incorporating that feedback into real offerings, and delivering those products to our community. To start, we'll be reaching out to members in early June to conduct our first comprehensive member survey to help us better understand the issues that matter most to all of you.

To our employees, I'm committed to keeping REI a great place to work, where anyone can belong and thrive. We have so much to be proud of as an employer. We offer extremely competitive pay and benefits for both our part- and full-time employees, including additional time off every year so employees can spend time living our values. We've built a culture in which all our employees feel seen, heard, and supported in the workplace. And I know we always have room to improve—building on that culture and continuing to make it better.

One of the ways in which we ensure our employees feel heard is through Compass Group, a forum that gives hourly employees the opportunity to interact directly with company leaders on a wide range of topics and provide individual perspective and insight into our employee and customer experience. I've found my time with Compass extremely valuable, and I will continue to meet with the group regularly. Going forward, I will also connect our Compass members directly with our board of directors so they can regularly hear from this group of employees. Finally, while I know progress has been made to date on securing contracts with our unionized employees, I commit to continuing to bargain in good faith to make new progress towards agreements that support the long-term viability of the co-op.

## To our customers, we're doubling down on what makes our retail experience unique.

We pride ourselves on having the employee expertise, product assortment and overall experience to best equip you for life outside. Our stores in every community should serve as hubs for not just product and expertise but for community impact, acting as gathering places for people who are passionate about the outdoors

We're going to support this effort by leaning into our store experience and our employees' love and knowledge of the outdoors. We'll build up our in-store classes and be even more intentional about programming that continues to place our stores at the heart of our local communities.

We'll refine our product assortment and overall shopping experience, whether you're in a store or shopping online, to bring the energy and inspiration of the outdoors to life in a bigger way. This includes our approach to store merchandising and storytelling in our key categories of run, hike, backpack and camp. And we'll look to bring a more store-like experience into the digital space through expert content and shopping guides.

## Finally, I commit to remaining true to our co-op values—and most importantly, ensuring they're met with action.

For decades, our core values—and our impact priorities aimed at protecting a healthy planet, ensuring access to nature, and fostering an inclusive outdoors —have guided our decision-making, been a beacon for attracting great talent and have strengthened our community.

Each year we release our annual Impact Report, which is the most comprehensive collection of the actions we've taken in support of our values. I hope you'll all spend time digging into this year's report and learning a bit about all we accomplished together in 2024.

I'm especially proud that REI became the first large, U.S. retailer to achieve our zero-waste target of diverting at least 90% of our operational waste from landfill. This is a massive achievement, reflecting years of collaboration by employees across our operations. reflecting on an incredible amount of hard work and dedication by thousands of co-op employees, members and brand partners.

But we're also in a moment when our values that seem so fundamental are being challenged. In a time when our public lands and values like diversity, equity and inclusion are under threat, I want you to hear from me that REI believes these are essential to who we are as an organization and what we stand for.

We believe that our values are most impactful when turned into action, and that's what we do every single day at the co-op. We'll continue to speak out in support of our values, and we will engage members of our community in support of those values through our Cooperative Action Network.

I am overwhelmed by the possibility of all we may accomplish together in 2025. I want to keep driving the co-op forward. And I want to do so with your help.

Over the next year, I **ask that you choose REI**. Choose to engage with us, to guide us, to act with us, to shop with us. Choose to join us for a local event, share feedback about your favorite (and perhaps least-favorite) gear, and vote in our annual board elections. Hold us accountable when we stumble and keep looking for constructive ways to make us better.

The road ahead will not be easy. The pressures of the moment are real. Our industry and our planet are facing immense challenges. And it will take all of us, together, to advocate for our public lands and the inclusive future we want to build. I'm here today because I chose REI. I hope you will continue to as well.

Let's do this together.

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