Product Impact Guidebook

February 2024 Update
Product Sustainability & Impact at REI

Products represent REI's biggest impact on the health of the outdoors and our greatest opportunity to advance more sustainable business practices.

We believe that by working collaboratively with our brand partners, we can help shape a positive future for the outdoors—and have a far greater impact than we could have alone.

We aim to offer our customers products that were made with minimal environmental impact and that positively impact the people who made and use them.

REI's product sustainability and impact efforts encompass the following key elements:

| Animal Welfare | Chemicals Management | Climate & Environmental Stewardship | Diversity & Inclusion | Fair & Safe Supply Chain |
REI Product Impact Standards

REI’s Product Impact Standards apply to all brands and products sold at the co-op. The standards consist of:

- **Brand expectations:** REI’s core expectations of all brands sold at REI regarding key environmental, social, and animal welfare impacts.

- **Preferred attributes:** Leading certifications and material types that REI has deemed most credible, relevant and effective in driving positive impact.

- **We ask that brand partners review the standards and align with applicable brand expectations. We also encourage brands to use the preferred attributes for their products as applicable.**

- **REI goal:** By 2030, all products sold at REI will have a preferred attribute from our Product Impact Standards.
REI Product Impact Assessment

- Each year, REI asks brand partners to complete the Product Impact Assessment to evaluate sustainability- and impact-related practices across REI’s product offering.
- Brands will receive a scorecard that highlights strengths and opportunities for improvement. We encourage brands to identify and pursue these opportunities each year.
- The results of the assessment enable REI to track collective progress, identify best practices and opportunities, and understand how brands are implementing the Product Impact Standards.

**We ask that brand partners complete the REI Product Impact Assessment annually**

**REI goal:** Improve overall performance each year on the Product Impact Assessment.
Highlighting Sustainability to REI Customers

- Sustainability and impact are important considerations for customers. Products with sustainability attributes tend to sell better at REI, earn higher reviews and support customer loyalty.
- To support customers in shopping their values, we highlight product sustainability attributes in the shopping experience.
- We are focused on educating members and customers on sustainability via Expert Advice articles, the Uncommon Path Blog, and other REI resources.
- Brand partners are encouraged to publicly share their sustainability practices and policies.

We ask that brand partners:

- Review REI’s Product Sustainability Spec Guidelines.
- Indicate their products’ preferred attributes to REI’s merchants so we can highlight these to customers.
- Ensure that claims abide by guidance outlined in the Federal Trade Commission’s Green Guides.
Fighting Climate Change: The Basics

“The climate crisis is the greatest threat to the future of life outdoors. The science is clear about what we, as a society, need to do to change that future.”

- Eric Artz, REI President & CEO

- Rising greenhouse gases levels are increasing global atmospheric temperatures, leading to melting glaciers, rising sea levels, increased frequency and severity of extreme weather and natural disasters, and other major harm to our planet and society⁴,⁵.

- In 2015, the Paris Agreement laid out a science-based path for society to avoid the worst impacts of climate change. REI is committed to doing our part to align with this pathway. We established a science-aligned goal of reducing our carbon emissions by 55% by 2030 and holding ourselves financially accountable for carbon emissions from across our operations and products. REI’s emissions reduction target has been approved by the Science Based Targets initiative (SBTi).

- Products account for the single largest component – over half – of REI’s carbon footprint. Working with our brand partners to reduce carbon emissions associated with making products is a key part of our strategy in fighting climate change.

⁴NASA: Climate Change and Global Warming, (https://climate.nasa.gov/)
⁵IPCC Assessment Reports (https://www.ipcc.ch/reports/)
Fighting Climate Change: Taking Action

Carbon Footprint

A key initial step in taking climate action is measuring annual greenhouse gas\(^1\) (GHG) emissions. Brands can do so using the Greenhouse Gas Protocol (GHG Protocol) – a widely used greenhouse gas accounting standard.

Setting a medium- to long-term emissions reduction target is a critical step. Emissions reduction targets should science-aligned, meaning they include scopes 1, 2 & 3 and are aligned with the United Nations\(^2\) (UN) and the Intergovernmental Panel on Climate Changes’ (IPCC) recommendations.

The most important step in fighting climate change is reducing emissions. For most brands, this requires significant strategic planning, and REI expects brand partners to develop an action plan for reducing emissions.

REI is a founding member of Outdoor Industry Association’s (OIA) Climate Action Corps, which supports the outdoor industry in taking bold climate action.

- Participating brands commit to measuring their carbon footprint, setting science-aligned reduction targets, taking action to reduce emissions, and publicly sharing progress.
- Brands receive ongoing support and opportunities to participate in emission reduction CoLab projects.
- Brands interested in joining OIA’s Climate Actions Corps can contact climateaction@outdoorindustry.org.

Change Climate (formerly Climate Neutral) certifies brands that measure their carbon emissions, establish emission reduction action plans, and offset emissions by purchasing verified carbon credits.

Change Climate’s Brand Emissions Evaluator (BEE tool) offers an effective and accessible way to measure carbon emissions.

The cost of purchasing carbon credits can serve as a powerful financial incentive for brands to reduce their emissions and to account for emissions across their business.

\(^1\)“Carbon” is often used as a generally accepted shorthand for “greenhouse gas”.

Chemicals Management: The Basics

**Restricted Substances List (RSL):** A list that specifies banned or restricted substances in a brand’s products. Brands should consider aligning their RSL with a credible, widely recognized, third-party RSL. Please review REI’s Product Impact Standards for more information about REI’s expectations related to brand partners having an RSL in place.

An RSL is a foundational component of an effective chemicals management program, which should include a means of ensuring RSL compliance. More advanced programs also utilize *input-stream management*, which proactively ensures that chemicals are selected with due diligence. This significantly reduces challenges associated with chemicals management by preventing certain chemicals from entering the manufacturing process in the first place.

**We expect that brand partners have an RSL in place. Please review REI’s Product Impact Standards for more information**

**Brand Guidance & Resources**
- OIA Chemicals Management 101, RSL: Guidance on implementing an RSL.
- OIA - Chemicals Management “Getting Started”: Guidance on transitioning to better chemistry and improving chemicals management programs.

**REI’s Approach**
- REI’s RSL specifies banned or restricted substances in product manufacturing and finished products sold under the REI Co-op and Co-op Cycles brands.
- REI’s RSL is based on the bluesign® system, current legal restrictions and additional requirements voluntarily adopted by REI.
- REI utilizes risk-based RSL testing, supplier engagement and training, and selective phase-out of certain substances to promote continuous improvement in chemicals management across our supply chain.
Fair & Safe Supply Chains: The Basics

**Manufacturing Code of Conduct:** A document that outlines workplace conduct standards for factories that manufacture a brand’s products. An effective code of conduct should be aligned with internationally recognized fair labor standards, such as those outlined by the International Labour Organization (ILO). Please review REI’s Product Impact Standards for more information about REI’s expectations related to brand partners having in place a manufacturing code of conduct.

An effective social responsibility program should uphold the standards outlined in the manufacturing code of conduct and promote continuous improvement of labor conditions in their supply chain through proactive engagement with suppliers, supply chain monitoring and other mechanisms.

- We expect that brand partners have in place a manufacturing code of conduct. Please review REI’s Product Impact Standards for more information.
- **Brand Guidance & Resources**
  - OIA - Social Responsibility Toolkit 2.0: Tool to help build out and continuously improve their social responsibility programs.

- **REI’s Approach**
  - REI’s Factory Code of Conduct is based on ILO principles and internationally accepted fair labor practices.
  - REI’s Fair Labor program is focused on upholding the standards in our code of conduct and elevating labor conditions in our supply chain through audits, supplier training and collaboration, and other initiatives.
Animal Welfare: The Basics

- Many outdoor products contain animal-sourced materials, including down and feathers from geese and ducks, wool from sheep, and leather from cows and other animals, such as kangaroos and goats.
- Certain inhumane practices – such as live-plucking and force-feeding of geese and ducks, and mulesing of sheep – are of particular concern in the outdoor industry.
- For certain animal-derived materials – including animal fur and exotic leather – it may not be feasible to ensure responsible treatment and sustainable management of the animals from which these materials are derived.
- REI has established expectations regarding responsible down, wool, and mohair sourcing practices, and does not sell products that contain animal fur or exotic leather. In addition, REI supports several certifications that help ensure animals are treated with respect regarding their five domains.

Brand Guidance & Resources
- OIA - Animal Welfare Toolkit: For additional information about animal welfare in the outdoor industry.

REI’s Approach
- REI has adopted the Responsible Down Standard (RDS) for 100% of our virgin down and feathers.
- We have also adopted the Responsible Wool Standard (RWS) for the majority of virgin wool used in our products.
Environmental Stewardship: The Basics

- A product life cycle starts from raw material sourcing up through manufacturing, packaging, transportation, distribution, customer use, and end-of-life. Carbon emissions from each of these stages contribute to a product’s overall footprint.
- **Life-cycle assessments (LCAs)** identify key impact areas across these stages and quantifies a product’s environmental footprint.
- The **Materials Sustainability Index** (MSI), part of the Higg Index suite of tools, is based on LCA methodology and enables brands to assess carbon emissions and other environmental impacts associated with materials used in products. These insights can be useful in selecting lower-impact materials.
- Using lower-carbon materials, such as recycled content, reduces the need for virgin resources, such as fossil fuels, and keeps material out of landfill.
- Recyclable and compostable packaging can help reduce waste generation and environmental impacts associated with the product. Informative package labeling, such as the How2Recycle logo, can inform customers on proper disposal methods.

**Brand Guidance & Resources**

- OIA’s - Sustainable Materials “Getting Started” Guide: Information on material impacts, how to reduce them, and identifying better materials.
- REI Sustainable Packaging Guidelines: Identifies opportunities to improve product packaging

**REI’s Approach**

- REI uses the MSI to assess materials used in Co-op Brands products to track and ultimately reduce product carbon emissions and other impacts.
- REI labels packaging with the **How2Recycle logo** and uses widely recyclable packaging materials and Forest Stewardship Council (FSC)-certified and/or recycled paperboard.
Environmental Stewardship: The Basics

- Healthy forests are critically important to maintaining a stable climate due to their ability to sequester and store carbon and maintain ecosystem health.
- Many items that brands use across their products and operations, such as packaging, hangtags, cardboard boxes, shopping bags, marketing flyers/catalogs, are made of paper, wood, natural rubber and/or cellulosic fabrics, which are all derived from trees.
- These renewable resources, that when sourced under responsible programs, can represent a sustainable material choice.
- Responsible forest management involves many environmental and social considerations. These include deforestation, land-use conversion, the use of GMOs, human rights, and many others. An effective program for the responsible sourcing of wood products should include a means of addressing each of these impacts.

- To maximize crop yields, conventional agriculture often uses genetically modified seeds and synthetic pesticides and herbicides, which can have negative impacts on ecosystem health and biodiversity.
- Organic agriculture avoids the use of synthetic fertilizers, herbicides and pesticides, and follows best practices that promote water quality, energy conservation, biodiversity, carbon sequestration, and healthy soil.

**Brand Guidance & Resources**

OIA’s - Sustainable Materials “Getting Started” Guide: Information on material impacts, how to reduce them, and identifying better materials – including wood-based materials and those made from cotton and agricultural products – to reduce those impacts and identify better materials.
<table>
<thead>
<tr>
<th>Attribute</th>
<th>Apparel &amp; accessories</th>
<th>Sleeping bags</th>
<th>Packs, luggage &amp; soft gear</th>
<th>Footwear</th>
<th>Hard goods &amp; equipment</th>
<th>Tests</th>
<th>Food</th>
<th>Electronics</th>
</tr>
</thead>
<tbody>
<tr>
<td>bluesign®: Works to prevent certain chemicals from entering into textiles-based materials at each step of the manufacturing process while promoting resource conservation and efficiency.</td>
<td>X</td>
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<td>Organically grown cotton / organic ingredients: Avoids the use of synthetic pesticides, herbicides and fertilizers and ensures that farmers follow best practices to promote water quality, energy conservation, biodiversity, healthy soil, and reduced carbon emissions.</td>
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<tr>
<td>Recycled materials: Reduce the need to extract new raw materials, keep materials out of landfills and typically lessen the amount of carbon emissions and resources required to create products.</td>
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<td>Fair trade certification: Promotes safe, healthy working conditions; helps empower communities to build strong, thriving businesses; and supports better trading conditions – including higher wages – for producers and workers.</td>
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<td>Responsible Down Standard (RDS): Certifies that down and feathers came from ducks and geese that were treated well and prohibits certain inhumane practices, including live-plucking and force-feeding.</td>
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<td>Responsible Wool Standard (RWS), ZQ, and Responsible Mohair Standard (RMS): Certify that virgin wool and mohair came from animals that have been treated according to leading animal welfare standards and from farms with a progressive approach to managing their land. In addition, these standards prohibit certain inhumane practices, including mulesing of sheep.</td>
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<tr>
<td>Forest Stewardship Council (FSC): Provides assurance that certified wood products came from forests that were managed responsibly. FSC certification addresses both environmental and social considerations, including deforestation, land use change, and fair labor impacts.</td>
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<td>Leather Working Group (LWG): Ensures that certified leather suppliers have strong environmental stewardship practices in place and promotes traceability of leather hides.</td>
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<td>Climate Neutral certification: Works to decrease global carbon emissions by getting brands to measure, reduce, and compensate for the carbon they emit.</td>
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</table>
Brands may contact REI’s Product Sustainability Team at productsustainability@rei.com.