

Sustainability at Reformation

2019-2025 framework

Updated January 2024

It's our mission to bring sustainable fashion to everyone.

We don't compromise on our values.

We treat all people on this planet with respect.

We believe climate change is the biggest issue facing the planet.

We fight for sustainable solutions that preserve our natural environment and protect the people and communities that make up our world.

We put sustainability at the center of everything we do.

**It is an evolving goal and definition, and we don't have all the answers.
So we focus our efforts where they have the biggest impact.**

Our work is centered on four main areas of sustainability:

- People**
- Planet**
- Product**
- Progress**

Sustainable Development Goals (SDGs)

The fashion industry has a major impact on the global economy and the environment. That's why we have aligned our sustainability framework with the United Nations Sustainable Development Goals (SDGs) to make sure we're tackling the most important issues like climate change and economic inequality. Look for the icons for each program to see how our work relates to these SDGs.



People

Social responsibility

There are people behind our clothes, and we are responsible for ensuring safe, healthy, and equitable working conditions for all of them.

We work to advance fair labor practices, partnership building, and capacity building across our supply chain.

Community engagement & impact

We aim to use our platform to drive climate action & environmental justice.

We believe in using our experience in sustainable fashion to share knowledge and engage our broader communities.

Diversity, equity, inclusion & belonging (DEIB):

We want to ensure everyone at Ref feels included, valued and heard.

100% of manufacturing partners will have fair compensation and worker engagement programs.



	Completed or Ongoing Actions	Next Steps	Goals
Social responsibility	- Become an affiliate of the Fair Labor Association (FLA) - Publish Code of Conduct and additional guidelines on website & post in all facilities - Maintain supplier vetting, onboarding, monitoring, and Corrective Action Plan (CAP) management program - Network with brands in shared facilities to reduce assessment fatigue - Conduct a wage analysis for Tier 1 suppliers - Launch trainings on social responsibility for relevant internal teams - Launch capacity building workshops for all suppliers - Integrate social responsibility metrics into supplier scorecard and purchasing decisions to drive progress - Implement grievance mechanisms and worker voice programs for our suppliers - Expand monitoring and capacity building program to strategic Tier 2 suppliers - Participate in Better Buying program and identify specific opportunities for improving purchasing practices - Annual on-site visits to established vendor base	- Pursue Fair Labor Association (FLA) accreditation - Create strategies to promote living wage initiatives for our Tier 1 suppliers - Implement worker wellbeing and gender equality initiatives - Adopt labor costing tools to better align purchasing practices - Identify, research, and engage with relevant labor non-governmental organizations, trade unions, and other civil society institutions - Create policies and procedures to ensure responsible purchasing practices	✓ Monitor 100% Tier 1 suppliers - Maintain a "Green" or "Yellow" rating for 95%+ of Tier 1 facilities - Pursue living wage for all direct teams - Improvement each year in % of facilities that have human rights certifications such as SA8000 - Improvement each year in % of production in facilities that meet or exceed living wage - Monitor 100% of strategic Tier 2 suppliers by - 100% of Tier 1 strategic suppliers will have fair compensation or worker well-being programs - Meet and exceed Cascale membership requirements by deploying the HIGG FSLM with strategic Tier 1 and Tier 2 suppliers - Improve participation in Better Buying by 15%, and show an annual improvement each year
Community engagement & impact	- Complete stakeholder map & materiality matrix - Membership in multi-stakeholder initiatives (MSI) with focus on industry collaboration & shared learning (i.e. Textile Exchange, Cascale, Fair Labor Association) - Support lobbying efforts for industry critical issues - Develop and launch sustainable purchasing practices training for internal teams and suppliers - Focus on relationship building & emphasize partnership in sourcing - Offer company-wide volunteer time off program - Pursue strategic collaborations with nonprofit partners - Align philanthropic giving with our core impact areas and to issues that directly affect our team, customers, and suppliers - Keep pulse of industry to help identify and invest in impactful innovation - Formalize a training and education program for Reformation employees	- Develop and launch grant program to invest in supply chain partners' sustainability initiatives and practices - Develop and launch topical coalitions, working groups, and/or summits to drive collective action in the industry - Develop and launch mentorship program for the next generation of leaders	- 75% of Refs participate in VTO program annually

	Completed or Ongoing Actions	Next Steps	Goals
Community engagement & impact (continued)	- Implement sustainability scorecards and activation plans within each department to measure progress towards our sustainability goals - Launch a sustainability platform that engages and educates our customers and followers		
Diversity, Equity, Inclusion & Belonging (DEIB)	- Created, published, and rolled out our company-wide Inclusion Philosophy that all Reformation team members will be seen, heard, and respected. - Integrated DEIB into The Sustainability Report to transparently report on KPIs and progress - Conducted listening sessions to hear directly from retail, corporate, distribution center, and factory employees on issues of DEIB - Evolved our marketing, imagery, and voice to ensure we better represent our entire Reformation community - Facilitated a speaker series to bring new perspectives to our team on topics like implicit bias and climate justice - Joined the Black in Fashion Council to advise on DEIB metrics, increase the perspectives of Black voices in fashion and expand access to underrepresented individuals in the fashion industry - Redefined Culture Committee to include subcommittees focused on DEIB, Community Action, and Employee Mental Health & Wellness - Established Executive DEIB Council to ensure DEIB objectives are fully integrated into Reformation's day-to-day operations - Deployed a confidential employee engagement survey to begin gathering and sharing deeper demographic information - Hold expert-led inclusive culture workshops for employees, including all managers, and focused sessions for leadership, that critically examine inequity, elevate self-awareness, introduce practical inclusion, and integrate overtly anti-racist behaviors into our daily practices - Expand the People team to design and support stronger core human resources practices and ensure equitable people programs across the organization	- Reorganize and expand our existing advisory structures to address initiatives focused on specific demographic concerns such as gender, race/ethnicity, and sexual orientation to help employees build community, expand networks, and amplify historically underrepresented voices - Implement a communication strategy that fosters feedback, transparency, DEIB, and a culture of two-way information sharing	- Improvement in employee and new hire representation - Retention parity across demographics and areas of the business - Promotion parity across demographics and areas of the business - Improvement in internal Culture Survey and Belonging Survey results

Completed or Ongoing Actions

Diversity, Equity, Inclusion
& Belonging (DEIB)
(continued)

- Strengthened our hiring processes to reach diverse candidate pools, focus on key skills, competencies, and values-based behaviors, and reduce opportunities for bias
- Published initial demographic information

Planet

Climate action

We will reduce our carbon footprint, and invest in solutions that remove more greenhouse gasses than we emit.

Resource efficiency

We keep our true costs—including environmental impact—in mind when we make design and business decisions.

Low impact care

Garment care is a major driver of total impact—design for handwash and machine wash.

We'll be climate positive by 2025.



	Completed or Ongoing Actions	Next Steps	Goals
Climate Action	- Calculate & publish product lifecycle impacts via RefScale - Offset product footprint through strategic partners - Become Climate Neutral certified - Set science-based greenhouse gas reduction targets - Develop & publish a climate positive roadmap - Conduct an energy audit of our Factory - Establish inter-departmental working group to develop an action plan to shift majority of transportation to ocean/ground vs. air - Replace company owned transit vehicle with an electric model for local deliveries - Partner with logistics providers to encourage electric fleet adoption - Work with Tier 1 & Tier 2 suppliers to switch to more efficient and renewable energy sources with the use of engagement and incentive mechanisms - Used Reformation's leadership and voice to influence governmental policy and businesses to set strategies toward climate mitigation and action	- Implement insetting strategy by developing offset projects that directly impact our supply chain - Calculate & leverage an internal carbon price to inform business decisions - Work with all Tier 1 and 2 suppliers to phase out all coal use by 2030, and commit to no new coal power - Leverage industry collaborations that support carbon-reduction programs at Tier 1 & Tier 2 and incorporate engagement & incentive mechanisms into Ref's supplier engagement process to help suppliers implement approved science based aligned targets by the end of 2025 or to adopt a 50% absolute target by 2030 and net zero by 2050	- Reduce total greenhouse gas footprint in line with Science-based Targets for a 1.5C pathway - Reduce absolute scope 1 and 2 GHG emissions 42% and scope 3 emissions by 48% by 2030 from a 2021 base year. ✓ 100% greenhouse gas emissions (Scope 1-3), RefScale totals & business operations

	Completed or Ongoing Actions	Next Steps	Goals
Resource efficiency	- Perform utility analysis for all Ref facilities - Purchase Renewable Energy Credits for all Ref Facilities - Implement collaborative resource efficiency programs in main facilities (i.e. renewable energy projects, zero waste) - Launch green operations guidance for stores - Analyzed retail development footprint & opportunities to “green” materials or processes	- Develop guidance material for suppliers to reduce their energy, water use, and waste generation - Work with suppliers to publicly communicate general Higg FEM usage - Track and reduce water consumption for high water intensity products (e.g. denim) - Develop a procedure to identify operations and activities with a high impact on biodiversity - Ensure that water is sustainably managed on a local level by 2030 by assessing water stressed areas and local ecological limits	- Meet and exceed Cascale membership by deploying the HIGG FEM with strategic Tier 1 and Tier 2 suppliers - Support strategic Tier 2 suppliers to participate in impact programs focused on water, energy, and chemical improvements - 100% of retail locations will qualify for green building certifications by 2025
Low impact care	- Engage PD & Quality teams to expand fabric testing and make sourcing decisions based on garment care - Publish low impact care guides for customers, including solutions to minimize microfiber pollution - Activate green cleaning network & resources - Launched repair and tailoring program through Hemster - Launched care accessories by Steamery - Shared garment care/repair/reuse education & resources	- Ensure new fabric developments are safe for low impact care methods - Explore finishing innovations for product longevity & durability - Support industry-wide initiative related to low impact garment care	✓ 60%+ of product assortment safe for low-impact care

Product

Better materials

Material choices have big implications for a garment's environmental impact, so we prioritize better fibers and finishing processes.

Clean chemistry

Push for zero hazardous chemicals and inputs.

Traceability

Traceability is essential to maintaining rigorous fiber and production standards. We need to know where and how our stuff is made.

100% of our fabrics will be from recycled, regenerative or renewable materials by 2025.



	Completed or Ongoing Actions	Next Steps	Goals
Better materials	- Implement Reformation Fiber Standards in sourcing process - Publish Reformation Fiber Standards to all suppliers - Build materials library for Design & Product Development - Publish fiber sourcing interactive toolkits and trainings to engage internal teams and suppliers - Expand direct partnerships with fiber producers - Assess our existing use of forest fibers and eliminate sourcing from endangered species habitat and ancient or endangered forests - Work with Canopy and our suppliers to support collaborative and visionary solutions that protect remaining ancient and endangered forests - Source and design products to minimize the shed of synthetic microfiber during washing—and contribute to education and solutions - Consult with Four Paws to update our animal welfare policy and develop an implementation strategy - Became a brand partner for Fashion for Good; Invest in new fiber innovation & technology at early stages - Support farm-level investments in regenerative practices, and scale the relationships with these suppliers	- Develop alternative fibers for conventional silk, viscose, leather, and wool to reduce our carbon and water impacts - Create trim specific standards & begin roll out of better trim options - Limit our use of virgin animal derived materials by supporting next generation materials for conventional silk, leather, and wool replacements - Explore and encourage the development of next generation fibers - Invest directly in better impact analysis and LCAs for recycled fibers, and alternative business models.	✓ Shift all viscose sourcing to Canopy green shirt viscose ✓ 95% of fabric sourcing for apparel meet A/B for Ref's Fiber Standards - Continue to invest and introduce raw material innovations to displace silk and conventional cashmere sourcing - 10%+ of materials sourcing include regenerative fibers by 2025 - 50%+ of materials sourcing include deadstock, recycled or next generation content by 2025 - 100% of our fabrics will be from recycled, regenerative or renewable materials by 2025. - Phase out virgin synthetics by 2030 - Reduce all synthetics (virgin & recycled) to less than 1% of total sourcing by 2025
Clean chemistry	- Define Manufacturing restricted substance list (MRSL) chemical management & wastewater quality programs - Maintain Restricted Substance List (RSL) & roll out to all suppliers - Define all accepted clean chemistry certifications - Identify non-compliant mills / printers and pursue certification process (i.e. Bluesign, Oeko-Tex, GOTS) or exit those not aligned with clean chemistry goals - Partner with suppliers to participate in programs with the Apparel Impact Institute, Bluesign and ZDHC to implement water, energy, and chemistry efficiency program	- Ensure smart testing protocols & enforcement of RSL - Explore and adopt industry methods and tools to evaluate chemicals in use and support the identification of safer chemical alternatives - Develop internal and external chemical management training program	- 100% RSL compliance of finished goods & fabrics - 100% of our fabrics are from wet processing facilities that use cleaner chemistry - 100% of our wet processing facilities demonstrate commitment to clean chemical management aligned with ZDHC guidelines - Move to a closed-loop system for all man-made cellulosics to ensure emission controls of chemical recovery rates

	Completed or Ongoing Actions	Next Steps	Goals
Traceability	- Publish supplier list - Publish factory and mill spotlights - Trace Tier 1 & Tier 2 and provide supply chain visibility; extend to Tier 3 & Tier 4 when possible - Define and implement chain of custody process - Pilot supply chain assurance with traceability software - Sign the Supply Chain Transparency Pledge - Nominate and invest at the fiber producer level to enable greater traceability and leverage	- Scale traceability software solution(s) - Improve traceability reporting capabilities - Gather baseline data related to existing supply chain farm practices around animal welfare, social responsibility, and land management	✓ 100% traceability of Tier 1 & Tier 2 suppliers ✓ 95%+ traceability of Tier 3 suppliers - 100% traceability to farm level for all of our animal derived materials - Adopt the use of physical and/or digital traceability technologies for all products - Disclose all identified Tier 1-4 suppliers (ongoing)

Progress

We push sustainability forward.

Circularity

We innovate for circular models.

Packaging innovations

Less is more, and plastic is not the future.

Sustainability reporting
& transparency

Maintain best practices in reporting and governance.

100% of our products will be designed for circularity by 2030.



	Completed or Ongoing Actions	Next Steps	Goals
Circularity	- Launched repair and tailoring program through Hemster - Expand Ref Vintage - Partner with thredUP to promote resale - Develop recycling solution for cutting waste - Use waitlist and pre-order functions to inform purchasing - Launch RefRecycling, a takeback and collection programs to close the loop for key categories to allow products to be easily recovered, remade and recycled. - Design for Circularity training for Product Development & Design teams - Published Ref's Circular Design Guide - Continue to invest in and pilot new recycling technologies and fibers	- Launch a vintage marketplace - Progress recovery operations to feed resale/outlet and donation channels - Facilitate regional manufacturing waste recycling solutions and infrastructure to promote business models that stimulate recycling of fibers into new textile products - Work with Product Development and Design teams to prioritize using monofiber materials and other component criteria to increase fiber-to-fiber recycling capabilities - Develop strategies to recover all by-product materials across the supply chain and formulate processes to ensure products can be repurposed - Explore implementation of Digital labels and product passports - Expand preferred materials and purchasing standards to the other parts of our business, especially our retail stores - Invest and scale smart merchandising and use tools like digital sampling, preorder and waitlist - Work with our suppliers and cross-industry solutions to capture more of the post-industrial textile waste in our supply chain. - Create standard procedures to check for greater marker efficiency - Scale our resale partnerships and explore even more innovative models to promote upcycling - Expand the network of recyclers behind RefRecycling and accept more fiber types - Enable easy identification of recyclable product during collection and sorting and ensure sorters are equipped with appropriate tools to enable identification	- 100% of our products designed, developed and manufactured using circularity principles by 2030 so they can be effectively disassembled, remade, or recycled - 100% of garments are designed for 1 or more circularity attribute(s) by 2025 - 10% of business volume is represented by resale, vintage, rental by 2030 - 100% of our products are recyclable (and disclosed recycling streams) by 2030 - Strategic suppliers have a recycling solution for post-industrial textile waste in place by 2030 - Maintain 80%+ full-price sell through to limit product discounting and liquidation - Annual improvement in the % of garments that are unsold/liquidated

	Completed or Ongoing Actions	Next Steps	Goals
Packaging Innovations	- Offer reusable tote bags in store by request only - Screen our entire paper and plastic portfolio and ensure it's made from recycled content and recyclable to Canopy guidelines - Identify and eliminate any packaging that is not made from recycled content and recyclable in practice - Design to reduce material use - Work with Canopy to ensure our packaging is free of ancient and endangered forests. - Maximize recycled or alternative next generation solution fibers - Launched a direct packaging take-back and recycling program	- Utilize reusable packaging systems for intra business applications - Build operational optimizations to reduce our plastic use annually by quantity, volume, and spend - Launch program to offer a donation option for customers who opt out of tote bags in stores - Design and implement e-commerce, shipping, display and wrapping systems that minimize the use of paper - Pilot alternatives to single use plastic poly bags - Analyze our operations to see where we can eliminate single-use plastic and packaging	✓ 100% of packaging meets Canopy requirements and is FSC certified ✓ 100% of packaging is recycled, reusable, or biodegradable - Convert 100% of product packaging to be plastic-free by 2025
Sustainability reporting & transparency	- Publish The Sustainability Report quarterly - Report annual GHG footprint to CDP - RefScale methodology update & third-party verification - Report progress to sustainability advisory board quarterly - Align strategy & The Sustainability Report with Sustainable Development Goals - Increased product-specific sustainability performance communications - Lead with openness, honesty, and be straightforward about where we are, and what we still need to work on. - Complete the HIGG Brand & Retail Module assessment - Develop and deliver robust training programs & internal engagement with all teams - Integrate Sustainable KPIs within all departments, and complete department-level Sustainability Scorecards - Introduce sustainability filters to allow customers to shop based on product characteristics - Completed Circulytics scorecard and baseline report	- Align sustainability reporting to widely recognized standards such as SASB, GRI - Create carbon modeling tool for material planning teams	- Maintain best practices in reporting and governance - Be a known and trusted destination for sustainability education & action