The Sustainability Report: *2020 Year in Review*

We can't really start an annual report without acknowledging what an insane year 2020 was. It fundamentally challenged Ref, and reminded us that doing the right thing by people and the planet is more relevant and pressing than ever. Our sustainability mission will continue to be our core, and guide our next steps. We'll keep using these reports to be transparent about what we're doing and why. We'll celebrate our wins. And talk about where we fall short. We hope that comes through super clearly in this update.

Sustainability scorecard

We've been on a mission to bring sustainable fashion to everyone since 2009. We've grown a lot since then, but there's still work to do. So we had a smart group of people at Eco-Age evaluate us against a benchmark that compares how we're doing with the progress of the industry as a whole.

Illustration by Joy Yamusangie

HOW WE STACKED UP

Eco-Age measures our performance across twelve different topics, aligned with other industry reporting frameworks and priorities.

- Supply Chain Traceability
- Operational Environmental Management
- Training & Education
- Community & Giving
- Corporate Governance
- Human Rights
- Product Environmental Footprint
- Diversity, Equality & Inclusion
- Communications
- Climate Action
- Use of Chemicals
- Packaging

- BASICS IN PLACE 0–24%
- BEST PRACTICES 25%–49%
- LEADERSHIP 50%–74%
- SETTING NEW STANDARDS 75%–100%

Overall, we received a "Leadership" rating in 2020, a full level up from last time. We're excited about our progress, but we know we can do even better. We use the scorecard to help highlight what we can improve, develop our goals, and focus our efforts. Read the methodology here, and get a detailed look at our proposed plans in our updated Sustainability Framework.

Here are our highs and lows

from last year, and a look at where we're headed in our four main areas: People, Product, Planet, and Progress.

People

There are a lot of awesome people behind our clothes. They work in our offices, factories, and stores. They are our partners and vendors. And we are responsible for ensuring safe, healthy, and equitable working conditions for every single one of them.

Illustration by Joy Yamusangie

2020 HIGH

100% Living wage

Living wages provide the means for workers to purchase goods and services like food, energy, education, housing, transportation, healthcare, and are key to ending cycles of poverty that have lasted for generations. Our goal this year was to have 100% of our Ref team meet or exceed the living wage and as of July 1, 2020, we achieved our goal and we are committed to keeping it that way.

2020 LOW

People focus

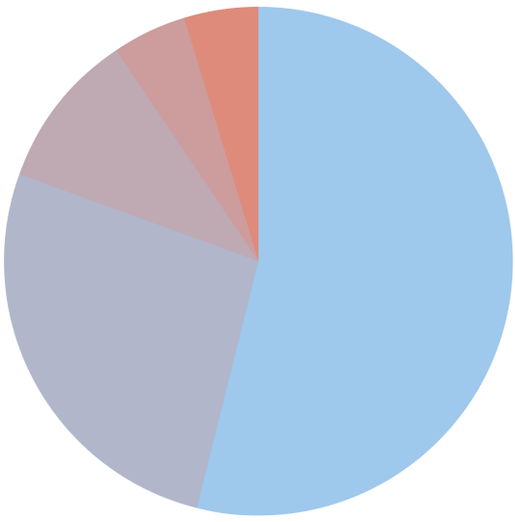
We weren't taking a broad enough view of sustainability and needed to focus more on its social impact. Now, we recognize that racial justice and environmental justice are inherently linked, and we must incorporate both in order to further our sustainability mission. So we've strengthened all People initiatives to be more inclusive and unbiased. We're doing the work to prioritize Diversity, Equity and Inclusion (DEI), and to ensure Ref is both a great place to work and reflects and respects the diversity of our world.

2021 FOCUS

Living wage initiatives for our manufacturing partners

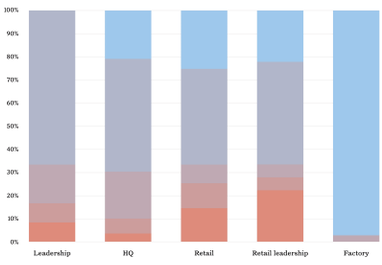
We're super proud to provide a living wage for all of our employees, but the work isn't done. The next step is developing strategies for wage transparency and implementing fair compensation initiatives for workers in our partner manufacturing facilities. We will develop strategies for wage transparency and implementing fair compensation initiatives for workers in our manufacturing facilities (AKA Tier 1).

DIVERSITY, EQUITY AND INCLUSION AT REF TODAY



- 54% Latino
- 27% White
- 10% Asian
- 5% Two or more races
- 4% Black
- 0% Native American

EACH PART OF OUR BUSINESS



- Latino
- White
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- Black
- Native American

WHAT WE'VE DONE SO FAR

• Realigned our values to focus on people and work toward progress that is inclusive to all.

• Held expert-led diversity & inclusion 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.

• Conducted more than 40 listening sessions to hear directly from retail, corporate, distribution center, and factory employees.

• Deployed a confidential employee engagement survey to begin gathering and sharing deeper demographic information on our company make-up, including but not limited to ethnicity, gender, and sexual orientation.

• Relaunched the employee-led Culture

• Evolved our marketing, imagery, and voice to ensure we are more representative of a broader Reformation community, working with more diverse creators, models, and partners.

• Initiated our internal speaker series to bring new perspectives to our teams on topics like implicit bias and climate justice, including Professor Mahzarin Banaji and Mikaela Loach.

• Hired Senior People Partners for Retail and

• Launched the “All Voices” platform, an anonymous employee communication platform, to provide additional, convenient outlets for communication and feedback.

• Updated our benefits package for hourly Ref employees, increased holiday and vacation time for hourly team members, and provided volunteer time off for all employees.

Committee; extended and increased participation to every functional team across Ref; prioritized committee focus to include mental health, happiness, onboarding experience, and DEI.

• Joined the Black in Fashion Council, who we will partner with as an external Advisory Board to help hold us accountable as we strive to advance Black and other underrepresented individuals in the fashion industry.

Factory/Distribution to better connect our expansive retail field to our factory, distribution and corporate teams and streamline operations, facilities, and HR communications.

WHAT WE’RE WORKING ON

• Re-organizing and expanding our existing advisory structures to focus on specific demographic concerns and ensure everyone feels included, valued, and heard.

• Designing and implementing a communication strategy that fosters feedback, transparency, and a culture of two-way information sharing.

• Assessing skill and capability requirements for roles across the organization to establish clear hiring, development, and promotion practices.

• Strengthening hiring process by focusing on key skills, capabilities, and values-based behaviors.

• Reviewing, revising and redesigning recruiting practices to identify diverse candidate pools and reduce opportunities for bias.

• Actively recruiting a VP of Retail to better connect our expansive retail field to our corporate team and streamline operations, facilities, and HR communications.

• Making growth and development part of working at Ref, through ongoing learning opportunities that engage our whole team, and effective performance management.

• Expanding the People team to execute functional best practices and strategy across the employee life cycle including onboarding, learning and development, employee relations, and culture.

• Executing periodic surveys to measure progress in representation, equity, and inclusion.

OUR PARTNERS

Throughout our supply chain, we work with incredible partners who share our values of accountability, transparency and sustainability. We know we’re not perfect, but we’ll always do our best to be transparent and keep pushing for positive change.

We require all of our direct cut, sew, and finish manufacturing partners to adhere to our Code of Conduct (basically our requirements for ethical operations). This ensures fair and safe labor conditions and fundamental labor rights, like the prohibition of child labor or forced labor, and the meeting or exceeding of local legal minimum wage requirements.

Our suppliers participate in annual independent, third-party social assessments to ensure fair, safe, and healthy working conditions and continuous improvement.

Learn more about our factories

People SDGs
5: Gender Equality
8: Decent Work & Economic Growth
10: Reduced Inequalities
12: Responsible Consumption & Production
17: Partnerships for the goals

Demographic information and language are based on self-reported data from the EEO-1 survey.

Product

How and where we make our product matters. We focus on things like traceability, fiber standards, and clean chemistry to ensure we lessen the environmental and social impacts of our stuff.

Illustration by Joy Yamusangie

2020 HIGH

93% Better Materials

Our goal was to have 75% of our fabric spend meet our lowest impact ratings by 2020. We beat our goal and are committed to pushing for 100% lowest impact fibers by 2023.

2020 LOW

We didn’t hit our clean chemistry goal

Our goal for 2020 was to have 75% of our fabrics be certified clean by third party certifications like Oeko Tex Standard 100 and Bluesign. We fell short by ~20%. Some of this was due to COVID-19 impacts to our sourcing this year, but regardless, we need to do better.

2021 FOCUS

Environmental efficiency in partner facilities

We'll be working with our suppliers to reduce our environmental impact by improving energy, water, and chemical efficiency at their facilities. Together, we will measure, improve, and create sustaining key practices that will help lower their impact.

TRACEABILITY

Traceability is about knowing exactly where our stuff comes from. We want to be able to answer "who made our clothes" at every level of the supply chain. Our goal for 2020 was to reach 100% traceability into our Tier 1 & 2 suppliers.

TIER 1

100%

Finished goods assemblers & subcontractors

TIER 2

100%

Dyers & printers, finishers, weavers, knitters

TIER 3

96%

Fibers, spinners, recycled material collector/processor

TIER 4

0%

Raw material (Farm, Forest, Ranch)

HERE'S WHERE WE MADE OUR STUFF THIS YEAR:

51.3% Los Angeles

37.2% China

11.1% Turkey

0.3% Mexico

0.2% India

Transparency is key to accountability, which is why we disclose 100% of Tier 1 finished goods manufacturers and subcontractors within our supply chain. We have promised to align with the Transparency Pledge and are participating in the Open Apparel Registry (OAR) to expand on the details that are made public so we can be more accountable for the working conditions in our partner factories. We've also signed onto the Call to Action by The Coalition to End Forced Labour in the Uyghur region. The Coalition's Call to Action is endorsed by over 300 civil society organizations and labour groups who want to end human rights abuses against Uyghur people.

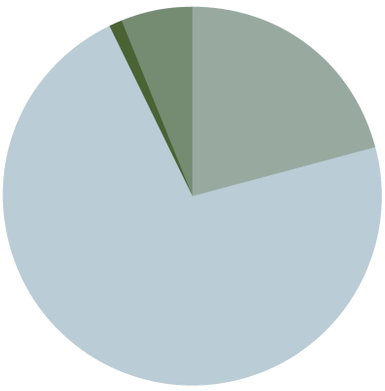
FIBER STANDARDS

The materials we use are a major driver of the total impact of our products. We have our own Ref Fiber Standards that are as holistic as possible, taking into consideration water input, energy input, land use, eco-toxicity, greenhouse gas emissions, human toxicity, availability, and price. We also looked at garment care implications, like microfiber

shedding. Our goal was to have 75% of our fabric spend meet our A/B ratings by 2020.

93% of our fabrics meet our A/B ratings[3]

Learn more about Ref fiber standards



- 21% A - ALL STARS
  Key fabrics: Tencel™Lyocell, Deadstock
- 72% B - BETTER THAN MOST
  Key fabrics: Organically grown cotton, Better viscose, Linen
- 6% D - DON'T USE UNLESS CERTIFIED
  Key fabrics: Silk, Leather
- 1% C - COULD BE BETTER
  Key fabrics: Econyl® Regenerated nylon, Recycled polyester, Alpaca
- 0% E - EWW, DON'T USE
  Key fabrics: Conventional cotton

CLEAN CHEMISTRY

54% of our dyers and printers have a clean chemical certification

We're passionate about working with our partner printers, dye houses, and tanneries to ensure responsible use of chemicals, water, and energy so that products are safe for workers, you, and the environment.

Product SDGs
6: Clean Water & Sanitation
12: Responsible Consumption & Production
14: Life Below Water
15: Life on Land

[1] Certifications included in this total are Oeko-Tex Standard 100, Bluesign, Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS). Calculated for total fabric yardage that was used in 2020 excluding deadstock materials
[2] Traceability is calculated by total fabric yardage for the following categories: apparel, lingerie, shoe uppers, and shoe linings. This does not include other shoe components or trims yet and excludes all deadstock materials.
[3] Fiber performance is based on the majority fiber content in the fiber composition. Calculated for total fabric yardage used in 2020.

Planet

We keep our true costs—including environmental impact—in mind when making design and business decisions. Our environmental footprint is calculated in terms of gallons of water, pounds of CO2e, and pounds of waste.

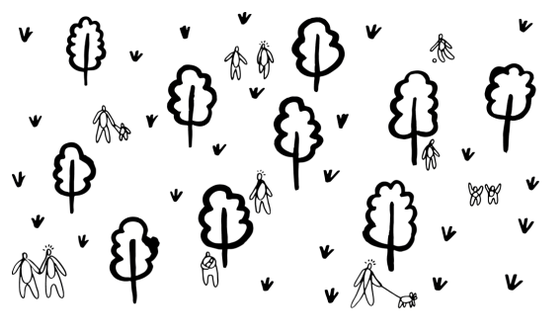
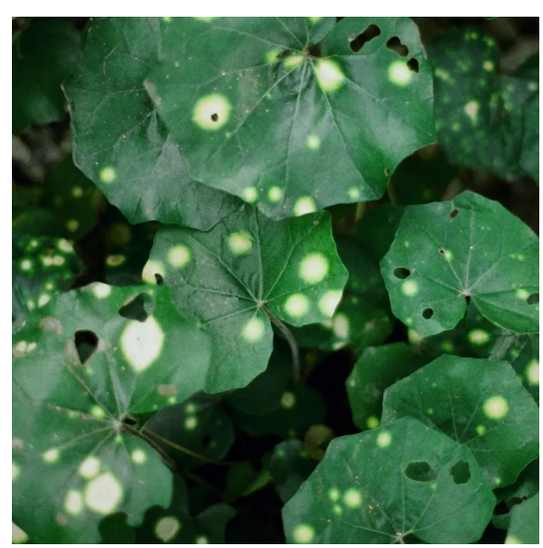


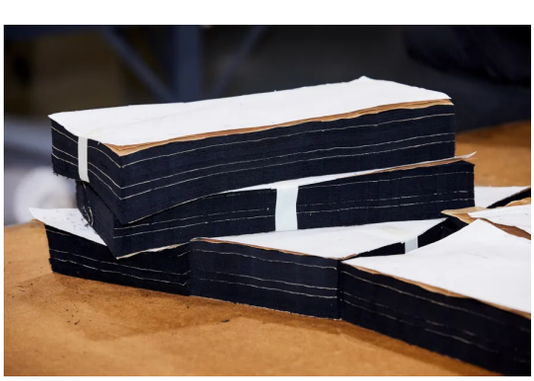
Illustration by Joy Yamusangie

2020 HIGH

Climate Neutral

Our stuff has been carbon neutral since 2015 but this year we made it official. We updated how we calculate our greenhouse gas emissions for all of our operations, and engaged third-party consultants to verify both the methodology and our 2020 footprint. We're working with Climate Neutral to certify we achieved net-zero carbon emissions in 2020.





2020 LOW

Delayed resource efficiency programs

We planned to hire someone in 2020 to help develop a new program to support our suppliers in reducing their carbon, water, chemical, and waste footprints. We decided to put that on hold until 2021 due to COVID-19 disruptions to our team and our suppliers.

2021 FOCUS

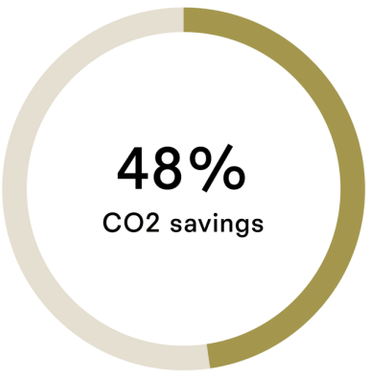
Climate Positive Roadmap

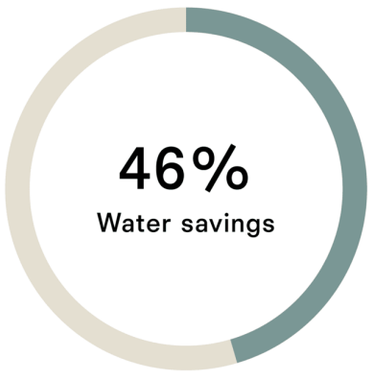
We are committed to becoming climate positive by 2025. We're getting even more serious about reducing our carbon footprint and investing in solutions that remove more greenhouse gasses than we emit. We'll finalize our GHG reduction targets with the Science Based Targets initiative, and then publish a roadmap to hit them.

REFSCALE

RefScale tracks our environmental footprint by adding the pounds of carbon dioxide emitted, gallons of water used, and pounds of waste generated. Then we calculate how much Reformation saves compared to conventional clothes bought in the US. The whole equation follows the lifecycle of clothes—everything from growing textile fibers and making fabric, dyeing, transporting materials, manufacturing, packaging, shipping, garment care, and even recycling clothes when you're done with them. We offset our product footprint 100%, but always push for better materials, factories, and operations to keep our footprint as low as possible.

2020 FOOTPRINT





Carbon dioxide (Metric tons)

Ref footprint: 22,801
Conventional footprint:43,605
Savings: 20,804

Water (M gallons)

Ref footprint: 1,902
Conventional footprint: 3,502
Savings: 1,600

Waste (Metric tons)

Ref footprint: 1,146
Conventional footprint: 1,368
Savings: 222

Planet SDGs
6: Clean Water & Sanitation
7: Affordable & Clean Energy

12: Responsible Consumption & Production
13: Climate Action

Progress

In order to push sustainability forward, we challenge our efforts and take risks to solve hard problems. We are committed to investing in the future, leading the way for a more sustainable fashion system, and will share our progress openly.

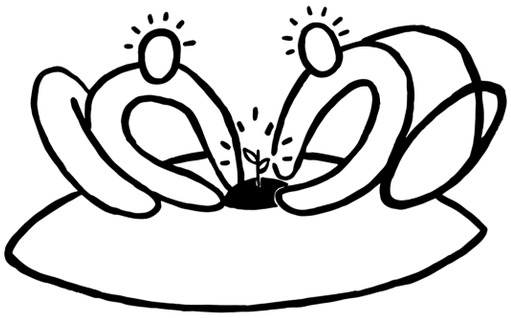


Illustration by Joy Yamusangie

2020 HIGH

Reused or recycled over 350,000 garments

We set out to reuse or recycle 200,000 garments a year. We ended the year way above our goal at 417,811 garments, which is why we're upping our goal to reusing or recycling 500,000 garments a year. We built on our partnership with thredUP to launch a new donation program that allows you to recycle any clothes and in return, thredUP will donate $5 to the Circular Fashion Fund.

2020 LOW

Didn't launch resale shop

We had hoped to open our first Ref resale shop in March. We still think it was a good idea, just bad timing. So hopefully we can pick that back up when it's safe to do so.

2021 FOCUS

Launch first product upcycling programs

We'll be creating take-back and upcycling programs for all new categories. We want to take responsibility for the full lifecycle of our stuff and make it easy for you to recycle Ref so these materials keep circulating in the fashion system.

NEVER NOT CIRCULATING

There is actually enough clothing and textiles in existence today to meet our annual demand globally. We upped our goal to reuse or recycle 200,000 garments a year. We met our goal last quarter and it looks like we're on track to double it by the end of the year.

Garments reused or recycled:

272,856

That's like removing 714 cars off the road, reusing 42 olympic sized pools of water, and preventing 14 garbage trucks of waste.

Equivalent to: 3304 metric tons of CO_2, 28 million gallons of water, 260 metric tons of waste.

LET'S GIVE MASKS

In 2020, we partnered with the city of LA to produce and donate masks since COVID-19 accelerated to a pandemic in March. Since then, we've donated over 320,000 masks to homeless shelters, hospitals, refugee organizations, nursing homes, and other nonprofit groups.

Donate masks

Progress SDG
12: Responsible Consumption & Production
15: Life on Land

[1] This includes RefVintage, Rent-the-Runway, and thredUP.
[2] CO_2 equivalency comes from the EPA Greenhouse Gas Equivalencies Calculator, water equivalency is based on the total volume of an olympic sized pool, and waste equivalency is based on the average amount of waste a garbage truck can hold.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

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.

→ Read our Q3 updates

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