



Reformation

2021 Reassessment Against Sustainability Benchmark

JANUARY 2022





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Executive Summary

INTRODUCTION TO BENCHMARK

Reformation's mission is to bring sustainable fashion to everyone. Navigating sustainability can be tough, which is why we've partnered with Eco-Age for the third year in a row to undertake a benchmark assessment. We use this to not only assess our year on year progress, but to identify key topics for us to address in the coming years. It gives us an opportunity to reflect, as well as to meaningfully build on the work that we have already done.

Each year, Eco-Age reviews the benchmark, strengthening it to reflect the key industry movements and ever-changing sustainability landscape. In 2021, 5 new topics were added to reflect key topics commonly addressed within existing industry frameworks, such as the Future-Fit Business Benchmark, the Global Reporting Initiative (GRI), and the UN Sustainable Development Goals (SDGs).

This report explains changes made to the assessment and Reformation's performance across each of the topics, including a detailed breakdown of the scoring, comparison to last year's performance and recommendation for continued improvement.

Please note that throughout this report, all percentages have been rounded to the nearest whole percentage point.

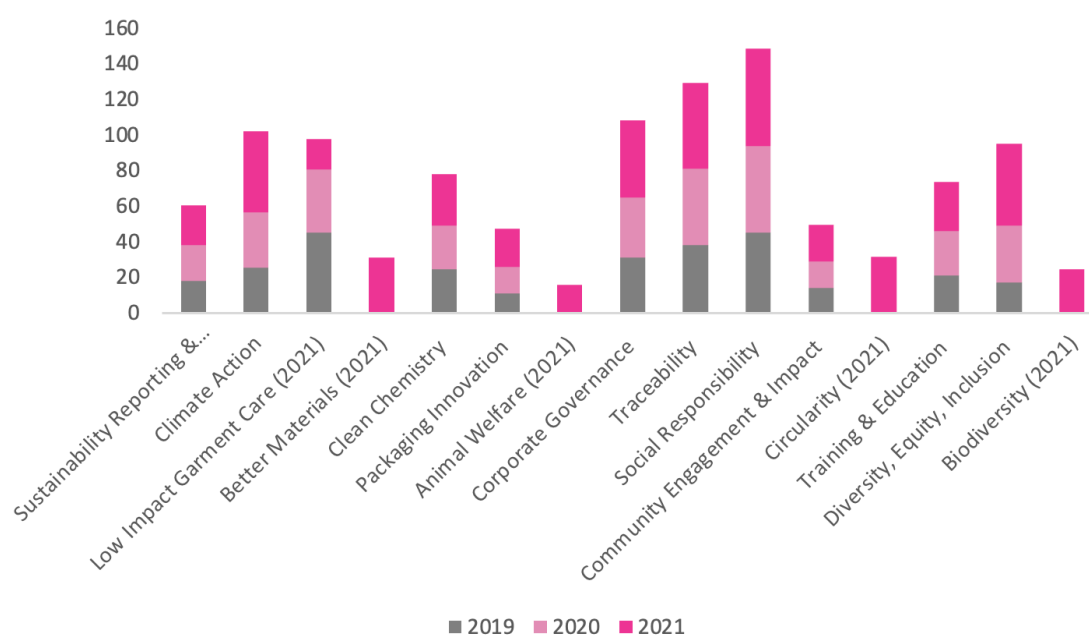


The Table below outlines Reformation's performance against each topic ranked highest to lowest based on the percentage achieved. Where applicable, 2020's rank has also been indicated to show movement year on year between topics.

2021 RANK	TOPIC	PERCENTAGE SCORE 2021	2020 RANK
1/16	SUSTAINABILITY REPORTING & TRANSPARENCY	79%	6/12
2/16	CLIMATE ACTION	75%	3/12
3/16	LOW IMPACT GARMENT CARE (2021)	73%	New Topic
4/16	BETTER MATERIALS (2021)	67%	New Topic
5/16	CLEAN CHEMISTRY	66%	2/12
6/16	PACKAGING INNOVATION	65%	1/12
7/16	ANIMAL WELFARE (2021)	61%	New Topic
8/16	CORPORATE GOVERNANCE	60%	7/12
9/16	TRACEABILITY	56%	9/12
10/16	SOCIAL RESPONSIBILITY	54%	8/12
11/16	COMMUNITY ENGAGEMENT & IMPACT	54%	12/12
12/16	CIRCULARITY (2021)	49%	New Topic
13/16	TRAINING & EDUCATION	49%	11/12
14/16	DIVERSITY, EQUITY, INCLUSION	49%	4/12
15/16	BIODIVERSITY (2021)	48%	New Topic
16/16	RESOURCE EFFICIENCY	46%	10/12

SUMMARY OF FINDINGS

The 2021 assessment was our most stringent benchmark to date, and because of this, it saw some interesting scoring developments. The below chart depicts the changes to the benchmark criteria for each topic, as well as indicating new topics for 2021.



Across the 11 topics that were the same in 2020 and 2021, Reformation's percentage decreased across 8 of them, which is reflective of the additional criteria across all topics, and the resulting stricter benchmark. The most significant percentage score decrease was across Clean Chemistry (-14%), Packaging Innovation (-18%), and Diversity, Equity, Inclusion (-17%). All three of these topics saw a decrease in rating against the 2020 ratings.

However, Reformation has demonstrated progress in these areas since last year, with the actual number of criteria achieved across all of these areas having gone up.

For example, Reformation's score for Diversity, Equity, Inclusion went up by 1.25 points, but the percentage score went down, due to the further 15-point increase in benchmark criteria. This reflects the opportunity for global increased engagement in this area, as well as how quickly the definition of best practice is changing year-on-year. It also demonstrates that although progress has been made by Reformation, there is still space to develop, which is a key part of this benchmarking activity – encouraging continuous improvement through identification of opportunities.

Reformation's top scoring areas were Sustainability Reporting & Transparency, Climate Action, and Low Impact Garment Care where the brand received the highest rating Setting New Standards for each of these topics. Where as, Training & Education, Diversity, Equity & Inclusion, and Resource Efficiency had some of the lowest scores for topics assessed in past years. Circularity and Biodiveristy scored lowest out of the newly introduced topics for 2021.

Sustainability Reporting & Transparency increased the most in terms of percentage in 2021, changing from 60% in 2020 to 79% this year. This is largely due to Reformation making more of its corporate information public and continued sustainability reporting. Reformation's high score against this year's Sustainability Reporting & Transparency benchmark led to the topic climbing five places since 2020, from 6th to 1st place.

Climate Action was a high scoring area for the third consecutive year, ranking 2nd place in 2021, climbing up one place in the ranking, and sustaining the Setting New Standards rating.

Percentage wise, Resource Efficiency is the topic where Reformation scored the lowest and where there is the most room for improvement. Against this year's stricter benchmark, previously called Operational Environmental Footprint, Reformation scored an additional 0.25 points in pre-existing criteria and picked up points for new criteria for its initiatives, policies, and targets relating to resource efficiency. In order to improve its score against the Resource Efficiency benchmark, Reformation should conduct risks assessments of resource-stressed areas, implement initiatives to reduce dependency on finite fossil fuels, and either join or launch conservation projects.

Diversity, Equity, and Inclusion has been one of Reformation's most dynamic topics, moving from the lowest percentage rank in 2019 to the Reformation's fourth highest percentage score in 2020. This year's Diversity, Equity, and Inclusion benchmark saw significant change, growing by 15 points for the second year running. Against this new benchmark, Reformation scored 49%, causing the topic to fall ten places in the rankings to 14th place.

It was evident this year from the changing results of the topics across the board that Reformation's focus has slightly shifted over the last few years to address key topics coming up as priority in the industry, for example as we've seen with Diversity, Equity and Inclusion in 2020. however there are certain key topics where Reformation's focus has continued to be industry leading such as Climate Action. Sustainability is all about continual adaptation and improvement, and therefore there is always more a brand can do across all of these topics. Reformation should look to strive to continually address all sustainability topics to push boundaries through constant evolution.

OVERALL SCORE

Reformation's overall performance can be seen across the years through looking at the overall score and the rating it's received across all topics.

Reformation's score is calculated using a weighting system, with topics considered higher global priority given a higher weighting and therefore a bigger impact on the overall score.

For each topic, Reformation received a rating, which reflects the percentage score achieved, indicating the number of criteria met in the area. The ratings are as follows:

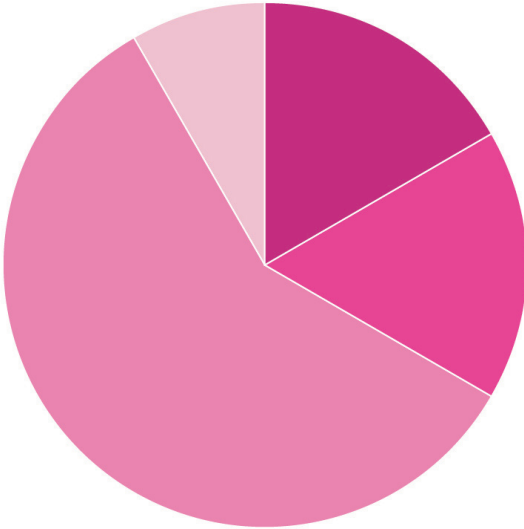
- No information = 0%
- Basics in Place = 1-24%
- Best Practice = 25-49%
- Leadership = 50-74%
- Setting New Standards = 75-100%

Reformation's overall weighted score for 2021 was: 67%, compared to 44% in 2019 and 65% in 2020. This reflects the growth and continued work we have seen from Reformation year-on-year.

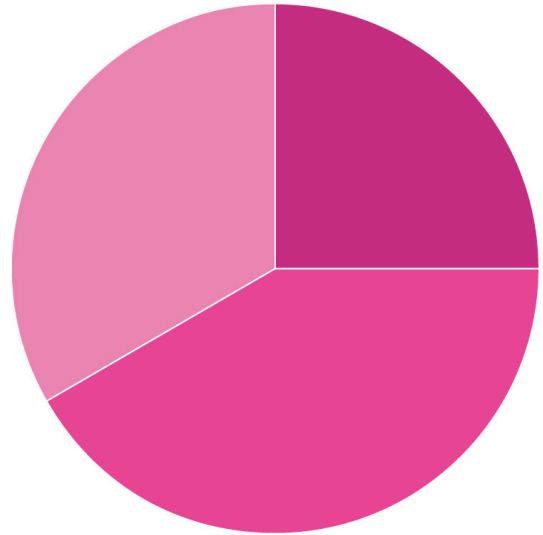
This is also reflected in the ratings Reformation has achieved across the topics, with notable positive trends between 2019, 2020 and 2021.

2020 saw all topics achieving at least Best Practice, and none rated Basics in Place. In 2021, the number of topics which received leadership also significantly increased, with only two topics achieving Best Practice. This demonstrates an overall improvement from Reformation, despite the annual strengthening of the benchmark criteria.

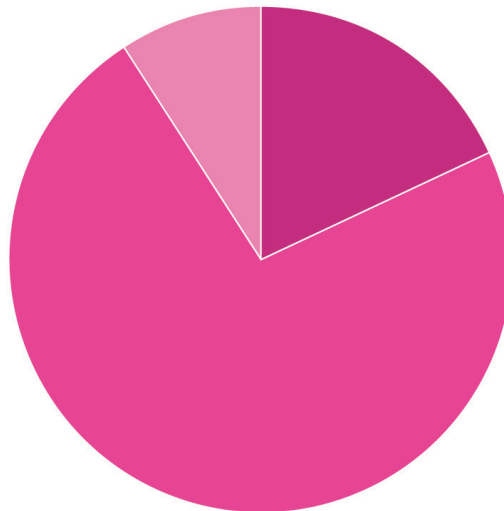
OVERVIEW OF
REFORMATION'S 2019
RATINGS PER TOPIC



OVERVIEW OF
REFORMATION'S 2020
RATINGS PER TOPIC



OVERVIEW OF
REFORMATION'S 2021
RATINGS PER TOPIC

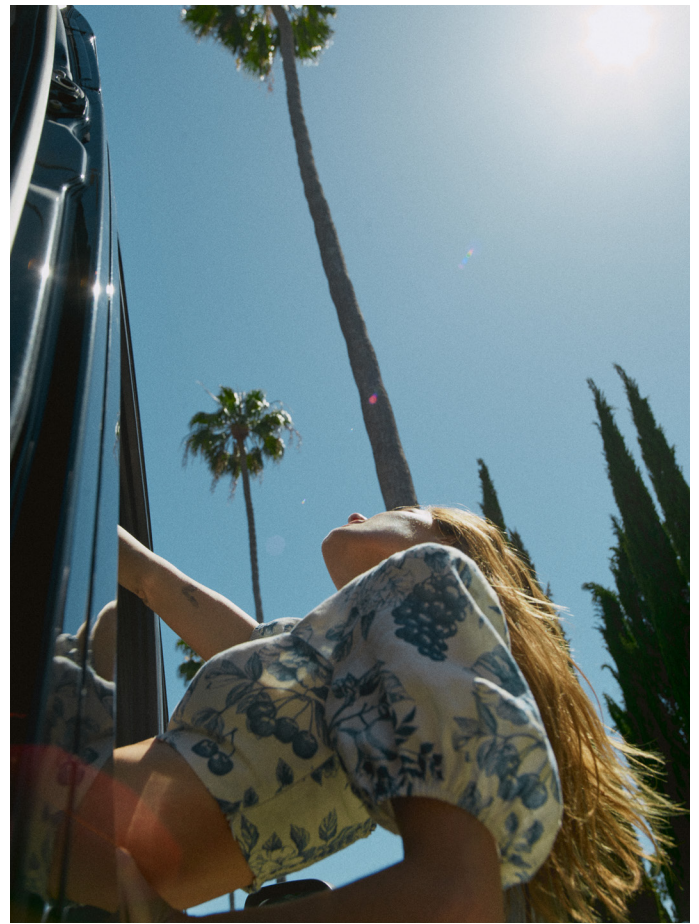


■ SETTING NEW STANDARDS ■ LEADERSHIP ■ BEST PRACTICE ■ BASICS IN PLACE

Introduction

The world is emerging from the initial COVID-19 fallout and governments, businesses, and individuals are shifting from a state of emergency to one of recovery. The COVID-19 Pandemic highlighted the vulnerability of human activities, the interdependence of global nations, and the efficacy of international collaboration. Similar themes can be applied to the climate crisis, which must be addressed with the same sense of urgency demanded by COVID-19. This year has seen climate change induced extreme weather the world over, from floods and forest fires to droughts and downpours. In fact, infection diseases, extreme weather, and climate change inaction are cited by World Economic Forum Global Risks report as top risks facing humanity.¹ The IPCC Report, Climate Change 2021: the Physical Science Basis also issued a Code Red for humanity, citing anthropogenic activities as the leading driver of the climate crisis.²

Global dependence on linear consumption models and finite resource extraction cause havoc on the world's natural systems, born out of billions of years of evolution. Earth Overshoot Day is the day which signifies when we have used the amount of resource that the Earth can regenerate in a year, with all subsequent resources used exceeding that³. As we continue to use more resources, it is getting earlier every year. The global average for 2021 fell on July 29th. There was a glimmer of hope in 2020, when it fell on August 22nd, more than three weeks later than in 2019. This was due to the drastic change in behaviour and consumption due to the COVID-19



pandemic. It demonstrated that, through collective action, humanity could shift resource consumption patterns in a short timeframe.

At the time this year's benchmark update was being worked on by Eco-Age, COP26 was being hosted by the United Kingdom in Glasgow. Delayed by a year due to COVID-19, this year's COP was the first meeting where, according to the 2015 Paris Agreement, signatory nations would present ambitious climate action plans, developed to "keep 1.5 alive."⁴

International and intercorporate collaboration is key, we are facing these issues together, as global citizens, and must confront them as a united front. Now more than ever, we must listen to the science, transparently share information, and drive continual progress.

As part of its commitment to sustainability and transparency, Reformation has once again partnered with Eco-Age for its third annual sustainability benchmark report, developed to assess Reformation's sustainability performance, identify areas of leadership and opportunities for improvement, and drive continual progress.

¹ The World Economic Forum, Global Risks Report 2021, 2021 [LINK](#)

² IPCC, Climate Change 2021: the Physical Science Basis (Sixth Assessment Report) [LINK](#)

³ Earth Overshoot Day [LINK](#)

⁴ COP26 [LINK](#)

Methodology & Benchmark Review



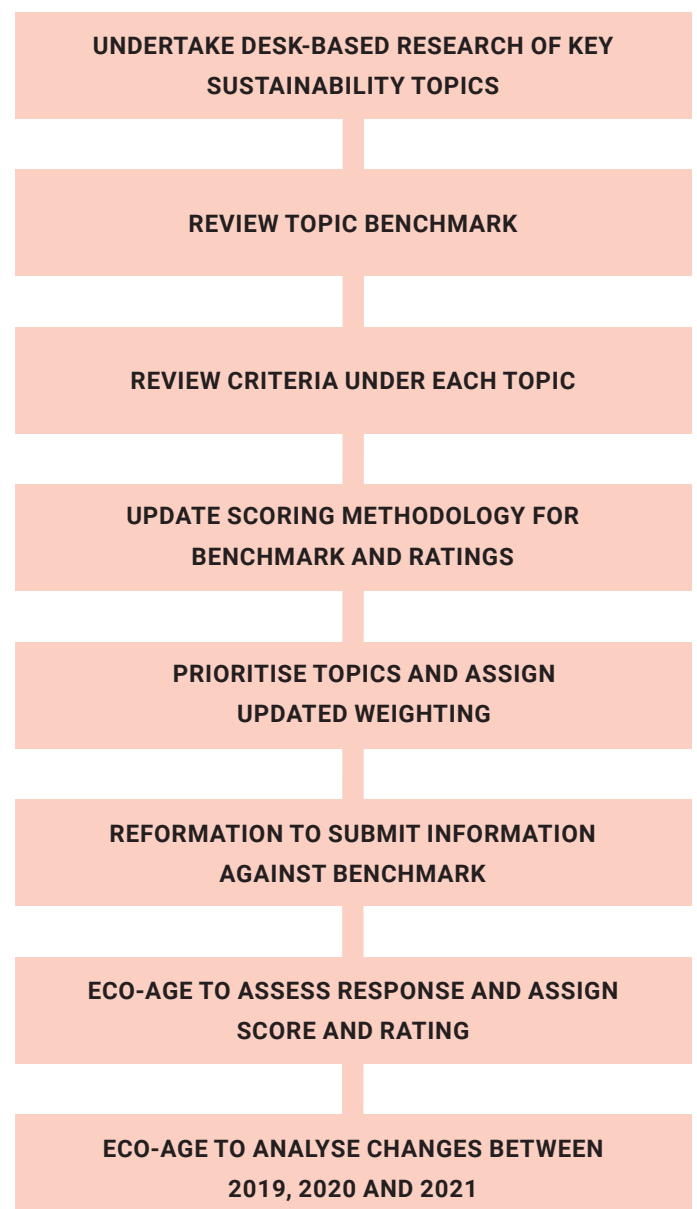
THE PROJECT & BENCHMARK HISTORY

Eco-Age and Reformation first partnered in 2019, when Eco-Age created a bespoke sustainability benchmark to assess the sustainability performance of eleven brands widely considered leaders in sustainability in fashion. The assessment was designed to identify and analyse the commitments made, progress achieved and markers of true leadership within the fashion industry. Brands were then scored based on publicly available information and given an overall rating.

Beginning from 2020, Reformation and Eco-Age implemented a yearly reassessment of Reformation's performance against the bespoke benchmark. The aim is to track and monitor Reformation's progress, integrate key impact areas and inform strategies and initiatives with the goal of achieving higher sustainability targets year over year and drive continual improvement.

In Fall 2021, Eco-Age undertook a review of the 2020 topic benchmark, which included desk-based analysis focusing on macro trends, fashion and textiles sector trends, and the approaches of peers and sustainability leaders in the fashion industry. The findings of this were used to update the topics and criteria of the benchmark, ensuring that all criteria included in the 2021 benchmark reflected the current movement of the industry and wider society.

2021 ASSESSMENT STEPS



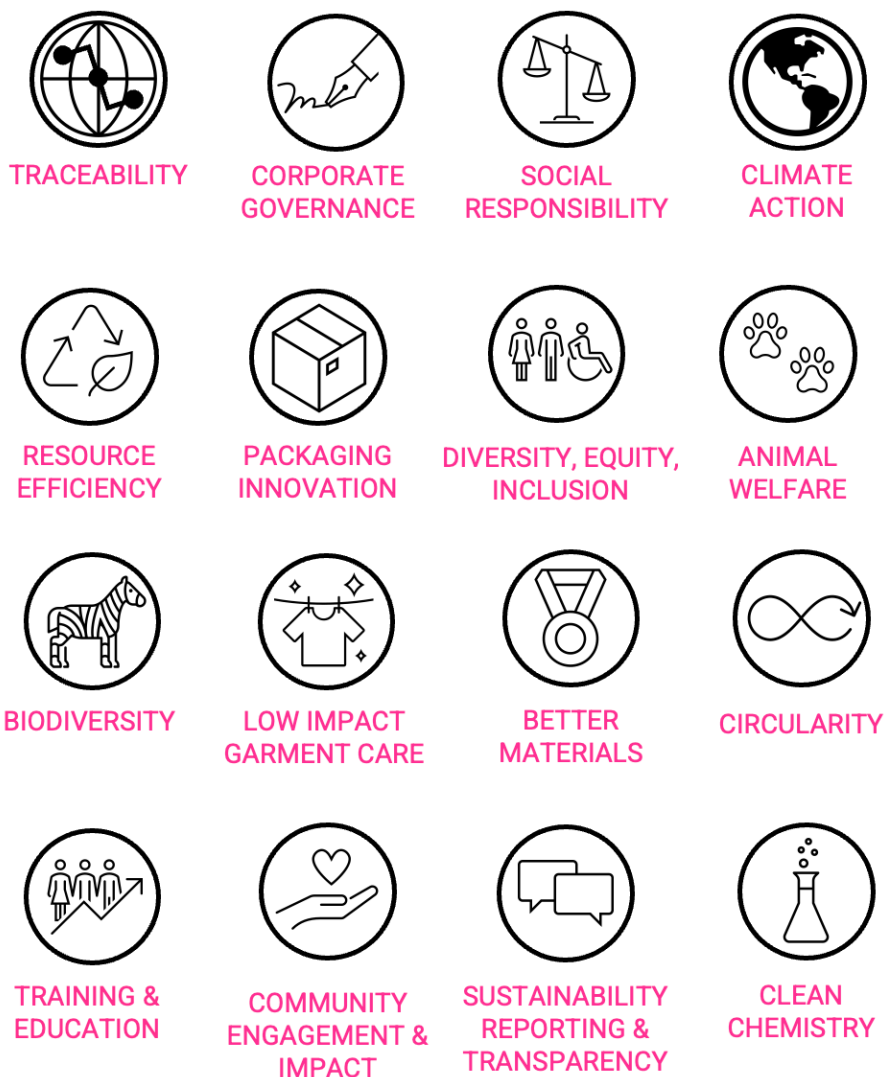
TOPICS CONSIDERED

The topics covered in the 2021 assessment present some differences compared to the 2020 assessment, from the smaller changes of updating titles of topics to align with Reformation's used language (e.g., "Human Rights" has changed to "Social Responsibility"), to the larger additions of new topics.

Five new sustainability topics were identified as significant, being of particular focus of the industry, or as key impact areas at company level. These topics are Better Materials, Circularity, Low Impact Garment Care, Animal Welfare and Biodiversity. Previously, the criteria relating to these topics were incorporated into Product Environmental Footprint and Operational Environment Management, which have been removed in place of these.

Brands were assessed against sixteen different sustainability topics, shown below, receiving a score and rating for each. The criteria under each having been reviewed and updated to reflect the industry priorities in 2021 (see "Review Topic Benchmark").

The following are the sixteen topics reviewed in the 2021 benchmark:



OVERALL SCORE WEIGHTING

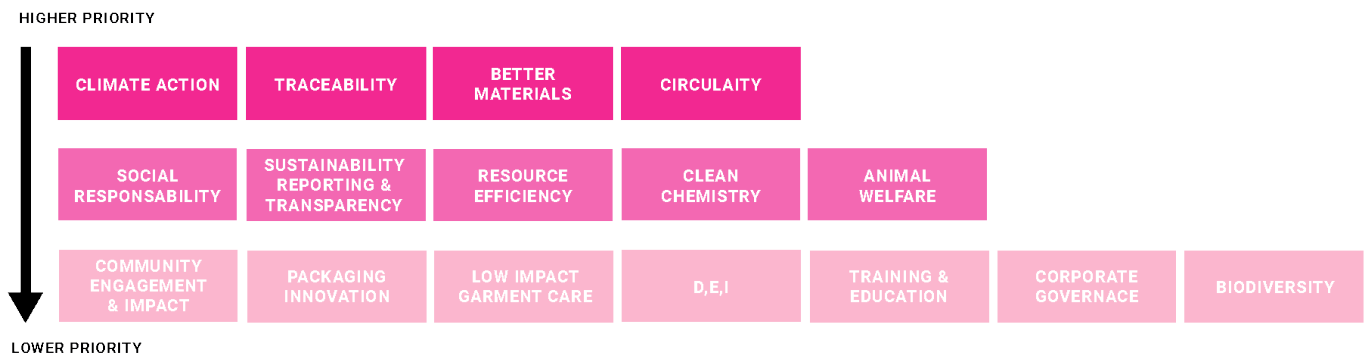
To calculate an overall score achieved across all topics, it is important to create a weighting system. This is to ensure that those topics deemed most important, according to their priority level for all stakeholders (from macro level to brand level), were giving a higher importance in the overall score. This gives a higher value to those actions taken against a topic that is higher priority for the majority of stakeholders.

The analysis resulted in the following topic prioritisations, with the following topics receiving the highest weighting of 1.5 in Reformation's overall score: Climate Action, Traceability, Better Materials, and Circularity.

The following topics received a medium weighting (1): Social Responsibility, Sustainability Reporting & Transparency, Resource Efficiency, Clean Chemistry, and Animal Welfare.

Finally, Community Engagement & Impact, Packaging Innovation, Low Impact Garment Care, D,E,I, Training & Education, Corporate Governance, and Biodiversity received the lowest weighting (0.5).

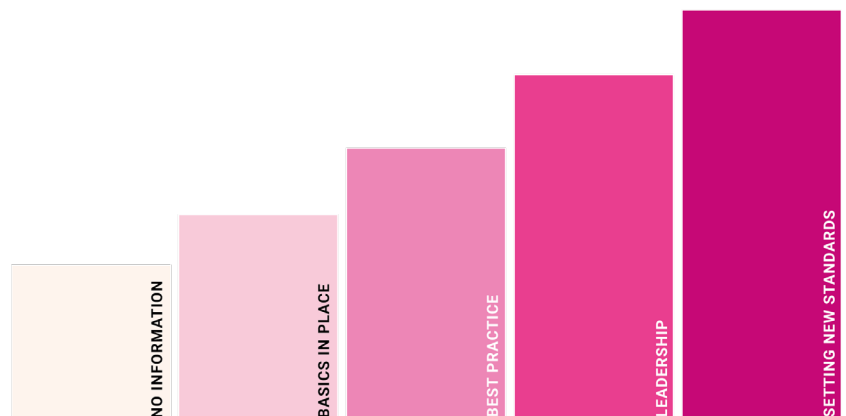
To calculate the overall percentage score, the percentage of each score was multiplied by its weighting (either 1.5, 1 or 0.5), added together and divided by the total number of topics (16) to give the overall average.



THE RATINGS

As in previous years, Reformation was awarded a rating for its performance per topic, as well as a rating for its overall score (which is weighted as described above), with a percentage score relating to each rating.

The following diagram showcases the topic ratings (No Information, Basics in Place, Best Practice, Leader, Setting New Standards). Please note that the colour coding on graphs throughout this report refers to the rating the brand has achieved for each topic or as a weighted overall rating.



The following table outlines the scores per rating, broken down into topic. Please note that throughout the percentages have been rounded up to 0 d.p. but rating has been assigned to each topic from the unrounded percentage / number of points achieved.

2021 G				
SUSTAINABILITY TOPIC	TOTAL AVAILABLE	NO INFO	BASICS IN PLACE	
		N/A	MIN	MAX
PERCENTAGE	N/A	0%	1%	24%
CORPORATE GOVERNANCE	43.5	0	1	10
TRACEABILITY	48.5	0	1	11
SOCIAL RESPONSIBILITY	54.5	0	1	13
CLIMATE ACTION	45.5	0	1	7
RESOURCE EFFICIENCY	26.5	0	1	6
CLEAN CHEMISTRY	29.0	0	1	6
PACKAGING INNOVATION	21.5	0	1	4
TRAINING AND EDUCATION	27.5	0	1	6
DIVERSITY, EQUITY, INCLUSION	47.0	0	1	11
COMMUNITY ENGAGEMENT & IMPACT	20.5	0	1	4
ANIMAL WELFARE (2021)	16.0	0	1	3
BIODIVERSITY (2021)	24.5	0	1	5
CIRCULARITY (2021)	31.5	0	1	7
BETTER MATERIALS (2021)	31.0	0	1	7
LOW IMPACT GARMENT CARE (2021)	16.5	0	1	3
SUSTAINABILITY REPORTING & TRANSPARENCY	22.5	0	1	5

GRADING

BEST PRACTICE		LEADERSHIP		SETTING NEW STANDARDS	
MIN	MAX	MIN	MAX	MIN	MAX
25%	49%	50%	74%	75%	100%
11	21	22	32	33	43.5
12	23	24	35	36	48.5
14	26	27	40	41	54.5
11	22	23	33	34	45.5
7	12	13	19	20	26.5
7	14	15	21	22	29
5	10	11	15	16	27.5
7	13	14	20	21	47.0
12	23	24	34	35	20.5
5	9	10	14	15	16.0
4	7	8	11	12	24.5
6	11	12	17	18	31.5
8	15	16	23	24	31.0
8	15	16	22	23	16.5
4	7	8	11	12	22.5
6	10	11	16	17	22.5



2019, 2020 AND 2021 ASSESSMENT DATA

The 2021 and 2020 benchmark considers a combined score for both private and publicly available information from information submitted by Reformation against the benchmark. The 2019 benchmark, on the other hand, had two separate scores for Reformation, one based on only publicly available information, and one based on a combined public and private. Please note that throughout this report, when referring to Reformation's results from the 2019 assessment, it is referring to the score achieved by the combined score of public and private information. This is to ensure that the comparison is as fair as possible, and reflective of actual changes made by Reformation.

ANALYSIS

The assessment is broken down into the following two key areas in order to understand Reformation's performance and how it has changed:

- Performance against the sixteen topics
- Overall weighted performance of Reformation

Analysis: Summary of Performance Against Topics

The 2021 assessment looked at Reformation's performance against each topic and evaluated how the brand's performance in 2021 has changed when compared to 2020 and 2019.

It is worth noting that each year Eco-Age updates the benchmark in order to make some topics more robust. In some cases, this involved adding additional criteria, resulting in an increase in the total number of points available per topic. Therefore, the changes in percentages reflect this as well as any actions Reformation has taken to improve performance in the topic.

The updated 2021 benchmark assessment was comprised of more stringent criteria and five new topics, many originating from the Product Environmental Footprint topic in years 2020 and 2019. This caused a dynamic shift in Reformation's scoring.

This section looks at the overall trends of the topics and how they compare to the trends of 2020 and 2019. At Eco-Age, taking a holistic approach is recommended as sustainability is intersectional and multifaceted. From this analysis we can gain an overview of Reformation's overall approach to sustainability including areas where it continues to succeed and topics where there are opportunities for improvement.

THE 2021 TOPIC RANKINGS

The ranking of topics refers to the order from highest to lowest of percentage achieved in each topic. It highlights which topics Reformation is addressing most thoroughly, versus those where there is opportunity for improvement.

The following table illustrates the topics in order or rank, from the highest percentage achieved to lowest percentage achieved:

2021 RANK	TOPIC	PERCENTAGE SCORE 2021	2020 RANK
1/16	SUSTAINABILITY REPORTING & TRANSPARENCY	79%	6/12
2/16	CLIMATE ACTION	75%	3/12
3/16	LOW IMPACT GARMENT CARE (2021)	73%	New Topic
4/16	BETTER MATERIALS (2021)	67%	New Topic
5/16	CLEAN CHEMISTRY	66%	2/12
6/16	PACKAGING INNOVATION	65%	1/12
7/16	ANIMAL WELFARE (2021)	61%	New Topic
8/16	CORPORATE GOVERNANCE	60%	7/12
9/16	TRACEABILITY	56%	9/12
10/16	SOCIAL RESPONSIBILITY	54%	8/12
11/16	COMMUNITY ENGAGEMENT & IMPACT	54%	12/12
12/16	CIRCULARITY (2021)	49%	New Topic
13/16	TRAINING & EDUCATION	49%	11/12
14/16	DIVERSITY, EQUITY, INCLUSION	49%	4/12
15/16	BIODIVERSITY (2021)	48%	New Topic
16/16	RESOURCE EFFICIENCY	46%	10/12

Although significant changes can be observed in the order of the topic rankings this year, Reformation demonstrated improved performance across the majority in comparison to points achieved in each topic 2020.

HIGHEST RANKING TOPICS

The highest scoring topics in 2021 were Sustainability Reporting & Transparency, Climate Action, and Low Impact Garment Care.

SUSTAINABILITY REPORTING & TRANSPARENCY



This year, Sustainability Reporting & Transparency was the highest-ranking topic and Reformation achieved the Setting New Standards rating, moving up one position from Leadership. The score went up 19%, from 60% in 2020 to 79%, signalling the importance of this topic in the wider Reformation's sustainability strategy and its strong commitment to transparency.

CLIMATE ACTION



Reformation achieved the Setting New Standards rating both in 2020 and 2021, despite the benchmark becoming even more stringent and additional criteria being integrated in this section. Reformation scored 75% in 2021 and proved to be a leader when it comes to environmental sustainability, an area where it has excelled for years now.

LOW IMPACT GARMENT CARE



This topic was introduced in 2021 and despite its novelty, Reformation achieved the highest rating – Setting New Standards – with an overall score of 73%. The result proves that Reformation approaches sustainability holistically and takes all phases within its products' lifecycle into account.

LOWEST RANKING TOPICS

In 2021, Biodiversity and Resource Efficiency were the two lowest scoring topics.

BIODIVERSITY



This topic was newly introduced for the 2021 Benchmark Assessment, and reflects the industry's recognition of the importance of this topic. In its first benchmark assessment specifically relating to Biodiversity, Reformation scored 48%, achieving a Best Practice rating against the benchmark.

RESOURCE EFFICIENCY



In 2021, this topic underwent the most significant changes within the benchmark due to the increasing importance of limited resources management and efficient business practices. Reformation achieved an overall score of 46% and despite being one of the lowest scoring topics, the brand retained its Best Practice rating in terms Resource Efficiency.

TOPICS IN ORDER OF MOST IMPROVED - 2020 VS 2021

The following table lists the topics in order of improvement, from the topic where Reformation showed the most improvement (the one with the greatest percentage change), to the topic where Reformation's performance worsened overall (resulting in a negative percentage change). This analysis in part illustrates where Reformation has focused its efforts year on year, although decreases in percentage may also be due to the strengthening of the benchmark, rather than reduced initiatives.

MOST IMPROVED TOPICS 2020-2021 TOPICS ORDERED BY PERCENTAGE CHANGE FROM HIGHEST TO LOWEST (2019 VS 2020)				
TOPIC	2019 PERCENTAGE	2020 PERCENTAGE	2021 PERCENTAGE	PERCENTAGE CHANGE 2020-2021
SUSTAINABILITY REPORTING & TRANSPARENCY	47%	60%	79%	19%
COMMUNITY IMPACT & ENGAGEMENT	32%	43%	54%	10%
TRACEABILITY	44%	47%	56%	9%
TRAINING & EDUCATION	43%	40%	49%	9%
LOW IMPACT GARMENT CARE (2021)*	47%	65%	73%	8%
CORPORATE GOVERNANCE	45%	56%	60%	4%
SOCIAL RESPONSIBILITY	23%	50%	54%	4%
BETTER MATERIALS (2021)*	47%	65%	67%	2%
RESOURCE EFFICIENCY	43%	47%	46%	-1%
CLIMATE ACTION	75%	78%	75%	-3%
ANIMAL WELFARE (2021)*	47%	65%	61%	-4%
CLEAN CHEMISTRY	57%	81%	66%	-14%
CIRCULARITY (2021)*	47%	65%	49%	-16%
DIVERSITY, EQUITY, INCLUSION	3%	66%	49%	-17%
BIODIVERSITY (2021)*	47%	65%	48%	-17%
PACKAGING INNOVATION	77%	83%	65%	-18%

* New topic for 2021 originating from the now discontinued Product Environmental Footprint benchmark analysis used in 2020 and 2019. The 2020 score for Product Environmental Footprint was 65%

SUSTAINABILITY REPORTING & TRANSPARENCY



Sustainability Reporting & Transparency was the topic where Reformation demonstrated the most progress this year, achieving 79% and an increase in rating from Leadership to Setting New Standards. Sustainability Reporting & Transparency also moved up the greatest number of ranks, from 6th place in 2020, to the highest-ranking position in 2021. This was due to the percentage increase of 19% from 2020.

This result is likely an outcome of Reformation's decision to increase the amount of publicly available corporate information relating to its operations. Another reason for the brand's high score against this benchmark is its sustainability reporting, its participation in industry information collection, and the level of transparency in its consumer-facing content.

COMMUNITY ENGAGEMENT & IMPACT



Community Engagement & Impact was Reformation's second most improved topic, which achieved a percentage score of 54% (11/15), an increase of over 10% on last year's score. Whilst it had the second biggest percentage change, Reformation's Community Impact & Engagement score ranked 11/16 against the other topics from highest to lowest. In the 2020 benchmark, Reformation's score in this area increased to 43%, up from 32% in 2019.

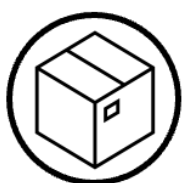
Reformation's year-on-year percentage increase in this area despite an evolving benchmark demonstrates the brand's continual progress in community engagement and impact. Specific reasons for Reformation's score relate to NGO and charity partnerships, employee volunteer days, and target setting around.

DIVERSITY, EQUITY, INCLUSION



This year, Reformation's score against the Diversity, Equity, Inclusion benchmark assessment decreased from 66% in 2020 (21/32) to 49% in 2021 (22.25/46). This 17% drop caused the topic to fall 9 places in the year-on-year rankings, from 4th place in 2020 to 13th in 2021. The 2021 benchmark gained an additional 15 points in reflection of industry direction and a more robust definition of best practice, and this resulted in more stringent benchmark criteria. Against this new set of criteria, Reformation's score increased by 1.25 points, illustrating the brand's continued efforts in this area, including its internal Culture Committee, Black in Fashion partnership, and regular support of the Black Lives Matter movement. However, the brand could have increased its score through signed and published policy, reporting, auditing, mentoring, and internships.

PACKAGING INNOVATION



Against this year's updated Packaging Innovation benchmark, Reformation scored 65% (14/21.5), a 18% decrease since 2020, when Reformation achieved a score of 83% (12.5/15). Despite the continuation of positive initiatives from past years, including joining the Canopy Pack4Good initiative, developing timebound targets, and collaborating with suppliers to reduce packaging impact, the benchmark criteria got more stringent through the addition of 6.5 points to reflect industry trends and conversations. In this area, Reformation could improve its score by undertaking formal LCA assessments of all single use packaging across all B2B and B2C operations, look at the end of life of packaging as well as the raw material, and set further targets for reduction after assessment.

RATING ACHIEVED FOR EACH TOPIC (2019 VS 2021)

The following table illustrates the changes in ratings Reformation achieved for each topic each year since the 2019 baseline.

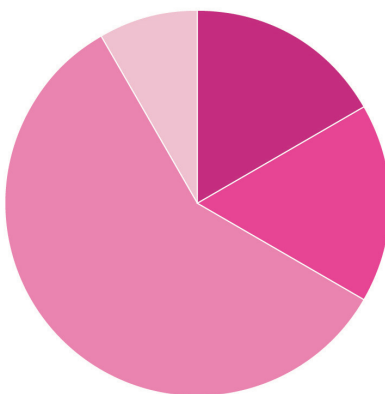
TOPIC	PERCENTAGE CHANGE 2020-2021	2019 RATING	2020 RATING	2021 RATING
SUSTAINABILITY REPORTING & TRANSPARENCY	19%	LEADERSHIP	LEADERSHIP	SETTING NEW STANDARDS
COMMUNITY IMPACT & ENGAGEMENT	10%	BASICS IN PLACE	BEST PRACTICE	LEADERSHIP
TRACEABILITY	9%	BEST PRACTICE	BEST PRACTICE	LEADERSHIP
TRAINING & EDUCATION	9%	BEST PRACTICE	BEST PRACTICE	LEADERSHIP
LOW IMPACT GARMENT CARE (2021)*	8%	BEST PRACTICE*	BEST PRACTICE*	SETTING NEW STANDARDS
CORPORATE GOVERNANCE	4%	BEST PRACTICE	LEADERSHIP	LEADERSHIP
SOCIAL RESPONSIBILITY	4%	BEST PRACTICE	LEADERSHIP	LEADERSHIP
BETTER MATERIALS (2021)*	2%	BEST PRACTICE*	BEST PRACTICE*	LEADERSHIP
RESOURCE EFFICIENCY	-1%	BEST PRACTICE	BEST PRACTICE	BEST PRACTICE
CLIMATE ACTION	-3%	SETTING NEW STANDARDS	SETTING NEW STANDARDS	SETTING NEW STANDARDS
ANIMAL WELFARE (2021)*	-4%	BEST PRACTICE*	BEST PRACTICE*	LEADERSHIP
CLEAN CHEMISTRY	-14%	BEST PRACTICE	SETTING NEW STANDARDS	LEADERSHIP
CIRCULARITY (2021)*	-16%	BEST PRACTICE*	BEST PRACTICE*	LEADERSHIP
DIVERSITY, EQUITY, INCLUSION	-17%	BASICS IN PLACE	LEADERSHIP	BEST PRACTICE
BIODIVERSITY (2021)*	-17%	BEST PRACTICE*	BEST PRACTICE*	BEST PRACTICE
PACKAGING INNOVATION	-18%	SETTING NEW STANDARDS	SETTING NEW STANDARDS	LEADERSHIP

* New topic for 2021 originating from the now discontinued Product Environmental Footprint benchmark analysis used in 2020 and 2019. The 2020 score for Product Environmental Footprint was 65%

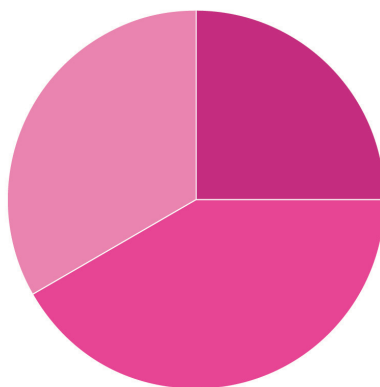
Reformation's rating increased by one across four topics carried over from 2020: Sustainability Reporting & Transparency, Community Impact & Engagement, Traceability, and Training & Education. For the five new topics introduced in 2021, we have compared the scores they have achieved against 2020's Product Environmental Footprint rating, Best Practice. Out of the five new topics, three are rated Leadership (Animal Welfare, Circularity, and Better Materials). Low Impact Garment Care was the highest scoring new topic, achieving Setting New Standards, whereas Biodiversity received Best Practice and being ranked second to bottom on percentage scored across all topics.

Only three topics kept the same as their 2020 ratings: Resource Efficiency (Best Practice), Social Responsibility, and Corporate Governance (Leadership) and Climate Action (Setting New Standards). Despite the overall positive trends we've seen in 2021, three topics decreased in their ratings by one: Packaging Innovation and Clean Chemistry, both falling from Setting New Standards in 2020 to Leadership in 2021; and, Diversity, Equity, and Inclusion moved from Leadership to Best Practice. This was most likely a result of strengthening the benchmark criteria, rather than a reduction of initiatives to address the negative impacts.

**OVERVIEW OF
REFORMATION'S 2019
RATINGS PER TOPIC**



**OVERVIEW OF
REFORMATION'S 2020**



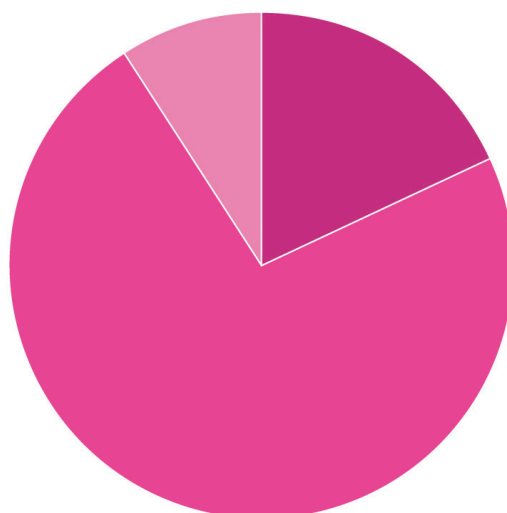
■ SETTING NEW STANDARDS ■ LEADERSHIP ■ BEST PRACTICE ■ BASICS IN PLACE

In 2019, Reformation was rated Best Practice for 8 out of 12 topics, and Basics in Place for 1 topic. This year, Reformation significantly increased the number of topics achieving Leadership, with only one topic receiving Leadership in 2019. None of the topics were rated Basics in Place, demonstrating considerable improvement. The overall rating has significantly increased over the last three years, with:

- 3 topics rated *Setting New Standards*
- 10 topics rated *Leadership*
- 3 topics rated *Best Practice*

As is the nature of sustainability, there is always more a brand can do. However, Reformation has demonstrated it is committed to continual improvement through the progress it has made from 2019 to 2020, and through the long-term targets and goals it has set, which it disclosed in its responses to the Benchmark.

OVERVIEW OF REFORMATION'S 2021 RATINGS PER TOPIC



■ SETTING NEW STANDARDS ■ LEADERSHIP ■ BEST PRACTICE ■ BASICS IN PLACE



Analysis – Breakdown of Performance per Topic

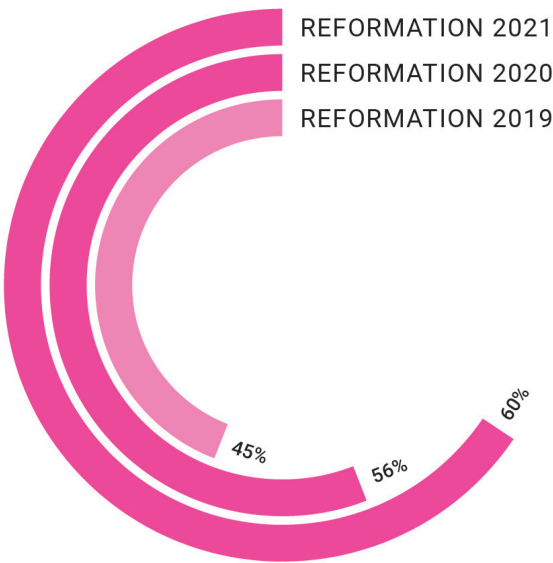
Corporate Governance

Corporate Governance is an important topic in sustainability, being one of the three pillars of ESG strategies (environmental, social and governance) and is commonly mentioned when looking at sustainability on a macro level; however, it is rarely mentioned in sector specific reports (see Appendix I).

Within Corporate Governance, we look at the various practices and processes used to direct, manage, and operate a company, covering a wide range of areas including tax and finances, anticorruption, antibribery, and modern slavery mitigation.

Most businesses engage with Corporate Governance on some level, and although not frequently referenced in reports, key corporate governance topics were

addressed by a combined 56% of brands we reviewed. The importance of Corporate Governance is also reflected in the Futurefit Business Benchmark’s Break Even and Positive Pursuit Goals, with specific goals relating to ethical business conduct, governance, and operations.



SUMMARY TABLE

	2019	2020	2021	CHANGE
SCORE PERCENTAGE	45%	56%	60%	4%
TOPIC RATING	BEST PRACTICE	LEADERSHIP	LEADERSHIP	No change
RANK AGAINST OTHER TOPICS	6/12	7/12	5/16	Up 2 places
SCORE ACHIEVED	14	19	26	7 point increase
TOTAL POINTS AVAILABLE	31	34	43.5	9.5 point increase

2019 ASSESSMENT

In 2019, Reformation (private) achieved 45 % (14/31), largely due to its Sustainable Partners Guidebook and supplier prerequisites relating to grievance mechanisms and compliance with relevant local and national laws and regulations.

2020 ASSESSMENT

The 2020 assessment saw Reformation's score increase by 11%, from 45% (14/31) in 2019 to 56% (19/34). This resulted in the rating increasing from Best Practice to Leadership for 2020.

2021 ASSESSMENT

The 2021 assessment saw Reformation's percentage score increase from 56% (19/34) in 2020 to 60% (26/43.5) in 2021, resulting in the rating of Leadership remaining unchanged. This year, the benchmark criteria increased by nearly 10 points, highlighting increased recognition across macro, sector, and peer trends, as well as a more stringent definition of best practice within Corporate Governance. Key updates to this year's benchmark criteria were:

- The presence of a policy or procedure specifically relating to Corporate Governance
- The presence of systems developed to ensure taxation compliance, anticipate and avoid ethical breaches, ensure operations do not influence market dynamics
- Sharing relevant corporate governance information with suppliers and peers

Reformation already had a strong basis for this topic, with initiatives from 2019 and 2020, being carried over into 2021. The Sustainable Partners Guidebook, for example, remains a valuable resource and can be easily accessed from the Commitments & Certifications page under the Product section on Reformation's website.

There were, however, additional initiatives and project which resulted in the increase in the overall

score, including:

- **Integrated employees' development reviews:** a significant improvement in terms of Corporate Governance and overall business practices was the inclusion –beginning from 2021- of sustainability goals in all employees' annual reviews. By linking employees' performance to sustainability metrics regardless of their department, Reformation is fostering a culture of accountability beyond individual actions and orientated to a greater good.
- **Signatory to international standards:** Reformation is now a participating company in the FLA/AAFA Commitment to Responsible Recruitment and is also one of the signatories of the Call to Action to End Forced Labor in the Uyghur Region.

Materiality assessment: at the beginning of 2021, Reformation conducted a materiality assessment to identify key sustainability priorities. A consultation process involving all relevant stakeholders immediately followed and was essential in understanding the biggest challenges and in informing plans to drive progress in these same areas.

To continue to strengthen the approach to Corporate Governance, Eco-Age has identified the following:

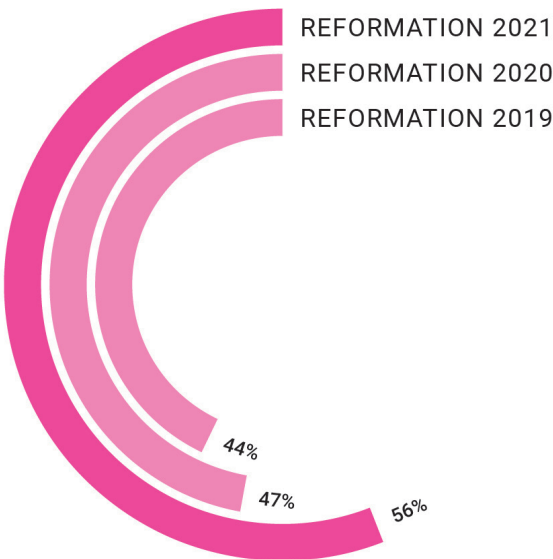
- **Create and publish a separate policy focused on Corporate Governance,** especially focused on reformation's own corporate governance rather than suppliers. Currently, most of the score here is related to how Reformation works with its suppliers, especially though the Sustainable Partners Guidebook.
- **Expanding its sustainability training options.** Make the training mandatory for all teams on an annual basis and for any incoming employees.
- **Expand the sustainability committee** to include cross departmental members in order to have a more holistic view of the company.
- **Set Corporate Governance-specific targets,** including a Corporate Governance management system or certification, for example ISO37001.

Traceability

The globalization of the fashion industry has significantly accelerated over recent decades, with an increasing number of nations industrializing and participating in the global market by producing consumer goods like clothing. Supply chain traceability is a key issue faced by fashion, and this is largely due to the complexity and length of the supply networks that produce the world’s clothing. It is common for different stages of production to take place in different countries, and this makes it more difficult to trace a product’s supply chain. Although ‘traceability’ is not synonymous with ‘sustainability’, it is fundamental for ensuring environmental and socioeconomic standards are upheld throughout supply chains. Essentially, brands cannot see what is going on in supply chains, they cannot guarantee ethical business practices are upheld.

The evidence continues to show more companies are headed towards a level of greater transparency. A 2021 survey of 250 of the largest fashion brands revealed that 47% of brands are publishing their manufacturers, which is an increase of 7% from 2020.⁵

As outlined in last year’s benchmark report, unfair working conditions were largely exacerbated by the COVID-19 pandemic, highlighting there is still a long way to go in terms of monitoring practices across all supply chains, especially right down to the raw material level. Indeed, the same survey found that in 2021 just 11% of the 250 brands were reporting their raw material suppliers.⁶ It is rare for a fabric to be made from single origin



SUMMARY TABLE

	2019	2020	2021	CHANGE
SCORE PERCENTAGE	44%	47%	56%	+9%
TOPIC RATING	BEST PRACTICE	BEST PRACTICE	LEADERSHIP	Up 1 rating
RANK AGAINST OTHER TOPICS	7/12	9/12	9/16	No change
SCORE ACHIEVED	16.75	20.25	27	7.25 point increase
TOTAL POINTS AVAILABLE	38	43	48.5	5.5 point increase

fibers as they are usually blended when they are spun into yarn. This means that it is hard to be sure of the working conditions during fiber production. A recent and high-profile example of this was in Spring 2021 when many global fashion brands were linked to forced labor by sourcing Chinese cotton grown in the Uighur Autonomous Region.⁷

Through this topic, we look at methods of sourcing, supply chain mapping, auditing and assurance, supplier screening and real-time data sharing.

2019 ASSESSMENT

In 2019, Reformation's score, when taking into consideration public and private information, was 44%. This was due to the brand using third-party assessments for suppliers, and engaging with its suppliers to receive feedback, both through direct channels, as well as through multi-stakeholder initiatives, like the Better Buying Initiative.

2020 ASSESSMENT

In 2020, Reformation achieved Best Practice for Traceability again, with its score increasing by 3% to 47%. This is notable considering that additional Traceability criteria were added to the 2020 benchmark around audit fatigue and transparency. This increase in score is largely due to supply chain mapping, alternatives to audits, supplier visibility over order changes, and engagement with relevant industry initiatives.

2021 ASSESSMENT

In 2021, Reformation's score increased by 9% to 56% (27/48.5) from 47% in 2020 (20.25/43). This enabled Reformation to move from Best Practice to Leadership against the benchmark rating. This is particularly commendable considering the ongoing supply chain disruptions caused by COVID-19 in 2021, as well as the additional criteria included in the assessment this year.

Reformation's score improvements for 2021 were primarily due to:

- **Supply chain mapping:** Reformation achieved again 100% traceability of its Tier 1 and Tier 2 suppliers and started to build visibility for Tier 4 suppliers (3%).
- **Blockchain to enhance supply chain traceability:** in 2021, Reformation launched two separate collections supported by blockchain technology. In fact, the brand partnered with FiberTrace for its denim collection and with Nativa for its wool sweaters. The former project showcases products with an accompanying QR code that enables visibility of the full supply chain behind that pair of jeans. The latter project used a hangtag that directed users online to access all supply chain-related information relating to their sweaters.
- **Rating system for suppliers:** this was an additional criterion for the 2021 benchmark and Reformation achieved the highest score, proving an articulated system in place to rate and support suppliers and work for continuous improvement.

Reformation is well on track to achieve its traceability goals, most notably 100% supply chain Traceability at Tier 1, 2 and 3 by 2021 and collect more information on Tier 4 suppliers, building knowledge and accountability at the fibre, forest, and farm level.

To increase its performance further, Reformation could consider the following actions:

- **Blockchain at collection-wide level:** expanding the use of blockchain solutions to as many products as possible to have full-visibility of a material journey from Tier 4 to 0.
- **Product information:** disclosing a list of all suppliers traced up to date and not limited to Tier 1 suppliers to promote full transparency at product level.

⁵Fashion Revolution, Fashion Transparency Index 2021, 2021 [LINK](#)

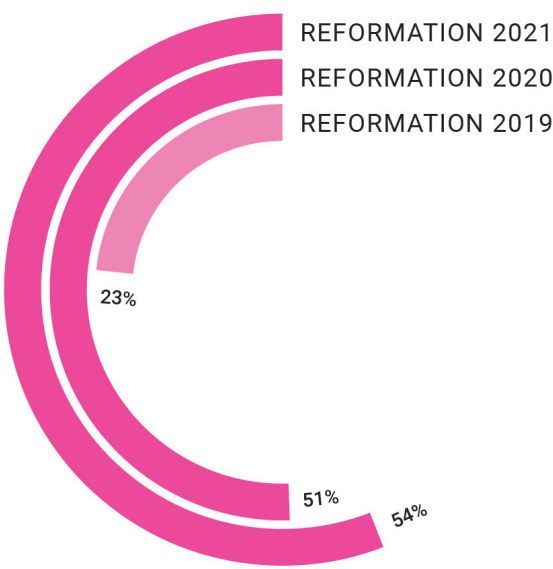
⁶Fashion Revolution, Fashion Transparency Index 2021, 2021 [LINK](#)

⁷EcoTextile News, 1.6 million 'at risk of forced labour', 2021 [LINK](#)

Social Responsibility

Global supply chains can be complex and opaque, meaning that accountability is difficult to assign, and bad practice is easy to perpetuate. Beyond unfair and insufficient wages, supply chain workers can be subjected to unfair, unsafe, and unmonitored working conditions that have been both highlighted and exacerbated by the COVID-19 pandemic.

In early 2021, a World Benchmarking Alliance assessment studied the actions and policies of 53 fashion brands and retailers and discovered that only around 25% were able to sufficiently prove they were supporting suppliers in mitigating the socioeconomic impacts of COVID-19.⁸ The study also revealed that 77% of fashion companies demonstrated taking little or no action to monitor and mitigate human rights risks and impacts of purchasing practices during the pandemic.⁹



SUMMARY TABLE

	2019	2020	2021	CHANGE
SCORE PERCENTAGE	23%	51%	54%	3%
TOPIC RATING	BEST PRACTICE	LEADERSHIP	LEADERSHIP	No change
RANK AGAINST OTHER TOPICS	11/12	8/12	10/16	Down 2 places
SCORE ACHIEVED	10.5	24.75	29.5	3.75 point increase
TOTAL POINTS AVAILABLE	45	55	54.5	0.5 point decrease

Many of the world's supply chain workers are at the forefront of global issues such as COVID, conflict, and natural disasters, and their human rights are increasingly jeopardized by an over-growing range of threats. Manufacturing hubs including Myanmar, Bangladesh, Cambodia, and Vietnam have been categorized as 'extreme risk' by Verisk Maplecroft in its 2021 Modern Slavery Index, reflecting the current volatility of human rights across the world.¹⁰

The same report recognises the potential negative impacts of a sourcing exodus and cites companies must significantly ramp up human rights due diligence. Specifically, we examine whether the brand has measures in place to prohibit child, forced and compulsory labour, to protect the health and safety of workers, as well as guarantee living wages throughout its supply chain.

2019 ASSESSMENT

Reformation achieved 23% (10.5/45) in 2019 and was rated Best Practice. Human Rights was the brand's second worst scoring topic in the 2019 assessment.

2020 ASSESSMENT

In 2020, Reformation's score for Human Rights rose by 27% to 51% (24.8/49), which was the second biggest increase across the topics from 2019 to 2020 (behind DE&I).

This increase in score was due to a number of steps taken by Reformation in 2020 to further improve in key human rights areas, specifically, achieving its goal of paying a living wage to 100% of its direct workforce, conducting a wage analysis of Tier 1 suppliers, and formulating an exit procedure to ensure suppliers are not negatively affected by contracts ending, and participating in the Open Apparel Registry (OAR) to expand publicly available information relating to working conditions in partner factories.

2021 ASSESSMENT

In 2021, the Human Rights topic was renamed to Social Responsibility. This year, Reformation's score for Social Responsibility rose by 3% to 54% (29.5/54.1) from 51% (24.75/49) in 2020. This is positive considering the addition of few new criteria to this year's benchmark, integrated specifically to assess the **brand's COVID-19 response** in terms of its **direct and indirect workforce's health, safety and mental well-being**.

Against this updated benchmark, Reformation retained its Leadership position despite scoring being affected by a **significant decrease in the percentage of direct and indirect workforce paid a living wage**; in particular, the percentage of direct workforce paid a living wage went down from 100% in 2020 –one of the most remarkable achievements for Reformation- to just 56% in 2021. However, this change can be explained by a sudden increase in US living wage standards, which rose by 20% in 2021. The brand is well aware of this discrepancy and has cited its committed to filling this gap in the shortest time possible given the financial fallout from the COVID-19 pandemic that is faced by many companies.

Beyond wages, there is still room for improvement within the topic of Social Responsibility, for example Reformation could consider ensuring that most suppliers have human rights certifications such as **SA8000** or adopting **labour costing tools** to better align its **purchasing practices**.



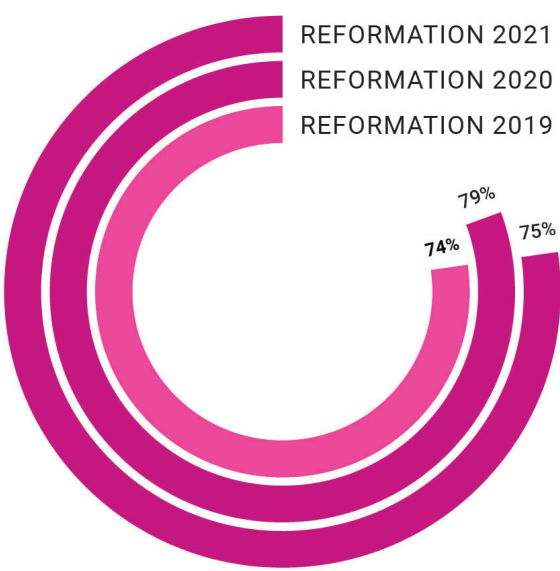
⁸ World Benchmarking Alliance, COVID-19 and Human Rights 2021 [LINK](#)

⁹ World Benchmarking Alliance: COVID-19 and Human Rights 2021 [LINK](#)

¹⁰ Verisk Maplecroft: Modern Slavery Index 2021 [LINK](#)

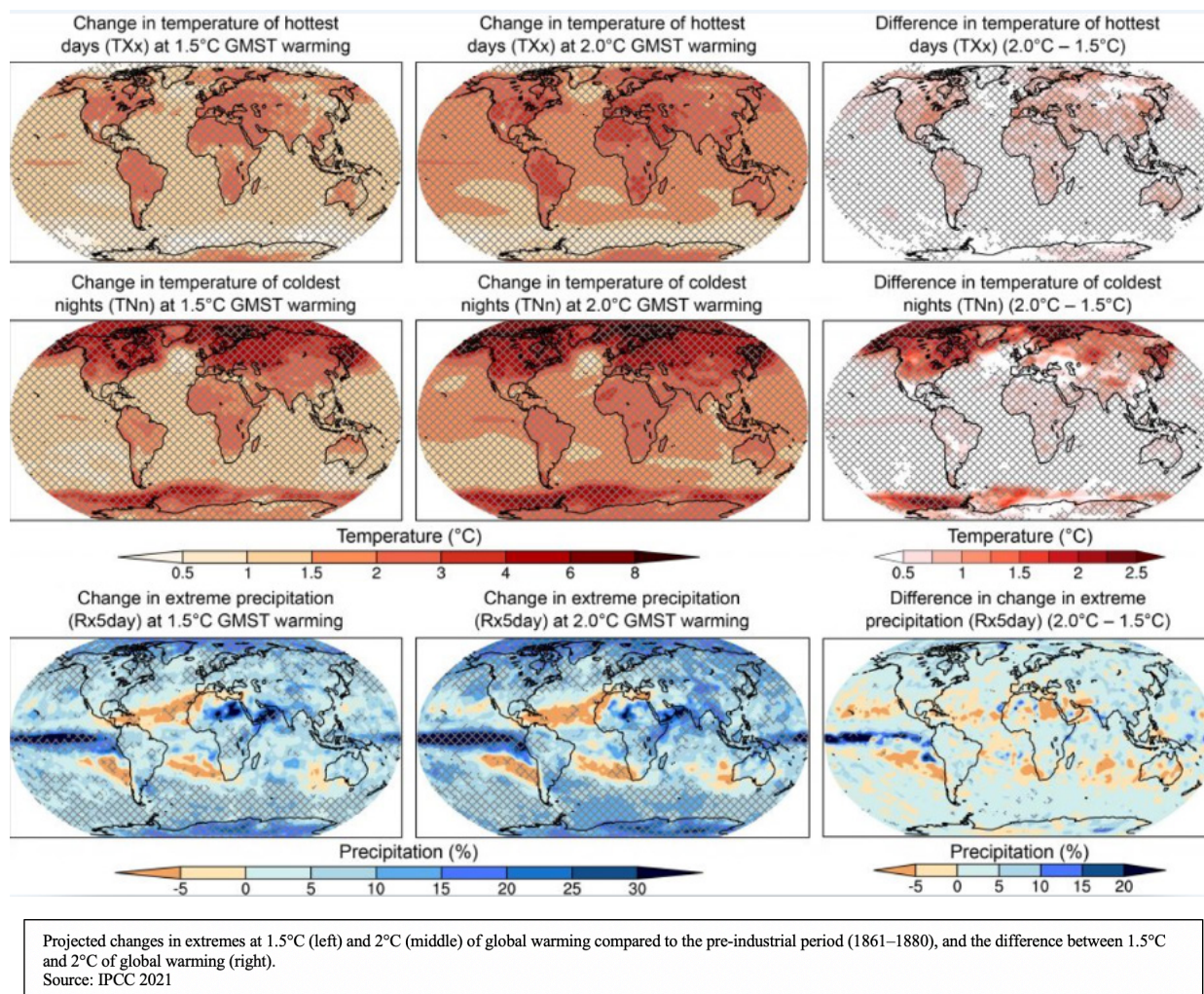
Climate Action

“Climate Action Failure” emerged as a top risk in the World Economic Forum’s Global Risk Report 2021.¹¹ According to the 2021 IPCC report, which issued a “code red for humanity,” the past five years have been the hottest on record since 1850¹² and human influence is “very likely” (90%) the main driver of the global retreat of glaciers since the 1990s and the decrease in Arctic sea-ice.¹³ 2021 was also the year of COP26, delayed by a year by COVID-19, highlighting the vulnerability of anthropocentric (human-focused) activities, the interdependence of global nations, and the efficacy of international collaboration. Similar themes can be applied to the global fight against the now-called ‘climate crisis’. We can no longer afford to ignore the urgent need for climate action and must address it with the same sense of urgency demanded by the Pandemic.



SUMMARY TABLE

	2019	2020	2021	CHANGE
SCORE PERCENTAGE	74%	79%	75%	- 4%
TOPIC RATING	LEADERSHIP	SETTING NEW STANDARDS	SETTING NEW STANDARDS	No change
RANK AGAINST OTHER TOPICS	2/12	3/12	2/16	Up 1 place
SCORE ACHIEVED	19	24.75	34	8.75 point increase
TOTAL POINTS AVAILABLE	25.5	31	45.5	14.5 point increase



It is important for companies to consider how they are addressing their impacts, and it is not enough for companies just to offset emissions. Action should be taken within the context of the carbon hierarchy:

- **Avoid** – avoid the process where the emissions are coming from
- **Minimize** – minimize the use and amount of emissions being generated
- **Reduce** – reduce the impact of the emissions
- **Offset** – offset anything that you cannot avoid, minimize or reduce

The importance of climate action to brands is reflected by them increasingly engaging their supply chains on GHG emissions and energy use, which is not a surprise, considering that over 70% of the GHG emissions generated by the apparel and footwear value chain comes from upstream production.¹⁴

¹¹ World Economic Forum, Global Risks Report 2021 [LINK](#)

¹⁴ McKinsey, Fashion on Climate, 2020 [LINK](#)

¹² IPCC Report | Climate Change: the Physical Science Basis (Sixth Assessment Report) 2021 [LINK](#)

¹³ IPCC Report | Climate Change: the Physical Science Basis (Sixth Assessment Report) 2021 [LINK](#)

2019 ASSESSMENT

In 2019, Reformation achieving a Climate Action rank of Leadership, scoring 74% (19/25.5). This was due to the brand's long-established positioning as carbon neutral, as well as initiatives such as RefScale and the brand's customer-facing Carbon is Cancelled campaign.

2020 ASSESSMENT

Against the 2020 benchmark, Reformation achieved a total of 78% (24.3/31), and a rating of Setting New Standards, highlighting Reformation's significant engagement with Climate Action.

Building on Reformation's work in 2019, which included the RefScale, carbon neutrality and the initiatives that go alongside this including reduction and offsetting, Reformation further demonstrated its commitment through its goal to be net carbon positive by 2025 and its plans to become certified by Climate Neutral.

2021 ASSESSMENT

The 2021 assessment saw the brand's score slightly decrease, achieving a total of 75% (34/45.5) compared to 78.2% (19/25.5) in 2020, and the rating, Setting New Standards, remained unchanged. This change was a result of a more stringent benchmark with several additional criteria integrated in response to key 2021 developments including COP26, the IPCC report, and a rise in extreme weather and to better represent the climate emergency. Reformation has been a demonstrable leader in the Climate Action space for a long time, so another reason for the more stringent encourage Reformation push the boundaries and outperform itself. It is estimated that up to 57% of humanity's ecological footprint is carbon¹⁵, and it is important for companies to look beyond their own operations and seek to mitigate carbon on a more holistic scale. One of the changes was the addition of energy-related criteria that featured in a different section of the scoring in previous assessments (namely, Operational Environmental Management).

Reformation maintained its robust performance with regards to Climate Action due to already mentioned initiatives such as **RefScale**; besides, in 2021 the brand was **certified as Carbon Neutral**, achieving **net-zero carbon emissions** in its **scope 1-3 activities**.

In order to drive continuous progress in relation to Climate Action, Reformation could consider taking additional actions to support the transition to **100% renewable energy** across its supply chain and setting an **internal price on carbon**.

¹⁵ Earth Overshoot Day [LINK](#)

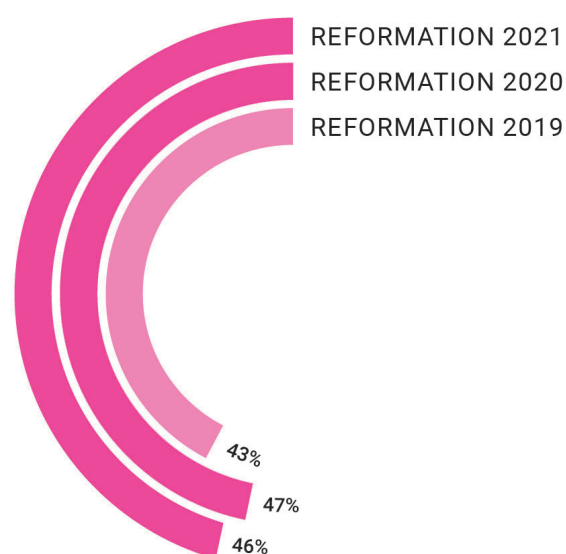


Resource Efficiency

This topic was subject to significant changes in 2021 and some of the issues addressed in the 2019 and 2020 assessment were redistributed to other sections in 2021: Climate Action and Biodiversity, Circularity, Better Materials, Low Impact Garment Care and Animal Welfare, all new topics this year. This year has seen the biggest changes to the benchmark since the collaboration between Reformation and Eco-Age began, and reflects the increasing importance of strategically addressing these individual topics within global sustainability efforts from fashion and textiles and beyond. Estimates suggest we are using 1.75 Earth's worth of resources and humanity has been in 'ecological overshoot' since the 1970s.¹⁶ Earth Overshoot Day, a calculation indicating the

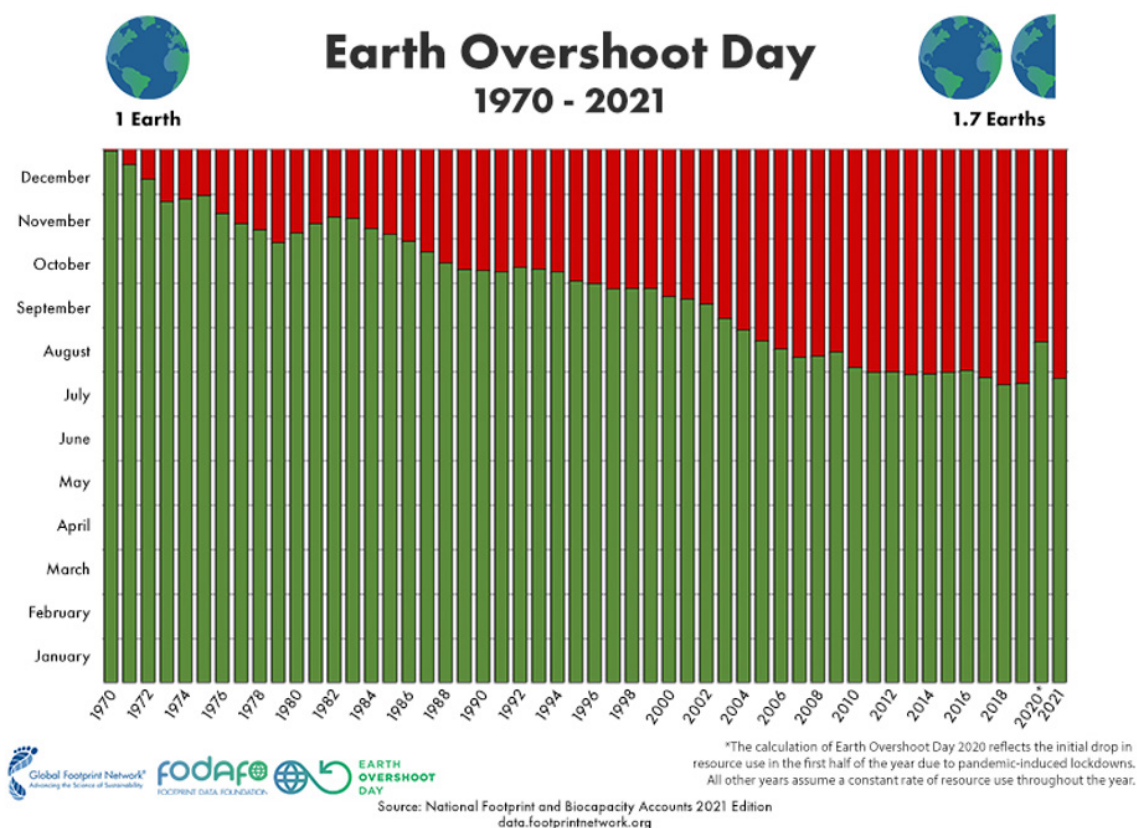
point in the year when humanity uses more of Earth's natural resources than it can replenish, is falling earlier each year, falling on July 29th in 2021.¹⁷

Although fossil fuels are a natural resource and could technically relate to Resource Efficiency, addressing the climate emergency is so urgent it has its own topic in the benchmark. In this case, the Resource Efficiency topic considers key impact areas and in particular commitments made to reduce the effects of business operations on water use and waste generation.



SUMMARY TABLE

	2019	2020	2021	CHANGE
SCORE PERCENTAGE	43%	47%	46%	- 1%
TOPIC RATING	BEST PRACTICE	LEADERSHIP	LEADERSHIP	No change
RANK AGAINST OTHER TOPICS	8/12	10/12	16/16	Down 6 places
SCORE ACHIEVED	9.5	12.50	12.25	0.25 point decrease
TOTAL POINTS AVAILABLE	22	27	26.5	0.5 point decrease



Global average Earth Overshoot Day date 1970 – 2021

2019 ASSESSMENT

Against the 2019 benchmark for Operational Environmental Footprint (Resource Efficiency: 2021) Reformation (public / private) scored 43% (9.5/22) achieving Best Practice.

2020 ASSESSMENT

The 2020 assessment saw Reformation's score increase to 47% (9.5/22) from 43% (12.5/27) in 2019. Reformation's achieved Leadership rating was due to have some strong initiatives in place in 2020 including: material traceability and sourcing impact, environmental plan and energy management policy, and the Green Business certification of 100% of its retail stores and HQ.

2021 ASSESSMENT

Against the updated 2021 benchmark, Reformation obtained a score of 46% (12.2/26.5).

Reformation maintained the strong initiatives in place in 2020 and achieved the maximum score in additional criteria in terms of resource efficiency practices and targets.

In line with the continuous improvement objective of this benchmark, Reformation could consider setting **specific targets for water use and waste reduction**. Another area for improvement could be **in-depth assessment** of its **impacts** and the implementation of mitigation practices such as taking part in **conservation projects** or **reducing dependency on finite resources**.

¹⁶ National Footprint and Biocapacity Accounts 2022 [LINK](#)

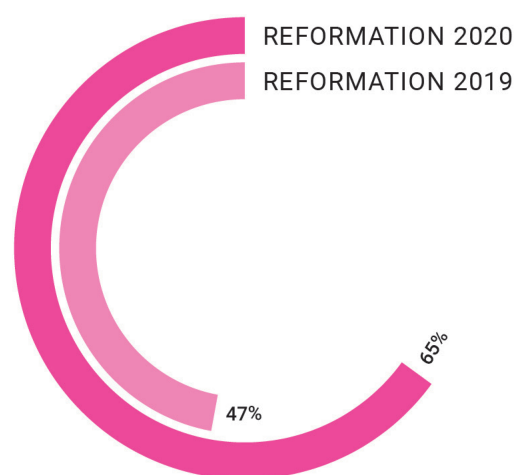
¹⁷ Earth Overshoot Day [LINK](#)

Product Environmental Footprint

It is estimated that around 80% of a product's total environmental footprint is determined during the design stages ¹⁸, and this potential impact spans several key areas of sustainability, including: material sourcing impact, circularity, biodiversity support, animal welfare, and low impact garment care. Individually, these areas are significant in their own right, and each one requires targeted focus when addressing the total sustainability of a company's operations.

As previously outlined, 2021 was a dynamic year for the benchmark, and this topic has been subjected to the most change. This year, Product Environmental Footprint has been split into five new categories, and Reformation has been assessed and scored against each:

- Animal Welfare
- Better Materials
- Biodiversity
- Circularity
- Low Impact Garment Care



SUMMARY TABLE

	2019	2020	2021	CHANGE
SCORE PERCENTAGE	47%	65%	SEE NEW TOPICS AND RELATED SCORING IN THE FOLLOWING SECTIONS	
TOPIC RATING	BEST PRACTICE	LEADERSHIP	N/A	N/A
RANK AGAINST OTHER TOPICS	5/12	5/12	N/A	N/A
SCORE ACHIEVED	21	35.75	N/A	N/A
TOTAL POINTS AVAILABLE	45	55	N/A	N/A

2019 ASSESSMENT

In 2019, Reformation (private) scored 47% (21/45) achieving Best Practice, placing it 3rd in the brand benchmark.

2020 ASSESSMENT

In 2020, Reformation's score increased by 18%, from 47% in 2019 (21/45) to 65% (35.75/55). Its rating also increased to Leadership. Reformation scored well in this topic through its initiatives, including the Ref Fiber Standards, the RefScale, and its involvement with Jeans Redesign project with Ellen MacArthur's, Make Fashion Circular.

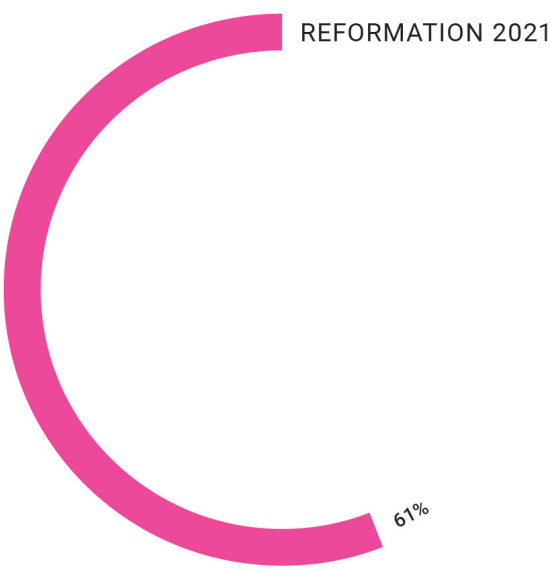
2021 ASSESSMENT

The research conducted in 2021 to inform this year's benchmark led to Product Environmental Footprint to be split into five new categories. The below sections outline Reformation's score and rating for each topic, highlighting key related developments from topics within the 2019 and 2020 Product Environmental Footprint benchmark criteria.

¹⁸ European Commission estimates

Animal Welfare (2021)

Animal welfare is a key concern when sourcing animal-based materials such as leather and wool, and the traceability issues linked to the industry can make difficult to identify animal welfare breaches in supply chains. Although there have been some strong industry-wide efforts over recent decades relating to animal welfare in fashion, it was reported in 2020 that as few as 38% of brands appear to consider animal welfare risks to some degree in their supply chains²³, and just 25% of fashion bands have a formal animal welfare policy. The industry has some way to go if it is to mitigate animal welfare issues in it supply chains, and to drive this forward, brands should systematically address animal welfare through policy, material selection and prohibition, time-bound targets, and cross-company collaboration and information sharing.



SUMMARY TABLE

	2021
SCORE PERCENTAGE	61%
TOPIC RATING	LEADERSHIP
RANK AGAINST OTHER TOPICS	7/16
SCORE ACHIEVED	9.75
TOTAL POINTS AVAILABLE	16

2021 ASSESSMENT

In the 2021 assessment, 89% of brands reviewed were communicating about animal welfare, underscoring the industry trend of formally addressing and increasing engagement with animal welfare. In its first benchmark assessment specifically relating to animal welfare, Reformation scored 61% (9.75 / 16), awarding the brand Leadership rating against the benchmark. Reformation scored points for the animal welfare criteria carried over from past assessments' Product Environmental Footprint benchmark due to the presence of an animal welfare policy, a list of banned materials (e.g. exotic animal derived materials), the exclusive use of certified animal-based materials, and the development of animal-welfare related targets. Against the additional animal welfare criteria, Reformation scored highly in the following areas:

- **Animal Welfare Policy** - the presence of an animal welfare policy, made publicly available since the 2020 assessment, resulting in a higher point this year
- **Risk Assessments** - annual third-party certified animal welfare risk assessments

- **NGO or industry-wide animal welfare initiatives** - Reformation has joined Materials Innovation Initiative, a next-generation materials accelerator, to support the development of non-plastics-based leather alternatives
- **Cross-company information sharing** - Reformation shares information relating to animal welfare with suppliers, peers, and multibrand retailers

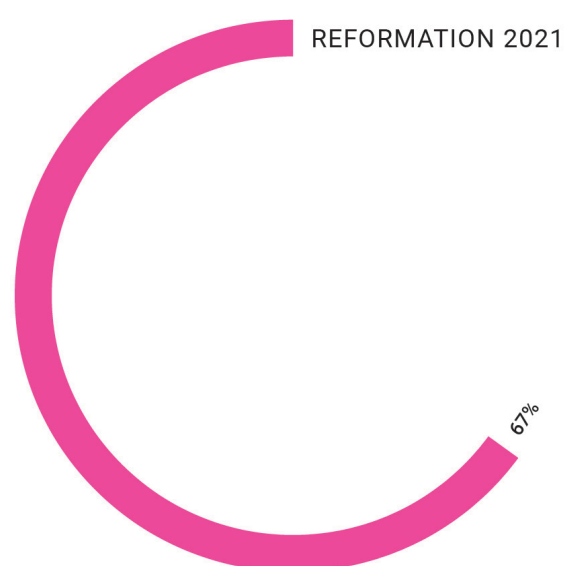
Moving forward and to increase Reformation's score against the benchmark criteria, the brand should move beyond vague commitments and **set time-bound and published targets** relating to animal welfare and consider animal material sourcing practices **differentiate between food industry by-product** animal materials vs those **raised specifically for material sourcing**. Another avenue Reformation could explore is **working with animal welfare organisations on alternative methods** or materials that focus on animal welfare, e.g. plain bodied merino sheep that do not require the painful mulesing processes linked to merino wool.



Better Materials (2021)

Material selection greatly influences the sustainability of a product. Through sourcing better, sustainability focused materials, we can reduce water and chemical consumption, proliferate biological and technical circularity, champion regenerative fibres, and preserve Earth's natural capital. According to Textile Exchange's 2021 Preferred Fiber & Materials Market Report, total fiber production in 2020 was 109 million tonnes, down from 111 million tonnes in 2019.²⁴ Despite this overall decline, the report outlines, the market share of preferred fibers continues to increase, reflecting the industry's recognition of the impacts related to conventional, less sustainable materials. Textile Exchange also estimates by 2030, global fiber production will stand at 146 million tonnes, approximately 17.1kg per person on Earth.²⁵

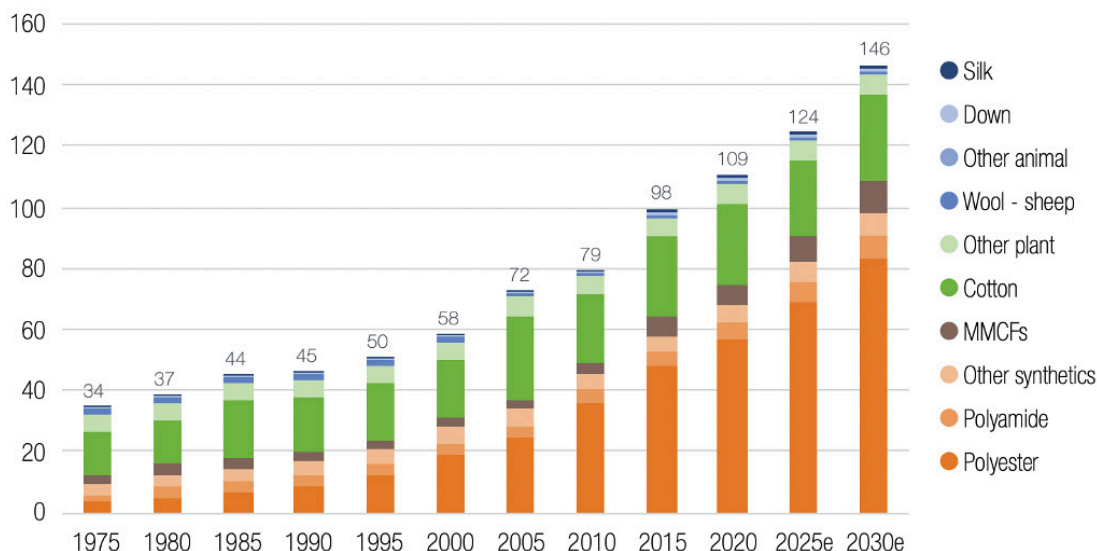
If global society is to drive sustainable change, we must look to producing sustainably, and it is essential for fashion brands to invest in and investigate better materials.



SUMMARY TABLE

	2021
SCORE PERCENTAGE	67%
TOPIC RATING	LEADERSHIP
RANK AGAINST OTHER TOPICS	4/16
SCORE ACHIEVED	20.75
TOTAL POINTS AVAILABLE	31

GLOBAL FIBER PRODUCTION IN MILLION TONNES



2021 ASSESSMENT

Research that informed this year's 2021 Better Materials benchmark revealed 100% of peers reviewed were addressing the sustainability of their material selection and sourcing. In the first ever benchmark specifically relating to Better Materials, Reformation scored 67% (20.75 / 31), leading to a Leadership rating. Past criteria in the Product Environmental Footprint benchmark relating to better material selection were carried over into this year's analysis, focused on policy, prohibited materials, third-party certification, use of data and tools, and target setting. In response to the trends observed during the benchmark research phases, additional criteria were included relating to the analysis of current material selection, the strategic implantation of better materials, cross-company collaboration, education, and involvement in next gen material research & development. In addition to the points scored against past materials-focused criteria, Reformation scored highly in key areas of the updated benchmark, including:

- **Material Sustainability Matrices** - the continuation of the Ref Fiber Scale, the material sustainability matrix that informs Reformation's design choices
- **Low Impact Materials** – Reformation's use of A and B materials as per the Ref Fiber Scale increased from 75% in 2020 to 96% in 2021
- **Educational Programmes** – Reformation (private) has lectured at universities on its Better Materials strategy
- **Net Generation Materials R&D**
 - o Reformation is a member of the Materials Innovation Institute to support the development of plastic-free alternatives to animal materials
 - o The brand also supports Canopy's Next Generation Viscose initiative

To score higher in the Better Materials benchmark, Reformation could initiate in-house R&D development and share innovations with the wider industry. The brand should also strive to use 100% A materials as per the Ref Fiber Scale across products in all collections and implement policies for all materials to assess risk of sourcing from high-risk areas and take relevant action.

²⁴ Textile Exchange: Preferred Fiber & Materials Market Report 2021 [LINK](#)

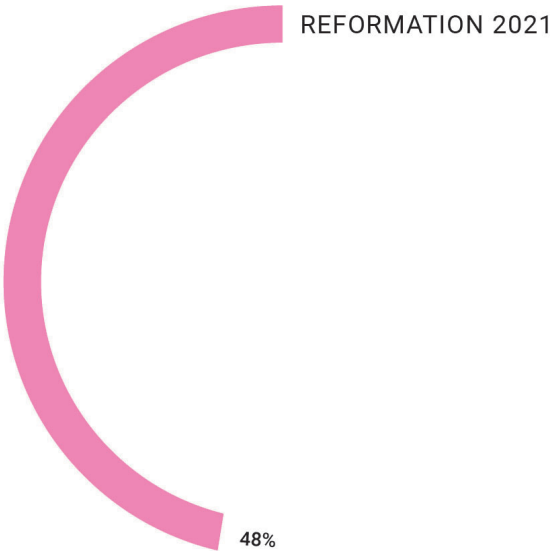
²⁵ Textile Exchange: Preferred Fiber & Materials Market Report 2021 [LINK](#)

Biodiversity (2021)

The biodiversity within Earth’s ecosystems is born out of billions of years of evolution but is being lost at an unprecedented and irreparable rate, and anthropogenic activities are thought by many to be a leading cause of this. According to Worldwide Fund for Nature, the global Living Planet Index continues to decline, showing an average 68% decrease across population numbers of mammals, birds, fish, reptiles, and amphibians between 1970 and 2016. ²⁶

Global biodiversity is affected by pollution, habitat loss, atmospheric warming, extreme weather, and ecological imbalances, all influenced by human activity to some degree. The advent of the COVID-19 pandemic and resulting lockdowns around the world demonstrated the link between human activities and

wildlife. As human activities ground to a halt, wild animals around the world were seen venturing out into the urban areas previously dominated by people. The elusive river dolphins returned to the canals of Venice, the Welsh mountain goats descended on local towns, and the wild boars of Hanifa, Israel took over the streets. Nature may be tenacious, with ever-evolving ecosystems designed to overcome external pressures, but it cannot keep up with the rate of destruction humanity leaves in its path. Whilst it may be blue sky thinking to suggest halting human activities to give global biodiversity a chance to regenerate, we need to halt the ‘business as usual’ attitude and look to finding ways for business activities to co-exist with nature. We need to address biodiversity systematically and strategically across all corporate activities to ensure that operations do not encroach on biodiversity and instead work to support and regenerate the world’s precious wildlife.



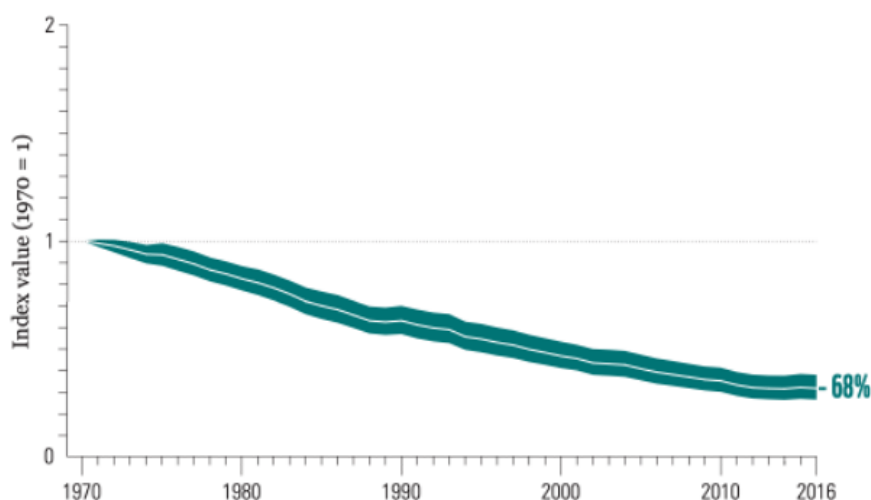
SUMMARY TABLE

	2021
SCORE PERCENTAGE	48%
TOPIC RATING	BEST PRACTICE
RANK AGAINST OTHER TOPICS	15/16
SCORE ACHIEVED	11.75
TOTAL POINTS AVAILABLE	24.5

Figure 1: The global Living Planet Index: 1970 to 2016
Average abundance of 20,811 populations representing 4,392 species monitored across the globe declined by 68%. The white line shows the index values and the shaded areas represent the statistical certainty surrounding the trend (range: -73% to -62%).
Source - WWF/ZSL (2020)¹⁰⁷.

Key

- Global Living Planet Index
- Confidence limits



Global Living Planet Index: WWF 2020

2021 ASSESSMENT

In its first benchmark assessment specifically relating to Biodiversity, Reformation scored 48% (24.5/11.75), achieving a Best Practice rating against the benchmark. Four criteria were lifted from the past Product Environmental Footprint benchmark, relating to biodiversity strategy, partnerships focused on biodiversity, impact reduction targets for material selection, and the use of certified regenerative materials. Additional criteria for this year focused on involvement in industry-wide initiatives, raw material extraction assessments, specific targets for implementing regenerative materials, cross-company information sharing. Beyond the points awarded for biodiversity in past Product Environmental Footprint benchmarking, Reformation demonstrated action in the following key areas:

- **Regenerative Materials Sourcing Targets** – Reformation has developed and met targets relating to viscose sourcing and has committed to next-generation feedstock in 20% of its viscose by 2022

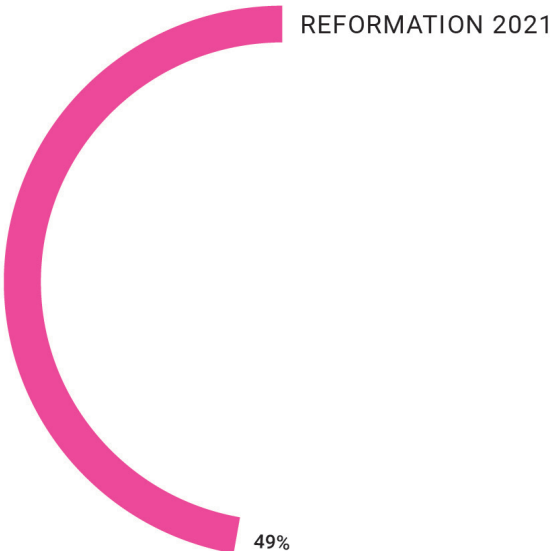
- **Responsibly Managed Forests** – Reformation only sources viscose derived from FSC and PEFC certified responsibly managed wood sources to ensure that raw material sourcing does not contribute to deforestation

- **Industry Partnerships** – Reformation is a partner of the Canopy, a global NGO focused on developing collaborative and visionary solutions that protect remaining ancient and endangered forests

Reformation has the opportunity to increase its score against the biodiversity benchmark through **formulating and publishing a formal biodiversity strategy** aligned with a widely recognised international standard such as the Fashion Pact or TNFD. The brand could also strengthen its score by developing a **procedure to identify operations and activities with a high impact on biodiversity**, and it should also **extend its viscose-specific biodiversity and regeneration initiatives to all materials** used across all collections.

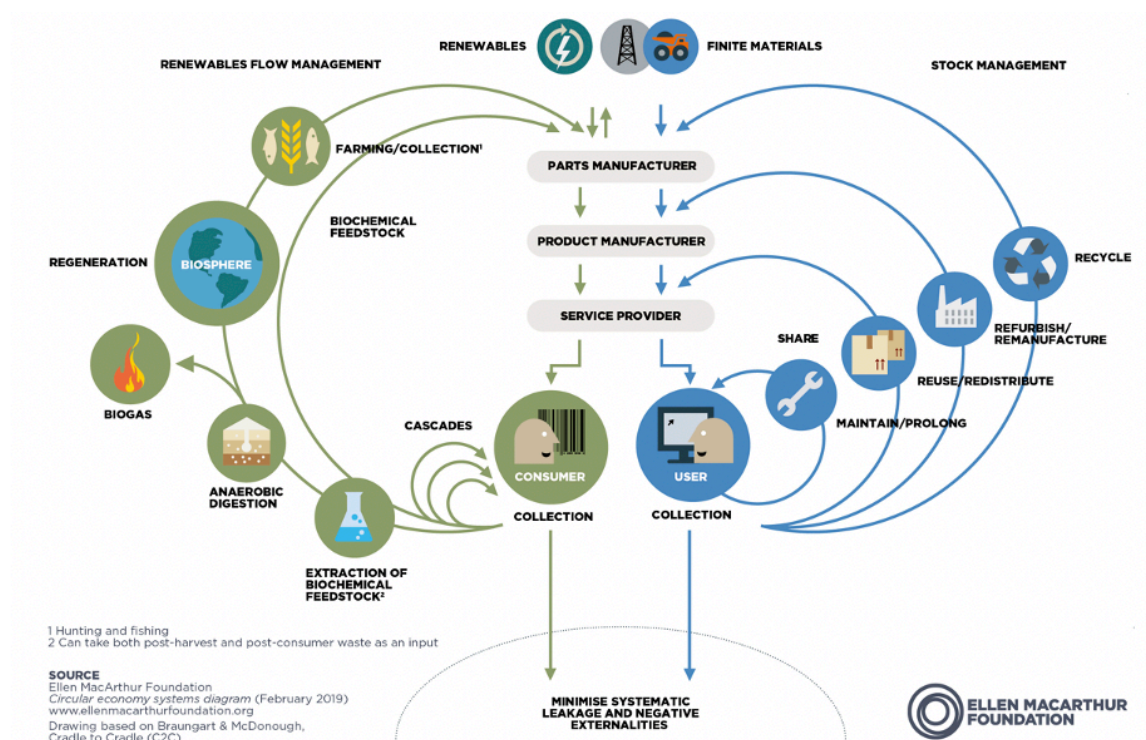
Circularity (2021)

Globally, we have a problem: we are creating, consuming, and wasting materials at a wholly unsustainable rate, and fashion is a leading culprit. It is estimated that globally, around 13 million tonnes of textile waste is discarded when 95% of this volume could be reused, repurposed, or recycled.²⁷ Estimates suggest between 2002 and 2017, global clothing production more than doubled, the average consumer is buying 60% more clothes, but keeping each garment for half as long.²⁸ It is estimated that around 12% of fabrics are wasted during garment production,²⁹ and some 25% of garments are made but never sold.³⁰ If global consumption and waste continues in this pattern, by 2050, global demand for resources will almost triple to an annual 130 billion tonnes, four times the Earth’s capacity.³¹ Many of the world’s systems are modelled on linear ‘take-make-dispose’ system that causes materials and products to have a single lifecycle before being thrown away. Circularity subverts unsustainable and wasteful linear models by closing waste streams and recovering usable and valuable materials from waste to be recycled into new materials. There are two key cycles relating to material circularity, the biological cycle, and the technical cycle. The biological cycle optimises nature’s well-established systems and taps into material renewability and biodegradation. The technical cycle is key for materials derived from finite resources such as oil-based plastic, these materials must be kept in use and out of the environment for as long as possible to reduce waste, optimise the original finite source use, and avoid further finite resource extraction.



SUMMARY TABLE

	2021
SCORE PERCENTAGE	49%
TOPIC RATING	LEADERSHIP
RANK AGAINST OTHER TOPICS	12/16
SCORE ACHIEVED	15.5
TOTAL POINTS AVAILABLE	31.5



Ellen MacArthur Foundation Circular Economy diagram

2021 ASSESSMENT

In its first benchmark analysis specifically relating to circularity, Reformation scored 49% (15.5 / 31.5), resulting in a Leadership rating against the benchmark. Circularity-focused criteria within the Product Environmental Footprint benchmark from 2019 and 2020 predominantly focused on circular design, re-commerce and rental services, inhouse circularity training, and third-party certification of products. These criteria, along with ten additional criteria informed by this year's materiality research, formed this year's brand-new Circularity benchmark. Building on the points awarded for the circularity aspects of past years' Product Environmental Footprint topic, Reformation's circularity score for 2021 was largely determined by:

- **Takeback & Repair Schemes** – Reformation has a partnership with ThredUP to facilitate clothing

donation or resale for the consumer and (private) has a partnership with Rent the Runway

- **Circularity Focused Campaigns** - Reformation is a participant of the Ellen MacArthur Foundation's Make Fashion Circular Initiative
- **Consumer Education** – Reformation works to facilitate consumer engagement through public communications

Areas of this benchmark criteria that present Reformation with the opportunity for improvement relate to the **expansion of circular design principles** to all products sold and systematically **promote longevity through design and marketing**. In terms of **operational circularity**, Reformation can develop strategies to **recover all by-product materials across the supply chain** and formulate processes to **ensure products can be repurposed**.

²⁷ Ellen MacArthur Foundation, A New Textiles Economy: Redesigning Fashion's Future 2017 [LINK](#)

²⁸ Ellen MacArthur Foundation, A New Textiles Economy: Redesigning Fashion's Future 2017 [LINK](#)

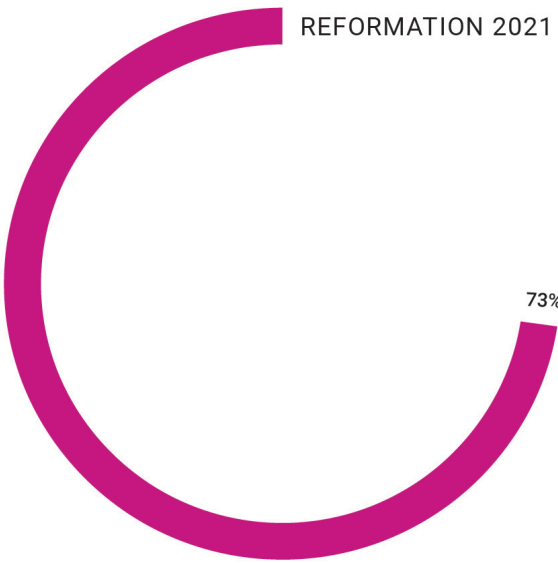
²⁹ Ellen MacArthur Foundation, A New Textiles Economy: Redesigning Fashion's Future 2017 [LINK](#)

³⁰ Business of Fashion x McKinsey & Co, The State of Fashion 2021 [LINK](#)

³¹ World Counts data, accessed December 2021 [LINK](#)

Low Impact Garment Care (2021)

Domestic laundering and garment care processes have been shown to significantly influence a product’s overall environmental chemical, water, and energy footprint, and it was reported in 2020 that the active use phase is reported to contribute to an estimated 20% of the greenhouse gas emissions of the apparel and footwear value chain.³² Fashion brands can influence consumer behaviour by dismantling the misconceptions around clothing care and education consumers how to use low impact garment care to and extend their useful life. A garment’s overall impact can be decreased by reducing the frequency of laundering cycles, managing detergents, and decreasing dependence on machine drying. Whilst a proportion of the impacts caused by the active use phase can be influenced by consumer behaviour, it is the responsibility of brands to ensure that their customers are provided with sufficient information to make informed decisions during the active use phase of garments. Companies must work with their customers to encourage and educate on best practice, ensuring labelling details optimal care, consumers are aware of the impacts of laundering and how to care for products in the most sustainable way.



SUMMARY TABLE

	2021
SCORE PERCENTAGE	73%
TOPIC RATING	SETTING NEW STANDARDS
RANK AGAINST OTHER TOPICS	3/16
SCORE ACHIEVED	12
TOTAL POINTS AVAILABLE	16.5

2021 ASSESSMENT

In its first Low Impact Garment Care benchmark assessment, Reformation scored its third highest overall score, 73% (12 / 16.5), leading to the rating (Setting New Standards) of the five new topics created from the Product Environmental Footprint benchmark used in 2020 and 2019. Four garment care-focused criteria were transferred from past years' benchmark analysis and informed this year's benchmark. Historically, Reformation has scored against circularity criteria by outlining care information on product-level labelling, consumer education through online communications, the consideration of microfibre fragmentation in the Ref Fiber Standards and selling GuppyFriend bags to facilitate consumer engagement in microfibre mitigation. Beyond these areas, Reformation scored highly in the below key areas of the updated benchmark:

- **Impact Assessment** – Reformation cites it has conducted impact assessment/s to measure the active use phase for products
- **Products Facilitate Low Impact Garment Care** – Reformation reported that 60% of its products were safe for hand/machine wash
- **Educations & Information Sharing** – Reformation cites that it propagates consumer education around low impact garment care, and shares information relating to the topic with suppliers and peers.

To increase its score in this area, Reformation should ensure **low impact garment care** is possible **across all products across all collections**. To demonstrate industry best practice and drive continual progress, the brand should also involve itself in the **development of an industry-wide initiative** related to low impact garment care.



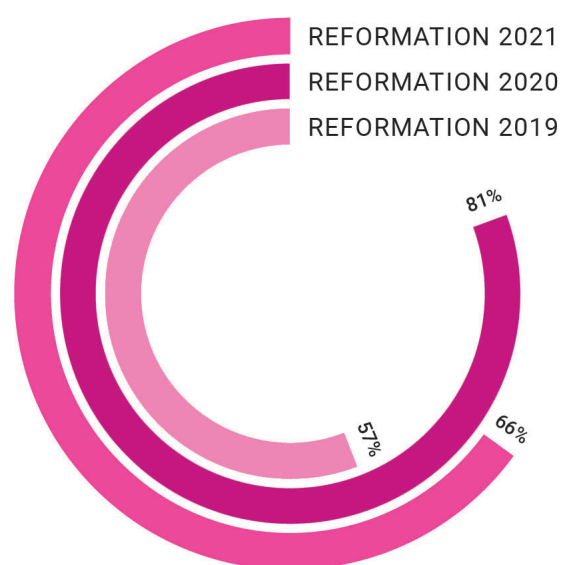
Clean Chemistry

Chemical use in the fashion industry continues to be addressed in peer and industry trends.

Chemical management and R&D for alternatives has been increasingly in the spotlight, resulting in the a range of industry tools, initiatives, and reports specifically focusing on chemicals.³³

2020 was the final year of the [Detox My Fashion](#) campaign, which saw 80 large fashion brands pledge to “detox by 2020” and phase out hazardous chemicals from clothing production. This campaign, which started in 2011, has now stopped, with a final report being published in 2018.³⁴

Within the topic Use of Chemicals, we examine chemical management, compliance, policies, certifications and engagement with suppliers and cross industry campaigns.



SUMMARY TABLE

	2019	2020	2021	CHANGE
SCORE PERCENTAGE	57%	81%	66%	- 15%
TOPIC RATING	BEST PRACTICE	SETTING NEW STANDARDS	LEADERSHIP	Down 1 rating
RANK AGAINST OTHER TOPICS	3/12	2/12	5/16	Down 3 places
SCORE ACHIEVED	14	19.75	19.25	0.5 point decrease
TOTAL POINTS AVAILABLE	24.5	24.5	29	4.5 point increase

2019 ASSESSMENT

In 2019, Reformation scored 57% (12/24.5), achieving Best Practice rating.

2020 ASSESSMENT

Use of Chemicals was the only topic in the 2020 reassessment with no additional criteria, due to a lack of industry focus 2020, and minimal changes in the way in which brands address this topic. The 2020 assessment saw Reformation's score increase in percentage from 57% (14/24.5) to 81% (19.75/24.5), achieving Leadership. Reformation (public & private) scored well due to: its adoption of a ZDHC-based MRSI; supplier collaboration; and progression in targets to encourage suppliers to signatories of a range of best practice chemical management initiatives.

2021 ASSESSMENT

The 2021 assessment saw a 4.5 increase in total points available for this topic, reflecting increased industry focus and engagement in this area. This year, Reformation obtained a score of 66% (19.25/29), achieving Leadership rating,

which is a decrease in rating from 2020. This is most likely due to an increase in the robustness of the criteria.

Reformation continues engagement with the chemical-focused initiatives observed in 2020, whilst increasing engagement in areas such as **chemical management systems** and closed-loop chemical management through **material selection**.

To ensure Reformation is demonstrating continuous improvement in this area, a key objective of the benchmark, Reformation could consider **investigating closed-loop chemical management beyond material selection** and expand this to all operations. There is also the opportunity to **educate suppliers, customers, and other stakeholders through systematic information sharing** to facilitate best practice beyond Reformation's own operations.



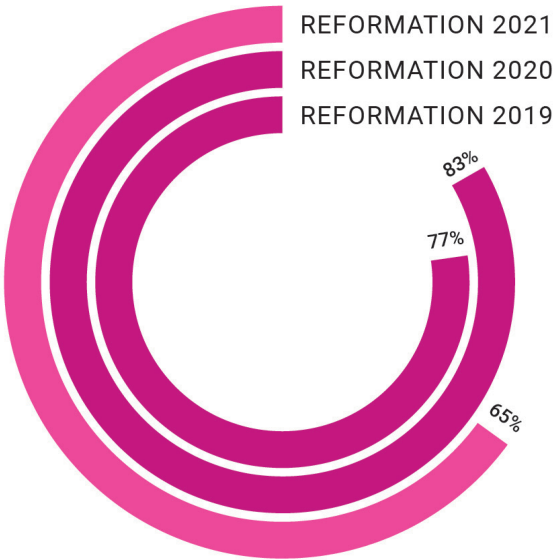
³³ McKinsey, Survey: Consumer sentiment on sustainability in Fashion, July 2020 [LINK](#)

³⁴ McKinsey, Survey: Consumer sentiment on sustainability in Fashion, July 2020 [LINK](#)

Packaging Innovation

This year saw maintained momentum in the industry's efforts to address both all forms of packaging. The surge of ecommerce purchases over the COVID-19 Pandemic served as an impetus for brands to rethink how goods are packaged and shipped.

Initiatives such as the Canopy Pack4Good initiative are witnessing increased uptake, as consumers and companies continue to question the impact of packaging and look for more responsible materials, use models, and post-use recovery.



SUMMARY TABLE

	2019	2020	2021	CHANGE
SCORE PERCENTAGE	77%	83%	65%	- 18%
TOPIC RATING	SETTING NEW STANDARDS	SETTING NEW STANDARDS	LEADERSHIP	Down 1 rating
RANK AGAINST OTHER TOPICS	1/12	1/12	6/16	Down 5 places
SCORE ACHIEVED	8.5	12.50	14	1.5 point increase
TOTAL POINTS AVAILABLE	11	15	21.5	6.5 point increase

2019 ASSESSMENT

In 2019, Reformation's score based on private information was 81.8%. Reformation excelled in this topic due to its engagement with paper packaging vendors to confirm compliance with Canopy's policy, as well as its banning the use of any poly bags, non-recycled tissue or plastic film.

2020 ASSESSMENT

In 2020, despite the more stringent criteria, Reformation's score increased by 6%, from 77% (8.5/11) to 88% (12.5/15). Reformation's thorough approach towards packaging has resulted in the brand achieving Setting New Standards for two years running.

The increase in score this year is due to Reformation showing leadership through joining industry initiatives such as Canopy's Pack4Good.

2021 ASSESSMENT

For the 2021 Assessment, Reformation scored 65% (14/21.5), resulting in Reformation's packaging score moving from the topic with the highest percentage in 2020 to the topic with the 6th highest in 2021. Reformation's rating for this topic decreased to a

Leadership rating for its packaging initiatives. This was due to the 2021 benchmark criteria seeing an increase of 6.5 points, illustrating the industry's increased focus on all forms of packaging and mitigating pollution and waste generated within both supply chain and customer packaging. The elimination of single-use and plastic packaging, for example, is a key pillar of the Fashion Pact and is an area of growing scrutiny among brands setting sustainability and marine biodiversity targets. By becoming increasingly stringent, the benchmark reflects this industry-wide shift towards recycled, reusable and biodegradable solutions.

Reformation still scored well, reflecting the brand's **continued efforts to mitigate the impact of its supply chain and customer packaging.**

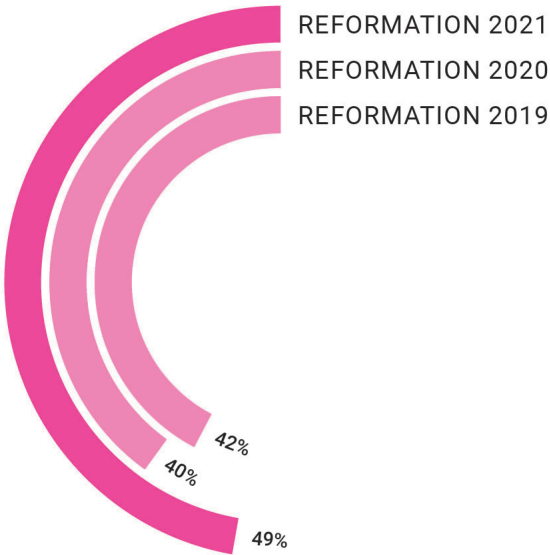
In line with the benchmark's objective of fostering continual improvement, Reformation could consider conducting a **formal third-party verified assessment** of all its **supply chain and customer packaging and packaging materials**. The brand could also consider increasing the proportion of **certified packaging options** in its portfolio.



³⁵ McKinsey, Survey: Consumer sentiment on sustainability in Fashion, July 2020 [LINK](#)

Training & Education

This topic focuses on the training and education opportunities given to direct and indirect employees to enable upskilling, knowledge, and progression. The importance of empowering employees through skill sets and knowledge is widely recognised, and companies should invest in ways to train and engage their workforce. Although this is not a key topic at sector level (See Appendix I for breakdown of this analysis) it is still important to consider this, and for brands to proactively train their direct and indirect employees.



SUMMARY TABLE

	2019	2020	2021	CHANGE
SCORE PERCENTAGE	42%	40%	49%	+ 9%
TOPIC RATING	BEST PRACTICE	BEST PRACTICE	LEADERSHIP	Up 1 rating
RANK AGAINST OTHER TOPICS	9/12	12/12	13/16	Down 1 places
SCORE ACHIEVED	9	10	13.5	3.5 point increase
TOTAL POINTS AVAILABLE	21	25	27.5	2.5 point increase

2019 ASSESSMENT

In 2019, Reformation scored 43% (9/21) from its privately available information, achieving Best Practice.

2020 ASSESSMENT

The 2020 assessment saw Reformation's score decrease from 43% (9/21) to 40% (10/25). The reason for this, was that in the 2020 assessment, a number of additional criteria were added; however, Reformation's actual score only increased by one point, which resulted in a 3% decrease. Training and Education was also the lowest scoring area across all of the topics in the 2020 assessment.

The additional criteria included in 2020 related to educational materials that are publicly available, as well as working with any third parties that provide training and development opportunities to people within a brand's supply chain.

2021 ASSESSMENT

This year, the total scoring available increased by 2.5 points since 2020, and Reformation obtained a score of 49% (13.5/27.5) compared to 40% (10/25) in 2020, this lead to a Leadership rating. Over the past year, Reformation has begun offering a **range of training** to various Ref employees, including, most notably, the **4-week Sustainable Fashion 101 training programme** offered to all staff. Such initiatives contributed to Reformation's Leadership rating in this area, despite the more stringent criteria causing Training & Education to drop two places in this year's topic ranking.

In line with industry trends and best practice, Reformation has the opportunity to **crystalise Training & Education** into **more robust policy**, and instead of optional training programmes, embark on **mandatory sustainability training for all employees**.

In order to improve in Training and Education, Reformation could also consider the following:

- **Policy:** Formulize a policy for training and education, both for direct and indirect employees
- **Provide opportunities:** establish apprenticeship schemes to provide employment and training opportunities. In conjunction to this, establish training for underrepresented, disadvantages or vulnerable persons within Reformation or the wider industry

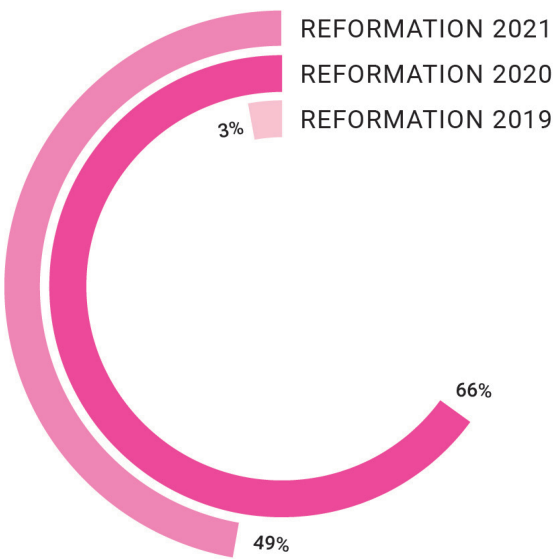


Diversity, Equity and Inclusion

Diversity, Equity, Inclusion remains at the forefront of the fashion industry, with many companies striving to move beyond reactive action taken in the wake of 2020’s Black Lives Matter movement by strategically and systematically integrate DEI as a core focus and key performance indicator.

A 2021 CFDA report that looked at inclusion and diversity in the American fashion industry, demonstrated that things are changing following the tragic and senseless acts of racial injustice in 2020, as well as the wide-reaching and disproportionate impacts of COVID-19 on underrepresented communities, but there is still a long way to go:

- Survey respondents most frequently used the words “evolving” and “improving” to describe the state of DEI in fashion today; however, of those who report that their companies have taken steps, less than half (44%) believe that it will result in permanent change.³⁶
- 50% of employees of color report that a career in the fashion industry is not equally accessible to all qualified candidates, and almost one in four questions the meritocracy of opportunities.
- Low compensation also emerged as a consistent theme in the research, with 35% of entry-level employees report supplementing their income, very often through parental support. This tendency disproportionately affects black employees compared to their white counterparts, the research found.



SUMMARY TABLE

	SCORE 2019 RATING	PERCENTAGE 2019	SCORE 2020 RATING	PERCENTAGE 2020
SCORE PERCENTAGE	3%	66%	49%	- 17%
TOPIC RATING	BASICS IN PLACE	LEADERSHIP	BEST PRACTICE	Down 1 rating
RANK AGAINST OTHER TOPICS	12/12	4/12	14/16	Down 9 places
SCORE ACHIEVED	0.5	21	22.25	1.25 point increase
TOTAL POINTS AVAILABLE	17	32	47	15 point increase

- Within employee diversity and inclusion, topics such as monitoring and measurement of diversity data, target setting, employee training, especially around DE&I, networks and programs of change, DE&I responsibilities and committees, equal opportunities, equal representation and the support for campaigns and social movement both internally and externally.

2019 ASSESSMENT

Reformation achieved its lowest score for this topic, scoring just 1 out of a possible 17 points, rating Basics in Place.

2020 ASSESSMENT

In terms of the Benchmark, Eco-Age made the greatest change to the criteria under DE&I, resulting in an additional 15 possible points available. This was done in order to make this section more robust and ensure it fairly and accurately reflected the major global focus on DE&I in 2020. Reformation's score moved from 3% (1/17) in 2019 to 65.6% (21/32) in 2020.

It is worth noting that this is the only topic where Reformation stated that it had any form of controversy in the last 5 years. Reformation said that its "CEO and Founder had accusations of racism made against her on Instagram in 2020. She stepped down in June 2020, and an independent board completed an investigation into the allegations."

The results and summary were published in its Q2 Sustainability Report.

2021 ASSESSMENT

In line with the industry trends and continual improvement, this year's benchmark criteria increased by another 15 points this year, leading to an even more stringent benchmark. This second significant increase reflects the opportunity for global

increased engagement in this area, as well as how quickly the definition of best practice is changing, and the subsequent standards / requirements developed year-on-year. The 2021 benchmark assessment awarded Reformation a score of 49% (22.25/47), leading to the topic falling 9 ranks, receiving one of Reformation's only Best Practice rating this year, the lowest rating of all topics this year.

Despite Reformation's significant progress during the year of the 2020 benchmark assessment, continual improvement was insufficient to maintain last year's Leadership rating. Key updates to this year's benchmark included reporting, formalized processes or initiatives, and transcending Black Lives Matter support from ad hoc reactive initiatives to long-term and systematic support or partnership. In particular, Reformation could consider the following initiatives:

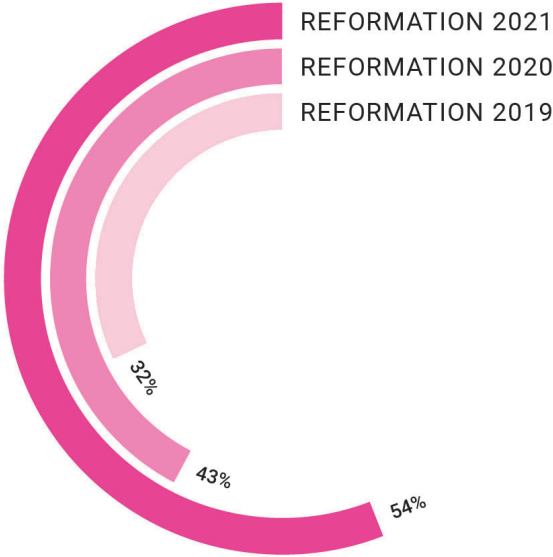
- **Policy:** developing a more formalized policy on DE&I, making it public and easily accessible.
- **Diversity data:** collect and report on diversity data including race and gender at company level.
- **DE&I training:** in 2021 Reformation made DE&I mandatory for all managers and to be encouraged for all employees regardless of level; the brand could consider making it mandatory for all employees and set a minimum number of hours of training per year.
- **Promotion criteria:** to avoid the risk of cultural biases during the hiring process and penalize minority groups, Reformation could consider developing and sharing a policy on transparent promotion criteria. According to the 2021 CFDA report, for example, respondents of color expressed that their race/ethnicity has had a negative impact on receiving raises and promotions in the past (26% employees of colour vs 1% white employees), particularly Black (40%) and Asian (27%) respondents.
- **Other initiatives:** Reformation could consider expanding its DE&I commitment to gender equality, pay equity, internship and mentorship programs specifically tailored for people from disadvantaged backgrounds.

³⁶ CFDA, State of Diversity, Equity & Inclusion in Fashion, 2021 [LINK](#)

Community Impact & Engagement

The global pandemic of COVID-19 has seen fashion brands engage and support their local communities. Some have changed their supplier orders in order to produce masks, and some have donated supplies and funds. COVID-19 has highlighted the important role that companies can play in supporting their local communities.

The criteria considered under the topic Community and Giving include support provided to non-profit organisations through ad- hoc contributions as well as strategic partnerships. It also considers opportunities for employees to give back, through volunteering and fundraising programmes, as well as support for local suppliers through procurement activities.



SUMMARY TABLE

	2019	2020	2021	CHANGE
SCORE PERCENTAGE	32%	43%	54%	+ 11%
TOPIC RATING	BASICS IN PLACE	BEST PRACTICE	LEADERSHIP	Up 1 rating
RANK AGAINST OTHER TOPICS	10/12	11/12	11/16	Up 1 ranking
SCORE ACHIEVED	4.5	6.5	11	4.5 point increase
TOTAL POINTS AVAILABLE	14	15	20.5	5.5 point increase

2019 ASSESSMENT

In 2019, Reformation achieved a score of 32% (4.5/14) and a rating of Basics in Place for Community and Giving. This was due to the brand's partnerships with NGOs, employee volunteering and targets.

2020 ASSESSMENT

In 2020, Reformation scored 43% (6/15), an increase of 11% compared to 2019's score of 32% (4.5/14), achieving Best Practice. Despite there being a percentage increase, Community and Giving was the topic where Reformation achieved its second lowest score in 2020, and it moved down a ranking to 11th place out of 12. Since the assessment last year, Reformation improved through the development of long-term community impact and engagement targets and initiatives.

2021 ASSESSMENT

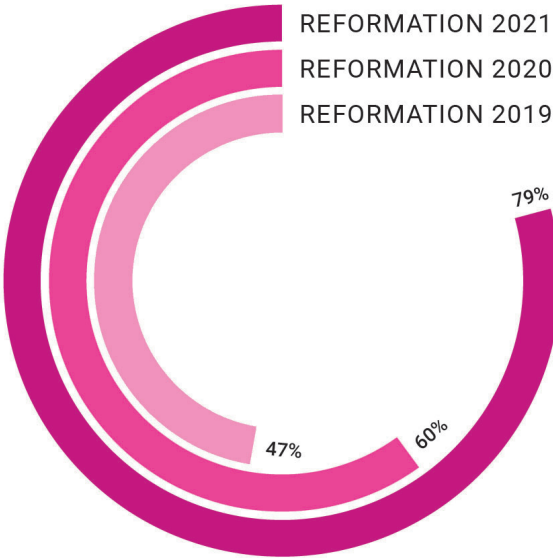
For this topic, 2021's benchmark was updated by 5.5 points, illustrating increased engagement in this area, resulting in a more stringent definition of best practice. Considering this, Reformation's community-focused initiatives generated a score of 54% (11/20.5), resulting in a Leadership rating and an increase of one place in overall percentage ranking of topics.

As well as encouraging employee community engagement through **allotted volunteer days** and **community support** through various forms of charitable donations, Reformation has **long-term targets in place** relating to community impact and engagement. To build on its score, Reformation should **crystalize community engagement into formal policy**, develop **long-term partnerships with NGOs** that transcend ad hoc involvement and move towards systematic and continual engagement, **employee match fundraising**, and participation in an **industry-wide initiative** such as 1% for the Planet.



Sustainability Reporting & Transparency

It is now well understood that consumers want transparency and expect brands to disclose information about the products and services they are providing. This is especially true of the younger generations. In a 2020 survey, focusing on the priorities and spending habits of 2,448 Millennials and Generation Z, PWC found that 63% want product information, such as the origin of raw materials, the country of manufacture or processing information.³⁸ At the same time, and in a bid to meet the demand for increased transparency, more brands are starting to disclose their policies and commitments on environmental and social issues than the previous year.³⁹



Through the Sustainability Reporting & Transparency topic, we look at how Reformation shares its sustainability journey externally and how much information is available to consumers. In this topic we consider Reformation’s website, its reporting practices, social media platforms and participation in events, in addition to seeking out information on how sustainability claims are assured and any action against brands regarding misleading sustainability marketing.

SUMMARY TABLE

	2019	2020	2021	CHANGE
SCORE PERCENTAGE	47%	60%	79%	+ 19%
TOPIC RATING	BEST PRACTICE	LEADERSHIP	SETTING NEW STANDARDS	Up 1 rating
RANK AGAINST OTHER TOPICS	4/12	6/12	1/16	Up 5 places
SCORE ACHIEVED	8.5	12	17.75	5.75 point increase
TOTAL POINTS AVAILABLE	18	20	22.5	2.5 point increase

2019 ASSESSMENT

The assessment in 2019 found that most of the brands published frequent sustainability communications showcasing their latest practices, products and progress. In addition, every brand communicated about the materials used in products, on their product pages.

In 2019, Reformation scored 47% (9/18) for Communication and achieved Best Practice for this topic. It was one of only four brands to produce an annual sustainability or integrated report, and to showcase the steps it is taking to reduce its impact.

2020 ASSESSMENT

In 2020, Reformation achieved 60% (12/20) for what was then named Communications, a 13% increase in their score from 2019. It is worth noting that due to additional criteria added to this topic in 2020, the total possible score increased to 20 (vs 18 in 2019), which was the reason for the low increase in Reformation's score. In fact, considering the boundary increase, Reformation's increase in this area is commendable. The increased score was due to Reformation's target alignment with the SDGs and its openness and transparency in public-facing communications.

2021 ASSESSMENT

This year, this topic was the 1st in the overall ranking and Reformation achieved an impressive 19% increase in the overall scoring, from 60% (12/20) in 2020 to 79% (17.75/22.5) in 2021. As a result, Reformation increased its rating of one position, Setting New Standards. Sustainability Transparency and Reporting has in fact proven a key area of development for Reformation, and it speaks clearly of its commitment to transparency across all its communication touchpoints.

The increase in score was due to:

- **Participation in industry questionnaires:** compared to last year, Reformation has shown additional progress in the area as per Eco-Age recommendation last year, participating in a wide range of industry questionnaires such as the Textile Exchange CFMB, the GFA Pulse of the Industry Report, the Changing Markets Survey, CDP, FLA and UN Fashion Industry Charter for Climate Action. Now more than ever, companies can no longer work in isolation when setting and pursuing sustainability targets, so peer-to-peer collaboration and information sharing is key to achieving the bold ambitions set out at COP26.
- **Strategy:** Reformation ensured regular sustainability communications across all of its social media platforms, keeping faith to both its transparency and educational commitment.
- **Third party assurance on sustainability communications:** to avoid the risk of greenwashing and misleading communications, Reformation has implemented a third-party assurance system to verify information shared across its communication touchpoints.

In order to further improve its performance in relation to Sustainability Reporting & Transparency, Reformation could consider aligning its sustainability annual and quarterly reports to **widely recognized sustainability standards** such as the GRI and **setting SDGs-specific targets** for each of the goals selected.

On the consumer side, Reformation could consider implementing a system for **more direct and in real time feedback** from consumers.

³⁸ McKinsey, PWC, Year Zero Circular Fashion 2020 [LINK](#)

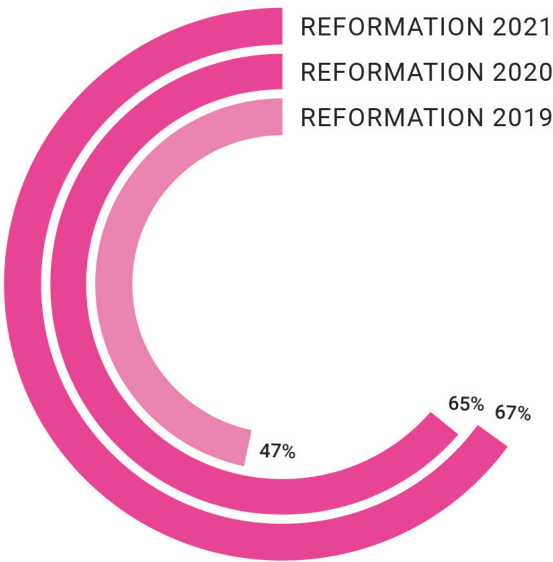
³⁹ Fashion Revolution, Fashion Transparency Index 2020 [LINK](#)

Analysis: Overall Score

Reformation’s average overall score (weighted) for 2021 was 67%. compared to 65% in 2020 and 47% in 2019. This is an increase of 2%, compared to last year’s increase of 17%.

Reformation’s total weighted score retained its Leadership rating, despite a more stringent benchmark and the addition of five new topics.

This section of the report looks at Reformation’s total score, first detailing how the weighting criteria was applied, and then comparing Reformation’s 2021 overall score to its overall score in 2020 and 2019.



AVERAGE OVERALL SCORE 2021 (%): 67 Leadership

Average overall score 2020 (%): 65 Leadership

Average overall score 2019 (%): 47 Best Practice

WEIGHTING APPLIED

Topics and weightings were established through desk-based research of macro trend reports, industry trend reports, and publicly available information from peers. From this the topics were identified, selecting those 16 that were most frequently considered.

To create the overall score, each topic was then given a weighting to give more prominence in the overall score to those most frequently considered at macro, industry, and peer level, and less to those which were only addressed by some. For those topics that Reformation is addressing but are not seen as “priority”, it has less significance in the overall score; whereas those seen as a “priority” have more of an ability to change to overall score.

Priority is determined by the average score across the three key areas (macro, industry and peers), which is calculated by the frequency a topic is addressed within the desk-based research, e.g. within reports, the approaches taken by peers and analysis of the general sustainability landscape undertaken.

See below for the percentage categorisations and corresponding weighting.

AVERAGE SCORE FOR 3 KEY AREAS (MACRO, INDUSTRY & PEER)	WEIGHTING
≥ 65%	1.5
≥ 51% AND < 65%	1
<51%	0.5

* See Appendix I for more details on the weighting methodology applied

The 2021 weightings allocated per topic are detailed in the table below.

For more information on the calculation of the overall score please see appendix 1:

	AVERAGE SCORE FOR 3 KEY AREAS (MACRO, INDUSTRY & PEER)	WEIGHTING 2021
CORPORATE GOVERNANCE	50%	0.5
TRACEABILITY (2020: SUPPLY CHAIN TRACEABILITY)	67%	1.5
SOCIAL RESPONSIBILITY (2020: HUMAN RIGHTS)	64%	1
CLIMATE ACTION	82%	1.5
RESOURCE EFFICIENCY (2020: OPERATIONAL ENVIRONMENTAL MANAGEMENT)	64%	1
USE OF CHEMICALS CLEAN CHEMISTRY	56%	1
PACKAGING INNOVATION	38%	0.5
TRAINING AND EDUCATION	47%	0.5
DIVERSITY, EQUALITY AND INCLUSIVITY	54%	0.5
COMMUNITY AND GIVING ENGAGEMENT & IMPACT	50%	0.5
COMMUNICATION SUSTAINABILITY REPORTING & TRANS- PARENCY	57%	1
ANIMAL WELFARE (2021)	64%	1
BETTER MATERIALS (2021)	90%	1.5
BIODIVERSITY (2021)	51%	0.5
CIRCULARITY (2021)	93%	1.5
LOW IMPACT GARMENT CARE (2021)	41%	0.5

Despite the more stringent benchmark in 2021, Reformation's average overall score increased by 2% in 2021 to 67%, compared to 65% in 2020 and 47.3% in 2019.

Research conducted in 2021 influenced the most significant changes to the benchmark criteria since its creation in 2019. As well as strengthening the criteria within existing topics, Reformation was assessed against five additional topics. Although elements of these five additional topics were assessed in 2020 and 2019 within the Product Environmental Footprint topic, substantial additional criteria were added within these to gain a full understanding of Reformation's approach to the topics.

Despite these changes, the overall score increased, demonstrating Reformation's commitment to continual improvement. It also demonstrates that Reformation takes a holistic and proactive approach to sustainability, ensuring that it is addressing a wide range of key risks and opportunities, as well as those identified as important by the industry and wider global sustainability movements.

Reformation should continue to approach sustainability in this manner, strengthening the achievements of 2021, and implementing initiatives it has indicated throughout the benchmark to meet its targets and objectives.

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- The World Economic Forum, Global Risks Report 2021, 2021 [LINK](#)
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- WWF, Living Planet Report 2020, 2020 [LINK](#)

Appendices

APPENDIX 1: DESK BASED ANALYSIS AND WEIGHTING METHODOLOGY

Why were global, sector and peer trends considered?

1. Global / Macro Trends

Global / macro trends are evaluated in order to determine the most topical sustainability issues for the financial community, NGOs and multi-stakeholder organisations, authorities and regulatory bodies. For this, different sources were looked at such as the main standards for non-financial reporting, ratings indices, the ESG criteria considered by global indices, emerging regulations, etc.

Sources considered include Hong Kong Stock Exchange, Australian Stock Exchange, London Stock Exchange, DJSI, FTSE Russell, FORUM ETHIBEL (based on Vigeo criteria), MSCI, World Economic Forum, GRI, BSR, Future Fit Business Benchmark, ONU and EU.

2. Sector / Industry Trends

Sector trends were evaluated in order to consider the main sustainability issues in the fashion and textile industry. This was done by evaluating reports from sector associations and NGOs

Sources considered:

- SASB Materiality Map
- UNFCCC – Fashion Industry Charter for Climate Action
- RobecoSAM – Textile, Apparel & Luxury Goods (2021)
- Fashion Pact (2020)
- GFA - The Pulse of the Fashion Industry (2019)

- EY - The Luxury and Cosmetics Financial Factbook 2019 Edition
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- Textile Exchange. Preferred Fiber & Material Market Report (2021)
- The Circle - Fashion Focus: A Proposal for a New Proposal EU Legislation on a Living Wage (2021)
- CFDA & PVH co. - State of Diversity, Equity & Inclusion in Fashion (2021)

3. Peers and Sustainability Leaders in the Fashion Industry

A benchmark analysis of nine brands that offer varied representation across the industry was carried out with the aim of identifying the sustainability issues that they are most focused on. The peers considered include: Stella McCartney, Kering, Eileen Fisher, Panagaia, Everlane, Ganni, and Acne Studios.

How were peers, sector trends and macro trends analysed?

The evaluation involved assessing macro trend reports, industry trend reports, and publicly available information from peers in order to determine which of the twelve sustainability benchmark topics were most frequently considered amongst this information. Those topics that were most frequently considered at macro, industry and peer level received a higher overall percentage and were determined to be “priority” topics.

TOPIC	MACRO TRENDS	SECTOR TRENDS	BRAND BENCHMARK	AVERAGE PERCENTAGE FROM 3 KEY AREAS
CORPORATE GOVERNANCE	65%	59%	56%	58%
TRACEABILITY	48%	62%	89%	76%
SOCIAL RESPONSIBILITY	91%	69%	78%	78%
CLIMATE ACTION	100%	64%	100%	89%
RESOURCE EFFICIENCY	91%	79%	78%	80%
CLEAN CHEMISTRY	48%	69%	89%	78%
PACKAGING INNOVATION	48%	51%	67%	60%
TRAINING AND EDUCATION	16%	44%	56%	54%
DIVERSITY, EQUITY, INCLUSION	61%	41%	67%	59%
COMMUNITY ENGAGEMENT & IMPACT	74%	49%	67%	63%
SUSTAINABILITY REPORTING & TRANSPARENCY	43%	59%	89%	75%
ANIMAL WELFARE	61%	26%	89%	67%
BETTER MATERIALS	48%	90%	100%	90%
BIODIVERSITY	61%	44%	56%	51%
CIRCULARITY	83%	69%	89%	83%
LOW IMPACT GARMENT CARE (2021)	43%	56%	33%	41%

TOP PERCENTAGE	WEIGHTING
≥ 65%	1.5
≥ 51% AND < 65%	1
<51%	0.5

The 2020 weightings allocated per topic are detailed in the table below:

	AVERAGE SCORE FOR 3 KEY AREAS (MACRO, INDUSTRY & PEER)	WEIGHTING 2020
CORPORATE GOVERNANCE	52%	1
SUPPLY CHAIN TRACEABILITY	67%	1.5
HUMAN RIGHTS	65%	1.5
CLIMATE ACTION	82%	1.5
OPERATIONAL ENVIRONMENTAL MANAGEMENT	66%	1.5
PRODUCT ENVIRONMENTAL FOOTPRINT	68%	1.5
USE OF CHEMICALS	56%	1
PACKAGING	38%	0.5
TRAINING AND EDUCATION	47%	0.5
DIVERSITY, EQUALITY, AND IN- CLUSIVITY	54%	1
COMMUNITY AND GIVING	50%	0.5
COMMUNICATIONS	57%	1

WEIGHTINGS APPLIED – 2021 vs 2020 and 2019

The below tables outline the calculation for the weighted overall brand score for 2021 vs 2019 and 2020.

TOPIC	WEIGHTING 2021	PERCENTAGE 2021 (%)	WEIGHTED SCORE 2021 (%)
CORPORATE GOVERNANCE	1	51%	51%
TRACEABILITY (2020: SUPPLY CHAIN TRACEABILITY)	1.5	76%	114%
SOCIAL RESPONSIBILITY (2020: HUMAN RIGHTS)	1	78%	78%
CLIMATE ACTION	1.5	89%	134%
RESOURCE EFFICIENCY (2020: OPERATIONAL ENVIRONMENTAL MANAGEMENT)	1	80%	80%
CLEAN CHEMISTRY	1	78%	78%
PACKAGING INNOVATION	0.5	60%	30%
TRAINING AND EDUCATION	0.5	54%	27%
DIVERSITY, EQUITY, INCLUSION	0.5	59%	30%
COMMUNITY ENGAGEMENT & IMPACT	0.5	63%	32%
SUSTAINABILITY REPORTING & TRANSPARENCY	1	75%	75%
Product Environmental Footprint (2021: Reconfigured into new topics)			
ANIMAL WELFARE (2021)	1.5	67%	101%
BETTER MATERIALS (2021)	1.5	90%	135%
BIODIVERSITY (2021)	0.5	51%	26%
CIRCULARITY (2021)	1.5	83%	125%
LOW IMPACT GARMENT CARE (2021)	0.5	41%	21%
Average overall score 2021 (%): 67% Leadership			

TOPIC	WEIGHTING 2020	PERCENTAGE 2020 (%)	WEIGHTED SCORE 2020 (%)	WEIGHTING 2019	PERCENTAGE 2019 (%)	WEIGHTED SCORE 2019 (%)
CORPORATE GOVERNANCE	1	51%	51%	1.5	45	68
SUPPLY CHAIN TRACEABILITY	1.5	76%	114%	1	44	44
HUMAN RIGHTS	1	78%	78%	1.5	23	35
CLIMATE ACTION	1.5	89%	134%	1.5	75	112
OPERATIONAL ENVIRONMENTAL MANAGEMENT	1	80%	80%	1.5	43	65
PRODUCT ENVIRONMENTAL FOOTPRINT	1	78%	78%	1	47	47
USE OF CHEMICALS	0.5	60%	30%	1	57	57
PACKAGING	0.5	54%	27%	1	77	77
TRAINING AND EDUCATION	0.5	59%	30%	0.5	43	21
DIVERSITY, EQUALITY AND INCLUSIVITY	0.5	63%	32%	0.5	3	1.5
COMMUNITY AND GIVING	1	75%	75%	0.5	32	16
COMMUNICATIONS	1.5	67%	101%	0.5	47	24
Average overall score 2020 (%): 65 Leadership				Average overall score 2020 (%): 47 Best Practice		

Contributors

THE ECO-AGE TEAM

Philippa Grogan

Junior Sustainability Consultant: Fashion & Textiles

Federica Bongiorno

Junior Sustainability Analyst

Fiona Cartmel

Sustainability Consultant

Diletta Radaelli

Graphic Designer