

The Sustainability Report

2023 Year in review

Reformation



Table of Contents

Letter from us	3
Sustainability scorecard	4
Circularity	5
Climate Positive	13
Social Responsibility	26
Appendix	34

Reformation

Oh hi,

We've been sharing these reports for almost a decade because we believe it's incredibly important to be transparent about our sustainability work at Ref. It's also how we measure the success of our business—not just sales numbers, but real, tangible progress toward our mission-based goals. We know these reports keep getting longer, but hopefully, that shows we're doing more than ever to make a positive impact. We just have way too much good stuff to share with you.

We set out to [do a lot of things by 2025](#), and we've made a lot of progress towards our goal to be Climate Positive. When we set the goal in 2020, most companies thought it was impossible. But we're on track! We have made big changes in our material sourcing to make it happen, and have doubled down on energy efficiency in our own operations and in partnership with our suppliers. We've also seen setbacks. Like some fiber innovations are taking longer to scale than we expected. Or we are still assessing how to hit our absolute emission reductions for our direct energy use. We want to share the challenges we've had in making these changes because it doesn't matter if Ref is more sustainable when the whole industry is not. We want to document what's possible, share real and tested solutions and real and tested missteps, and hopefully bring a lot of our suppliers and other brands along with us.

And since 2025 is almost here—we know—we've been thinking about what's next, and how Ref can keep setting new standards for sustainability in fashion. So in 2023 we launched our next big goal: [to be circular by 2030](#). This report will really dig into what that means, and tell you more about where we're starting. Thanks for reading.

Love, Ref

Sustainability Scorecard

At Ref, we do work across our business to have the best possible impact on people and the planet. You can get the deets on our overall impact strategy and plans in our updated [Sustainability Framework](#), or check out our self-assessment about how we're doing against our goals below. We aim to lead in every area while we set new standards for climate action and circularity. How we're doing:

Super proud

Climate Action
Circularity
Reporting & Transparency

On track

Better Materials
Clean Chemistry
Traceability
Social Responsibility
Diversity, Equity, Inclusion, & Belonging
Community Engagement & Impact

Work to do

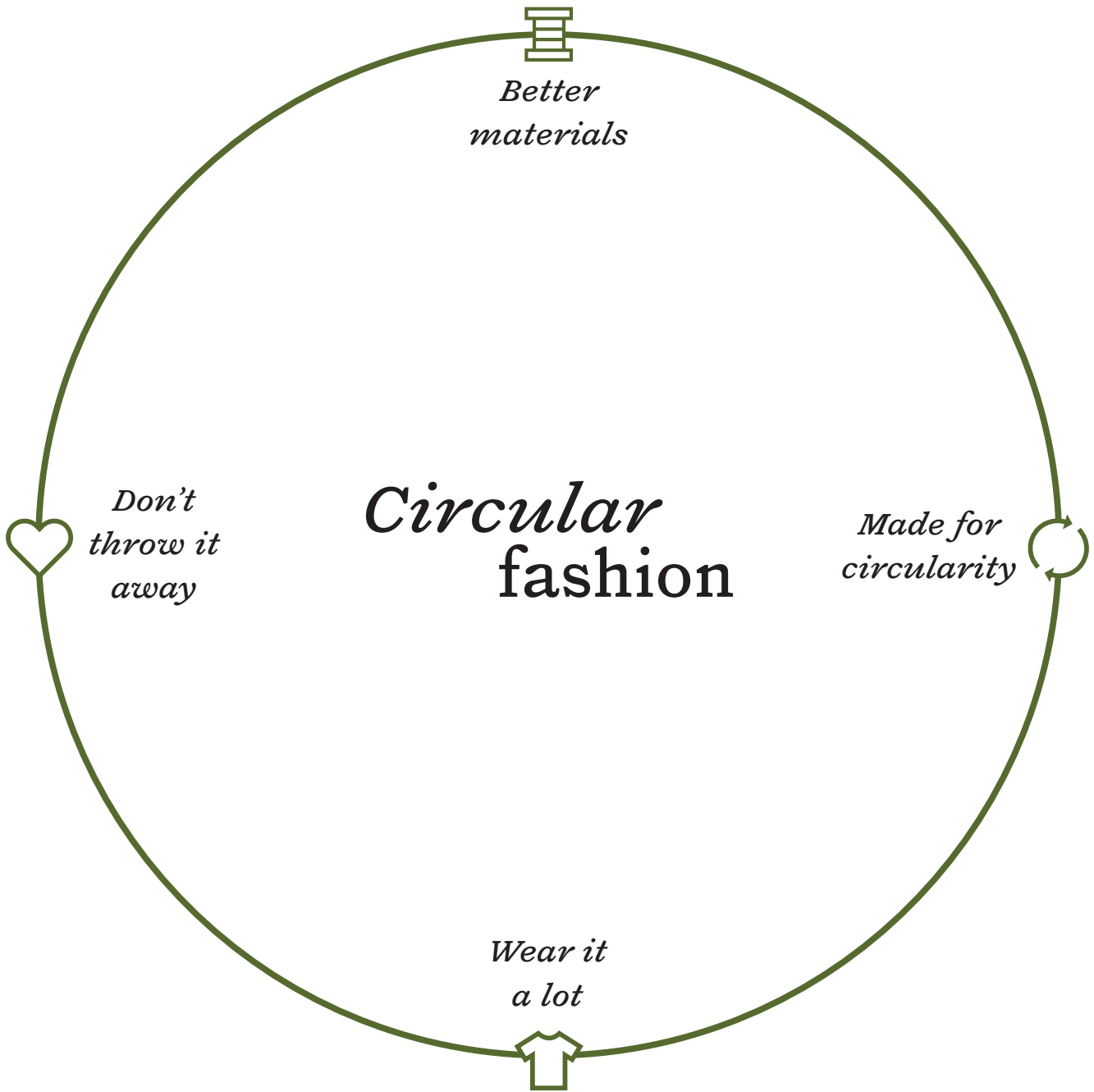
Low Impact Care
Resource Efficiency
Packaging Innovation

Circularity

Our goal is to be circular by 2030.

We believe the future of fashion is circular, and making something new shouldn't have to mean using virgin materials. So we want to make really cute, recyclable products that last longer, with as close to zero virgin materials as possible, and reduce waste along the way. We looked at where we still have gaps in our business model, operations, and product, and found twelve things we need to focus on to be circular.

Check them out in our super detailed [roadmap](#).



Better materials

Make cool stuff from non-toxic, recycled and regenerative materials.

Made for circularity

Make stuff that lasts, is designed to be recyclable, and in a way that creates less waste.

Wear it a lot

Keep everything in use for as long as possible with care, repair, and love.

Don't throw it away

Keep things around through resale and recycling. We're too cute to go to waste.

Progress

A commitment like this sounds great, but we want to be accountable for actually doing it.

Here's how we did in 2023:

- 97% of materials used were recycled, regenerative, or renewable¹
- 26% of materials used were deadstock, recycled, or next-gen (aka not virgin)
- 39% of stuff made was textile-to-textile recyclable through RefRecycling²
- 17% of business volume³ represented by resale, vintage, rental⁴
- 0.1% of garments were unsold/donated

Circular Design Guide

We also promised to share what percent of our stuff is designed for a circularity attribute. In Q2 of 2023, we held a circular design workshop for our Design, Product Development, Merchandising, and Supply Chain teams to educate them on the principles of circularity. Since then, we've created [Ref's Circular Design Guide](#) to outline these attributes and keep circularity top of mind in the design process. We're working on finding a way to track this in our back-end systems so that we can report our progress in 2024. Our goal is that by 2025, all our styles will be designed with at least one of these attributes.



¹ Renewable raw materials are typically not depleted when used. Regenerative materials are made using regenerative agricultural practices and land management techniques, with focus on soil health and biodiversity. Recycled materials include materials made from recycled feedstock and deadstock materials.

²This percentage is based on the number of units produced in the period that are in our current categories textile-to-textile recyclable through the RefRecycling program or have the potential to be recyclable due to the fabric composition so will be added to the program in near future.

³Total business volume based on net sales = gross units sold minus returned units.

⁴Rental is calculated by looking at the number of times a product is rented and shipped out to a customer.



Scaling recycled & next-gen materials

In 2023, we launched new styles using cool recycled and next-gen fibers. A lot of our outerwear featured [MWool®](#), which contains 70% post-consumer recycled wool. It also comes in a bunch of colors naturally which means less chemical and water use than virgin wool. We also used silk alternatives in 18% of our silk-like sourcing in 2023. In addition to our Eco Satin fabrics, we introduced Crushed and Crinkle Satin made from [Naia™ Renew](#), a cellulosic fiber produced from 60% sustainably sourced wood pulp and 40% certified recycled waste materials in a closed-loop process. Feels way smoother and sexier than it sounds. We also introduced a collection with Naia™ Renew ES, made with 60% recycled content. We'll keep expanding our use of innovative fibers like these to reduce or replace more environmentally intensive materials while advancing recycled fibers.

Teaming up with Reverse Resources

One important part of our Circularity Roadmap is to recycle manufacturing waste, which can be 10-20% of a fabric roll. That's a lot, so we're working with our suppliers to find solutions for post-industrial textile waste, with a goal that all strategic suppliers will have a recycling solution in place by 2030. To make that happen, we teamed up with [Reverse Resources](#), a platform that seeks to redefine textile waste as a resource and rapidly scale global textile-to-textile recycling by connecting all stakeholders in the textile and recycling ecosystems. In 2023, we surveyed our manufacturing facilities to map the different textile waste streams generated and measure potentially recyclable textile wastes. In 2024 and beyond, we'll use that data to connect our suppliers with leading textile-to-textile recyclers and put waste to use.



Putting our feet together

We teamed up with some other brands and [EarthDNA](#) to launch [The Footwear Collective \(TFC\)](#), a non-profit initiative dedicated to uniting the global footwear industry to accelerate the transition to a circular economy. Most circularity efforts in the fashion industry have been focused on apparel because shoes are complex and hard to recycle. We're excited to work with leading footwear producers and industry stakeholders to create solutions for the industry and drive change toward a circular system.



To have and to hold

As you've probably heard, we make bags now. We focused on creating a luxury quality product in classic shapes that won't go out of style after one season. And without the in-your-face branding that perpetuates trend cycles.

We also take advantage of our unique supply chain to make timely design choices, making sure our product is meeting customer demand as close to real-time as possible to minimize waste and maximize relevance. We only work with Leather Working Group audited tanneries, using best-in-class water, energy, and chemical management practices. To top it all off, our handbags are 100% recyclable through RefRecycling.

Happy Endings

Whether you're over your clothes or they aren't a fit, we believe in [Happy Endings](#). We have a suite of resources engineered to keep your clothes around forever. Because stuff this cute shouldn't go to waste. So we're giving you options.

Over 90 million tons of textiles are thrown away each year, a lot of which sits in landfills for pretty much ever.

Which is really sad for the clothes and for our planet. We work hard to make clothes sustainable at the beginning of their life. Once you take them home, we have a bunch of resources to give your clothes a happier, more sustainable ending.



Take Care

We design our clothes to last longer, which means you're going to have to take care of them for longer, too. We're making that easier with [tools by Steamery](#) and [Guppyfriend](#), and [hot tips](#) for product care.

Hemster

Together with our friends at [Hemster](#), we offer simple, custom alterations and repairs that extend the lifespan of a garment and help keep it in use. Available for our customers in the US in all of our stores and online, last year alone we helped alter over 9,946 items and repaired 822 items. This was our first program year so excited to see it expand in the future. Try it out and keep your Ref around.

thredUP

If you have clothes you aren't wearing, grab a [thredUP](#) kit and pass them on. We'll give you Ref Credit for every gently used item you sell. Over 332,703 garments were resold or recycled via our partnership with thredUP in 2023, which is pretty damn cool. thredUP recently released its 12th annual [Resale Report](#), which sizes the secondhand market and reveals what's creating demand. Reformation made their Top 20 Best Brands in Resale. As we've said, we're too cute to go to waste.

RefRecycling

A big way we'll reach our circularity goal is by developing a closed-loop, circular system for everything we make. [RefRecycling](#) is powered by our friends at SuperCircle, and since our launch in 2022, almost 8,000 people have joined and over 860 people have actively recycled their Ref. That has helped us divert over 2,500 pounds of Ref from the landfill. Right now, we only offer this for some of our product categories because we just want to take back stuff we know we can recycle textile-to-textile instead of downcycling. To get in on the action, drop off your pre-loved Ref bags, tees, shoes, denim, sweaters, active, and outerwear at any of our US or Canada retail locations or request a shipping label online. As a thanks for keeping materials around, you'll get Ref Credit for every item you bring or ship back. Win-win.

PS: Some of these programs are location-specific, but we're looking at how we can expand these for more customers and made some progress this year. Hemster is now available in all US stores, and RefRecycling is now available to our customers in Canada in addition to US customers. Yay.

Clean Chemistry

82% of our dyers and printers have a clean chemical certification⁵

To eliminate waste and pollution, we must focus on clean chemistry. We partner closely with our printers, dye houses, and tanneries to ensure they are using chemical, water, and energy resources responsibly because we want our products to be safe for everyone and everything they touch. In the last year, we prioritized working with suppliers who are proactive in sustainable chemistry management at their facilities. Since joining bluesign® as a system partner in 2022, we've been able to identify what improvements we need to make towards our goal of sourcing 100% of our materials from suppliers with clean chemistry certifications and/or sustainable chemical management practices.

Low impact care

It's on us to consider the full lifecycle of our stuff. 67% of our garments are designed for low-impact care.⁶ This is up from about 40% in 2019, which is awesome. The biggest block to increasing this more are a few core fabrics we use mostly in dresses which require professional cleaning to ensure quality. So, as we add more innovative materials, we're focused on making sure you can wash them at home instead of taking them to a fancy dry cleaner. Something as simple as changing the temperature of your wash can save as much as 500 pounds of carbon dioxide per year⁷, plus low impact garment care methods make our stuff easier and cheaper for you (bye, dry cleaners).

Pack it up

We wanna say bye to plastic in our packaging. Right now our packaging is 100% recycled, but we're still working on a 100% plastic-free solution. One of our biggest challenges will be replacing our polybags, which protect our products while they're on the move. We've tried bio-based plastics and compostable materials, but since composting in the U.S. isn't widely accessible yet, we switched to 100% recycled plastic bags with a biodegradable polymer (BDP) that allows them to break down in landfills. And in 2022, we launched a program to collect our own business waste and use it to create new recycled polybags. We've collected around 37,500 lbs of polybag waste since launch so we can work on closing the loop and cutting waste while we work on getting rid of plastic for good.

⁵ Percent of clean chemical certifications or ZDHC MRSL conformance of Level 2 and higher for dyers, tanneries, and printers is calculated by total fabric yardage for apparel and upper fabric volume for shoes YTD. This excludes all deadstock materials.

⁶ Includes garments that are safe for machine wash cold or hand wash.

⁷ World Wildlife Fund, Green Tips

Climate Positive



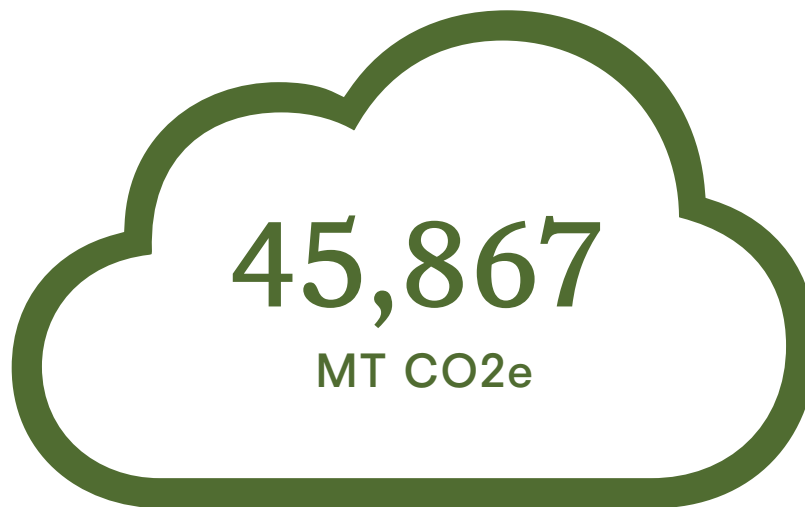
The fashion industry is responsible for somewhere between 4-8% of global carbon emissions and is on track to double that by 2050. It's scary, but it also means that we have the potential to make a change if we work together. That's why we made a commitment to be Climate Positive by 2025. We're defining this as meeting science-based reduction targets and removing more emissions than we produce.⁸ Basically, as we grow, we'll work to cut our emissions by about half across our operations and within our supply chain.

We looked at where most of our emissions come from and identified steps to reduce our footprint in a few key areas: better materials, transportation, energy, and circularity. Check out the detailed [roadmap](#) and our 2023 progress below. There's a lot of work to do here in the next year, but we are confident we'll meet this milestone.

Progress

To know where to start, we calculate our total carbon footprint. Our footprint measures all the emissions associated with our onsite operations and our entire supply chain. It gives us an idea of our impacts and where we have room to improve.

Here's our 2023 footprint:



Total footprint

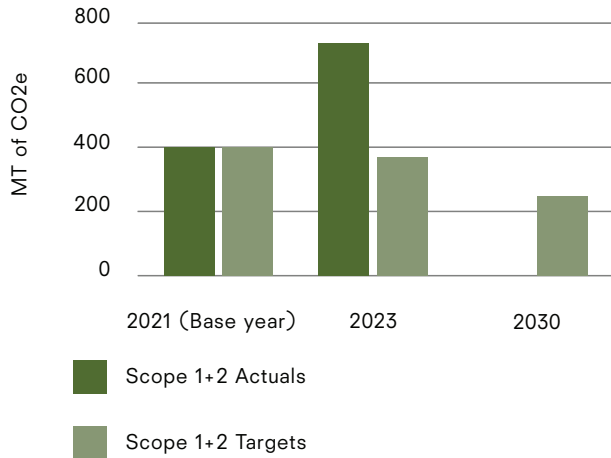
Materials	21,993	48%	Electricity	594	1%
Transport	12,059	26%	Manufacturing	582	1%
Other purchased goods & services	4,415	10%	Waste & end of life	494	1%
Garment care	1,727	4%	Business travel	375	1%
Capital goods	1,724	4%	Fuels	132	<1%
Commuting	762	2%			

⁸ Targets are considered "science-based" if they are in line with the level of decarbonization required to keep the global temperature increase below 1.5°C compared to that of pre-industrial temperatures, as described by the Intergovernmental Panel on Climate Change (IPCC). It's a lot of info, but the good news is our targets are officially confirmed and validated by the [Science Based Target Initiative](#).

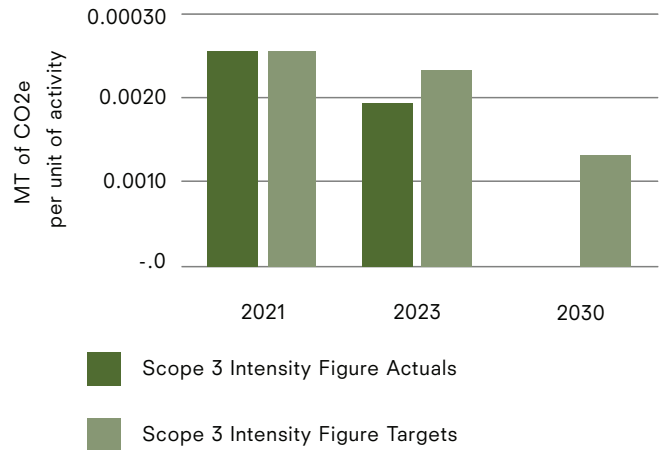
2023 Actuals vs our SBTs:

Our science-based targets are to: Reduce absolute scope 1 and 2 GHG emissions by 42% and scope 3 emissions by 48% per value added by 2030 from a 2021 base year. Reformation also commits to continue annually sourcing 100% renewable electricity through 2030.

Scope 1 & 2

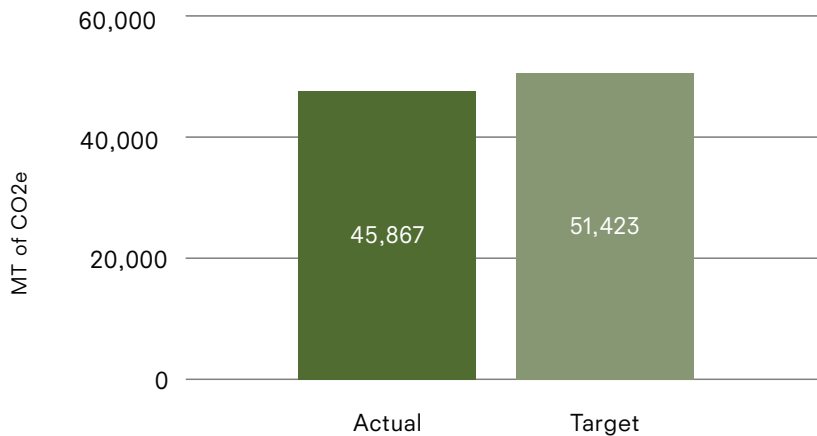


Scope 3



Scope 1 & 2 emissions (basically our direct energy use and what we source from utility providers) represent <2% of our total emissions. Given we already sourced 100% renewable energy in our baseline year and will continue to do so, achieving the absolute reductions for Scope 1 & 2 will be hard, especially as we open 8-10 new stores a year. But we have a new EV shuttle, are focusing on energy efficiency in our facilities, and will be electrifying as much of the infrastructure we can in new stores. So even if we continue to miss the target here, we feel confident we can and will make up for the emission reductions in Scope 3. To be on track with our overall reduction goals we were targeting a 51,423 MT footprint for 2023.

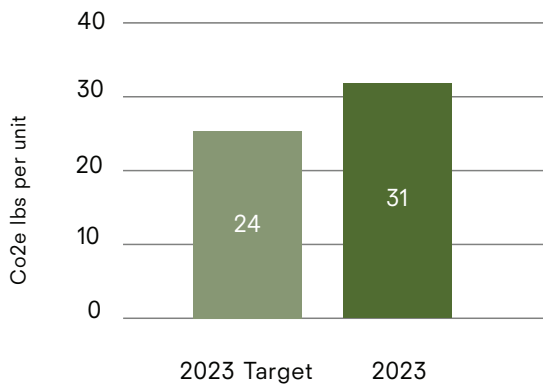
2023 GHG Inventory Results



More sexy math

RefScale tracks our product environmental footprint by adding the estimated pounds of carbon dioxide emitted and gallons of water used. Then we calculate how much Reformation saves compared to conventional clothes bought in the US. The whole equation follows the lifecycle of clothes—everything from growing textile fibers and making fabric, dyeing, transporting materials, manufacturing, packaging, shipping, garment care, and even recycling clothes when you're done with them.⁹ While this doesn't capture all our business emissions, it's another helpful way to look at our footprint. Plus, it helps us track our real-time reduction progress, because we can't practically measure our complete footprint more than once a year. So, here's a summary of the impact of our products in 2023:

Carbon intensity of products



We missed our target this year. This is in part because we improved our RefScale methodology in 2023 resulting in an updated 2021 baseline. This resulted in the 2023 target being lower than it should have been. Our carbon intensity was also higher than planned because of increased production in a few categories, like our cashmere sweaters. But don't worry, we have a plan, which we'll get into in our Better Materials updates below.

EOY 2023 Product Footprint



Carbon dioxide (Metric tons)
Ref footprint: 36,815
Conventional footprint: 117,251
Savings: 80,436



Water (M gallons)
Ref footprint: 7,971
Conventional footprint: 15,525
Savings: 7,554

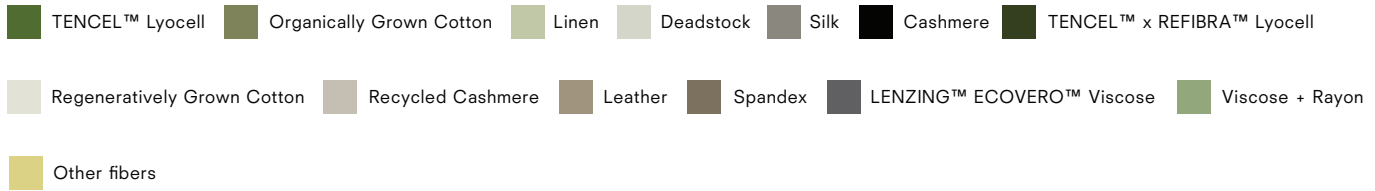


⁹ We publish our [methodology](#) on our website so you can really dig in and understand what we include in the calculations.

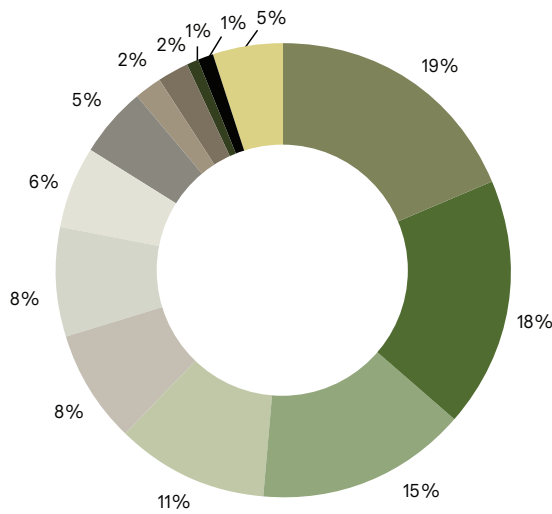
¹⁰ CO2 equivalency comes from the EPA Greenhouse Gas Equivalencies Calculator and Water from the Patagonia Alliance.

Better Materials

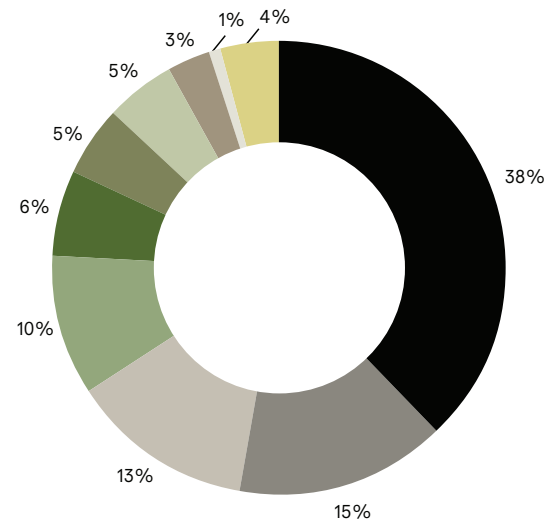
Moving away from higher impact fibers like conventional cashmere, silk, viscose, and leather is a super important part of our Climate Positive Roadmap. Here's how much of each fiber we sourced plus associated emissions from 2023:



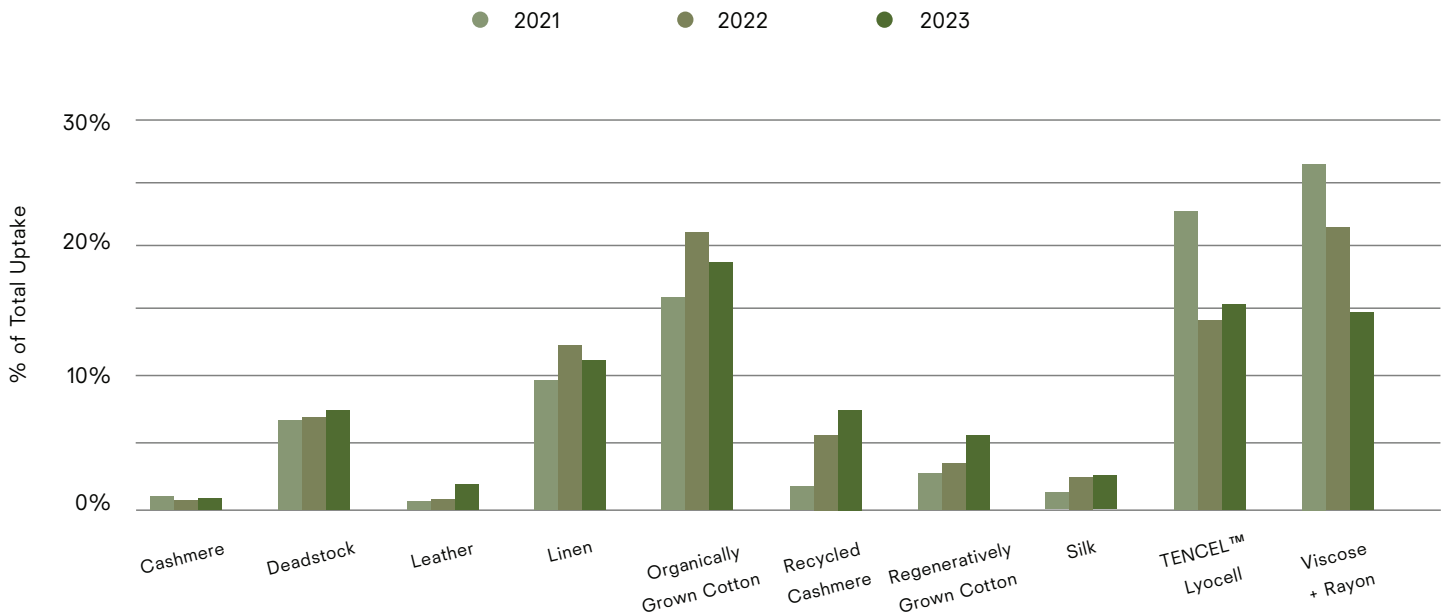
Material sourcing



Carbon emissions by materials



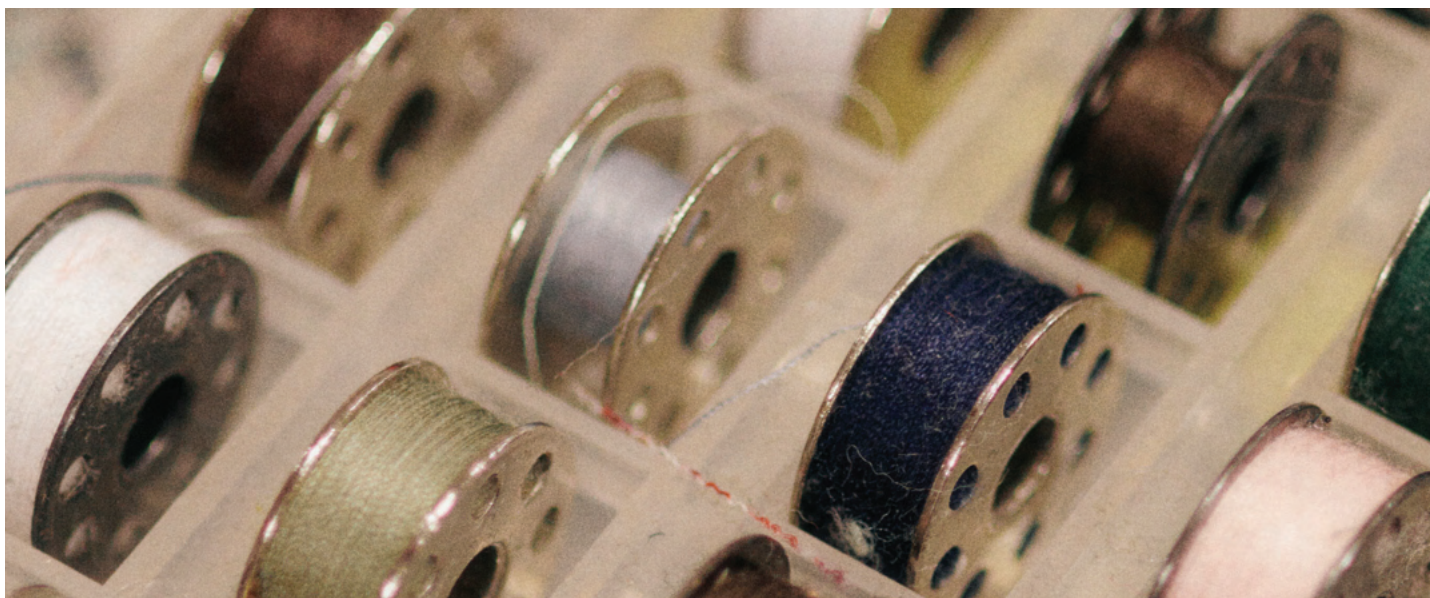
Here is a look at the change over the years:



We made good progress toward sourcing better materials in 2023, especially in scaling deadstock, recycled cashmere, regenerative fibers, and in reducing viscose. We also did a lot of legwork for innovation which we'll get into below. But we still have a ways to go to hit our targets. We haven't been able to scale up our silk alternatives as quickly as we'd like so that part of our footprint hasn't gone down. We also saw an increase in our conventional cashmere sourcing—so while it's only 10% of our 90% recycled blend, it really adds up. But we're more focused than ever on innovating silk and cashmere alternatives in 2024, and super excited to share them with you.

Existing fiber sourcing	New sourcing focus 2023-2030
Cashmere	Recycled cashmere, regenerative wool, recycled cotton, organically grown cotton
Deadstock	Scale with business, ~10% + total sourcing
Linen	Recycled linen, recycled cotton, regenerative linen
Leather	Recycled leather, next-gen leather, regenerative leather, textile alts
Organically grown cotton	Recycled cotton, regeneratively grown cotton, next-gen feedstock lyocell
Recycled Cashmere	Scale to 90% + total cashmere sweater sourcing
Recycled Cotton	Scale to 50% + total cotton sourcing
Regeneratively Grown Cotton	Balance of non-recycled cotton sourcing
Recycled polyester, nylon, other synthetics	Textile-to-textile recycled poly, plant-based alts
Silk	Naia™ Renew, Naia™ Renew ES, next-gen silk alts
TENCEL™	Next-Gen feedstock lyocell
Viscose	Next-Gen feedstock viscose or alts, Naia™ Renew, Naia™ Renew ES

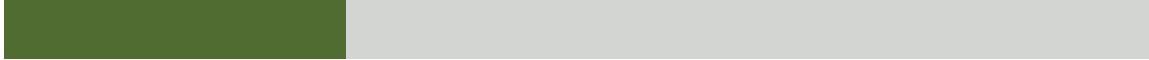
We have our own Ref Fiber Standards that are as holistic as possible, taking into consideration water input, energy input, land use, eco-toxicity, greenhouse gas emissions, human toxicity, availability, and price. We also look at garment care implications, like microfiber shedding. We want 95% of our fabric sourcing for apparel to always meet our top ratings. We are just under our target because we were still really into silk in 2023.



91% of our fabrics meet our A/B ratings¹¹

A - All Stars 32%

Key fibers: Tencel™ Lyocell, Recycled cotton, Regeneratively grown cotton, Deadstock, NAIA™ Renew



B - Better than most 59%

Key fibers: Linen, Organically grown cotton, Better Viscose, TENCEL™ Modal, NAIA™ Acetate



C - Could be better <1%

Key fibers: Econyl® Regenerated Nylon, REPREVE™ Polyester



D - Don't use unless certified 7%

Key fiber: Silk, LWG Certified Leather, RWS Merino Wool



E - Eww, don't use 1%

Key fibers only used in blends: Spandex, Cashmere, Polyester



Ref fiber standards

¹¹Fiber performance is calculated by total fiber volume usage YTD. Leather and deadstock are measured by total material volume usage. Percentages have been rounded up. If Spandex is needed for construction, the percentage per fabric can go up to 15%. For other e-rated fibers, the percentage can go up to 10%. The e-rated fibers that fall under these thresholds are excluded from this KPI.

Not virgin cashmere

Virgin cashmere has a giant carbon footprint. And even though it represents less than 1% of the material we purchase, cashmere accounts for nearly 40% of our footprint due to its high carbon intensity. That's not cozy, so we're doing something about it. We started by introducing our 90% recycled cashmere sweaters in 2022. In 2023, we took it a step further by launching our most sustainable cashmere yarn yet made from recycled cashmere and organically grown cotton—so no virgin cashmere. It saves 96% on CO₂e compared to a conventional cashmere and cotton blend. Cozy without the carbon. We will up the recycled content and grow these new sweater yarns in 2024.

Investing in innovation

We're never not innovating, so we got a head start on two fiber innovations in 2023. Kintra Fibers and Rubi Labs are projects that will help us find the best viscose and polyester alternatives out there while supporting our Climate Positive and Better Materials work. Both projects are still new but already testing fiber and yarns to meet our specific fabric needs. Here's where we're at:

Kintra Fibers has developed a bio-based and biodegradable polyester, estimated to potentially result in a 95% reduction in GHG emissions, a 30% reduction in water usage, and a 20% reduction in energy consumption compared to traditional polyester.¹² Great for us and the wider industry's climate targets, bad for fossil fuel fabrics.

Rubi Labs uses biochemical processes to turn CO₂ from the waste streams of manufacturing facilities into cellulose, which it then uses to make lyocell yarn for textiles, cutting the need for other waste inputs or deforestation. Kind of the best combo we could imagine—carbon capture and a resource-saving viscose alternative.

Born and raised in CA

Since 2022, we have been working with [California Cotton & Climate Coalition](#)—AKA C4—a coalition of like-minded brands, farmers, and researchers that aim to collectively demonstrate the positive impact of regenerative farming practices. The benefits of regenerative farming include better soil health, biodiversity, water retention, and more prosperous farming communities. In 2023, we launched a collection with Climate Beneficial™ cotton directly from the farmers in California's Central Valley. We'll use our learnings from this first launch to continue making great cotton clothes and regenerative farming even more accessible.

¹²The estimate from Kintra is the result of a preliminary cradle-to-gate LCA conducted by a 3rd party, which compared the production of Kintra resin pellets to PET resin pellets.

Happy sheep

We're still making styles made with **NATIVA™** regenerative wool. It helps restore the Earth through holistic farm management that prioritizes soil health, responsible grazing, and cuts chemicals. Our latest collection features wool sourced from transitional regenerative farms in Uruguay. Transitional regenerative basically means the farm raises its sheep ethically—like with more space to graze on native plants—and that it's on its way to producing wool that helps remove CO2 from the atmosphere. Supporting transitional regenerative farms helps us reduce our carbon footprint while also helping grow and scale the regenerative movement. A very warm and cozy win-win.

Silky stats

Right now, there's limited impact data for silk. Since silk represents a small proportion of global fiber use (~0.25%), it is not a top priority for most industry efforts. But it has a disproportionate impact on sourcing for premium and luxury brands. For instance, in 2023 silk was nearly 5% of our fiber uptake and 15% of our estimated fiber CO2e footprint. We want to invest in better data on silk's impact, while we work on material innovations like our Naia™ Renew fabrics. So we organized a coalition of other brands like our friends at Eileen Fisher, who are interested in a better lifecycle assessment of silk. We just kicked it off with the help of Textile Exchange, and while it may take some time to do right, we plan to publish the findings publically this year, in alignment with TE's Impact Data Call to Action and other industry databases, to help everyone make more informed decisions.

Ref x TENCEL™

We've been using TENCEL™ fibers for nearly a decade now, but this past June, we introduced Ref x TENCEL™—a collection of summer staples engineered to help you look hot and stay cool. TENCEL™ fibers are made with wood from renewable, sustainably managed forests. These styles saved on average 79% CO2e and 65% water compared to conventional materials. Oh, and they're all certified compostable and biodegradable.

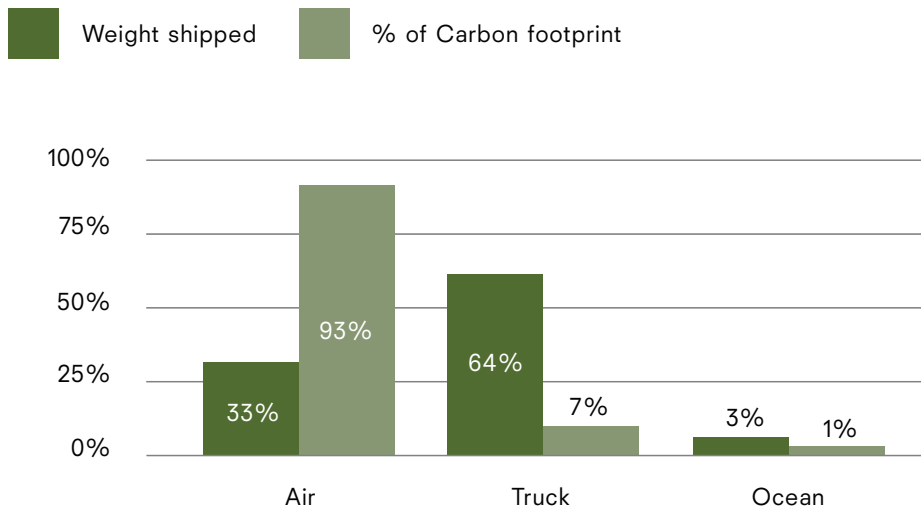


Transportation

Transporting our raw materials and finished goods to our warehouses, retailers, and customers takes a lot of fuel and represents a big chunk (about 26%) of our total emissions in 2023. We need to fly less if we want to hit our carbon reduction targets—air transport is around 20-30x more carbon-intensive than using a cargo ship. At the start of the year, we kicked off a task force of basically everyone at Ref who moves stuff. This task force is working to create innovative solutions to help make these transportation shifts. Like these:

- We built an internal transportation report that captures all the movements that happen before materials and products get to one of our warehouses. We also worked with logistics providers to track the movements from warehouse to customer.
- We onboarded a third-party warehouse in the Netherlands to service our growing European market, and be closer to our customers outside of the US. Faster shipping and less emissions, win win!
- We identified areas of opportunity to boat fabrics we always make, replenishment styles, and planned categories like sweaters and denim.

Transit Mix



We did manage to shift 1% of our stuff from Air to Ocean. We've tested these interventions with some success, but continue to be challenged by our planning calendars since we adjust orders in real time to meet customer demand and cut overproduction. So tradeoffs. We're still really focused on how we can move everything we need to with the lowest possible footprint.

Energy

WTF is an inset + Factory Forward

Most of our total carbon footprint comes from our supply chain. So reaching our Climate Positive goal means influencing real action within our supplier relationships more than anything else. That's why we're inseting, AKA investing in carbon reduction within our own supply chain. We now have Factory Forward, a whole suite of programs to help our suppliers get better at measuring, reporting, and assessing the biggest opportunities for reducing business and environmental costs. And then actually doing it, with solutions like on-site renewables, energy/water efficiency, wastewater treatment, and clean chemistry.

For the last couple of years, we've encouraged our manufacturing partners to use industry tools like the [Higg Facility Environmental Module \(FEM\)](#) to streamline energy and environmental management data to find areas to improve. In 2023, about half of our partners completed the FEM assessments and took the extra step to verify the data.¹⁵ An updated version of the FEM was recently released that will capture really critical factory information around coal and fossil fuel phase-outs, renewable energy initiatives, and wastewater management for 2024 onwards.

We also wrapped our work with South Pole with an aim to provide suppliers with the tools and knowledge to source Energy Attribute Certificates (EACs) (aka investments in renewable energy) with competitive aggregate pricing. We also encouraged them to explore other options like onsite generation and green power trading options.

Here's a recap of what we achieved:

- **2 suppliers** will start sourcing EACs for Reformation's energy share starting in 2024.
- **1 supplier** is already sourcing renewable energy via onsite solar installed this year. It accounts for **30% of the facility's total energy use**.
- **2 suppliers** aren't ready to source right now but we'll keep working with them to see what solutions will make sense in the future.

Up next, we'll focus on rolling out programming with the [Apparel Impact Institute \(AII\)](#) to help us further invest in carbon reduction within our own supply chain. As we've said, carbon is canceled.

¹⁵ In 2023, almost half of our Tier 1 facilities (where fabric is cut and sewn into the clothes we wear) and about one-third of our Tier 2 facilities (where a material is prepared, dyed/printed or processed/finished) completed FEM assessments. We estimated that those facilities handled more than half of our finished garments and yards of fabric, respectively.



Renewable energy for Ref

We already purchase renewable energy credits (RECs) to offset 100% of the energy we use in our factory, offices, and retail facilities. In 2023, we upgraded our company van, which is used for things like moving people and product samples between our headquarters to a 100% electric vehicle. We charge it at our Factory, where we also encourage our employees to make the switch by offering 10 dedicated EV charging spots.

Green stores

Six of our California retail stores and our corporate office are [Green Business Certified](#), which basically means we're operating to improve energy savings, water efficiency, resource stewardship, and reducing CO2 emissions. In 2023, we created our own internal green business checklist modeled after the same framework so we could expand this across our nearly 44 retail stores globally. Our goal is to have 100% of our stores qualify for Green Business Certification. This is where we're at:

63% of stores meet our standards based on green business best practices



For stores that don't meet our standards, we have some clear opportunities to improve. In 2023, we made a list of approved supplies and we'll need to find ways to ensure that we're only sourcing those supplies that meet our standards. We'll also look for creative ways to divert waste when recycling and composting services may not be available in our operating areas.

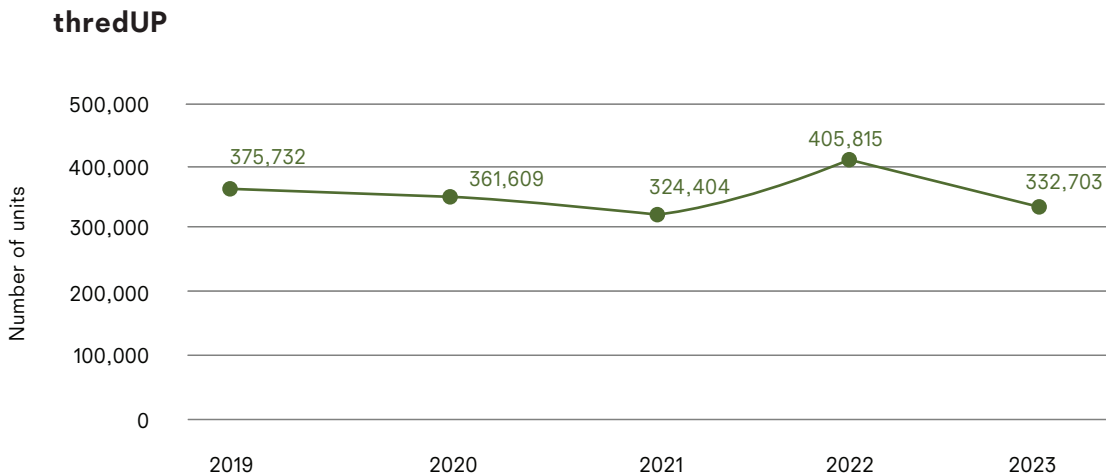
Circularity

We're obviously really into circularity. Since it affects our carbon footprint, we'll talk about it again here. In our Climate Positive Roadmap, we planned to continue recycling our waste from the Reformation factory and growing our resale program. Here how that added up in 2023:

23,668 lb of manufacturing waste from the Ref Factory was recycled in 2023 = 1.07 MT of CO₂e¹⁴

Over 332,703 garments were resold or recycled via our partnership with thredUP in 2023.

The avoided emissions since the launch of our thredUP program = 237 MT of CO₂e.¹⁵ Participation dropped last year as our customers adjusted to thredUP's new consignment model, but we're seeing it pick back up as people learn the new program.



Offsets

We're a Climate Neutral Certified company, which means we partner with [Change Climate](#) each year to measure our carbon emissions and offset 100% of our footprint. It's like a fancy seal of approval. In 2023, we partnered with [BEF](#) on CO₂ reduction projects that support clean energy infrastructure and forest conservation and restoration.

¹⁴ The emission factor for Mixed Recyclables was used from the EPA's 2022 GHG Emission Factors Hub.

¹⁵ Calculations were based on the EPA's Textile Waste Management data.

Social responsibility

None of these big picture, save-the-planet goals happen—or matter—without people.
So here's how we take care of ours.

Supplier practices

Throughout our supply chain, we work with incredible partners who share our values of accountability, transparency, and sustainability. We know we're not perfect, but we always do our best to be transparent and keep pushing for positive change. We require all of our direct cut, sew, and finish manufacturing partners to adhere to our [Code of Conduct](#) (basically our requirements for ethical operations). This ensures fair and safe labor conditions and fundamental labor rights, like the prohibition of child labor or forced labor, and the meeting or exceeding of local legal minimum wage requirements.

Our suppliers participate in independent, third-party social assessments to ensure fair, safe, and healthy working conditions. These assessments are conducted not only to ensure that they're meeting our Code of Conduct but also to identify areas of progress for improvement. All substandard audit findings must be remediated in a timely manner. We know an audit is just a snapshot in time, so we prioritize active continuous improvement, root cause analysis, and development of necessary management systems.

We use a color-coded rating system for our supplier audits and continuous improvement efforts. Our goal is to maintain a "Green" or "Yellow" rating for 95% or more of Tier 1 facilities, and we closed the year at 94%.

Supplier ratings

Green 46%

Yellow 48%

Orange 6%

Red 0%

Authorized for production

Authorized for production

Authorized for production
on a probationary basis

Not authorized for
production

Facility meets standards.

Facility has some
minor/moderate
issues. Corrective
Action Plan required.

Facility has safety, health, or
labor-related violations of our
standards. Corrective Actions
and Preventative Actions
required. Onsite support visit
or follow-up assessment for
eligibility required within 1-4
months.

Facility has one or more Zero
Tolerance Violations and/or has
failed to remediate major
safety, health, or labor-related
violations. Corrective Actions
and Preventative Actions
required. Onsite support visit or
follow-up assessment required.

Our factories

Better Buying™

[Better Buying™](#)'s vision is that buyers and suppliers work together with responsible purchasing practices to achieve shared goals of profitability and social and environmental sustainability. We've used Better Buying™'s purchasing practices surveys since 2019 so we can get feedback, learn, and take action as a business. So far, we've incorporated feedback about things like lead times, raw material sourcing, product design, product development timelines, sampling and testing, on-time delivery, and a lot more.

Fair wages

We're always working to ensure fair and competitive wages for our team, based on the market and guidance from reputable partners. Beginning in 2022, we started working with [Living Wage for US](#) to support our pay strategy. Since then, we have increased our employee hourly rates to meet the most recent Tier 1 pay rates making us a Living Wage for US Employer. We are committed to increasing total compensation aligned with living wage guidelines.

Base pay isn't all that matters, so we believe in a comprehensive total rewards strategy, and assess the best benefits for our teams. In 2024, in response to the Living Wage for US assessment, we added company paid Short Term Disability insurance for our part-time employees. We also added an affordable, high-deductible health care plan, lowered our family contribution rates for health insurance, and introduced a new fertility and reproductive care benefit.



Traceability

Traceability is about knowing exactly where our stuff comes from. We want to be able to answer “who made our clothes” at every level of the supply chain.

Our goal is to maintain 100% traceability into our Tier 1 & 2 suppliers¹⁶

Tier 1	Tier 2	Tier 3	Tier 4
100%	100%	82%	5%
Finished goods assemblers & subcontractors	Dyers & printers; finishers, weavers, knitters	Fibers, spinners, recycled material collector/processor	Raw material (farm, forest, ranch)

We’ve also gotten deeper with our supply chain partners and suppliers—which means we’re asking more questions and learning so much about who is doing what at each step in the process, including all the way at Tier 4. Part of this includes a sharper focus on farm forward programs (like NATIVA™, C4, FibreTrace) so that we can support sustainability from the ground up—literally. By connecting directly with the farmers who grow the fibers we use in our clothes, we get to learn how we can support more sustainable farming practices and help make them the norm.

Here’s where we made our stuff:

China	USA	Mexico	Turkey	Brazil	Pakistan	Bulgaria	Indonesia	Portugal
52%	24%	10%	7%	4%	1%	1%	<1%	<1%

*Based on % volume

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

¹⁶ Traceability is calculated by total fabric yardage for apparel and by upper fabric volume for shoes YTD. This excludes all deadstock materials.

Diversity, equity, inclusion & belonging

We celebrate, honor, and acknowledge diversity through education and programming and make sure it resonates by getting to know our whole Reformation team.

Our 2023 annual company engagement survey showed a lot of progress related to diversity, equity, inclusion, and belonging (DEIB):

1. Diversity & Inclusion stats improved from our 2022 survey and was the third highest scoring category out of 21 categories. #1 was “Contribution to a Broader Purpose,” because we’re all about mission, and #2 was “Management,” because our managers are great.
2. 85% of Refs feel that they can be their authentic self at work—our 3rd highest scoring question out of 68 total questions. And 83% feel that they are respected at work.

Last year we also upgraded our education and training resources through our learning platform, Reach, in partnership with [Paradigm](#). During our company wide All Hands meetings, we introduced micro-trainings and team discussions and we encouraged departments to use similar materials in their team meetings for more focused conversations. Our most popular trainings included:

- Inclusion at Work
- Managing Unconscious Bias and Inclusive Hiring
- Inclusive Performance Management
- Destigmatizing Mental Health
- Inclusive Terminology with the Hispanic, Latino, and Latin Community
- Cross-Cultural Communication

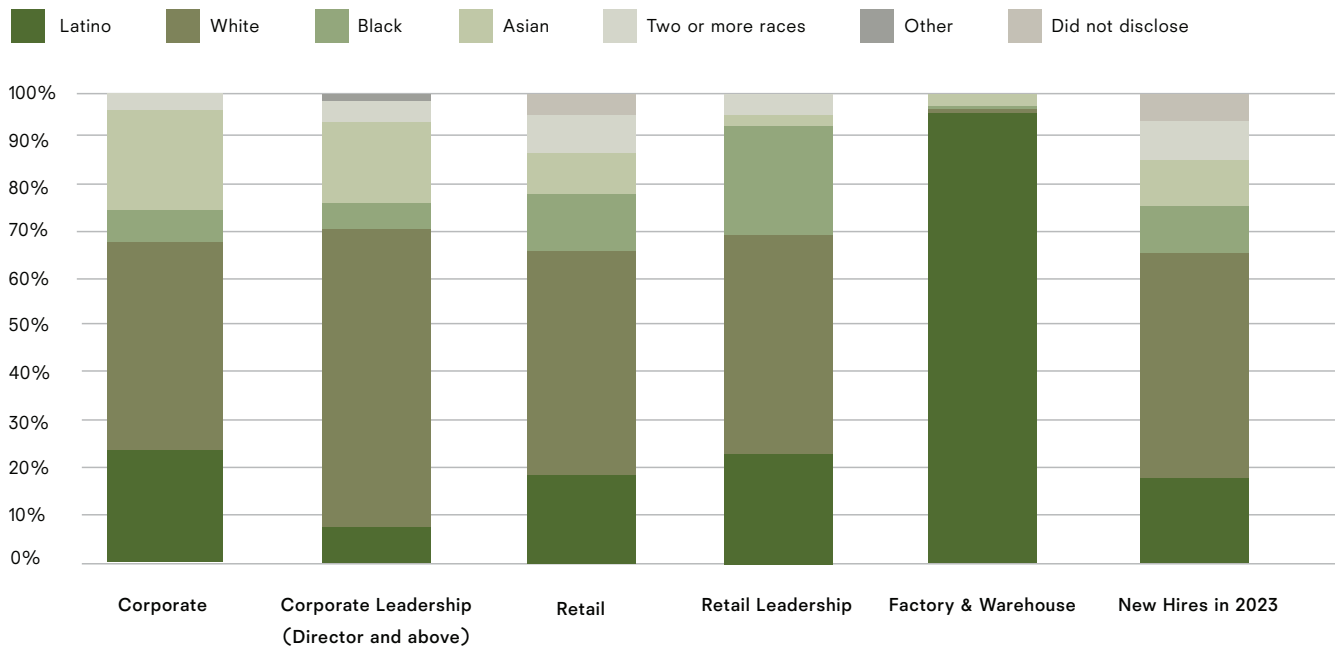
In 2023 our DEIB Maturity ranking increased from “Leading” in 2022 to “Innovating” in 2023. This rating is based on stuff like:

- Tracking Equal Employment Opportunity (EEO) demographics PLUS trans and caregiver status for candidates
- Including DEIB in Onboarding
- Reviewing external marketing through a DEIB lens
- Sustained relationships with non-profits to build our talent pool

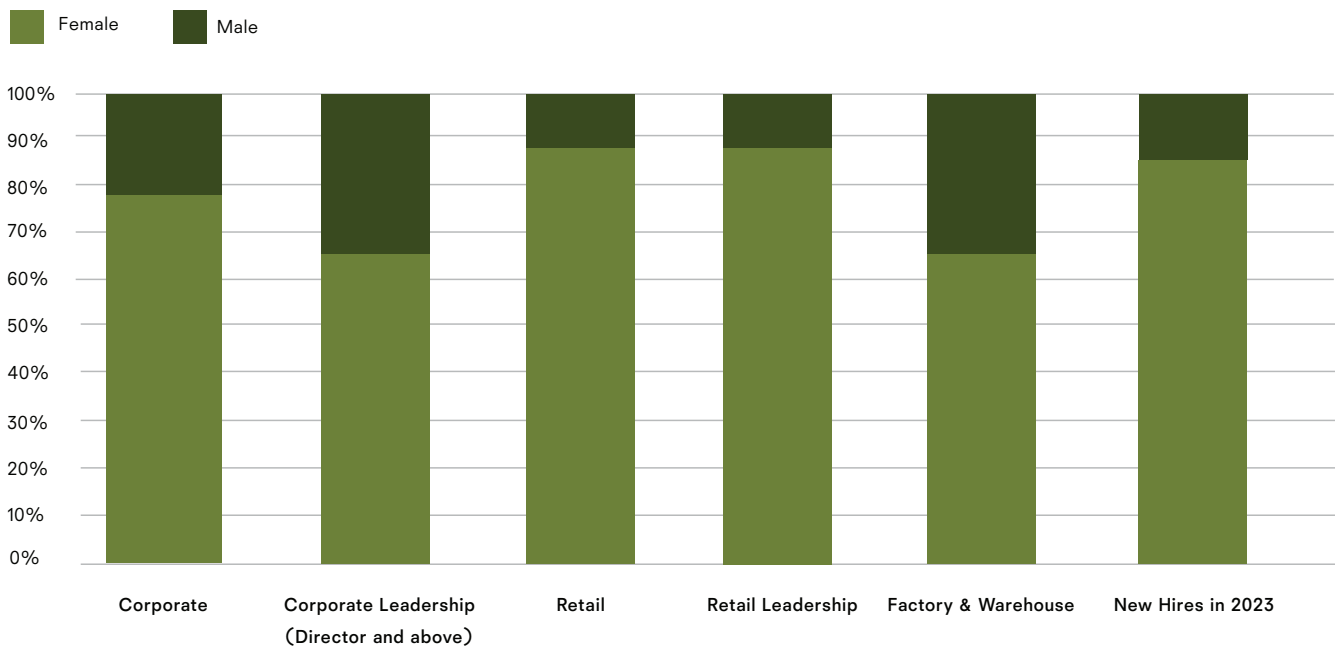
But it’s not just about ratings. We’re really proud to have diverse representation across our team, with 63% of our U.S. employees from an underrepresented ethnic or minority group and 77% who identify as female.

Here's our 2023 end of year snapshot of team demographics:

Race



Sex



Board

BIPOC 2/6



Female 5/6



*Values rounded to nearest whole number; US employees only based on EEO categories and voluntary/self-identified data.

Community engagement & impact

Knowledge is power

We want Reformation to be a destination for our customers to learn about sustainable fashion and connect with real, applicable solutions. Last year, we gave the sustainability stuff on our website a much-needed refresh so that it's easier to navigate and digest. [Hope you like it.](#)

Better together

We want to be a leader and create a community around the sustainable fashion movement, so we are involved with the Textile Exchange, Fashion for Good, Cascale (formally the Sustainable Apparel Coalition), the UN Fashion Charter, and other initiatives. We act as industry cheerleaders, friends, provocateurs, leaders, and generally just another force pushing for better things, as an industry.

Our leadership was recognized in a few fancy awards in 2023, which felt good. Like the Biodiversity and Water Award for CNMI Sustainable Fashion Awards 2023 organized by Camera Nazionale della Moda Italiana in collaboration with the United Nations' Ethical Fashion Initiative (EFI), Best Carbon Footprint Initiative at the Drapers Sustainable Fashion Awards, and a top score (#4 of the retailers rated) in Remake's Fashion Accountability Report.

We've got the power

In 2023 we used our platform to advocate for really important and relevant campaigns and for effective regulation, like the [Fashion Act](#). If passed, the bill would hold fashion brands doing business in New York accountable for impacts on both people and the planet. We're into this because it's an important signal of what consumers want from the industry and gives us a chance for us to raise everyone's standards.

We believe the future of fashion is circular, and we must come together across the industry to drive scalable, systemic change. In 2023 we joined the [American Circular Textiles \(ACT\)](#) policy group, which was founded to promote policies that support efforts to establish a more sustainable and responsible fashion system. They published a position paper for lawmakers about scaling the circular economy and are hyper-focused on other US-based regulations that can take this work to the next level. We're inspired by ACT and other collective actions that will hopefully prove that effective public policy, responsible business, and consumer engagement can solve some of the biggest problems with the wastefulness of the fashion industry. Also makes our Circularity work feel a lot more exciting.

Textiles are the fifth most common material and the fastest growing category in residential and commercial waste streams in California. Textile and clothing manufacturers over-produce hard to manage materials that can absorb, tangle, and combust if mixed into the plastic recycling system. Gross. The financial burden for managing unusable textiles has fallen on thrifts, collectors, and secondhand markets, while producers keep making products with no plan for what to do with them when they are no longer wearable. That's why Ref signed a letter of support for [SB 707](#), which would require producers to take responsibility for the full lifecycle of their products.

Giving back

On Earth Day, we launched Climate Tees to help raise awareness and funds for climate action. Turns out you really liked them. We donated 50% of the proceeds—a total of \$35,550—from all the tees sold online and in-store to our friends at [Accelerating Circularity](#). They're a nonprofit that catalyzes new circular supply chains and business models to turn spent textiles into mainstream raw materials. Super worthy cause. And, 50% of the proceeds from every tee sold in our retail stores to local environmental non-profits of the store teams' choice.

We also encourage our teams to take paid volunteer time off at least once a quarter. This year, our Community Action Committee created a volunteer database to make it even easier for Refs to get connected to causes that matter most to them. We organized company-wide events like cleanups and composting workshops and worked with food banks and homeless shelters to build care kits and pack lunches. In the month of December, Ref also matched employee donations to community organizations supporting those in need during the holidays.

Total 2023 VTO Hours: 1301.17

Total 2023 Volunteers: 292

**% of team who used the VTO
benefit: 30%**

Always learning

It's important to us that all Ref team members and our community understand why we do what we do. We offer a Sustainability at Ref training series as well as department-specific Sustainability Scorecard workshops so that team members from across the company can understand our mission better, and most importantly, how their work can support us in meeting our goals. For a more global context, we partner with [The Wardrobe Crisis](#) to offer a Sustainable Fashion 101 training course available to all Refs. The course demystifies the science and the complexity of really important issues like climate change and social justice. The [course is open and available](#) to everyone, so you can join too.

Last year, we also launched our first Retail Sustainability Champion program, a 16-week course that provides a foundation of sustainability knowledge for our retail employees. We completed the first cohort of participants in September and will use their feedback to mix things up. And our Sustainability team started hosting monthly lunch & learns for any Ref interested in connecting on sustainability. Some of the best ideas at Ref come directly from our store teams, so we're really excited to continue to learn and grow together.

A close-up photograph of several green leaves, likely from a plant like a corn or similar, showing their veins and overlapping structure. The leaves are in various shades of green, from dark to light, and are set against a dark background.

Geek out
on more
details

Sustainability Development Goals alignment



The fashion industry has a major impact on the global economy and the environment. That's why we aligned our [sustainability framework](#) with the [United Nations Sustainable Development Goals \(SDGs\)](#) to make sure we're tackling the most important issues like climate change and economic inequality.

The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.

Sustainability Accounting Standards Board (SASB) disclosures

Code	Accounting Metric	Category	Unit of Measure	Reformation's Response
Management of Chemicals in Products				
CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	N/A	Please refer to our Commitments page (MRSL and RSL section) and our Sustainability at Ref page (Made Smarter section).
CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	N/A	Please refer to our Commitments page and our Sustainable Partners Guidebook (pages 21-24).
Environmental Impacts in the Supply				
CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	Percentage (%)	All sites must ensure that they comply with and possess up-to-date certifications, permits, licensing, and/or registrations pertaining to all local and national environmental laws. (1) All Tier 1 suppliers must be audited on an annual basis to maintain authorization for production with Reformation. This assessment process includes a review of all the required permits and respective compliance for the facility. (2) We expanded our supplier assessment requirements into Tier 2 in 2023, starting with our strategic suppliers. Suppliers are also expected to expand their EMS to move beyond compliance and begin identifying and tracking all significant environmental impacts and develop a long-term strategy aimed at minimizing those impacts. Reformation recommends the use of the Higg Facility Tools to support this work. For additional information, please refer to our Sustainable Partners Guidebook .

Continued →

Code	Accounting Metric	Category	Unit of Measure	Reformation's Response
CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	<ol style="list-style-type: none"> Approximately 58% of our annual production was completed by Tier 1 facilities that completed the FEM in 2023. Approximately 71% of our materials were sourced from Tier 2 facilities that completed the FEM in 2023. <p>*Please note that Tier 1 business volume was calculated using the number of units produced and Tier 2 business volume was calculated based on the annual material volume produced by each facility on behalf of Reformation and divided by the total volume sourced in that year.</p>

Labor Conditions in the Supply Chain

CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	<ol style="list-style-type: none"> 100% of Tier 1 suppliers were audited in 2023. 15% of Tier 2 suppliers were audited in 2023. 100% of audits are conducted by third-party auditors.
CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	<p>The Priority Non-Conformance Rate (PNCr) and Corrective Action Plan rate (CAP) are critical metrics that we monitor in our supplier Workplace Code of Conduct audits. We use a color-coded system to indicate compliance status and assign severity ratings to non-conformities. Remediation of priority and zero-tolerance non-conformities should be completed within 30 days, unless otherwise agreed upon.</p> <p>For additional information, please refer to our Sustainable Partners Guidebook subsections: Assessment Rating/Matrix and Remediation and Continuous Improvement, (pages 15-20).</p>
CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	N/A	<ol style="list-style-type: none"> Greatest Labor risks: wages and benefits, grievance mechanisms, and working hours. Greatest Environmental, Health, and Safety risks: exits, chemical management, and PPE.

Raw Materials Sourcing

CG-AA-440a.1	Description of environmental and social risks associated with sourcing priority raw materials	Discussion and Analysis	N/A	Please refer to our Fiber Standards and our methodology .																				
CG-AA-440a.2	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	Quantitative	Percentage (%) by weight	<table border="1"> <thead> <tr> <th>Certification</th> <th>% of total uptake</th> </tr> </thead> <tbody> <tr> <td>FSC</td> <td>37%</td> </tr> <tr> <td>GOTS</td> <td>15%</td> </tr> <tr> <td>OCS</td> <td>12%</td> </tr> <tr> <td>GRS</td> <td>16%</td> </tr> <tr> <td>RCS</td> <td>4%</td> </tr> <tr> <td>RWS</td> <td>1%</td> </tr> <tr> <td>OEKO-TEX® Standard 100</td> <td>32%</td> </tr> <tr> <td>STeP by OEKO-TEX®</td> <td>10%</td> </tr> <tr> <td>Bluesign</td> <td>32%</td> </tr> </tbody> </table>	Certification	% of total uptake	FSC	37%	GOTS	15%	OCS	12%	GRS	16%	RCS	4%	RWS	1%	OEKO-TEX® Standard 100	32%	STeP by OEKO-TEX®	10%	Bluesign	32%
Certification	% of total uptake																							
FSC	37%																							
GOTS	15%																							
OCS	12%																							
GRS	16%																							
RCS	4%																							
RWS	1%																							
OEKO-TEX® Standard 100	32%																							
STeP by OEKO-TEX®	10%																							
Bluesign	32%																							

CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	N/A	<ol style="list-style-type: none"> Tier 1: 48 facilities in 2023 Tier 2: 97 facilities in 2023 <p>For additional information please refer to our Factories page.</p>
-------------	--	--------------	-----	--

Corporate Fibers and Materials Benchmark (CFMB) disclosure

The [Material Change Index \(MCI\)](#) is a key component of Textile Exchange's Corporate Fiber & Materials Benchmark (CFMB) program and is the largest peer-to-peer comparison initiative in the textile industry built on voluntary company disclosure. Here at Ref we have completed this questionnaire since 2019 and would like to share our most recent MCI Progress card for the calendar year of 2023.

[2023 Progress card](#)

Cascale (formally the Sustainable Apparel Coalition) Brand and Retail Module (BRM) disclosure

As a member of Cascale, we complete the Higg BRM on an annual basis. We complete the BRM to contribute to the standardization of sustainability reporting in the apparel, textile & footwear industry. In 2023, we completed our self-assessment for the calendar year 2022.

Circulytics disclosure

In the transition from linear to circular, measuring progress is key. We are pleased to have received our first circularity score with the help of Circulytics, which highlighted strengths and areas for improvement. The Ellen MacArthur Foundation has decided to discontinue the Circulytics assessment to focus on integrating circularity metrics across a variety of other sustainability reporting frameworks instead. Going forward, we will continue to track our circularity progress by reporting on the key performance indicators outlined in [our circularity roadmap](#).

Offsets disclosure

Project Name	#of credits purchased	Vintage Year		Project Type	Verifier*	Verification ID	Project Location	
Ningxia Xiangshan Wind Farm	10,822	2021		Renewable Energy	VCS	1,867	China	
Gansu 3 Wind Farm	1,127	2020		Renewable Energy	VCS	728	China	
Columbia River Forest	2,000	2020-22		Forestry	ACR	616	USA	
Gansu Province Wind Project	14,394	293	2020	2019	Renewable Energy	VCS	717	China
Re-Refining of Used Transformer Oil	16,683	2020		Industrial	ACR	382	USA	

*VCS = Verified Carbon Standard, CAR = Climate Action Reserve

2023 GHG Inventory verification and RefScale tool verification

- [2023 GHG Inventory verification letter](#)
- [RefScale Tool verification letter](#)

Okay,
that's all
for now