

A message from Jerry Stritzke, REI President and CEO

Since 23 mountaineering friends founded the co-op, REI has always been about the joy of a life lived outside. Our co-op model allows us to support that passion and to think “beyond profit.” The co-op is passed from one generation of stewards to the next. Each generation is connected by a deep love of being in places full of life and wonder. That’s what it means to steward the oldest and largest outdoor co-op. We are working across generations for the outdoors because it helps us live our lives to the fullest.

Stewardship is how we think about the long-term health of the outdoors. It is closely linked with how many companies address sustainability. It demands constant progress because it means nurturing that which existed before us and striving to leave it better, long after we are gone.

But surprisingly, not all REI members know that each year, to invest in the outdoors, we share nearly three-quarters of our profits with the outdoor community. To make the link between the health of REI and the health of the outdoors clearer, we have brought forward our Stewardship Report publication date to coincide with sharing our financial results, showing that your support helps us to steward the outdoors.

When REI is doing well, we can do more for the outdoor community. As REI grows profitably, we can invest more in our people, in our members and in our nonprofit partners. So we are happy to share that 2015 was a good year for the co-op.

This March we are sharing record dividends. Our 6 million members will receive more than \$185 million through dividends in the mail, compared with \$165 million last year! More than 12,000 REI employees will receive \$70 million through REI’s retirement and incentive program and we estimate conservatively that we will invest more than \$8 million in hundreds of nonprofits who steward the outdoors daily.

We can only do that thanks to the dedication of our employees and the loyalty of our members. We share a passion for the outdoors that started more than 77 years ago. Our founders believed that life is better outdoors. Breathing fresh air, exploring, teaching one another new skills in the majestic landscape of the Pacific Northwest and beyond. They understood their responsibility to the outdoors and the community that depends on it. We follow in their tracks.

Stewardship is a mindset that helps us to imagine the positive, lasting impact we can have together. It helps us to think past the short-term and the easy path – to look to the future and to think about our legacy. That is why, starting this May for the annual REI member meeting and continuing during the year, I am inviting you – our members – to participate in a conversation about our long-term stewardship dreams that we have started with the Board and REI’s 12,000 employees.

We are inviting you to share ideas that could have a positive impact on the outdoors 100 years from now. Why? This year is the centennial of the National Parks Service, imagined by people who believed in the life-transforming impact of being in nature. As we celebrate that achievement, we believe it’s the perfect moment to dream about what’s next.

We plan to think big. What could new models for funding trails nationally unlock? Or new ways of inspiring the next generation to explore the outdoors? Or new ways to create and share gear? Or our membership base engaging in the topics that matter most (consider the power and impact of #OptOutside)?

These are tough questions. So while I hope you appreciate looking backwards at the great progress the co-op made against the four pillars of our stewardship strategy in 2015, please consider joining the leaders and employees of REI by looking forward with us in May. What could the co-op and its members do to steward the outdoors for the generations that will be pursuing a life outdoors in 100 years, when we are all long-gone?

See you outside,

Jerry