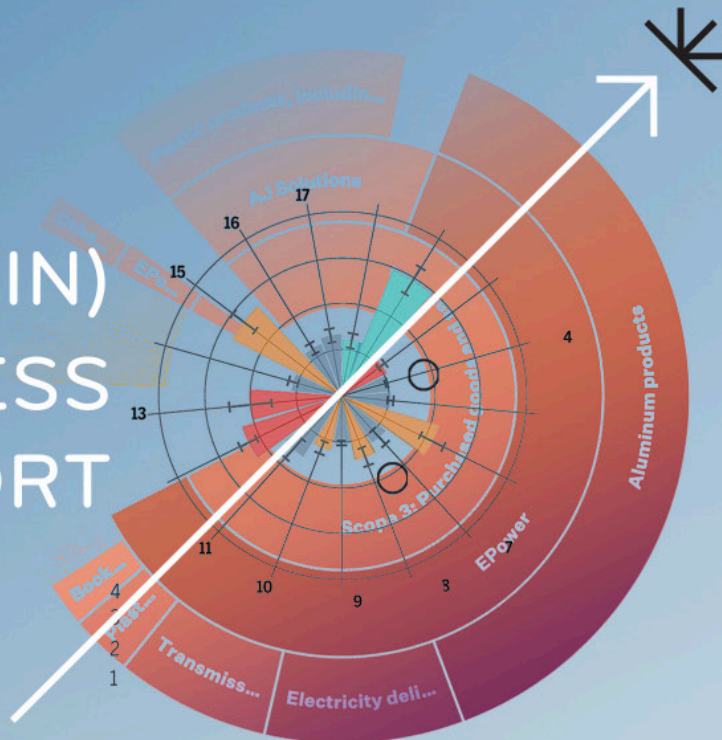
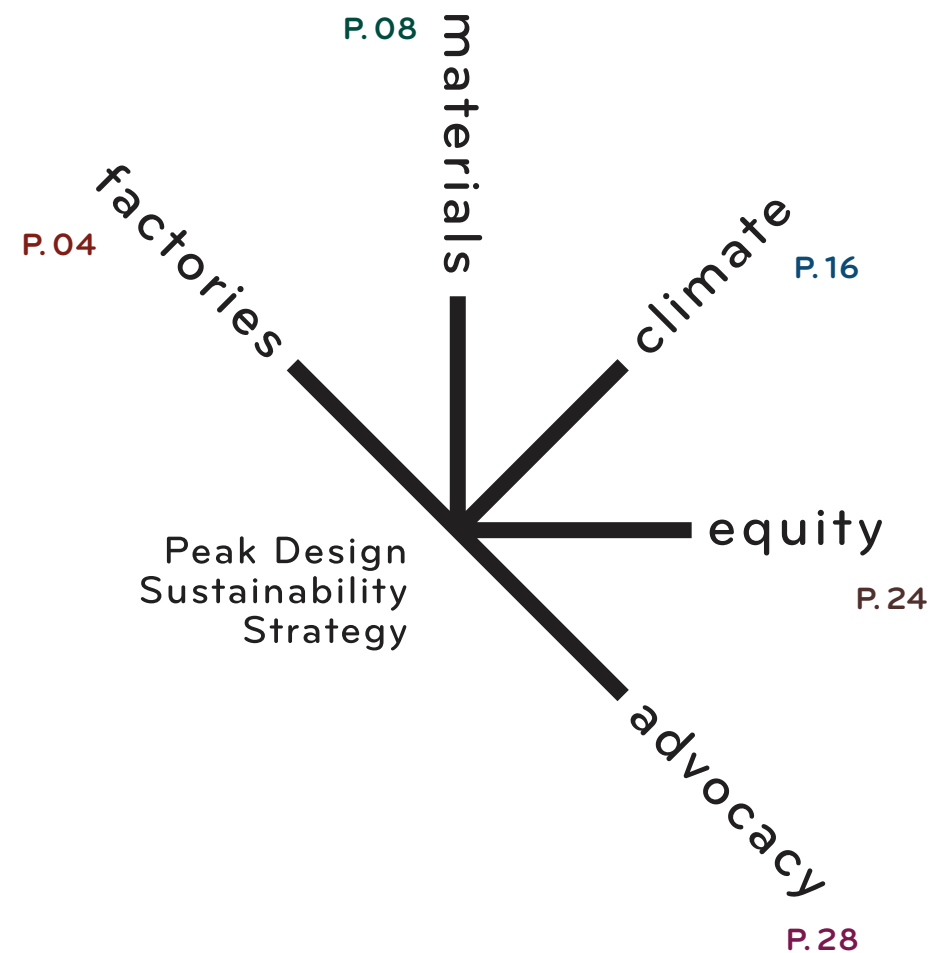


(IN) PROGRESS REPORT



SUSTAINABILITY AT PEAK DESIGN IN 2022



A Note on Progress

Peak Design began its sustainability journey about seven years ago. Back then, far fewer companies were engaged in sustainability and clear playbooks for small and medium-sized businesses were hard to come by. We sought not only to be a more responsible business, but also to provide a playbook for similarly sized brands beginning their own journeys.

Today, addressing your environmental and social impact as a business is almost table stakes in some industries. I hope that becomes the case for all industries. I also hope it encourages brands to think innovatively about what more they could do. We now have a good sense of what it takes to run a "responsible" business and are engaged in making that happen. I'm excited to see how brands move beyond and use their voices and platforms to inspire larger-scale change.

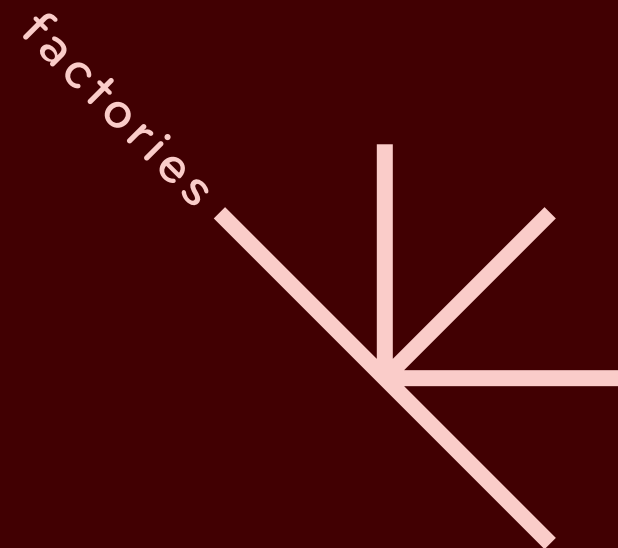
If there is one guiding principle to our environmental and social work at Peak, it's progress over perfection. We have made mistakes and undoubtedly will make more. We learn, move forward, and are transparent so that others can learn from our mistakes. We strive to address root causes instead

of applying greenwashed band-aids to symptoms. We aim for replicability and scalability, and support other brands "cutting and pasting" our work in lieu of reinventing wheels. We champion pragmatism and embrace the saying, "No margin, no mission." To continue doing good, we need to run a profitable business and that can sometimes mean unsavory tradeoffs or slow transitions. But the work, indeed, goes on.

Honing our sustainability strategy has been a multi-year process and has led us to categorize our work under 5 pillars: **Factories, Materials, Climate, Equity, and Advocacy**. This (In)Progress Report is organized into those pillars, sharing some work we've completed and some work we aim to accomplish in the coming year. As always, we encourage anyone to copy and paste anything you wish and make it your own.

Annie Nyborg
Head of Environmental
and Social Impact
—
Peak Design





WE HELP OUR
FACTORIES RUN
CLEAN AND TREAT
WORKERS WELL.

KEY PARTNERS
Arche Advisors
Eurofins
Fair Trade Certified



TLDR; Peak Design's supply chain is made up of hundreds of factories and thousands of workers, making it one of the challenging and consequential pieces of our company's environmental and social impact.

→ We require our Tier 1 factories to meet our Code of Conduct and Environmental Compliance Benchmarks but we had not communicated these standards directly with factories further up our supply chain. In 2022, we identified our top twenty Tier 1 & 2 suppliers and requested they either begin meeting or continue to meet our social and environmental standards. We are not the largest client for most suppliers which means we have little compliance leverage but we hope that these ongoing conversations, echoed by other brands who share these facilities, will encourage adoption.

FAIR TRADE CERTIFIED

Fair Trade Certified, factories must meet high social and environmental standards and are audited annually to ensure compliance. Additionally, Peak Design pays a premium on all product manufactured at the factory.



SOCIAL & ENVIRONMENTAL AUDITS

During the pandemic, we were either unable to conduct our annual social and environmental audits or felt they would cause unnecessary strain on our factory partners. This year we resumed audits for our two primary Tier 1 factories.

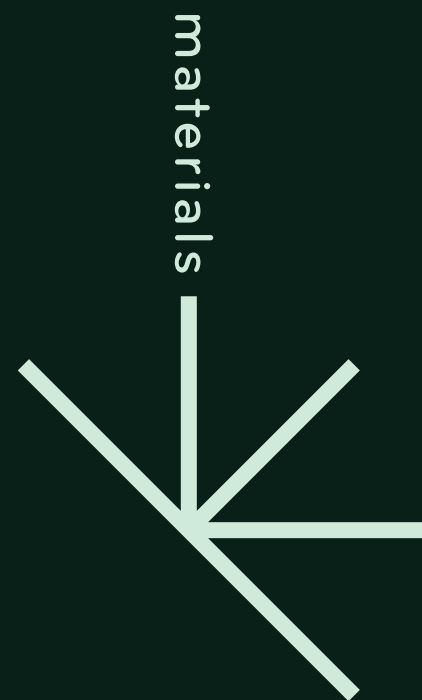
Our Vietnam factory scored well on both environmental and social audits. Our China factory currently does not meet our environmental and social standards per our audit findings. In addition to hardships endured due to the pandemic, our Chinese manufacturing partner also recently moved to a new facility which we suspect has contributed to the poor audit performance. We'll be supporting and working closely with them on their corrective action plan and conducting a follow-up audit in Q2 2023.

FAIR TRADE

Our primary soft goods factory, Vung Tau in Vietnam, completed its first full year as a Fair Trade Certified Factory. To be Fair Trade Certified, factories must meet high social and environmental standards and are audited annually to ensure compliance. Additionally, Peak Design pays a premium on all product manufactured at the factory. The money is deposited directly into an account that is managed by the workers who then vote on how the money is spent.

In 2022, we paid our Vung Tau workers an additional \$177,500 which they opted to divide equally among themselves.

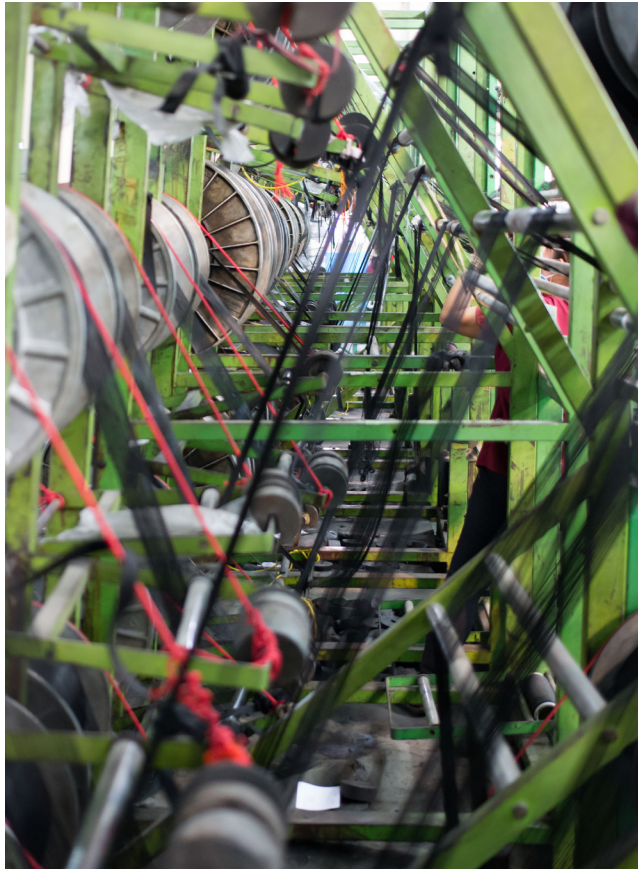




WE USE MATERIALS
THAT ARE BETTER
FOR PEOPLE AND
THE PLANET.

KEY PARTNERS

Bluesign
REI RSL
e.dye
Repreve
Leather Working Group
Returns Management Inc
Recurate
FSC Certified
Micro-Pak



TLDR; Material selection poses one of the greatest challenges and opportunities with regard to our environmental impact as a business. The use of chemicals and water, carbon emissions, worker wellbeing, ethical treatment of animals, and the life cycle and disposal of the product must all be considered. These factors are complex to weigh and prioritize, and require continuous assessment of benefits and drawbacks.

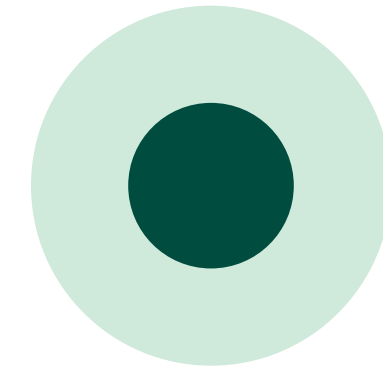
Trade-offs are often inevitable but we aim to make products of the highest quality while maintaining the highest levels of environmental responsibility possible. We prioritize and continue to transition expeditiously to materials that are:

- Recycled
- Bluesign Certified
- Solution-dyed
- FSC Certified
- CO coated or non-DWR coated

Sustainable Material Usage By the Numbers

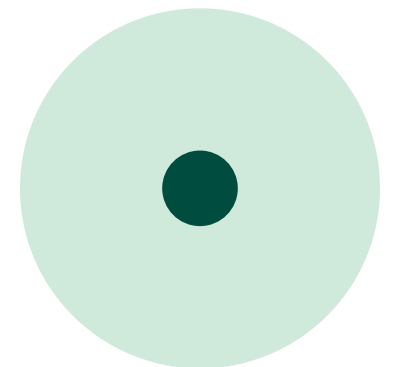
WHY NON-DWR?

Durable Water Repellent (DWR) is a fluorocarbon-based textile treatment that is extraordinarily durable and highly effective for preventing surface saturation. Unfortunately, its by-products are toxic and persist in the environment, a combination that makes it unacceptable despite its excellent performance. (This is taken from [a really good blog post from Patagonia](#). Thanks friends!)



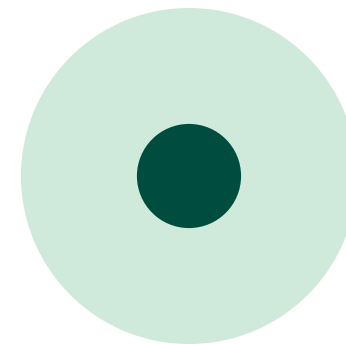
46%

Our use of **non-DWR textiles** in relation to our total DWR-able textile consumption



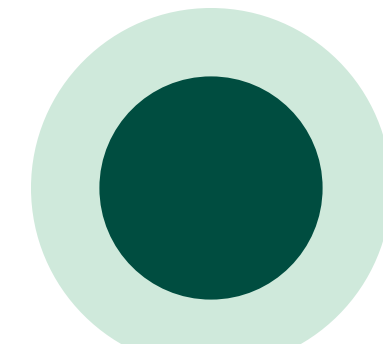
21%

Our use of **recycled polyester and nylon** in relation to our total textile consumption



31%

Our use of **solution-dyed textiles** in relation to our total consumption per material type



62%

Our use of **Bluesign-approved textiles** in relation to total textile consumption

WHAT IS BLUESIGN?

It certifies that textile products are safe for the environment, workers, and customers. The Bluesign certification applies to chemicals, processes, materials, and products. It helps manufacturers properly manage chemicals and replace harmful substances with safer alternatives.

bluesign®

ALUMINUM

Our transition to recycled aluminum has been a multi-year challenge. Virgin aluminum is responsible for approximately 40% (11,500 tCO2e in 2021) of Peak Design’s total carbon footprint annually. Using recycled aluminum would slash those emissions by over 95%.

To our surprise, sourcing recycled aluminum in China of the quality needed to manufacture our products has been exceedingly difficult. After years of searching, at the end of 2021, we identified a supplier and began the transition of our bag hardware and Capture Clips. In April 2023, we’ll begin the transition of our aluminum tripods legs, center column, cam collars, and cam levers. All future products will be made primarily of recycled aluminum.

PACKAGING

While improving packaging may seem like a relatively low lift, the devil, as always, is in the details. Ensuring our products are damage- and mold-free throughout the storing and shipping process, consumer disposal behavior, inadequate waste system infrastructure, cost, environmental impact tradeoffs, and shelf-life all play an important role in our packaging decisions.

To the greatest extent possible, we aim to minimize packaging, make it easily recyclable, and use FSC-Certified materials.

WHAT IS FSC-CERTIFIED?

FSC certification ensures that products come from responsibly managed forests that provide environmental, social and economic benefits



More specifically, our goal over the next year for our hardgoods is to improve our existing packaging by removing magnets and twist ties, transitioning to FSC-certified paper and water based lamination, and using paper pulp trays.

For our softgoods, moving away from poly bags is a difficult but important goal. While alternatives exist, we are struggling to find something that protects our products from mold, is accepted by all of our sales and shipping partners, and is not cost prohibitive. We are seeing exciting innovation in packaging and will prioritize identifying a feasible option in 2023.

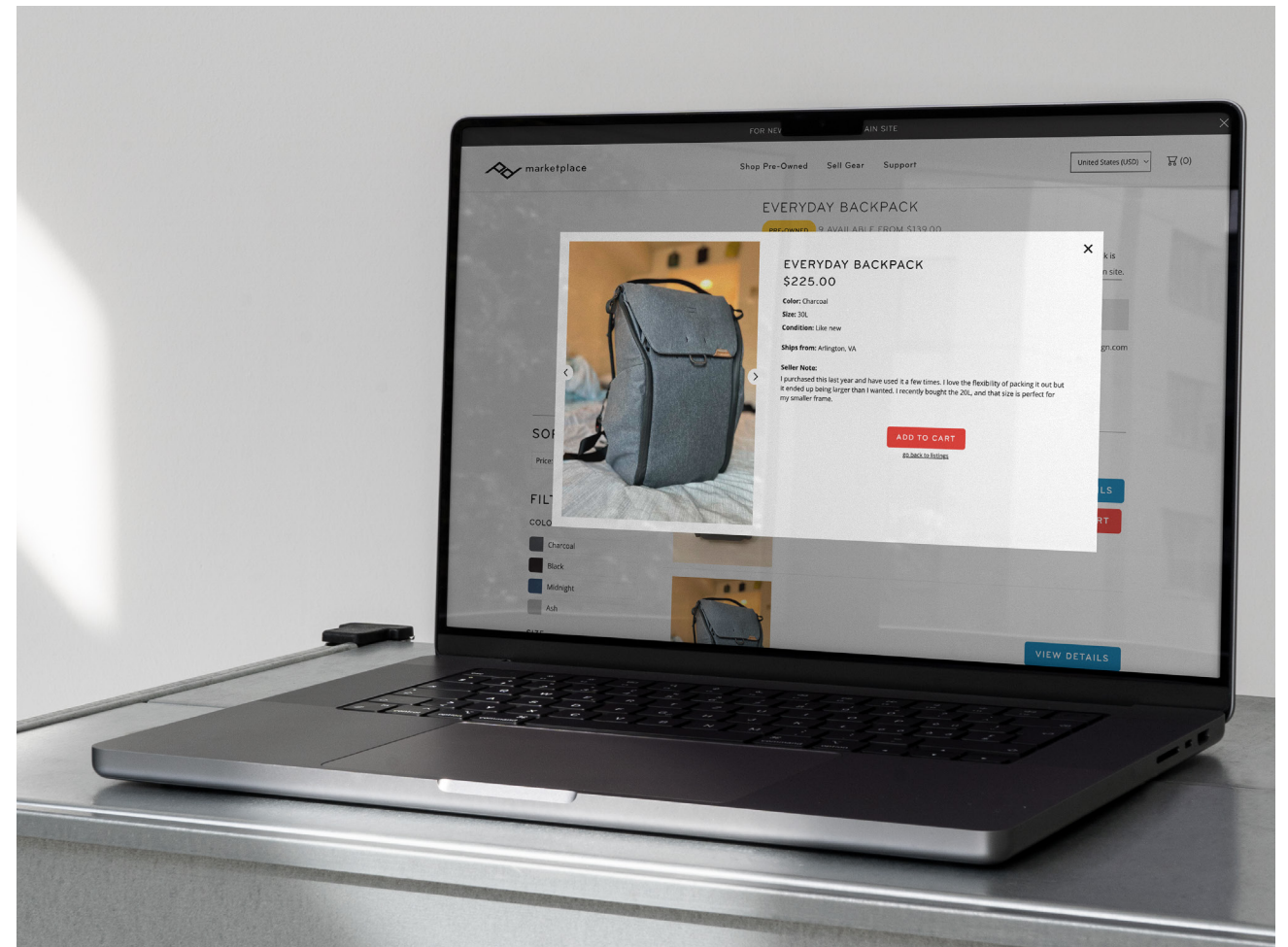


As a small but note-worthy win for 2022, we began using Micro-Pak Dri Clay packets instead of synthetic silica packets. Dri Clay production requires no chemical inputs, low energy and no water consumption, and has a small carbon footprint. They’re also plastic-free, biodegradable, and FSC-certified.



Since launching in May 2021, the PD Marketplace has facilitated more than \$1 MILLION in purchases with a 97% sell-through rate of items listed.

 [Check out the PD Marketplace](#)



<2 weeks

The average time to sell on the PD Marketplace is 12 days.

64%

Just over 2/3 of products on the PD Marketplace sell within seven days.

62%

Nearly 2/3 of PD marketplace customers are new to the brand.

17%

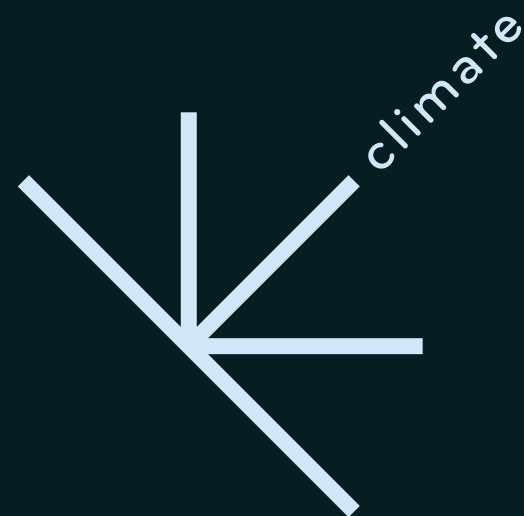
Existing PD customers that re-engage with the brand via the PD Marketplace.

CIRCULAR ECONOMY

Our design philosophy is one of creating the highest quality product that is durable and timeless. We are not a fashion brand creating a new line for each season. We intentionally select classic colors and offer a lifetime warranty in hopes that customers will use their products as long as possible.

We host Peak Design Marketplace where customers can sell their used gear at discounted prices. Our hope is that this will help keep our products in the hands of people excited to use them. Since launching in May 2021, the PD Marketplace has facilitated more than \$1M in purchases with a 97% sell-through rate of items listed. The average time to sale is 12 days, with 64% of products selling within 7 days. Another added bonus: 62% of Marketplace customers are new to the brand and 17% are current customers re-engaged.

In addition to peer-to-peer sales, any products that are returned to us with damaged packaging or minor flaws are sold on the Marketplace. We used to sell these products on eBay but their sell-through has increased by 275% since moving them to the Marketplace. This, in turn, has also boosted our peer-to-peer sales by about 60% because having more stock on the site has increased awareness of and engagement in the Marketplace.



WE ARE A
CARBON NEUTRAL
BUSINESS AND
ADVOCATE FOR
AGGRESSIVE
CLIMATE POLICY.

KEY PARTNERS

Science Based Targets Initiative
Outdoor Industry Association Climate Action Corp
Climate Neutral
Ceres
America is All In



TLDR; Climate has long been a primary focus of Peak Design. We first measured our carbon footprint (Scopes 1-3) in 2018 for our 2017 emissions. After doing so, we decided to offset the entire amount using verified offsets but we didn't stop there.

→ We retroactively calculated our entire footprint since the inception of the company and offset that as well. We understood then, as we do now, that offsets are not a perfect mechanism. But we also felt they were the best option for immediately taking some responsibility for the emissions we had created. We also understand that purchasing offsets does not excuse us from aggressively tackling reduction. We believe offsets and reductions are not either/or but go hand in hand.

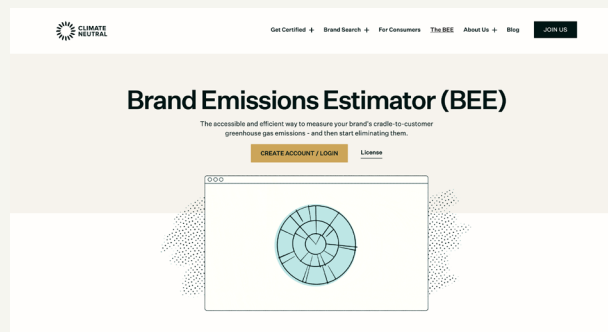
CLIMATE NEUTRAL

Climate Neutral is a non-profit we co-founded with BioLite. The Climate Neutral Certified label is a globally-recognized standard for carbon accountability





CLIMATE NEUTRAL

After our initial footprinting process, we realized companies should have the ability to measure and verify their footprints without prohibitive consulting fees. There lacked an economical, user-friendly, GHG protocol-based tool for measuring a footprint internally. This led us to partner with BioLite and co-found a new nonprofit: Climate Neutral. Now operating independently of Peak Design, Climate Neutral is a leader in helping brands measure, offset, and reduce their emissions through the use of their online Brand Emissions Estimator (BEE) tool. The Climate Neutral Certified label is a globally-recognized standard for carbon accountability, representing major brands like REI and Allbirds.



Climate Neutral is a leader in helping brands measure, offset, and reduce their emissions through the use of their online Brand Emissions Estimator (BEE) tool.

 [Try the Climate Neutral BEE tool](#)

A high-angle, black and white photograph of a person hiking on a winding path through a vast, snowy landscape. The path is marked by footprints and leads from the bottom right towards the top center. The hiker is a small silhouette in the distance, carrying a backpack and using a trekking pole. The terrain is mostly flat with subtle undulations.

We believe offsets and reductions are not either/or but go hand-in-hand. We retroactively calculated our entire footprint since the inception of the company and offset it.

PROGRESS, NOT PERFECTION.

What are Emissions Scopes?

Greenhouse gas emissions are categorized into three groups, or “scopes,” to differentiate the kinds of emissions a company creates across its value chain.

SCOPE 1: Direct emissions released into the atmosphere as a result of resources that we own or control.

SCOPE 2: Indirect emissions associated from our purchase of energy from a utility provider.

SCOPE 3: Indirect emissions that occur as a result of our upstream and downstream value chain; from supply chain operations to customer end-product usage.

POLICY

We are a member of the Outdoor Industry Association's Climate Action Corp and a supporter of policy initiatives led by Ceres and America is All In. We work closely with organizations advancing nature-based solutions to climate change including The Conservation Alliance, the Theodore Roosevelt Conservation Partnership, the Outdoor Alliance, and CalWild.

EMISSIONS, OFFSETS & TARGETS

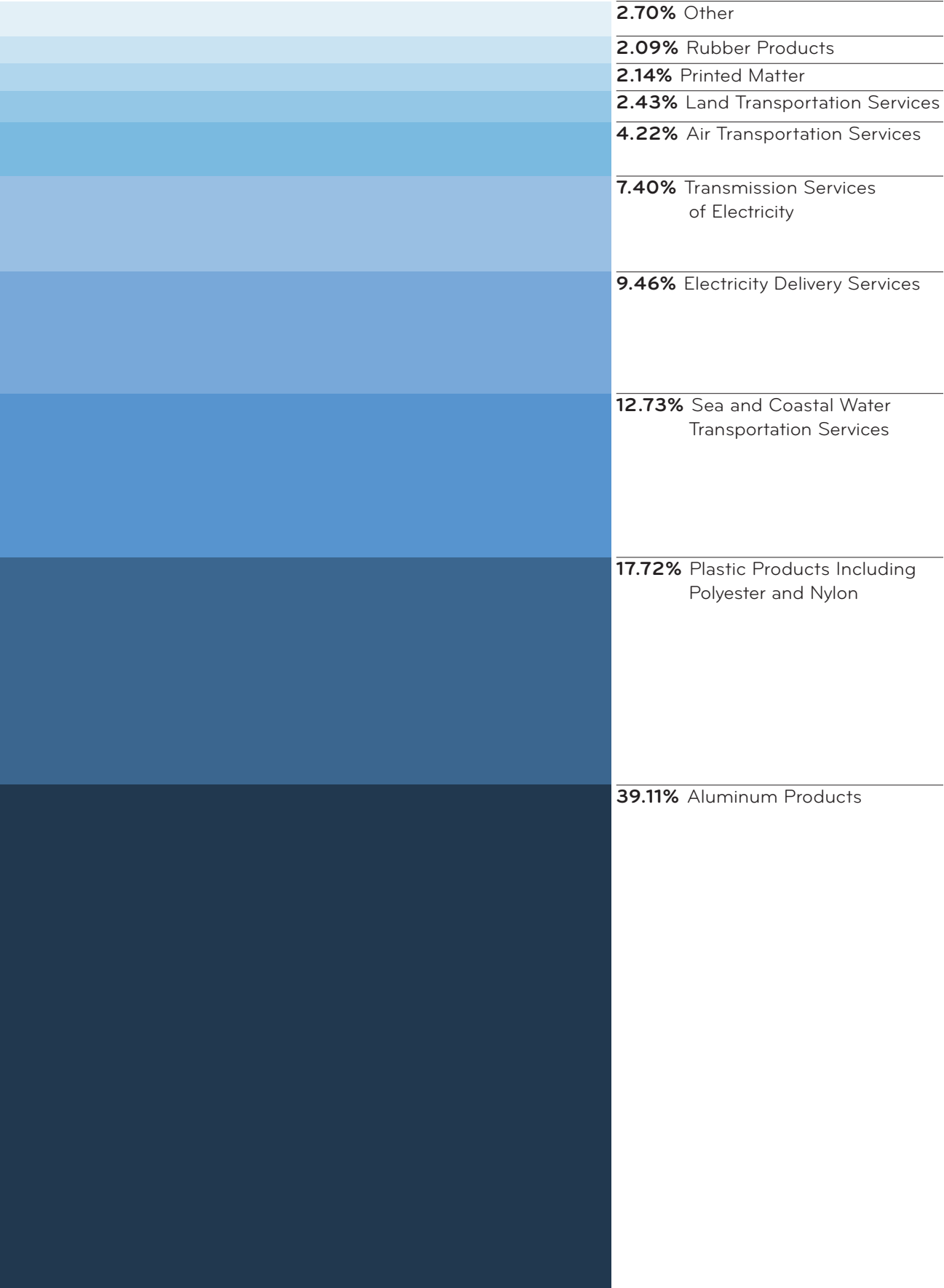
Through Climate Neutral, Peak Design measures, offsets, and verifies our annual carbon emissions. Our 2021 footprint was 30,125 tCO₂ and our Scope 3 emissions accounted for over 99%. We offset the entirety of our footprint using verified credits from wind, solar, biomass, avoided deforestation, reforestation, and improved forest management projects.

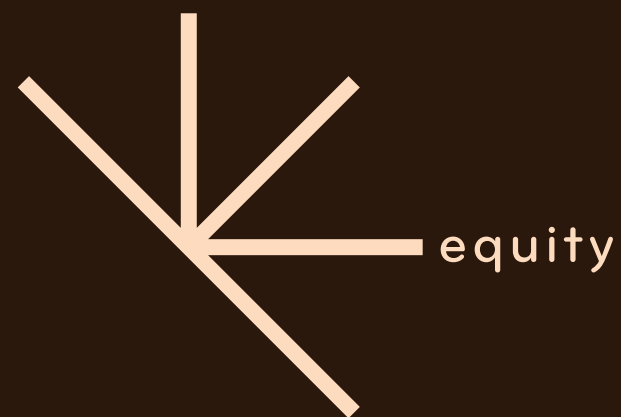
We have also committed to a Science Based Targets Initiative (SBTi) reduction target. As a 'Small to Medium Sized Enterprise' (SME) under SBTi standards, we are only required to set specific Scope 1 & 2 emissions reduction targets. Because those account for less than 1% of our emissions, we felt it necessary to set a Scope 3 target as well. In line with the GHG protocol and SBTi recommendations for a 1.5C pathway, our Scope 1 & 2 target is an absolute reduction of 50% by 2030 from a 2021 baseline and our Scope 3 target is an economic intensity reduction of 30% by 2025 from a 2020 baseline.

Scope 3 encompasses emissions that are not produced by the company itself but by those that it’s indirectly responsible for.

While Scope 3 is hard to measure, it’s critical for product brands to include because it accounts for the vast majority of emissions. **Our Scope 3 accounts for over 99% of our total emissions.**

BREAKDOWN OF SCOPE 3 EMISSIONS





WE FOSTER A
MORE DIVERSE,
EQUITABLE,
AND INCLUSIVE
COMPANY AND
SOCIETY.

KEY PARTNERS

Camber Outdoors
Outdoor CEO Diversity Pledge
WorkTango
LifeLabs



TLDR; We believe in fostering diversity, equity and inclusion (DEI) both internally and externally but determining how best to do that has been challenging. There is no definitive recipe to DEI - there are many ways to approach and prioritize the work.

→ We began our DEI journey in 2018 by developing our first diversity statement, drafting new recruitment & hiring guidelines, increasing women and BIPOC models in our marketing materials, and committing to the Outdoor CEO Diversity Pledge. Although we had made good progress on several fronts, in 2021 we wanted a more robust action plan which led us to form our DEI steering committee. The primary goal of the committee, which consists of representatives from across teams, was to develop and implement our DEI roadmap.

TEAM DEMOGRAPHICS

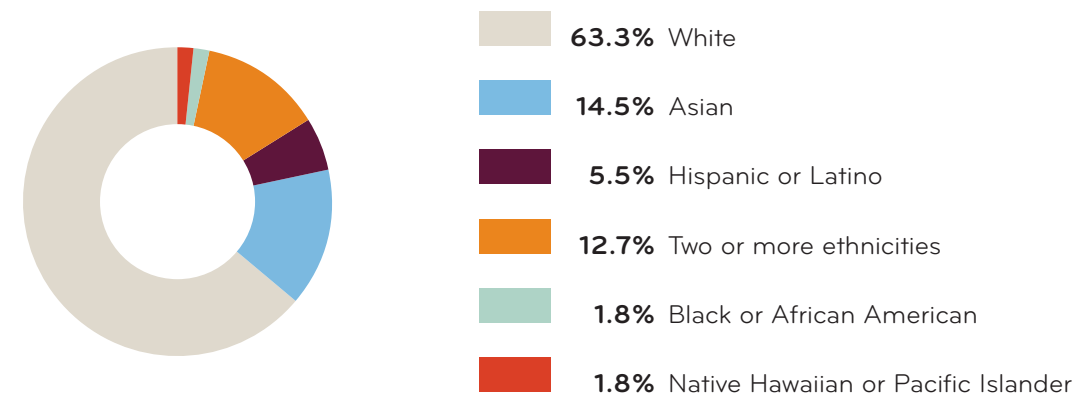
Starting in 2020, we began annually tracking our team demographics. We will continue to assess if/how these numbers change as we implement our updated recruitment, hiring and retention policies. As of the end of 2022, below are the self-reported data as a percentage of Peak Design headcount for full-time employees.

STEERING COMMITTEE

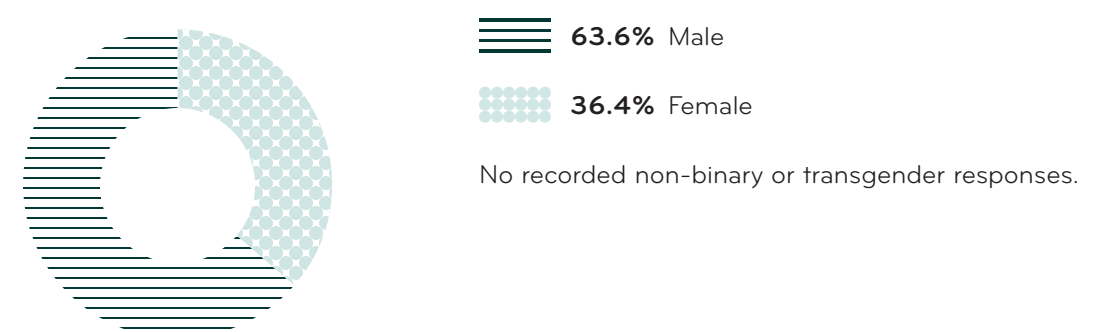
After years of focusing our work externally, we formed our DEI steering committee and determined that attention was needed internally to ensure an inclusive and equitable workplace. To set benchmarks and identify opportunities, we administered our first annual company-wide DEI survey using a third-party provider, WorkTango. That data informed the development of our DEI roadmap. The roadmap actions that we prioritized in 2022 included:

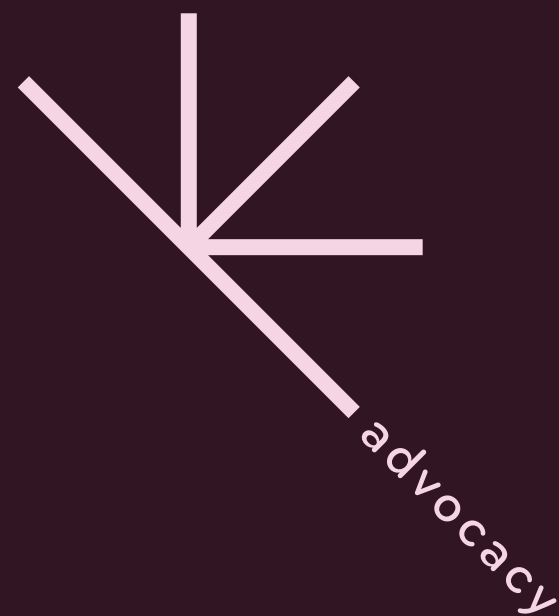
- Developing better recruitment and hiring guidelines to help us mitigate gender, racial, and other hidden biases and facilitate the recruitment, retention and promotion of a broader range of talented people.
- Conducting a wage gap analysis to ensure pay equity across the company.
- Contracting with LifeLabs to conduct a full-team Inclusive Behaviors training.
- Contracting with LifeLabs to conduct manager training for all supervisors to ensure teams are receiving equitable, informed, and supportive leadership.
- Launching an internship program to help diversify talent and support underrepresented individuals in fields like engineering.
- Committing to allocate a larger percentage of our 1% for the Planet contributions to organizations working on diversity, equity, inclusion and justice issues. In 2023 we will be supporting Brave Trails dedicated to LGBTQ+ youth leadership and Planting Justice which supports and provides living-wage employment for people transitioning from prison.

PD ETHNICITY MAKEUP



PD GENDER MAKEUP





WE JOIN.
WE SPEAK UP.
WE GIVE.

KEY PARTNERS

The Conservation Alliance
Theodore Roosevelt Conservation Partnership
The Outdoor Alliance
CalWild
1% for the Planet
B Corp
California Outdoor Recreation Partnership



TLDR; We use the term advocacy broadly to mean: “We join, we speak up, we give.” Under this pillar is our 1% for the Planet giving and engagement, our government affairs and advocacy, B Corp Certification, and support of activist filmmakers and photographers.

1% FOR THE PLANET

We joined 1% for the Planet in 2016, committing to donate at least 1% of all revenue to grassroots environmental nonprofits. To date, we have donated over \$4,500,000. This past year, we donated \$853,500 to organizations including The Conservation Alliance, Climate Neutral, the Theodore Roosevelt Conservation Partnership, the Outdoor Alliance, and CalWild.

We prioritize our giving to address three key issue areas:

- climate
- conservation of public lands and waters
- environmental justice

Additionally, we seek to work with organizations who are excited to collaborate with us, pursue bipartisan solutions, and champion equity. Much of our funding goes to organizations who combine strategic on-the-ground mobilization with policy advocacy at the state and federal level. We have found this grassroots-treetops approach particularly effective in securing long-term land and water protections.

1% FOR THE PLANET

As a member of 1% for the Planet, we donate at least 1% of revenue each year to environmental non-profits.



CERTIFIED B CORP

B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials.



BENEFIT CORPORATION & B CORP

Peak Design is a Benefit Corporation meaning we are a for-profit corporation with modified obligations committing us to higher standards of purpose, accountability and transparency. As stated in our Articles of Incorporation, we are legally obligated to create a general public benefit, including, but not limited to:

- Prioritizing employee happiness above growth
- Succeeding at the expense of nobody
- Minimizing and offsetting environmental impacts
- Insisting on corporate transparency and integrity
- Publicly advocating for positive social and environmental change

We are also B Corp Certified which means we meet the highest standards of social and environmental performance, transparency, and accountability to all of our stakeholders. B Lab, the independent organization that certifies B Corps, assesses companies across five areas of impact:

- Governance
- Workers
- Community
- Environment
- Customers

We've been certified since 2019 with an impact score of 81.2 (80 being the threshold to qualify for certification). We are currently awaiting recertification with anticipation of a significantly higher impact score.

To date, we have donated over \$4,500,000 to grassroots environmental non-profits. This past year we donated \$853,500 to organization including The Conservation Alliance, Climate Neutral, the Theodore Roosevelt Conservation Partnership, the Outdoor Alliance, and CalWild.



SPEAK UP.

It's our responsibility to use our business voice to advocate for a healthy planet and an equitable and just society.

In June 2022, Peak Design sponsored "WELCOME," a 4.1-mile-long rainbow made of laser light. Based on the now-ubiquitous rainbow flag designed by artist and activist, Gilbert Baker, the installation beamed up Market Street from the San Francisco Ferry Building towards Twin Peaks.

Completed by Illuminate the Arts in partnership with Karl the Fog.

GOVERNMENT AFFAIRS

Some say that business should stay out of politics. While Peak Design would love to stick to doing what we do best - designing and manufacturing great products - there is big business money being used to push legislation antithetical to our values. We feel then, that it is our responsibility to use our business voice to advocate for what we believe in - primarily, a healthy planet and an equitable and just society.

In October, our CSR and Brand Directors traveled to Washington D.C. with other members of The Conservation Alliance to attend a policy training and meet with senators, house representatives and executive staff to advocate for specific public land protections.

Earlier in the year, our CSR Director joined the California Outdoor Recreation Partnership and The Outdoor Alliance for a day of lobbying state staff. She also penned an Op-Ed encouraging Congress to pass the Protecting Unique and Beautiful Lands by Investing in California (PUBLIC) Lands Act as well as moving forward an effort to expand Berryessa Snow Mountain National Monument.

Peak Design is a proud sponsor of and active participant in the development of a new summit spearheaded by The Conservation Alliance. The summit will take place in May in Colorado and will bring together outdoor recreation businesses, policymakers, grassroots conservation organizations, and other stakeholders to learn about and unite around



SPIRIT OF THE PEAKS

In 2022, we supported the short film, Spirit of the Peaks, about Hunkpapa Lakota skier Connor Ryan.



[Watch the film.](#)

a shared conservation platform. The goal is to foster a joint industry front to more strategically and cohesively advocate for North American landscapes critical to climate change mitigation & resiliency, human health, and biodiversity.

CREATIVE SUPPORT

Being a brand that designs gear for creatives, it's no surprise that we believe photography, film, and art more generally can be effective and inspiring forms of communication and advocacy. We have supported many creatives over the years in telling important stories and catalyzing substantive action through their art.

In 2022, we supported the short film, Spirit of the Peaks, about Hunkpapa Lakota skier Connor Ryan. The piece was produced in partnership by Wondercamp and NativesOutdoors.

We also sponsored a San Francisco light installation entitled "Welcome" during Pride Weekend. The installation, a collaboration between San Francisco-based arts non-profit Illuminate and Nu-Salt Laser International, consisted of six laser beams - colored to reflect the Pride rainbow - projected four miles down Market Street. Peak Design hosted a photography contest for whoever could best capture the piece. We made a \$10,000 donation on behalf of the winner to the Trevor Project supporting LGBTQ+ youth.

CLOSING THOUGHTS

As we look ahead to next year and beyond, much of our work will simply be the often slow and challenging process of transitioning to better materials, cleaning up our supply chain, advocating for sound local and federal policy, and championing a more equitable workplace and society.

We know what we need to do, and now we need to do it. But while that is happening, we will also continue to think creatively about how a business like Peak might play a larger role. Who knows what that might look like....it's work in progress.



