



RUNNING RESPONSIBLY

OUR PEOPLE AND PLANET PATH

*2020 Corporate Responsibility
Performance Summary Report*



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A MESSAGE FROM OUR CEO



We live with 7.5 billion people in a connected and increasingly complicated world full of challenges and opportunities. Around the globe, communities continue to struggle in the wake of 2020. The global pandemic, a deepening climate crisis, and a reckoning of racial inequity remain front and center for us all. And yet, as our society works to learn and heal from both the present and the past, I see great opportunity for a better tomorrow and feel optimistic that Brooks can play a positive role.

2020 was a defining year for Brooks. When the world seemingly halted amidst overlapping crises, we held our breath. Then people began to move. Our ability to connect with the surge of runners and walkers who were motivated to get out and log miles during COVID-19 lockdowns led to record growth. We leaned into our purpose—inspire people to run their path—and felt fortunate to enable people’s investment in their physical and mental health, especially as an antidote to adversity.

As we navigated the year, we re-grounded ourselves in our values and how they guide us as stewards of the running community and as global citizens. In this report, we are proud to announce a new initiative—Running Responsibly: Our People and Planet Path—which encompasses all our corporate responsibility programs and connects them directly to the purpose and values foundational to our business and brand.

We also share new, long-term commitments to our communities and the planet. As a champion of the run for all, Brooks will deepen its focus on diversity, equity, and inclusion; community engagement; and responsible sourcing. In our efforts to protect the planet we run on, we will build on a decade of sustainability work to take accelerated action addressing the urgent issues of climate change and overconsumption.

In 2020, we took significant steps in these focus areas. We worked to better understand issues facing communities that have historically felt unwelcome in run. In turn, we stepped up our efforts to boldly advocate for inclusivity in the running community, and we became a founding partner and active participant of the Running Industry Diversity Coalition. As part of our planet focus, our Scopes 1, 2, and 3 carbon emissions reduction goals were approved by the Science Based Targets initiative (SBTi), and we signed The Climate Pledge, aligning with global leaders to achieve net zero carbon emissions by 2040.

Brooks remains on a mission to make the best running gear in the world. As we pursue our People and Planet Path, our goals are simple: everyone who wants to run feels welcome, and everyone who runs has a place to do it. As big as that may sound, we’ll approach these goals the same way we run: by believing in the transformational power of the run and then putting one foot in front of the other.

— Jim Weber, CEO

2020 IMPACT AT A GLANCE

100% score

on Human Rights Campaign Foundation's Corporate Equality Index of Best Places to Work for LGBTQ Equality



Founding Partner

of Running Industry Diversity Coalition (RIDC)



\$10.9 million

in-kind product donated to causes that lift people and get them moving

79%

of Brooks product sourced from Tier 1 factories that achieve social compliance audit scores of 90 or greater



117,000 items

diverted from landfill through Soles4Souls donation program



Science-based targets approved

by the Science Based Targets initiative (SBTi) to reduce our carbon emissions in line with the Paris Agreement



Committed to achieve net zero carbon emissions 10 years ahead of the Paris Agreement and signatory of

The Climate Pledge



51%

of total polyester volume was recycled polyester (147% increase from 2019)



66 million

plastic bottles diverted from landfills and oceans by switching to recycled polyester



52%

of our apparel fabric made with bluesign® approved materials

STRATEGY

Our goals are simple:
everyone who wants to run feels welcome to run, and everyone who runs has a place to do it.

PEOPLE
Champion the run for all.



PLANET
Protect the planet we run on.



OUR PRIORITIES

CHAMPION THE RUN **FOR ALL**

It starts with people. At Brooks, we value safety, dignity, and opportunity for all. We're committed to a world where we all run on equal ground.



● **DIVERSITY, EQUITY, & INCLUSION**

Reduction of barriers to participate in the run, the running industry, and the running community.

● **COMMUNITY ENGAGEMENT**

Partnerships to advance health and well-being in our communities and make the run open to all.

● **RESPONSIBLE SOURCING**

Commitment to a sustainable supply chain and fair labor.

OUR PRIORITIES

PROTECT THE PLANET WE RUN ON

This planet is our home. And because 150 million people run outside – including us – it’s critical we take care of it.

- **CLIMATE ACTION**

A science-backed pursuit of net zero carbon emissions by 2040.



- **SUSTAINABLE CONSUMPTION**

Transition to recycled or renewable materials, eliminate manufacturing waste to landfill, and work towards circular product.



COMMITMENT OVERVIEW

PEOPLE 2025

We are runners, too. This drives our passion for contributing to the sport and the running community. The shoes and gear we develop, the experiences we create, and the partnerships we build should help make the run inclusive and accessible for all. We are taking a comprehensive and strategic approach to ensure our sport reflects our values.

Diversity, Equity, & Inclusion

- Annually achieve Human Rights Campaign Foundation Corporate Equality Index **score of 100***
- **Achieve 50% women and 30% Black, Indigenous, and People of Color (BIPOC)** employee representation in the U.S. at every level*
- **100% pay equity** for BIPOC and women employees*
- **40% BIPOC representation** in marketing stories and images*
- Increase diversity of U.S. running population to **40% BIPOC***

**As a global company we recognize the unique social construct of race in the U.S. These commitments apply to U.S. only.*

Community Engagement

- Dedicate more than **\$5M per year** in cash and gear to social-impact programs
- **Focus on partnerships** that make the benefits of the run accessible to everyone

Responsible Sourcing

- **Continue to source 100%** of product and materials from factories that are compliant with Brooks' Supplier Code of Conduct and Responsible Sourcing standards
- **90%** product and materials are sourced from factories that achieve social compliance audit scores of 90 or greater
- **100%** footwear sourced from Tier 1 factories that achieve "Strong Performance" in worker sentiment survey
- **100%** product and high-volume materials sourced from factories that achieve Higg FEM level 1 and working toward level 3 by 2025
- **100%** compliance with the ZDHC MRSL and zero discharge of hazardous chemicals

To see our progress toward our commitments, please view the [Appendix](#).

COMMITMENT OVERVIEW

PLANET 2030

This planet is our home. And because 150 million (and counting) people run outside — including us — it's critical we take care of it. We are committed to a long-term, science-backed approach to sustainability.

Climate Action

- **50%** absolute reduction in Scope 1 and 2 greenhouse gas emissions by 2030 (from a 2018 baseline)
- **15%** absolute reduction in Scope 3 greenhouse gas emissions by 2030 (from a 2018 baseline)
- **Achieve net zero carbon emissions by 2040**

Sustainable Consumption

- **Move to 100% recycled polyester and nylon yarn usage** in place of traditional virgin yarns by 2023
- Source only materials with minimum **50% recycled or renewable** content by 2030
- **Zero footwear manufacturing material waste** to landfill, incineration, and the environment by 2025
- Launch Brooks' **first fully circular performance running footwear and apparel** by 2030
- Implement a **product take-back** program by 2022

To see our progress toward our commitments, please view the [Appendix](#).

U.N. SUSTAINABLE DEVELOPMENT GOALS

ALIGNED FOR **IMPACT**

The run can change everything: your day, your life, even the whole world. But to make those benefits available to all people, we need to participate in change on a global scale.

We chartered our People and Planet Path to support the United Nation’s Sustainable Development Goals (SDGs), a universal call to action to end poverty, protect the planet, and improve the lives and prospects for everyone, everywhere. We recognize we can play a part in addressing all 17 of the SDGs and have identified the ones where we believe we can have the greatest impact.

PEOPLE

Champion the run for all.



PLANET




Protect the planet we run on.



DIVERSITY, EQUITY, & INCLUSION

Reduce barriers to participation in the run, the running industry, and the running community

Brooks is committed to the following objectives:

-  **Diverse, equitable, and inclusive workplace**
-  **Representation of all who run**
-  **Foster diversity and inclusion in the run community**

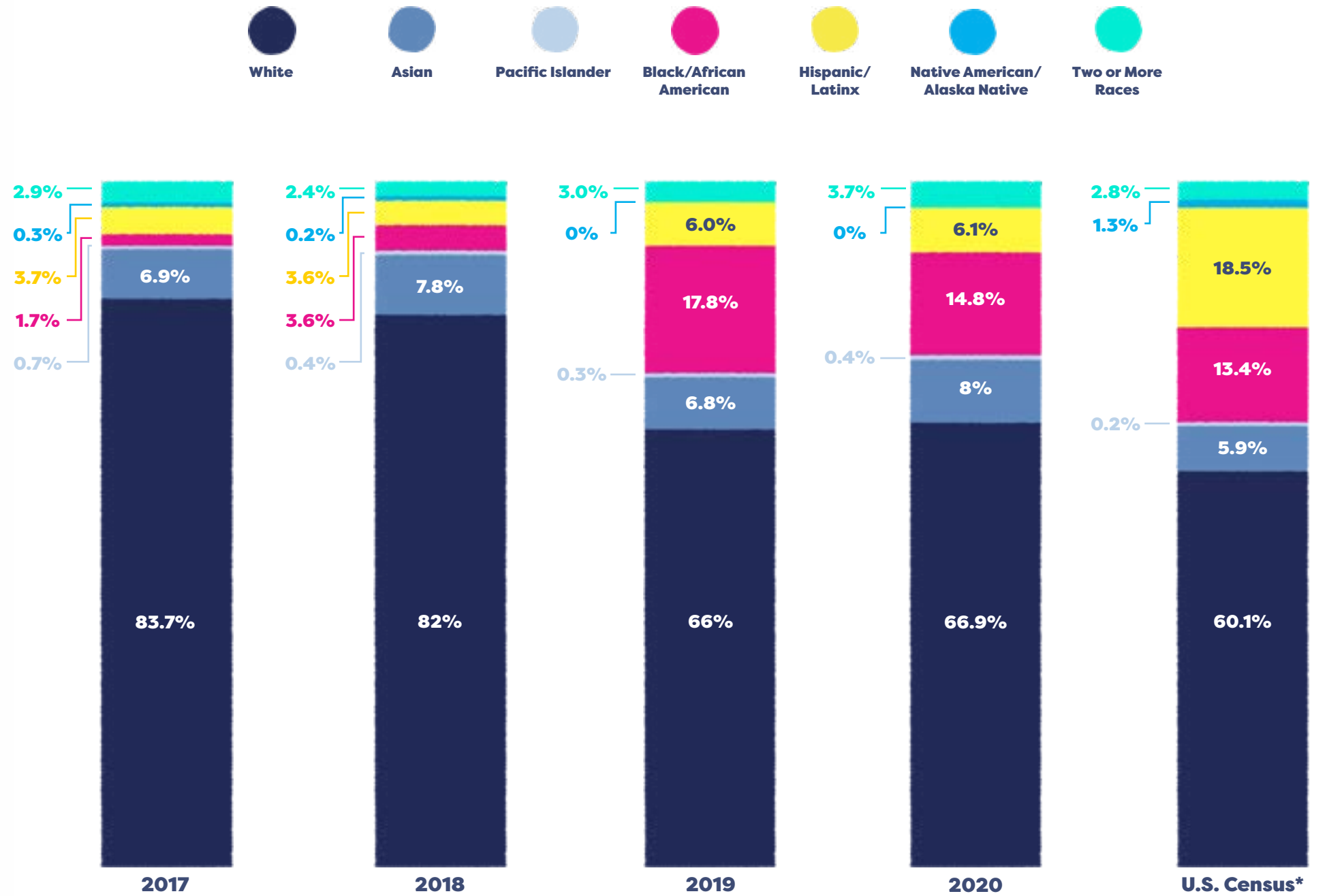


DIVERSITY, EQUITY, & INCLUSION

WORKPLACE RACIAL DEMOGRAPHICS

As a global company we recognize the unique social construct of race in the U.S. It is important our U.S. workplace reflects the diversity of the U.S. population. To track our evolution in the U.S., we measure ourselves against 2019 U.S. Census demographic data estimates.

The graph to the right shows the racial demographics of Brooks' U.S. employees over the last four years compared to the U.S. In 2020 we had a slight increase in Black, Indigenous, and People of Color (BIPOC) employees, with the most significant increase in Asian employees. While this demographic shift holistically remained flat compared to 2019, we experienced a decrease in Black/African American and BIPOC employees holding management and leadership positions.



*Sum of total U.S. census greater than 100% as Hispanic/Latinx may be of any race, so also are included in applicable race categories.

DIVERSITY, EQUITY, & INCLUSION

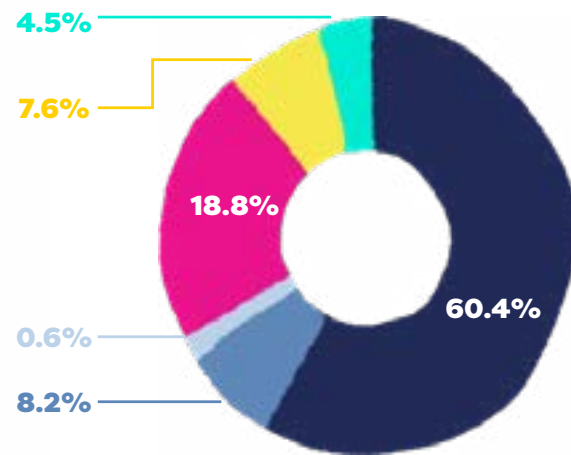
WORKPLACE RACIAL DEMOGRAPHICS

Race by level

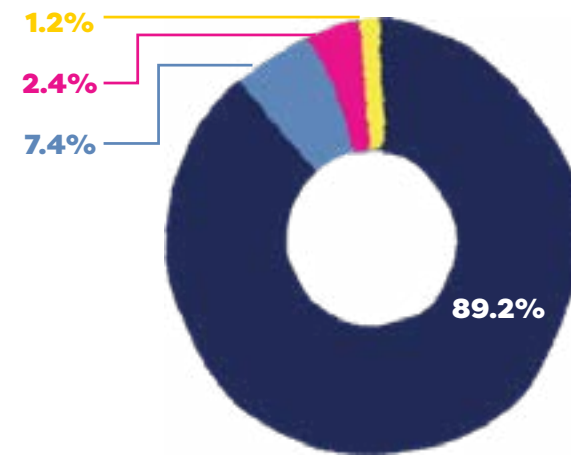
At our U.S. headquarters in Seattle, Washington, the racial underrepresentation of Black/African American, Native American/Alaska Native, and Hispanic/Latinx along with the racial diversity at all levels represent our greatest opportunities for outreach, recruiting, hiring, and retention. Based on our 2020 results, we will focus on hiring, promoting, and developing BIPOC talent for leadership roles to achieve diverse representation at all levels.



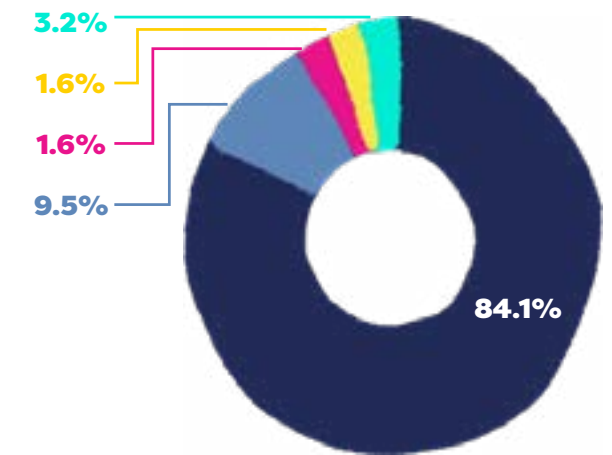
Individual Contributor



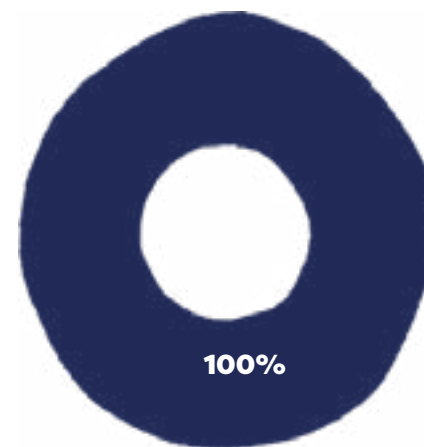
Lead/Supervisor/Manager



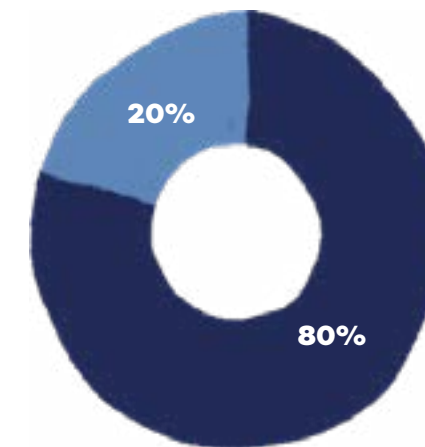
Sr. Manager/Director/Sr. Director



VP/SVP/C-Suite



Board of Advisors



DIVERSITY, EQUITY, & INCLUSION

WORKPLACE GENDER DEMOGRAPHICS

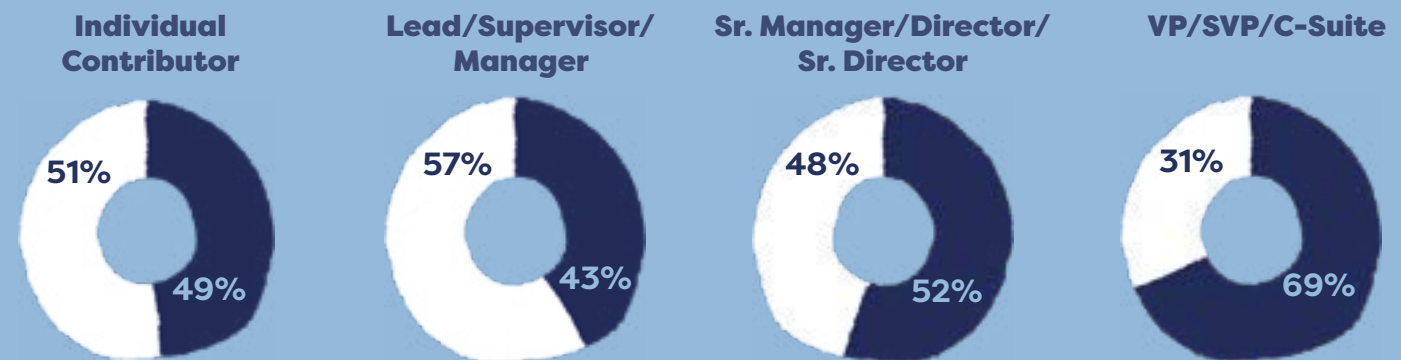
At Brooks, we are focusing on growing women leadership in our workplace through hiring practices and our leadership and career development programs. Our aim is to help create a healthy pipeline of gender-balanced talent to help lead Brooks. In 2016, we began measuring the gender demographics at all levels in our organization. Based on our results in 2020, we will continue to focus on recruiting, hiring, and promoting women leaders to obtain greater balance in our overall leadership, particularly at the VP level. We acknowledge that addressing gender balance is a step on a continuous journey to creating diverse representation at all levels.



Brooks U.S.



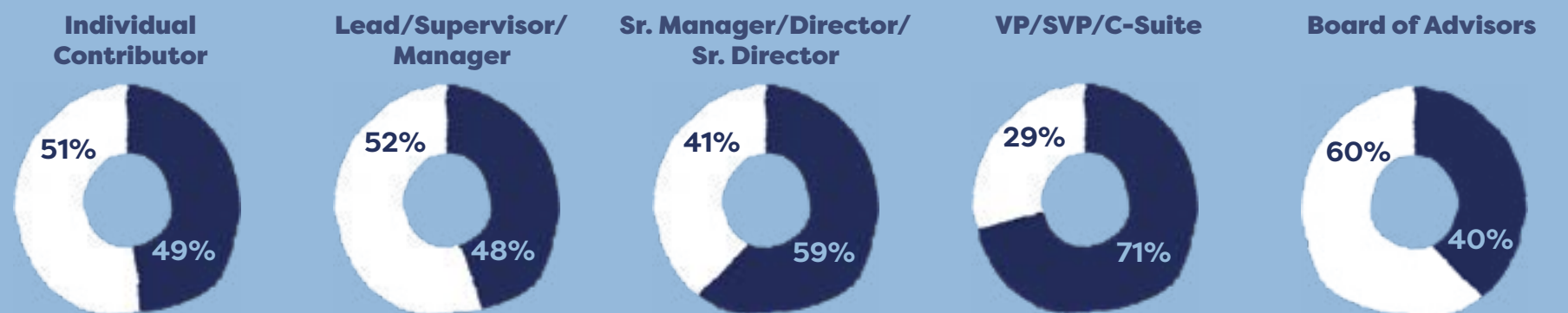
Brooks U.S. by level



Brooks Global



Brooks Global by level



DIVERSITY, EQUITY, & INCLUSION

EQUITABLE WORKPLACE POLICIES & PRACTICES

At Brooks, we pursue fair policies and practices to achieve equity in our business and in running.

Pay equity

Brooks began incorporating pay equity analysis into our hiring, promotion, and compensation processes in 2018. During offers and our annual compensation reviews we analyze pay equity across employees in similar roles within our organization. The opportunity ahead for Brooks will be to automate and further expand and formalize our pay equity practices.

Election Day

Voting is fundamental to protecting, asserting, and defining our rights as citizens and to make our democracy function. Exercising our right to vote varies for each state, and to ensure all U.S. employees have an equal opportunity to make their voices heard on Election Day, Brooks chose to observe Tuesday, Nov. 3, 2020, as a company holiday resulting in the closure of our Seattle HQ office and our Seattle and Bothell, Washington retail stores, and our distribution center in Whitestown, Indiana. Brooks will observe this day for all presidential and midterm elections in the future.

Martin Luther King Jr. Day

Brooks recognizes and observes Martin Luther King Jr. Day as a national holiday. MLK Day is our country's only national day of service promoting volunteering through non-profit organizations aimed at serving underrepresented groups in communities around the country. This holiday recognition acknowledges and celebrates the legacy of Martin Luther King Jr. and allows for our employees to serve.



Human Rights Campaign Foundation Corporate Equality Index

At Brooks, we believe the power of a diverse community can help us win with runners and as a team. Over the last few years, we've made big strides in our commitment to equality and in evolving our organization's policies and practices to be equitable and inclusive. Our efforts in diversity, equity, and inclusion (DEI) have been recognized by the national [Human Rights Campaign Foundation's Corporate Equality Index \(CEI\)](#). **Brooks received the top CEI score in 2020: 100 out of 100.** Of the 1,142 companies evaluated, Brooks is among 767 major businesses that achieved this score and earned the CEI's distinction of "Best Places to Work for LGBTQ Equality." Our participation in the CEI – the nation's the premier benchmarking survey and report measuring lesbian, gay, bisexual, transgender and queer (LGBTQ) policies and practices in the workplace – is a way to keep ourselves accountable to our DEI goals and track how we're doing. The CEI score is determined by three main criteria:



DIVERSITY, EQUITY, & INCLUSION

FOSTERING A WORKPLACE CULTURE OF INCLUSION

Cultural Strengths Survey

On an annual basis, Brooks conducts an employee Cultural Strengths Survey to assess our culture. One area of focus within the assessment is Inclusive Environment. Brooks scored a 3.5 out of 4 in the Inclusive Environment category of our 2020 employee Cultural Strengths Survey. Year over year, we maintained an overall score of 3.5 in the category. In particular, the statement “On my team I am able to be my authentic self” saw a jump from 3.4 to 3.6.

EMPLOYEE RESOURCE GROUPS (ERG)

Diversity Working Group

In 2017, Brooks formed the Diversity Working Group (DWG). This group includes 19 employees from nine departments throughout our organization and features a diverse representation of race, gender, LGBTQ+, and religion. The DWG works with our leadership to drive diversity, equity, and inclusion initiatives at Brooks with a specific focus on race, LGBTQ+, and gender.

Women in Tech

The mission of the Brooks Women in Technology group is to foster an environment that supports and encourages women to advance their technical skills and leadership potential through connection, education, advocacy, discussion, and community outreach.

Women’s Speaker Series

In 2020, Brooks’ Women’s Speaker Series entered its third year, offering sessions on a quarterly basis. The series featured Brooks business leaders discussing management in the COVID-19 pandemic and building and owning career paths.

DEI Conversation Series

In 2020, Brooks expanded on the speaker series program to include our DEI conversation sessions for employees to discuss why diversity is important, the impact it’s having on current events, and their personal learnings during these challenging times. The goal of this event is to create an open and engaging forum for meaningful dialogue with our Brooks colleagues.



DIVERSITY, EQUITY, & INCLUSION

FOSTERING A WORKPLACE CULTURE OF INCLUSION

Women at Brooks Mentorship Program

Brooks supports, facilitates, and encourages formal mentorships to help retain and grow employees. The Women at Brooks Mentor Program provides opportunities for women at Brooks to connect and inspire others across the organization and to realize their full potential. Since its launch in 2018, more than 43 mentee-mentor pairs have participated in this program. The program was placed on pause during COVID-19 and will resume in the near future.

INDUSTRY COLLABORATIONS

Camber Outdoors

Brooks is a signatory of [Camber Outdoors's CEO Outdoor Equity Pledge](#), a CEO-driven business commitment to advance workplace equity, inclusion, and diversity across the outdoor industry. We are spurring innovation, building community, and accelerating transformation in the workplace by collaborating with other like-minded, active-outdoor companies.

Outdoor CEO Diversity Pledge

In 2020, Brooks signed the [Outdoor CEO Diversity Pledge](#) committing to a diverse workforce, diversity in marketing, diversity in our ambassador and athlete teams, and transparency in our DEI efforts. By signing, Brooks supports an organization founded and run by people of color and we are held accountable to our DEI efforts externally. In addition, we gain access to resources, people, and organizations working in DEI.



DIVERSITY, EQUITY, & INCLUSION

MARKETING AND REPRESENTATION

Brooks is committed to telling stories from a diverse set of runners and celebrating the power of the run to bring people together. We increased the racial diversity of models cast in 2020 for Brooks marketing, photography, and videos. In addition, we've begun tracking this data and will continue to learn and build on this foundation to advance representation on the run.

Brooks athletes

In 2020, [Brooks professional running team](#) consisted of 23% BIPOC and 38% women athletes. Brooks is committed to growing this number through athlete offers, thereby increasing the number of signed athletes. Refining our athlete recruiting process is an area of focus for Brooks.



Run Happy Team

Our Run Happy Team is our team of brand ambassadors and influencers. We spent time in 2020 thoughtfully crafting our racial demographic benchmarks and revising our application process to begin tracking the racial demographics of our applicants to build a diverse team. For our 2021 team, 29% of our applicants were BIPOC, and 37% of our invitations to become a Run Happy Team member were sent to BIPOC influencers.



Front Runners partnership

In 2020, Brooks and International Front Runners, one of the oldest and largest LGBTQ+ (lesbian, gay, bisexual, transgender, queer, and others) athletic organizations in the world, enjoyed our second year of a multi-year [partnership](#) to promote inclusion in running. Together we're supporting the growth of Front Runners clubs in cities starting in the U.S. and Canada, while inviting more runners to join the community and experience the power of the run.



DIVERSITY, EQUITY, & INCLUSION

DRIVING CHANGE IN THE RUN COMMUNITY

Brooks is committed to directly engage with our community to foster diversity and inclusion in running.

Running Industry Diversity Coalition

We are proud to be a founding partner of the [Running Industry Diversity Coalition \(RIDC\)](#). The coalition brings together running brands, running retailers, and BIPOC runners who are working together to increase diversity within the running industry. Brooks provided the RIDC with a \$15,000 startup grant in 2020 to help sustain the coalition in its first year. As a leadership member, we are working with RIDC to create workshops and conduct research to better understand the barriers to diversity on the run and how we can drive change as an industry.

As a founding partner, Brooks commits to:



Global Running Day and The Equal Justice Initiative

In 2020, Brooks leveraged [Global Running Day](#) to bring attention to the injustices faced by Black Americans. We directed our efforts and the power of our community toward the Equal Justice Initiative and donated \$250,000 to help protect the human rights of the most vulnerable people in the U.S.

Black Lives Matter

To commemorate Juneteenth, a holiday celebrating the emancipation of enslaved people in the U.S., all sales from our Brooks Trailhead store in Seattle, Washington on June 19th, 2020 totaling \$4,000, was donated to Black Lives Matter Seattle/King County chapter.

WeRun313

In 2020, Brooks and retail partner [Playmakers](#) supported a gear donation (\$10,000) to Detroit, Michigan, run club [WeRun313](#).






COMMUNITY ENGAGEMENT

Advance health and well-being and reduce inequality through the power of the run



Our community impact programs support teams and organizations that advance health and well-being through the power of the run, with an emphasis on increasing diversity & inclusion. Our objective is to continue investing in:

-  **Brooks Booster Club**
-  **Inspiring Coaches Program**
-  **Run Grants**

COMMUNITY ENGAGEMENT

BROOKS BOOSTER CLUB

Brooks proudly supports high school running teams through cash and gear donations. The [Brooks Booster Club](#) is a needs-based program that provides performance running footwear, apparel, and funding to under-resourced cross-country and track teams. Since 2015, the Brooks Booster Club has helped 150 schools and 6,130 young runners across the U.S., investing more than \$2.1 million in cash and product. In 2020, we issued grants to 21 schools for a total of \$302,400 in cash and gear. Aulelia Morris, grant recipient and coach at Cross Keys High School in Atlanta, GA, spoke to the essence of the program and what it can do for her team, “But mostly, it (the grant) would provide young people an experience that could foster family-like relationships and team building skills as we are able to expand and create a more dynamic team.” For the first time in program history, grants in 2020 included the option to receive a custom made team tent. Having a home base during a track or cross-country meet is an essential part of a team’s foundation and we’re happy to fill that need.



Cross Keys High School track athletes showing off their new Brooks gear and team tent.

The Cross Keys track team is excited to compete in their new Brooks gear for the spring track season.



INSPIRING COACHES

Part of the Brooks Booster Club, the [Inspiring Coaches](#) program recognizes U.S. high school cross-country and track coaches who go the extra mile to reach, develop, and inspire young runners. Given the climate of the pandemic, we were not able to honor and highlight a coach like we’ve done in the past. However, we received hundreds of application and look forward to honoring several inspiring coaches in 2021.

RUN GRANTS

Brooks continues to support organizations that inspire everyone to run and be active through gear donations. The [Run Grants program](#) is a way for us to invest in local and national nonprofits and other partner organizations who work to reduce inequalities and promote good health & well-being through the run. In 2020, Run Grants **impacted more than 650 runners** through donations to local organizations across the U.S. This includes [Girls Light Our Way](#) in Chicago, Illinois, [UPower](#) In Seattle, Washington, and [Black Girls RUN! Foundation](#) across chapters in the U.S. for a virtual run event. In turn, these organizations continue to inspire many more.



\$10.9 million

in-kind product and gear donated to over 45 organizations

COMMUNITY ENGAGEMENT

FOCUS ON FRONTLINE WORKERS

In spring of 2020, healthcare workers were fighting COVID-19 for all of us. To make the countless hours they spend on the frontlines just a little more comfortable, Brooks launched Our Heroes Wear Scrubs to provide them with Brooks shoes. Additionally, over 180 employees joined in and directed their Employee Donation benefits to this program. Across the U.S. and Europe, over \$6,000,000 in footwear was donated to over 50,000 frontline workers.



RALLYING AROUND MASKS

In May, to meet growing demand for protective gear when supplies were limited, the Brooks apparel team initiated a mask-making project. A stitching squadron turned out 400 cloth masks in 10 days to support our teammates at the Brooks Indiana distribution center. Brooks also leveraged manufacturing partners to help fulfill the short-term need for more masks.

PARKRUN

In the UK and Ireland, Brooks joined [parkrun's](#) dedication to make the planet a happier and healthier place through the power of movement. With a mission to make the run more inclusive and accessible, parkrun organizes a completely free weekly 5k for anyone—to run, jog, or walk that is ran entirely by volunteers. parkrun's impact is widespread with over 700 locations in the UK and Ireland and 2 million registered parkrunners of all ages. In 2020, Brooks donated £30,000 to support parkrun's intent to "keep parkrun free for everyone, forever".



COMMUNITY ENGAGEMENT

EMPOWER HER

In celebration of International Women’s Day, Brooks partnered with Dick’s Sporting Goods (DSG) to help give girls a chance to run by creating the Empower Her Collection, a special edition collection of women’s footwear, apparel, and socks. Together, Brooks and DSG donated \$10 for each pair of footwear, \$5 for each piece of apparel, and \$1 for each pair of socks sold to the [Dick’s Sporting Goods Foundation](#), a 501(c)(3) charity. In total, Brooks and DSG donated \$300,000 to enable girls running programs in need across the country.



Northeast High School, located in Broward County (FL), was surprised with gear from the Empower Her Collection, along with a \$10,000 donation from Brooks and the Dick’s Sporting Goods Foundation. They were also the recipient of a Brooks Booster Club grant.



The Empower Her Collection, a collection of footwear, apparel and socks designed in partnership with Dick’s Sporting Goods to celebrate International Women’s Day

EMPLOYEE GEAR DONATION

Giving is more powerful when it’s personal, so we invite each employee to donate \$300 worth of Brooks retail gear to a personally relevant cause each year. It’s inspiring to see coworkers team up and make an even bigger charitable impact.

Girls on the Run is a non-profit organization dedicated to creating a world where every girl knows and activates her potential and is free to pursue her dreams. Employees at Brooks HQ teamed up to make a big impact with their product donations in 2020 – 24 employees came together to donate 116 pairs of shoes to girls in the Seattle, Washington, area.



EMPLOYEE VOLUNTEERING




We encourage everyone at Brooks to find an organization they care about and connect with their team and other employees to volunteer. The more volunteers, the more meaningful the impact, which is why we give all Brooks employees annual paid time to support their communities. Due to COVID-19, some annual volunteer events were canceled.

RESPONSIBLE SOURCING

Respecting human rights, advancing worker wellbeing, and sustainable manufacturing



We know that a responsible global supply chain starts with the decisions we make, which is why we partner with factories that share our values and objectives to:

-  **Respect human rights**
-  **Advance worker well-being**
-  **Sustainable manufacturing**

RESPONSIBLE SOURCING

RESPECT HUMAN RIGHTS

Working with factories that share our values in respecting human rights and fair and safe working conditions

Policies and standards

We ground ourselves in the [Universal Declaration of Human Rights](#) and the [International Labor Organization Declaration on Fundamental Principles & Rights of Work](#). We also align our policies and standards with international best practices including [Ethical Trade Initiative base code](#), [Fair Labor Association](#), [American Apparel & Footwear Association \(AAFA\)](#), and [Business Social Compliance Initiative \(BSCI\)](#).

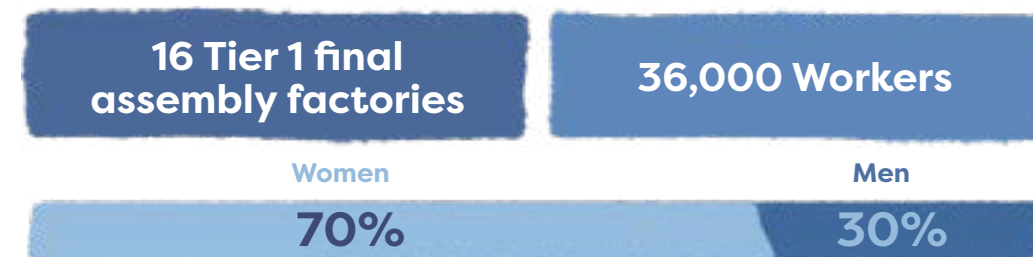
The [Brooks Supplier Code of Conduct](#) is the foundation of the Responsible Sourcing program. Together with local law and international labor standards, it sets the standards for all factories in our manufacturing supply chain. The Code protects workers' rights, helps create a safe workplace, and protects the environment. The Brooks Responsible Sourcing Standards provide detailed requirements on how the Brooks Code of Conduct must be implemented and how we will measure a factory's compliance.

The Brooks Code of Conduct is part of the purchase agreement and must be signed by all suppliers manufacturing Brooks product and materials to ensure a common vision, accountability, and transparency. Production approval is only granted after a factory passes an audit to verify compliance to our standards.

Supply chain traceability and transparency

It's critical we have visibility into the factories manufacturing Brooks product and materials, none of which we own or operate, to ensure our responsible sourcing standards are upheld. We track 100% of Tier 1 (product final assembly) and Tier 2 (material manufacturing) factories and publicly disclose our global Tier 1 factory list, with plans to disclose our Tier 2 factory list by the end of 2021.

2020 Tier 1 final assembly factories manufacturing Brooks product



RESPONSIBLE SOURCING

RESPECT HUMAN RIGHTS

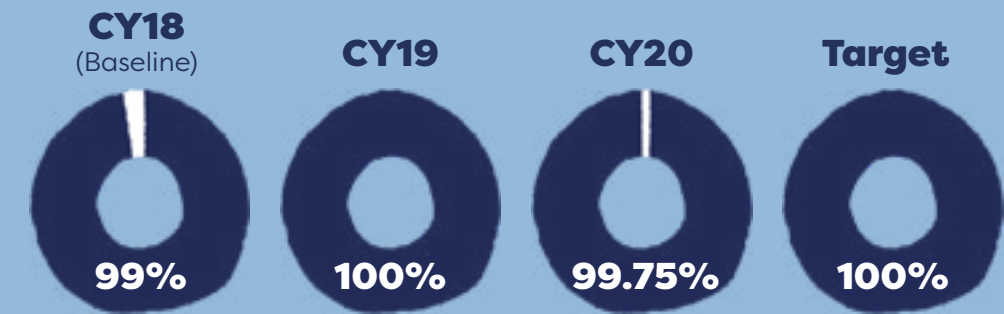
Social compliance assessment

All Tier 1 factories are required to complete a social compliance assessment each year to verify compliance against our Code of Conduct and Responsible Sourcing standards. Following completion of a social compliance assessment, we work closely with factories to remediate any issues identified that do not meet our standards. Factories are expected to remediate critical issues immediately and less severe issues within six months. The Brooks Responsible Sourcing program follows the principle of "Continuous Improvement." When Brooks finds non-compliances, we work with the factory to understand the root cause and find a sustainable solution that will both correct the problem and prevent similar issues from occurring in the future.



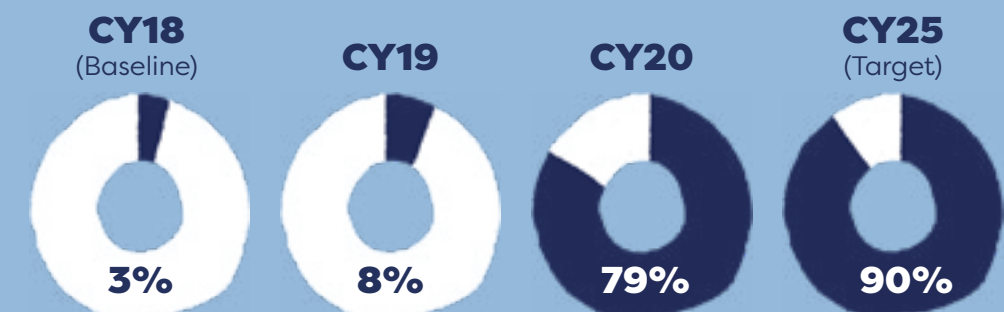
COMMITMENT

Continue to source 100% of product and materials from factories that comply with our Supplier Code of Conduct and Responsible Sourcing Standards



COMMITMENT

90% product sourced from Tier 1 factories that achieve social compliance audit score of 90 or greater by 2025



RESPONSIBLE SOURCING

RESPECT HUMAN RIGHTS

In 2020, one low-volume Tier 1 factory did not pass our social compliance audit. Although we follow the principles of continuous improvement, this facility had a history of non-compliances. We took action to move production out of this facility when it was evident there was no commitment to improve and meet our standards.

Continuous improvement is fundamental to our responsible sourcing program. We've committed to source 90% of our product from factories that achieve a social compliance audit score of 90 or greater. In 2020, 79% of our product was sourced from factories that achieved this performance level. This is a significant increase from previous years and can be attributed to the proactive efforts of our Responsible Sourcing team, which works with each footwear Tier 1 factory to identify opportunities to raise performance and develop long-term improvement plans.

Looking ahead, in 2021 we will expand our annual social compliance assessment to include our high-volume Tier 2 material suppliers. We already confirm these factories comply with our Responsible Sourcing Standards during the new factory onboarding process, but their inclusion in our annual assessment process will allow us to evaluate continued compliance. A key enabler of this deeper expansion into our supply chain was the launch of the [Higg Facility Social Labor Module](#) (Higg FSLM). As both a [Sustainable Apparel Coalition](#) (SAC) member and a signatory of the [Social Labor Convergence Program](#) (SLCP), we will request our Tier 2 high-volume material suppliers to annually complete the Higg FSLM. This industry standardized tool evaluates social impact of manufacturing across areas such as wages, working hours, and health and safety. This assessment reduces the audit fatigue experienced across the apparel and footwear industry and provides a framework for factories to improve performance. We also plan to pilot the use of the Higg FSLM with our Tier 1 factories during 2021.



RESPONSIBLE SOURCING

RESPECT HUMAN RIGHTS

Tier 1 factories' average weekly working hours

CY 17	55.0
CY18	55.7
CY19	54.8
CY20	51.6
TARGET	60.0 or less

One of the most common industry issues identified in social compliance audits is adherence to working hours standards. Eliminating excessive overtime is a key component of our Code of Conduct, and we expect strict adherence to our working hour policies: the sum of regular and overtime hours will not exceed 60 hours per week, and workers must have at least 24 consecutive hours of rest in every seven-day period.

Tier 1 factories' total number of lost days of work due to accidents

CY18	239
CY19	852
CY20	507

We track lost days of work due to accidents instead of accident rate because we believe this is a more accurate measurement of our facilities' commitment to health and safety. For factories showing high numbers of lost days due to accidents, we seek a better understanding of the root cause to help find viable solutions and ensure appropriate health and safety remediations are implemented.

Migrant Workers

Brooks recognizes that forced labor concerns of foreign migrant workers are among the most serious challenges facing the apparel and footwear industry. As a founding signatory to the [Commitment to Responsible Recruitment](#), we commit to work with our global supply chain partners to create conditions so that:



In 2020, we conducted migrant labor assessments at all Tier 1 and Tier 2 factories located in countries that are identified as high-risk for foreign migrant workers. These assessments go deeper into our migrant worker standards and we partner with each factory on an action plan to ensure they meet our standards. In 2020, we also included more detailed migrant worker questions as part of our new factory onboarding process.

RESPONSIBLE SOURCING

ADVANCE WORKER **WELL-BEING**

Positively impact workers by giving them a voice and using these insights to improve working conditions

We believe we have an opportunity to make a difference in the lives of the people working in our manufacturing supply chain. Our approach is currently focused on directly engaging with workers on areas that are critical to worker well-being – including worker sentiment, wages, working hours, harassment and abuse, grievance mechanisms, and worker representations. We recognize that a traditional social compliance audit is not the most effective tool for fully understanding worker well-being, and so we have implemented a worker sentiment survey to directly engage with the workers and provide them a platform to share their perspectives.

2020 was the second year we integrated a worker sentiment survey into our social compliance audits at our Tier 1 footwear factories. This survey is 100% anonymous and allows us to hear from significantly more workers compared to a traditional audit.

The survey results supplement the social compliance audit findings and have helped us to engage with our factory partners to develop solutions that specifically address concerns raised by the workers. In 2020, that engagement focused on work atmosphere and grievance mechanisms that were common themes raised by workers through the survey.

COMMITMENT

100% footwear sourced from Tier 1 factories that achieve 'Strong Performance' in worker sentiment survey by 2025

	CY 19 (Baseline)	CY 20	CY 25 (Target)
Strong performance	0%	0%	100%
Satisfactory performance	100%	100%	0%
Needs improvement	0%	0%	0%
Needs significant improvement	0%	0%	0%

RESPONSIBLE SOURCING

SUSTAINABLE MANUFACTURING

Reducing environmental impact associated with manufacturing Brooks product and materials

Our approach to achieve our sustainable manufacturing objective is to assess the environmental performance of facilities manufacturing our product and materials using the industry standardized tool, the [Higg Facility Environmental Module](#) (Higg FEM). We have been using this tool with our Tier 1 final assembly factories since 2014 and our high-volume Tier 2 material suppliers since 2019. Following the completion of this self-assessment, all factories are required to verify the accuracy of their assessment via an approved verifier.

Our expectation is that all factories achieve Higg FEM level 1. This level of performance indicates that the factory has a good understanding of its environmental impact and is tracking its sustainability performance. In 2020, we still had factories that were not yet achieving level 1 performance for all assessed sections of the Higg FEM. However, we were encouraged that the average Higg FEM score for all the Brooks factories assessed was 53 which was higher than the industry average score of 47. Our approach to improve performance is to review each verified assessment and identify specific actions the factory will need to take to achieve the level 1 performance requirement. For those factories that are already achieving level 1, we work with them to develop an action plan toward achieving the longer-term goal of level 3 performance, which indicates the factory has implemented leading practices to reduce environmental impact.

	CY20 (Baseline)	CY25 (Target)
No Higg FEM level achieved	80%	0%
Higg FEM level 1 (Foundational: awareness & understanding)	20%	0%
Higg FEM level 2 (Progressive: setting targets & tracking progress)	0%	0%
Higg FEM level 3 (Aspirational: leading practices)	0%	100%

An important focus of our sustainable manufacturing program is chemicals management. The objective of our Responsible Chemicals program is to ensure factories manufacturing Brooks product and materials use only chemicals that are safe for people and the planet.

The [Brooks Restricted Substances List](#) (RSL) underpins the Responsible Chemicals program and defines those substances that we restrict or eliminate from our products. All materials in Brooks' product must comply with our RSL. We communicate our restricted substances requirements to all our suppliers through our RSL and maintain this understanding through our Code of Conduct and RSL Compliance Agreement, which is signed by all suppliers with each updated version of our RSL.

To put us on the path to achieve our Responsible Chemicals objective, in 2020 we evolved our approach to go beyond RSL compliance and take a holistic view of chemicals management. We implemented requirements to manage chemicals entering the factory (input management), exiting the factory (output management), and the use of chemicals in the factory (e.g., storage, handling, inventory management). We've aligned with the wider apparel and footwear industry by adopting the [ZDHC Manufacturing Restricted Substance List](#) (MRSL), a list of chemical substances banned from intentional use, and the [ZDHC Wastewater Guidelines](#), which define standards for wastewater discharge to ensure it is safe. We've committed to 100% compliance with the ZDHC MRSL and zero discharge of hazardous chemicals by 2025. Our Responsible Chemicals program will evaluate factory progress against this commitment and we will proactively work with factory partners to identify areas to improve practices and ensure ZDHC standards are met.

RESPONSIBLE SOURCING

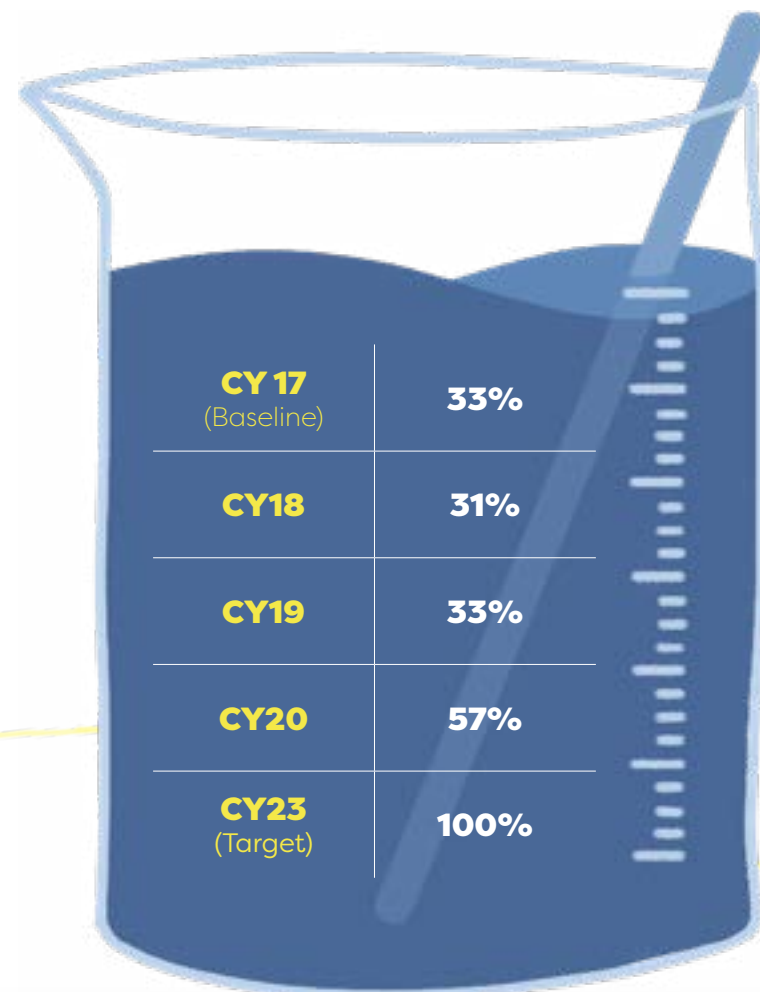
SUSTAINABLE MANUFACTURING

COMMITMENT

100% manufacturing assembly chemicals water-based

In 2020, we continued our focus on transitioning chemicals used in footwear assembly to water-based alternatives that are safer for people and the planet.

By the end of 2020, over half of footwear manufacturing assembly chemicals were water-based, up 25% since 2019. In addition, 86% of adhesives are now water-based, up from 72% in 2019, and 22% of primers are now water-based, up from 0% in 2019.



COMMITMENT

Use only non-fluorinated (C0) durable water repellents and anti-wicking treatments

Water repellency, an important feature for a portion of our gear, requires the application of a Durable Water Repellent (DWR) or non-wicking treatment. Unfortunately, these treatments traditionally use a class of chemicals known as Per- and Polyfluoroalkyl Substances (PFAS), some of which are persistent, bioaccumulative, and toxic. In 2020, we continued to use only DWR and non-wicking treatments that contain shortchain (C6 and C4) PFAS because they've been found to be less toxic than long-chain DWR varieties. Additionally, we began using non-fluorinated (C0) treatments, moving closer to our commitment to completely transition away from using treatments with PFAS.



CLIMATE ACTION

A science-based pursuit of net zero carbon emissions by 2040



At Brooks, we believe climate change demands urgent and global action. We are taking a science-backed approach to address climate change and align our efforts across every level of our business to reduce carbon emissions. Our Climate Action efforts are guided by two objectives:

- **Reduce carbon emissions in line with climate science**
- **Achieve net zero carbon emissions**

CLIMATE ACTION

REDUCE CARBON EMISSIONS
IN LINE WITH
CLIMATE SCIENCE

In 2020, we partnered with Quantis International and developed Science Based Targets (SBTs) to reduce our carbon emissions in line with the Paris Agreement. These SBTs were approved by the [Science Based Targets initiative](#) (SBTi) and our Scope 1 and 2 target was determined to be in line with a 1.5°C trajectory – the most ambitious designation available through the SBTi process and consistent with reduction required to keep warming to 1.5°C.



CLIMATE ACTION

OUR FOOTPRINT

What does CO₂e mean?

CO₂e, or carbon dioxide equivalent, is a standard unit for measuring carbon footprints. This allows us to report on all greenhouse gas emissions (GHGs) as a single number.

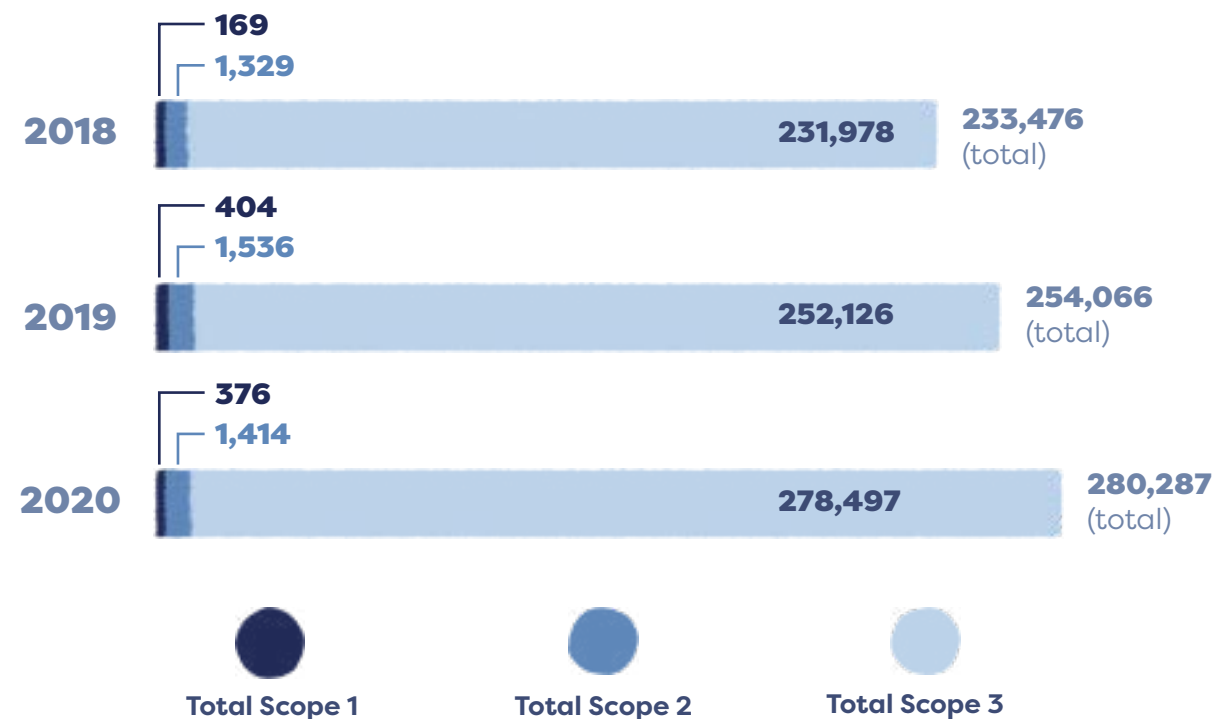
What is a Scope?

Scope 1: Emissions generated directly from our offices, distribution centers, and stores (e.g., use of natural gas).

Scope 2: Emissions from using purchased electricity in our offices, distribution centers, and stores.

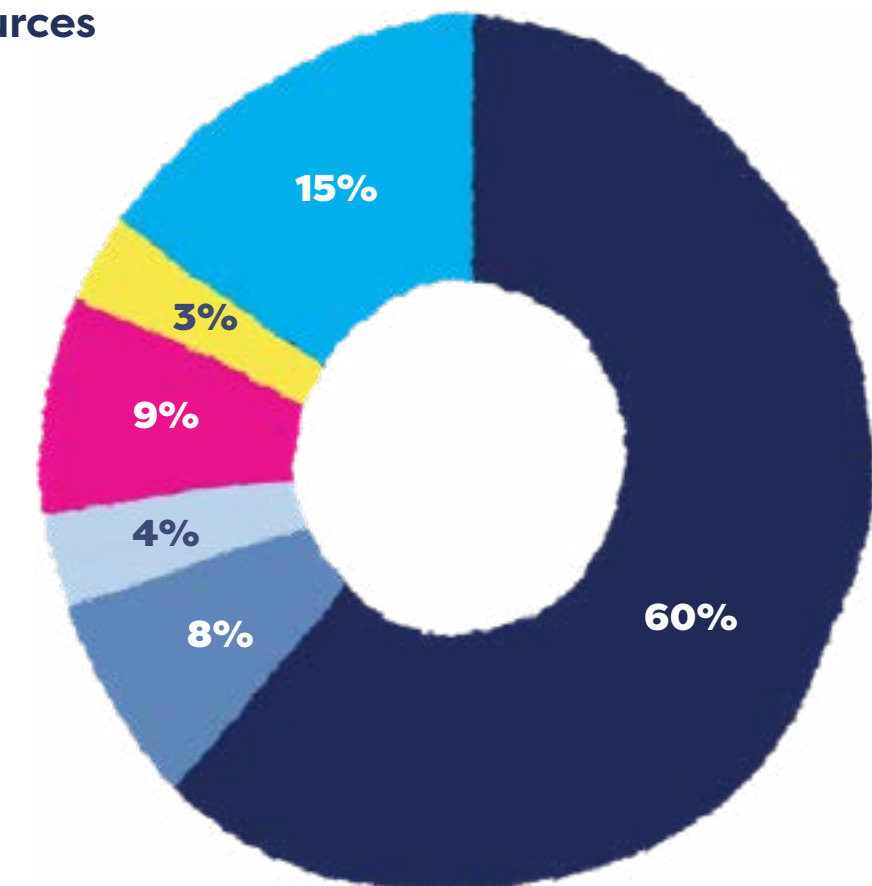
Scope 3: Any indirect emissions that occur across our entire value chain. This includes the materials used in our products, manufacturing of our gear, transportation and distribution, and employee business travel.

Total greenhouse gas emissions (Metric Tonnes CO₂e)



Scope 3 carbon emission sources

- Processing of raw materials to a finished material or component**
- Transportation and distribution of gear**
- End of life and use of gear**
- Final product assembly**
(e.g., finished running shoe)
- Other sources**
- Raw materials extraction and processing**
(e.g., production of yarn)



OUR CLIMATE ROADMAP

A critical first step toward taking action to reduce carbon emissions and achieve our SBTs is to understand the sources of our carbon emissions. In 2020, we used the insights from our carbon footprint to develop a Climate Roadmap that identifies strategies to reduce carbon emissions. These strategies were developed through a series of workshops with teams across our organization and modeling for carbon emissions reduction potential. This Climate Roadmap provides us a clear path toward reducing our carbon emissions.

Reducing **Scope 2 emissions**



- Convert all of Brooks global operated facilities to 100% renewable energy



- Support our Tier 1 (final assembly) and Tier 2 (material suppliers) partners to convert their factories to use on-site renewable electricity

Reducing **Scope 3 emissions**



- Convert textile materials in our product to low-impact dyeing processes
- Convert materials to recycled or low carbon intensive alternatives
- Maximize material usage and reduce manufacturing material waste
- Convert apparel fabrics to bluesign® approved



- Transition to circular product



- Limit the amount of our product that is shipped via air from the factory to our distribution centers
- Convert our leased vehicle fleet to electric vehicles

CLIMATE ACTION

ACHIEVE NET ZERO CARBON EMISSIONS

Our climate commitments extend to the long-term target of climate science to achieve net zero carbon emissions. At Brooks, we have committed to achieve net zero carbon emissions by 2040, 10 years ahead of the Paris Agreement. The earlier we can reduce our carbon emissions and achieve net zero, the greater our contribution toward protecting our planet for future generations.

We recognize that partnerships will be critical to achieving our ambitious climate commitments, so in 2020 Brooks signed [The Climate Pledge](#), co-founded by Amazon and Global Optimism. Brooks was the first athletic brand and among the first 40 companies in the world to sign the commitment to meet the Paris Agreement 10 years early.

THE Paris... CLIMATE 10 years PLEDGE Early

As a signatory of The Climate Pledge, we agree to:

- **Measure and report greenhouse gas emissions on a regular basis**
- **Implement decarbonization strategies in line with the Paris Agreement through real business change and innovations, including efficiency improvements, renewable energy, materials reductions, and other carbon emission elimination strategies**
- **Take actions to neutralize any remaining emissions with additional, quantifiable, real, permanent, and socially beneficial offsets to achieve net zero annual carbon emissions by 2040**



SUSTAINABLE CONSUMPTION

Converting materials to recycled or renewable alternatives, eliminating manufacturing material waste to landfill, and transitioning to circular product



As we create new gear and run our global business, we also want to lessen our impact on the planet. At Brooks, we are reducing our reliance on non-renewable resources by using more sustainable materials in our products and decreasing the material waste generated during product manufacturing. We're investing in research and development of new materials and manufacturing processes that will enable us to move toward a truly circular product model. We're also taking greater responsibility for what happens to our products after their usable life so they don't end up in landfills.

Our Sustainable Consumption efforts are guided by four objectives:

- **Decouple materials from non-renewable resources**
- **Eliminate manufacturing material waste to landfill and incineration**
- **Transition to circular product**
- **Take responsibility for our product at its end of life**

SUSTAINABLE CONSUMPTION

MATERIALS

Our objective is to decouple the materials used in Brooks gear from non-renewable resources while maintaining or improving material and product performance and quality. As a step toward achieving this objective, we've committed to source only materials with a minimum 50% recycled or renewable content by 2030.

To achieve this commitment, our approach is currently focused on converting polyester and nylon yarns – two of our highest volume material types used in our footwear textiles uppers, run bras, apparel, and accessories – to yarns made from recycled content. Behind the scenes, our R&D teams are already in action developing recycled and renewable content alternatives for other material types, including midsole and outsole compounds and other non-textile materials used in our footwear uppers.

In 2020, we more than doubled the percentage of total polyester volume that was recycled polyester, with 51% of total polyester volume now coming from recycled polyester yarns.

By switching from conventional polyester to recycled polyester we **reduced carbon emissions** associated with our 2020 total polyester usage by

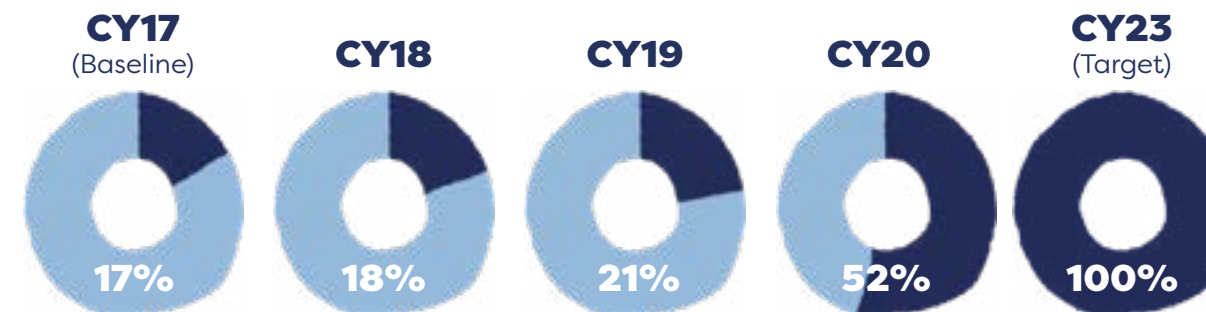
1,115,294 kg CO₂e

That's the equivalent of annual energy use for 129 homes

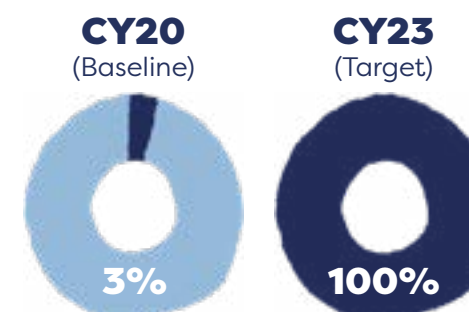
COMMITMENT

Increase recycled polyester yarn usage to 100% in place of traditional virgin polyester yarns by 2023

Percentage of total polyester volume that is recycled polyester



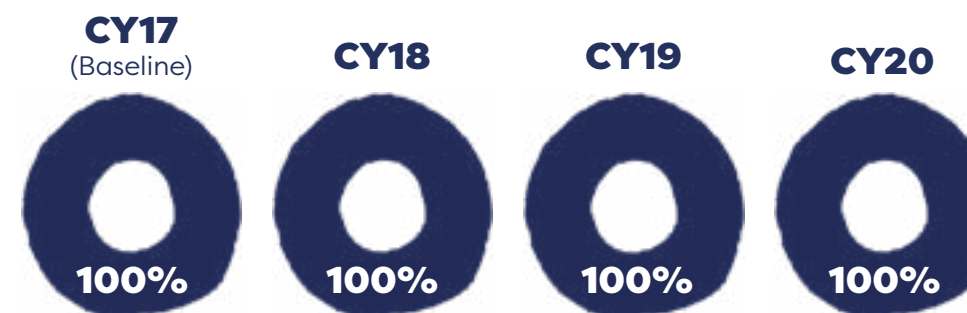
Percentage of total nylon volume that is recycled nylon



66 Million
plastic bottles diverted from landfills and oceans by switching to recycled polyester in CY20

COMMITMENT

Source leather from Leather Working Group (LWG) Gold-certified tanneries



INCORPORATING RECYCLED MATERIALS INTO OUR GEAR

A major focus in 2020 for the Brooks footwear team was to convert the many textiles used in our footwear uppers from conventional polyester to recycled polyester. Almost all polyester textiles have now been converted to contain a minimum of 30% recycled polyester, and many are 100% recycled polyester. Our efforts to move away from conventional polyester have led to reduced carbon emissions.

This infographic shows which parts of the Ghost 13, our highest-volume shoe, are now made up of recycled polyester.

Sock liner top cloth

100% Recycled polyester

Collar lining

100% Recycled polyester

Tongue lining

100% Recycled polyester

Tongue mesh

80% Recycled content

Vamp mesh

34% Recycled content

Collar lining reinforcement

Quarter reinforcement

Tongue lining reinforcement

Eyestay reinforcement

Toe box reinforcement

100% recycled polyester



The **Ghost 13**

SUSTAINABLE CONSUMPTION

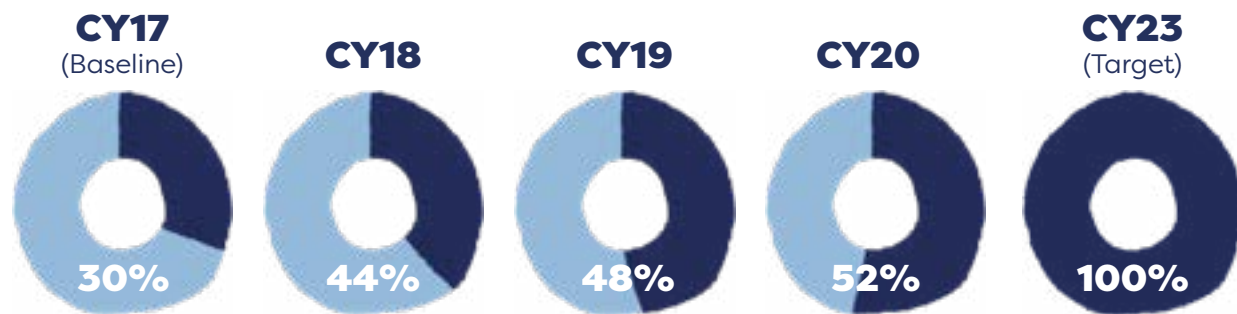
MATERIALS

Our apparel team continues its focus on sourcing materials that are bluesign® approved. A bluesign® system partner since 2014, we use the bluesign® resources to select safe and sustainable materials from factories that uphold environmental standards and value worker health and safety. At the end of 2020, over half of Brooks' total apparel fabrics were bluesign® approved.

COMMITMENT

100% nominated apparel fabrics bluesign® approved by 2023

Percentage (by volume) of total apparel fabrics selected that are bluesign® approved



DASH 1/2 ZIP RECYCLED MATERIALS

The materials used in the Dash 1/2 Zip were made with bluesign® approved materials

Underarm panel



Side body panel



Main body fabric



11 Plastic bottles were used to make the Dash 1/2 Zip

SUSTAINABLE CONSUMPTION

WASTE

Our objective is to eliminate material waste generated during manufacturing that ends up in landfill, incineration, or the environment. Brooks is committed to achieve this for footwear manufacturing material waste by 2025.

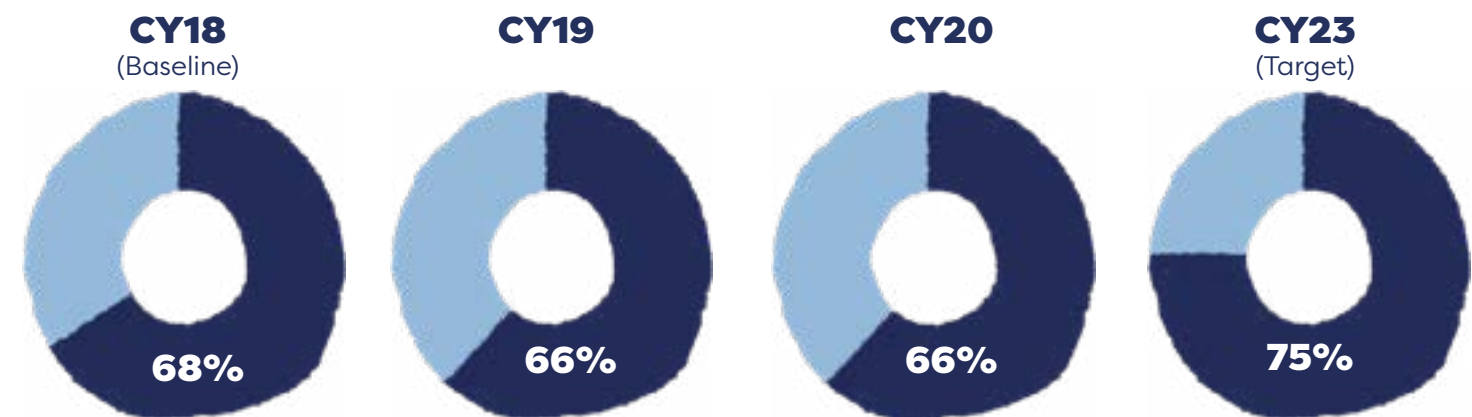
Our approach is to first reduce the amount of material waste generated by maximizing material usage. We have identified a series of initiatives across design, materials, and manufacturing, including exploring new cutting solutions, implementing new pattern software for more efficient nesting, and exploring opportunities to customize material widths to optimize parts placement.

For any material that does find its way to the factory floor, we will partner with our factories and take action to ensure that material does not end up in landfill, incineration, or the environment. Our long-term vision is to recycle material waste back into the Brook supply chain and use it as the source of recycled content to make new material for future products.

In 2021, we will document the baseline amount of material waste generated at our Tier 1 footwear factories and track the destination of this waste. Understanding our waste will provide insights that in turn will inform actions needed to redirect waste away from landfill and incineration.

We track material efficiency in our footwear uppers as a measure of our progress to maximize material usage.

Measure: average material efficiency (footwear uppers)



SUSTAINABLE CONSUMPTION

CIRCULAR **PRODUCT**

Our objective is to transition from linear to circular product and we have committed to launch Brooks' first circular performance running footwear and apparel by 2030.

At Brooks, our vision is to bring circular performance running footwear and apparel product to the market by 2030. We are committed to making gear that can be deconstructed, have its materials fed back into the production cycle, and then used to make new performance running footwear and apparel. Moving away from linear to circular product is necessary to reduce Brooks' contribution to overconsumption and help address climate change.

We started our journey to circular product back in 2018 when we began sourcing materials made from recycled content. We amplified those efforts further in 2020 by increasing the amount of recycled polyester and nylon used in our product. At Brooks, we recognize that sourcing materials with recycled content is just the beginning of our circular product journey, so in 2020 we dedicated workstreams to achieve our long-term circular product commitment. This includes R&D projects to develop circular solutions across product design, materials, and manufacturing, all while maintaining the high quality and performance of our product.

PRODUCT **END OF LIFE**

Our objective to take responsibility for our product at its end of life is a key enabler for all our Sustainable Consumption objectives. But before we think about developing sustainable end-of-life solutions for our gear, we first obsess over the quality of our gear to maximize durability and the number of miles runners can log before it's time to replace it. We also create product that has continued usage once it hits its 400th mile, so our runners can enjoy their shoes for everyday wear around town or while doing weekend projects. We have a comprehensive wear test program that ensures we live up to this promise and we're improving the accuracy of data to track product use and performance.

To enable circular product, we need to create pathways for our product to be returned after runners have finished logging their miles. We're currently focused on developing a product take-back program and researching end-of-life solutions for collected product. We'll start by looking for donation and downcycling options before we have developed circular solutions. This will enable our product to be redirected back into our manufacturing supply chain to be recycled.

Every year, Brooks has inventory that is unsold or returned. We've partnered with [Soles4Souls](#) since 2016 to help us convert this product into a resource for those in need. In 2020, Soles4Souls helped us divert over 117,000 items from ending up in the landfill.

APPENDIX

2020 PROGRESS TOWARD COMMITMENTS



DIVERSITY, EQUITY, & INCLUSION*

	CY20	CY25 Target
Annually achieve Human Rights Campaign “Corporate Equality Index” score of 100	100	100
50% women employee representation at every level	46.4%	50%
30% BIPOC employee representation at every level	21.6%	30%
100% pay equity for BIPOC employees	-	100%
100% pay equity for women employees	-	100%
40% BIPOC representation in marketing stories and images	-	40%
Increase diversity of U.S. running population to 40% BIPOC	-	40%

*All Diversity, Equity, and Inclusion commitments apply to U.S. only

RESPONSIBLE SOURCING

	CY18	CY19	CY20	CY25 Target
100% of product and materials sourced from factories that are compliant with Brooks’ Supplier Code of Conduct and Responsible Sourcing standards	99%	100%	99.75%	100% (ongoing)
90% product and materials are sourced from factories that achieve social compliance audit score of 90 or greater	3%	8%	79%	90%
100% footwear sourced from Tier 1 factories that achieve “Strong Performance” in worker sentiment survey	-	0%	0%	100%
100% of product and high-volume materials sourced from factories that achieve Higg FEM level 1 and working toward level 3	-	-	20% (Level 1) 0% (Level 3)	100% (Level 3)
100% compliance with ZDHC MRSL and zero discharge of hazardous chemicals	-	-	New Commitment	100%
100% manufacturing assembly chemicals are water-based	31%	33%	57%	100%

APPENDIX

2020 PROGRESS TOWARD COMMITMENTS




CLIMATE ACTION

	CY18	CY19	CY20	Target
Reduce absolute scope 1 and 2 greenhouse gas emissions 50% by 2030 (from a 2018 baseline)	1,498 metric tonnes of CO ₂ e	1,940 metric tonnes of CO ₂ e	1,790 metric tonnes of CO ₂ e	749 metric tonnes of CO ₂ e (CY30)
Reduce absolute scope 3 greenhouse gas emissions 15% by 2030 (from a 2018 baseline)	231,978 metric tonnes of CO ₂ e	252,126 metric tonnes of CO ₂ e	278,497 metric tonnes of CO ₂ e	197,181 metric tonnes of CO ₂ e (CY30)
Net Zero carbon emissions by 2040	-	-	-	Net zero carbon emissions

SUSTAINABLE CONSUMPTION

	CY18	CY19	CY20	Target
Increase recycled polyester yarns usage to 100% in place of traditional virgin polyester yarns	18%	21%	51%	100% (CY23)
100% nominated apparel fabrics bluesign® approved	44%	48%	52%	100% (CY23)
Source all materials with minimum 50% recycled or bio-based content	-	-	New Commitment	100% (CY30)
Zero footwear manufacturing material waste to landfill, incineration, and the environment	-	-	New Commitment	0 (CY25)
Launch Brooks' first fully circular performance running footwear and apparel	-	-	In Progress	Launch (CY30)
Implement a product take-back program	-	-	-	Launch Pilot (CY22)

A person is running on a dirt path through a forest, accompanied by a dog. The scene is dimly lit, suggesting a forest setting. A yellow curved line is visible on the right side of the image.

We're committed to providing transparency on our goals, progress, and areas we can improve. For questions regarding our Running Responsibly program, please email runningresponsibly@brooksrunning.com



RUNNING RESPONSIBLY