

# RUNNING RESPONSIBLY



2016 Corporate Responsibility  
Performance Summary Report



# Brooks Belief #8

We live, work, and run as part of a global community.

The planet is our playground. And because more than 100 million people worldwide run outside, it's critical we take care of it. As we create new gear and run our global business, we seek to minimize our environmental and social impact, and be transparent about areas where we can do better. We aim to give back to the communities in which we operate, lifting causes that get people moving. Doing what's right for people and the planet is a lifelong race. And we're running it.

[? Learn more about all our beliefs](#)

## Our Running Responsibly Pillars

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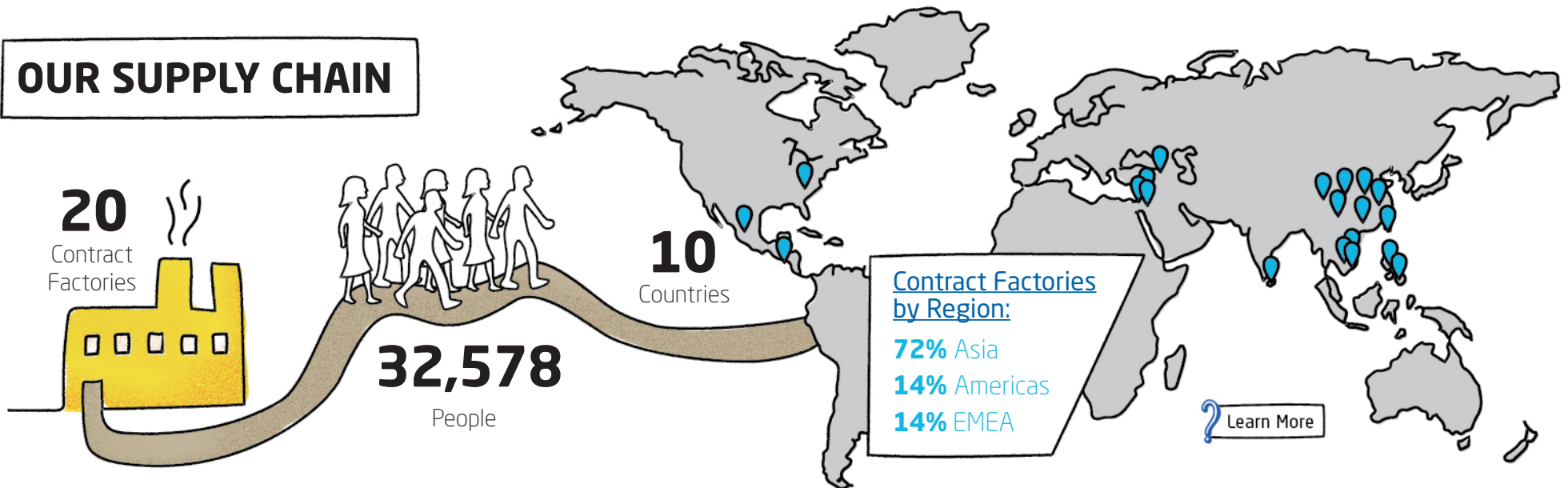
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# Responsible Sourcing

***We understand that our impact extends beyond the walls of our headquarters.***

As a company that uses contract factories around the world, we strive to support fair and safe working conditions and minimize our negative impact on the environment.

## OUR SUPPLY CHAIN



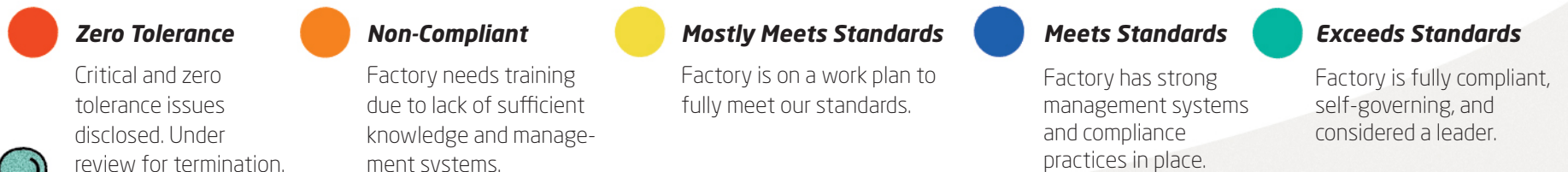
## FAIR LABOR

***Our goal is to treat all people fairly and respectfully.***

We continually seek to improve workplace conditions, worker well-being, and strengthen supplier relationships.

[? Learn More](#)

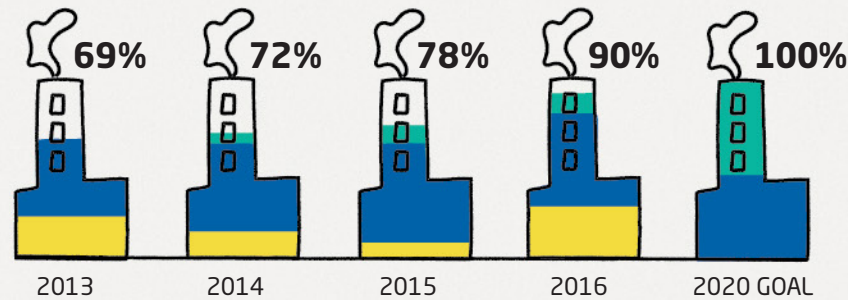
### Factory Ratings





# MONITORING & CONTINUOUS IMPROVEMENT

% of Factories Rated  
MOSTLY MEETS STANDARDS  
or Better



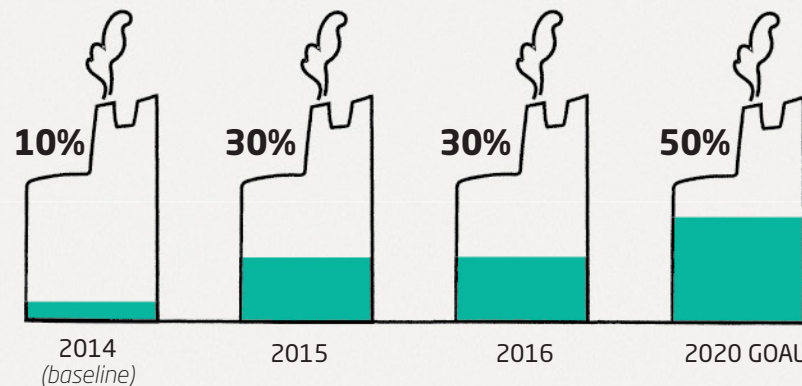
90% of our contract factories were rated *Mostly Meets Standards* or better in 2016, an **increase of 21% since 2013**.

GOAL:

100% of contract factories meet our *Mostly Meets Standards* rating or better by 2020.

% of Strategic Factories in a  
Self-Governance Model:  
EXCEEDS STANDARDS

*\*Strategic Factories = factories that account for more than 93% of our purchase volume*

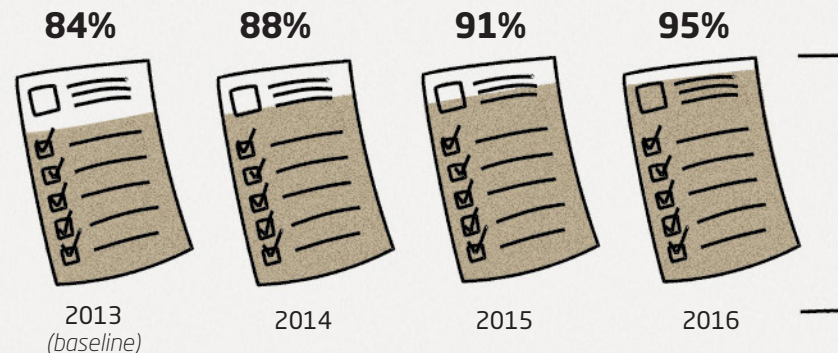


Our goal is to inspire and educate our contract factories to manage and take full ownership of their social responsibility impacts.

GOAL:

50% of strategic suppliers meet our *Exceeds Standards* rating by 2020.

% of Supply Chain  
MONITORING



In 2016, we monitored **95%** of our contract factories with the help of third-party auditors, representing 99% of our product volume.

We monitored the factories that produce

**99%**  
of volume in 2016.

## WORKER VOICE & WELL-BEING

*Our programs go beyond labor compliance to support workers and their families' health and well-being.*



Worker voice and well-being initiatives launched in China, impacting **5500** workers.



We expanded our well-being programs to Vietnam, reaching over **8500** workers since this program's inception.



**87%** of footwear volume sourced by suppliers that have implemented worker well-being programs.

Scale worker well-being programs to reach **20,000** workers by 2020.

## HIGHLIGHT

BSR® | her+project

**2 OUT OF 3**

people in our supply chain are women

Since 2014, we have partnered with BSR to provide education to our female factory workers through the HERhealth initiative. As a peer-to-peer education program, HERhealth provides on-site education for female workers to empower them to take control of their health and well-being. This work has a multiplier effect on entire communities as women share their knowledge with co-workers, friends and family members.

[? Learn More](#)



**72**

women trained as peer educators



**4032**

people impacted by HERhealth



**709**

health manuals distributed



**57%**

of Brooks footwear sourced by suppliers with HERhealth programs

### HEALTH TOPICS INCLUDE:



- ✓ Nutrition and Exercise
- ✓ Family Planning
- ✓ Childcare
- ✓ Pre/Post Pregnancy care
- ✓ Personal Hygiene
- ✓ STDs, Especially HIV and Hepatitis B
- ✓ Breast Cancer and Early Detection Methods



### Ngan

*Soles Department, Long Rich (Vietnam) Co., Ltd.  
Married with 5-Year-Old Son and Pregnant*

"I feel very lucky and happy to be selected as a peer educator because I can learn firsthand from a medical doctor how to properly care for myself and my baby."

"With my first child I was concerned about the ultrasound. Now I learned from the medical doctor that the ultrasound will not cause harm to my baby and also that Vietnam law allows for 5 health visits for my prenatal care. I learned about eating healthy food before, during and after pregnancy. Good healthy food will help with having a healthy baby. I feel more confident that I can properly care for myself and my baby."

### Dung

*Sewing Department, Long Rich (Vietnam) Co., Ltd.  
Married with 6-Year-Old Son*

"I'm grateful that the factory has this program and enjoy sharing what I learn with my co-workers and family members."

"Before participating in this program I didn't think much about my health. Learning about breast cancer detection has improved my ability to care for myself, to ensure that as my child grows bigger, I'm healthy and can take care of my son."

*Translated by Nguyen Nguyen Nhu Trang, MPH, Executive Director at LIFE Centre Vietnam*

## CASE STUDY MIGRANT LABOR

### BACKGROUND

The factories where Brooks footwear and apparel receive their final assembly are just the tip of the iceberg into our supply chain. For each of our final assembly factories, there are typically more than ten material and trim factories that support them. So while it's important to monitor our final assembly factories, it's also important to us to evaluate compliance in our deeper supply chain. Our Migrant Labor Program exemplifies our commitment to monitoring all levels of our supply chain for fair treatment and safe workplaces, especially for workers who travel from other areas of Asia in order to work at our material suppliers' factories.

### Migrant Labor Program:

In early 2016, it came to our attention that many of our material suppliers in Taiwan were using a large number of foreign migrant workers. These workers, in particular, can be vulnerable to forced/bonded labor and discrimination, including having their passports taken from them, paying excessive fees in order to obtain a job, and discrimination based on their nationality or status as a migrant.

We implemented special protections for migrant workers and immediately began monitoring suppliers who used foreign migrant workers to determine if they were adhering to our high standards. Between our interactions with factories on this issue and our efforts as part of an industry working group, we have seen great progress so far. Notably, supplier awareness has increased and we are working to remediate any issues found.

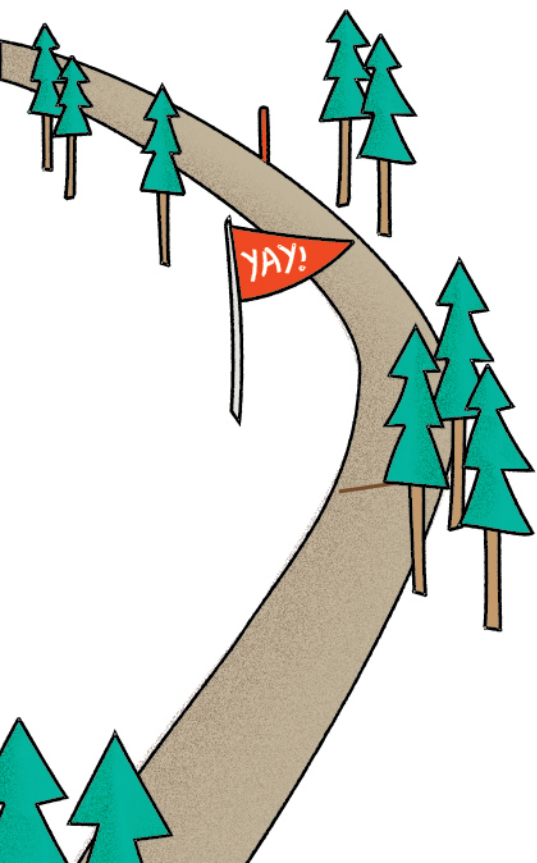
### THE ISSUE

### OUR RESPONSE

# ENVIRONMENTALLY RESPONSIBLE MANUFACTURING

## FACILITY ENVIRONMENT MODULE (FEM)

We work with our contract factories to use the Higg Index FEM, an industry standard tool that evaluates environmental management and performance. This tool provides a framework of best practices to measure, manage, and reduce environmental impact. Using this tool, we benchmark our contract factories' environmental efforts and reduce audit fatigue — so the factory and the Brooks team can focus on remediation and improving environmental performance.

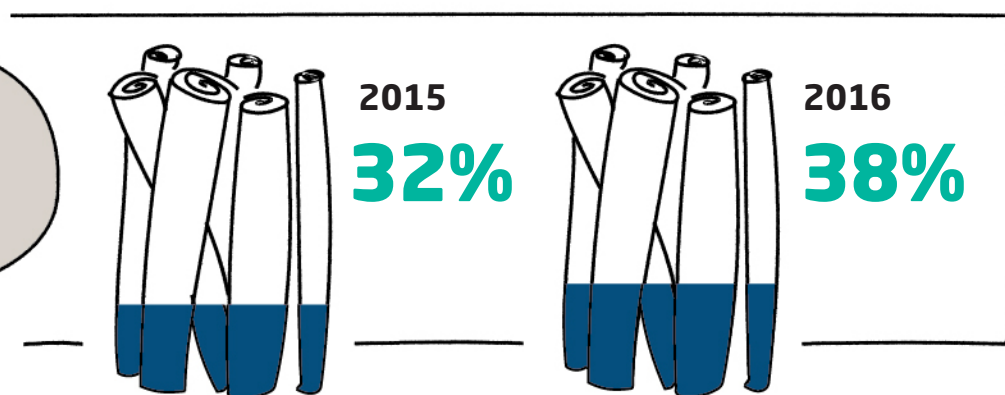


bluesign®

*Percentage of apparel fabric suppliers with bluesign® site compliance:*

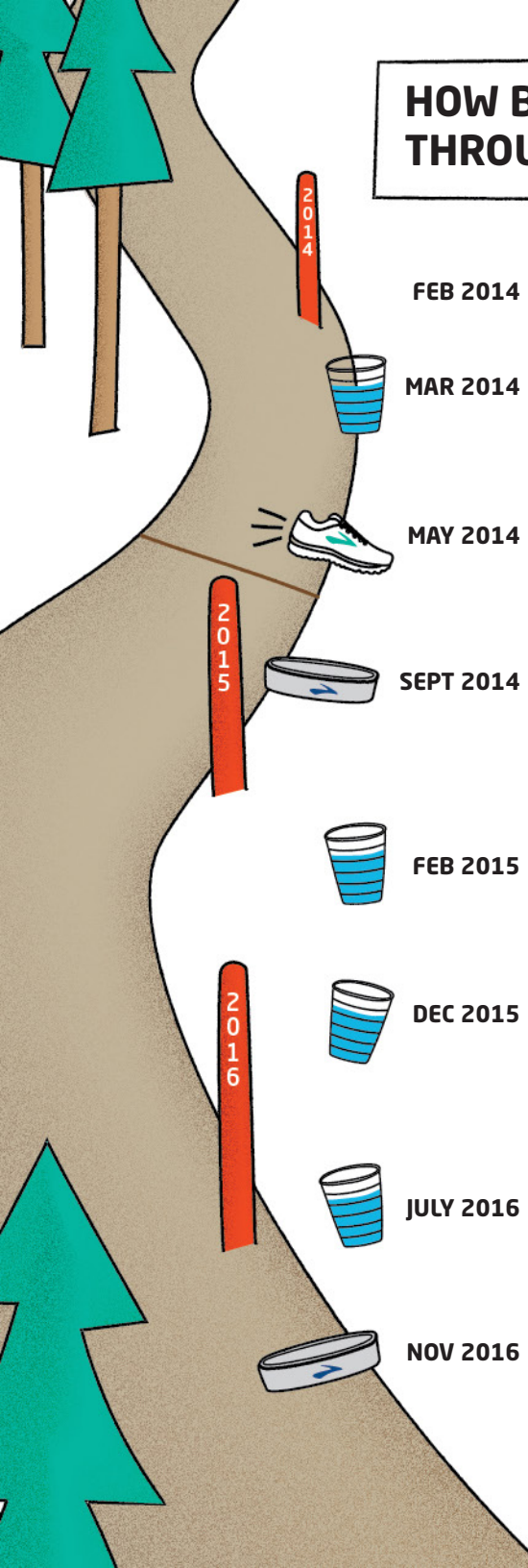
## BLUESIGN® SITE COMPLIANCE

For our material suppliers, we use the bluesign® system to manage the environmental impact at these sites. By sourcing materials from suppliers that are bluesign® site compliant, we encourage responsible use of chemicals and resources, the control of air, water, and waste outputs, and safe working conditions. Our goal is to continue to increase the percentage of apparel fabric suppliers who are bluesign® site compliant.





## HOW BROOKS IS COLLABORATING WITH THE INDUSTRY THROUGH THE SUSTAINABLE APPAREL COALITION (SAC)

- 
- FEB 2014** Joined the SAC.
- MAR 2014** Adopted the Higg Index FEM to evaluate contract factories' environmental management and performance.
- MAY 2014** Adopted the Brand Environment Module and the Brand Social/Labor Module self-assessments.
- SEPT 2014** Joined the DDM working group to participate in the development of the tool's content in collaboration with our industry peers.
- FEB 2015** 100% of all footwear and apparel contract factories completed the FEM self-assessment.
- DEC 2015** Joined the Social/Labor Convergence working group to work toward an industry standard assessment approach.
- JULY 2016** Became a signatory of [Social Labor Convergence Project](#).
- NOV 2016** Adopted Higg Index MSI and Higg Index DDM to evaluate the sustainability of our materials and product design choices.

### HIGG INDEX SUITE OF TOOLS:

#### Brand Modules



##### *Social/Labor Module & Environment Module*

Used by brands to self-assess their policies and progress to manage environmental and social/labor impact throughout their business and supply chain.

#### Facility Modules



##### *Social/Labor Module & Environment Module*

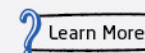
Manufacturers of all sizes use the facility modules to measure the environmental and social/labor performance of their facilities.

#### Product Modules



##### *Design and Development Module (DDM) & Materials Sustainability Index (MSI)*

Product design and development teams use the product modules to measure product environmental performance at different stages in the development cycle, from initial prototype to sourcing to final design and production.



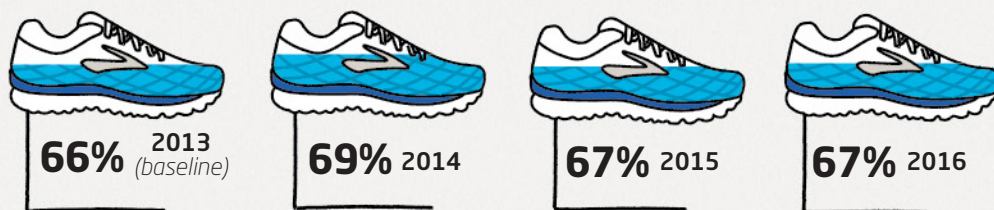
# Product Sustainability

Our products' environmental impacts are rooted in decisions made in the design process. Through the collection of relevant sustainability information, we empower our designers to make informed decisions that deliver premium products while incorporating more sustainable choices.

## MATERIALS EFFICIENCY

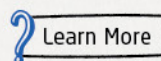
Our footwear team carefully considers the design of each part of our footwear uppers to maximize material efficiency in order to reduce waste.

### Average Upper Material Efficiency<sup>1</sup>



### OUR PLAN:

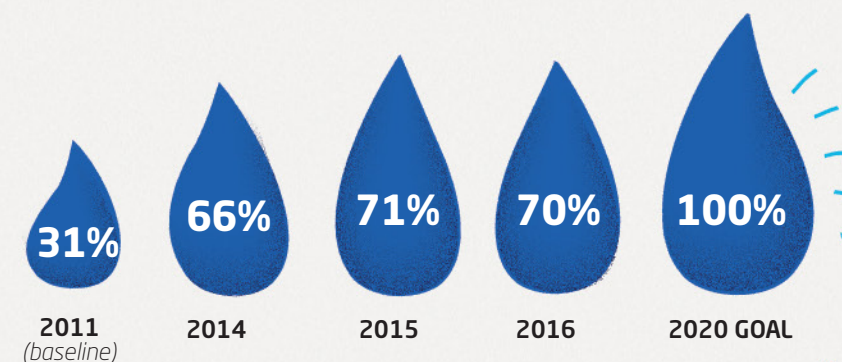
Brooks was an early adopter of the Sustainable Apparel Coalition's [tools](#) to evaluate product sustainability, namely the Materials Sustainability Index (MSI) and the Design and Development Module (DDM). We use these tools to quantitatively evaluate the environmental impact of our materials and product designs, and to help influence more sustainable choices such as raw material selection and improved pattern yields to reduce material waste. It's easier to identify opportunities for improvement and keep the product teams engaged with the single, tangible score these tools provide.



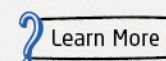
<sup>1</sup>Unless otherwise stated, we measure and report footwear sustainability performance specific to our core four footwear styles (Adrenaline GTS, Ghost, Glycerin, and Ravenna).

## WATER-BASED ADHESIVES

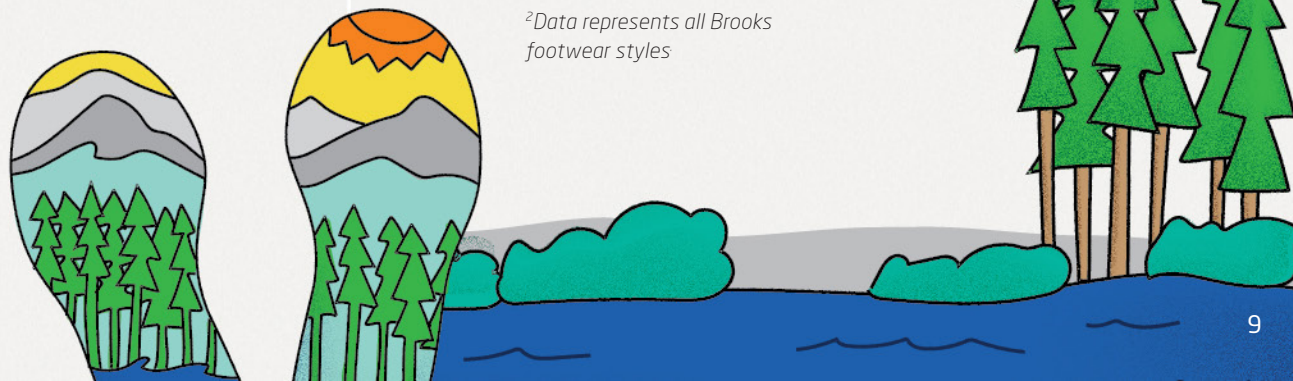
### Percentage of Adhesives that are Water-Based<sup>2</sup>



Brooks is reducing use of VOCs by replacing solvent-based adhesives with water-based adhesives that contain no VOCs.



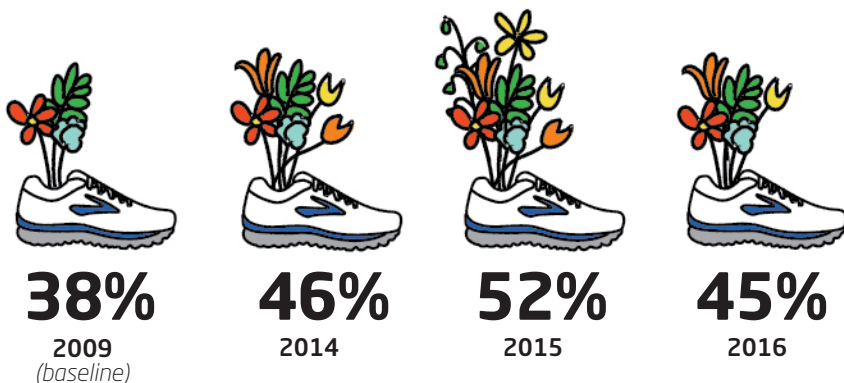
<sup>2</sup>Data represents all Brooks footwear styles





## ENVIRONMENTALLY PREFERRED MATERIALS (EPM)

Average EPM% (by weight) for Brooks Footwear



Environmentally Preferred Materials (EPM) are either materials containing recycled content (at least 20%) or our

**BIOMOGO**

midsole that biodegrades **50 times faster** than a traditional EVA midsole.



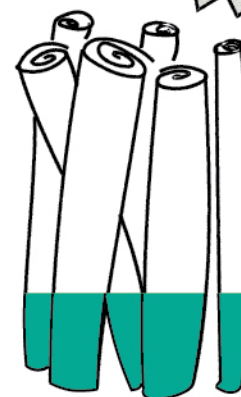
### OUR PLAN:

Our approach for increasing environmentally preferred materials across our products is to focus on recycled content and bluesign® certifications. In addition, we will use the Higg Materials Sustainability Index to better understand the environmental impact of our materials and to influence more sustainable material choices such as raw material selection and lower impact production processes.

## BLUESIGN® CERTIFICATIONS FOR BROOKS APPAREL

The bluesign® certification program is the most comprehensive system available for textiles. It ensures best practices for sustainability, both in the final material and in each step of the manufacturing process.

Our apparel team prioritizes sourcing bluesign® certified fabrics.



Total Fabric Percentage with bluesign® Certification

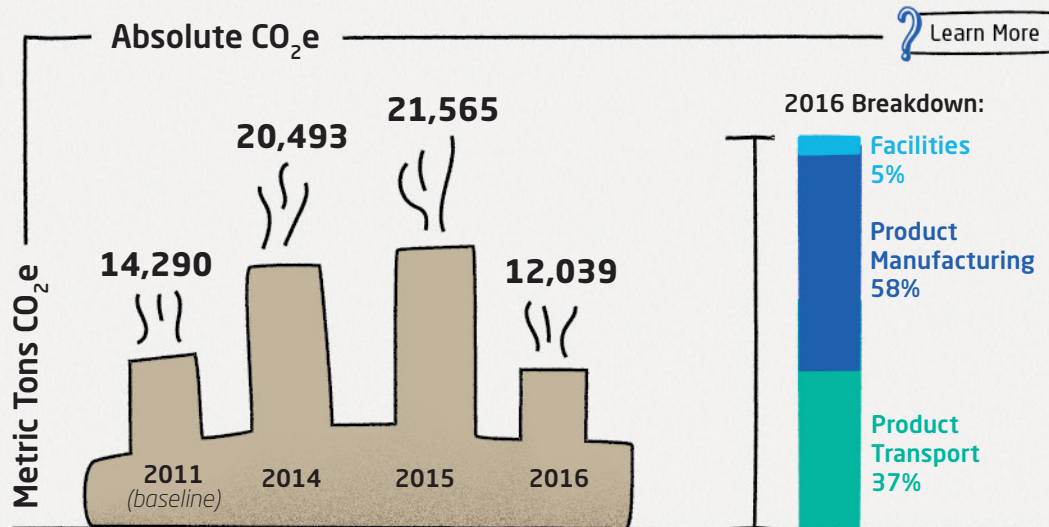
Year	Total Fabric Percentage with bluesign® Certification
2015	36%
2016	36%

Any fabric that is not bluesign® certified has Oeko-Tex 100 certification or is independently tested for compliance with our Restricted Substances List.

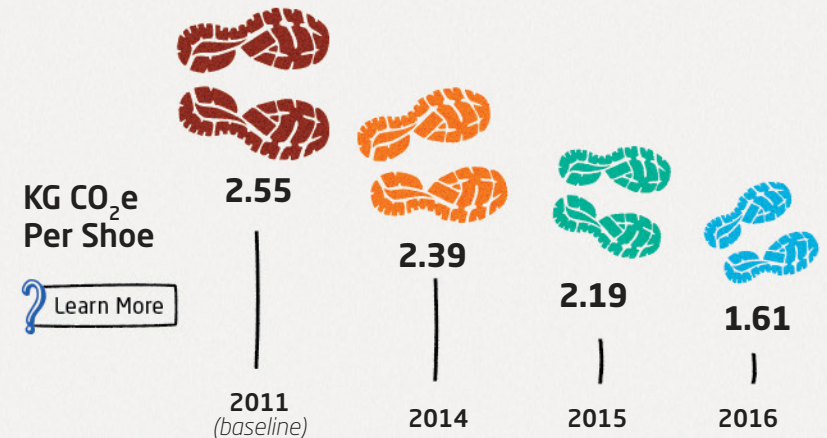


# Our Footprint

## ABSOLUTE GREENHOUSE GAS EMISSIONS

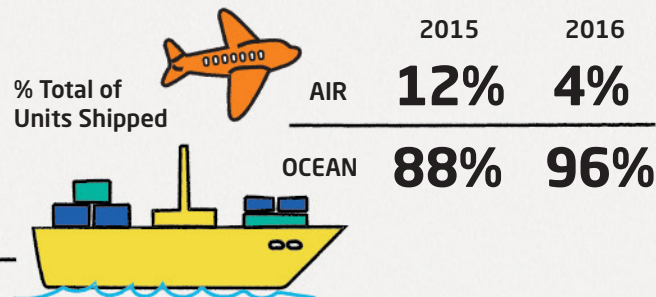


## GREENHOUSE GAS EMISSIONS PER SHOE



### Absolute GHG emissions reduced 44% from 2015 to 2016.

This was in part due to a concerted effort to ship less products by air. Air shipments have a larger GHG footprint than ocean shipments. Our efforts achieved an 8% decrease in the total number of product units shipped by air.



## CASE STUDY

### EMPOWERING OUR CUSTOMERS TO HELP REDUCE GREENHOUSE GAS IMPACT

In 2016, we gave brooksrunning.com customers the option to ship ground instead of air to help reduce the impact of greenhouse gas emissions.

Even though we shipped more product in 2016, **total greenhouse gas emissions from our shipments decreased approximately 5%**, a savings of 94 metric tons of CO<sub>2</sub>e compared to 2015 due to customers' decisions to ship ground more often.

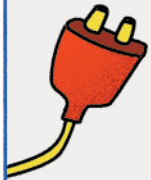
If all our customers selected this ground shipping option, we could collectively reduce the GHG emissions equivalent to driving 600,000 fewer miles per month.

THAT'S **22,900** MARATHONS!

# OUR ONGOING COMMITMENT TO SUSTAINABILITY

## REDUCING OUR IMPACT IN OUR GLOBAL HEADQUARTERS

In 2016 our global headquarters building in Seattle, USA, was the first commercial development to achieve rigorous requirements of the city's progressive Deep Green Pilot Program. Among other sustainable building goals, the program requires curbing energy and water usage by 75 percent and reusing 50 percent of captured rainwater compared to an average office building<sup>1</sup>. A LEED Platinum and Energy Star certified building almost by default, our global headquarters uses:



### 79% LESS ENERGY

4 million KW less energy — *that's the same amount of electricity 415 average U.S. homes use in 1 year.*



### 82% LESS WATER

3 million gallons less water — *that's the same amount of water as 81,000+ loads of laundry.*

#### THE DETAILS BEHIND OUR HOME:

##### Monitoring

- This building's systems are extensively metered to monitor energy and water usage. This data is communicated daily to our employees on a big screen in the cafeteria to help influence behavior.

##### LED Lighting System

- Highly efficient LED bulbs are managed by sensors so the lights aren't on if they don't have to be.

##### Efficient Heating and Cooling

- A chilled beam water-based heating and cooling system uses significantly less energy than a standard HVAC system.

##### Water Conservation

- Our toilets are flushed with rainwater collected throughout the building's exterior. The rainwater collection is also used to irrigate the landscaping.
- Timed showers decrease our water consumption.

##### Maximizing Natural Light


- Large windows allow natural light to reach deeper into the building to reduce need for artificial lighting.

##### Commuting Alternatives

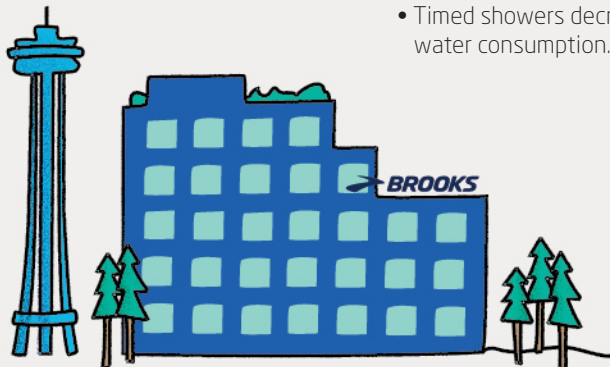
- Showers, changing rooms, and secured bicycle storage encourage human-powered commuting.
- Electric vehicle charging stations in the garage offer a greener car commute.

##### Reclaimed & Recycled Materials

- The open-air featured staircase, a focal point of the building's exterior, was built with salvaged wood from the buildings that previously occupied this property.

 [Learn More](#)

<sup>1</sup>2003 Commercial Building Energy Consumption Survey (CBECS)



## OUR SHOE BOX

We're reducing the environmental impact of our shoe box by reducing the total weight of its materials.

SINCE 2009

We have achieved a **33% reduction in material weight.**

2012

We switched to a lighter paperboard.

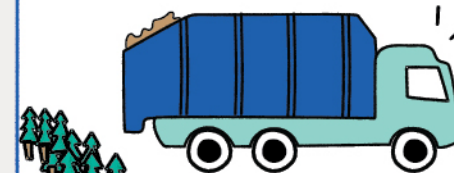
2016

We optimized shoe box dimensions, resulting in less paperboard required per shoe box.

*This also means we'll be able to ship more shoe boxes per shipping container (approx. 15% more boxes per container)*

These efforts have resulted in more than

**8 MILLION pounds** of paperboard saved since 2012.



*— that's the same weight as 285 fully loaded garbage trucks!*



We also continue to use 100% recycled and recyclable materials in our shoe box

**SAVING MORE THAN 370,000 TREES.**

We've saved more than

**1 MILLION pounds**

of shoe stuffing since we removed it from most styles in 2009.





# Community

WE BELIEVE A RUN CAN FLAT OUT  
"CHANGE A DAY, A LIFE, THE WORLD."

Through the following programs, Brooks employees act as ambassadors of the brand, sharing our purpose "to inspire everyone to run and be active."

## TOTAL DONATIONS MADE IN 2016:

**\$2.2 million**

in cash and in-kind donations.

**2x**

**Donations  
DOUBLED**  
from 2015 to 2016

**In 2016**

we began regularly donating close-out product from our distribution center.

### INSPIRING COACHES

[? Learn More](#)

Now in its sixth year, the Inspiring Coaches Program recognizes high-school cross country and track coaches who go above and beyond to reach, develop and inspire young runners. In 2016, Brooks extended the program to Canada as a full North America effort. After reviewing more than 1,000 nominations, we donated gear and cash to Most Inspiring Coach Ashley Wile's team from Vancouver, B.C. and 12 finalist teams. The 13 winners received total donations of:

 **\$8,500 TOWARD TEAM EXPENSES**

 **\$70,000 IN PRODUCT**

### BOOSTER CLUB

[? Learn More](#)

As a sister program to Inspiring Coaches, the needs-based Brooks Booster Club launched in 2015 to boost under-resourced high-school cross country and track teams in North America where pay-to-play sports and program eliminations continue to rise. In its second year, Brooks granted gear and financial support to 25 high-school cross country and track programs in the U.S. and Canada. 25 teams received total donations of:

 **\$50,000 TOWARD TEAM EXPENSES**

 **\$312,500 IN PRODUCT**

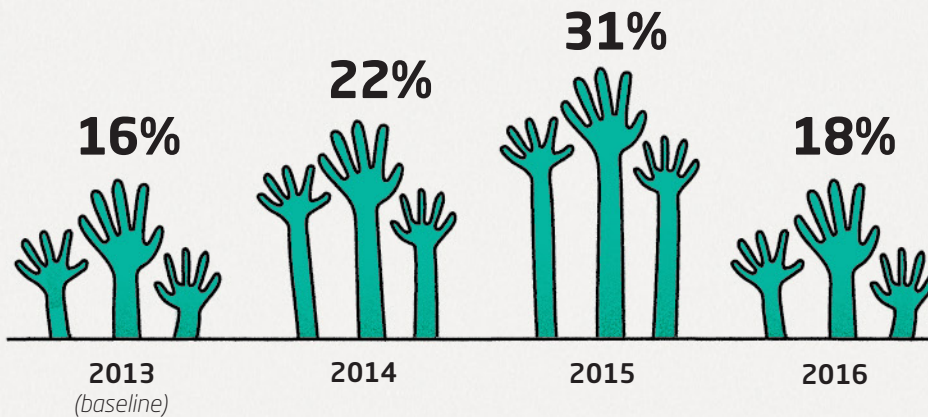


# RUN B'CAUSE

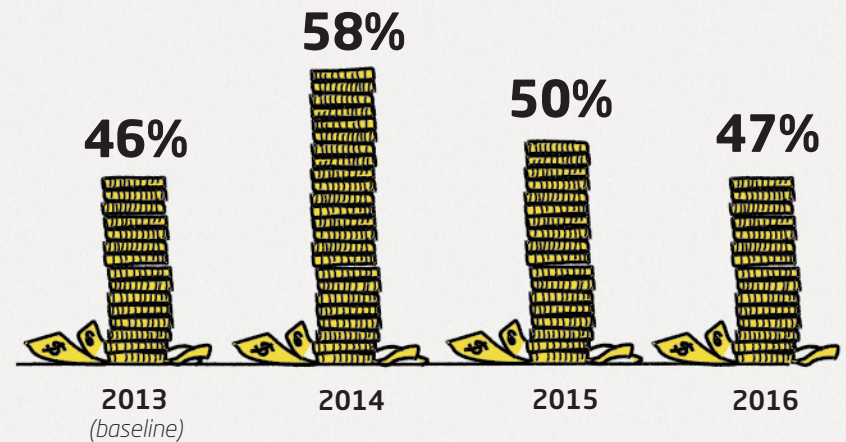
The Employee Volunteering and Donations Program encourages Brooks employees to give back to their communities. Employees get a chance to share time, money, and Brooks gear with causes and groups that matter most to them.

[? Learn More](#)

## EMPLOYEE VOLUNTEER PARTICIPATION

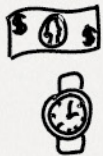


## EMPLOYEE DONATION PARTICIPATION



## PARTNERSHIPS

[? Learn More](#)



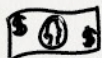
**\$5,000** cash donations

**Employees volunteered at Camp Korey** as part of Two Ten's Footwear Cares campaign.



**\$50,000** cash donations

**Gold Level Sponsor** for 2016

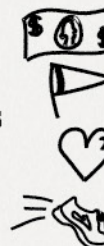


**\$25,000** cash and in-kind donations

**8th year in a row** Brooks employees have volunteered at the Conservation Alliance Backyard Collective.



**BOYS & GIRLS CLUBS**  
OF GREATER WASHINGTON



**\$512,000** cash and in-kind donations

**20 running clubs** supported around the state

**540 youth ran 3,107 miles** in regular physical activity through the program

**7 races** completed during the year

# For Brooks, running responsibly is a daily journey,

and while we've taken a number of important steps, we recognize this a marathon, not a sprint. We're continually looking to improve our Running Responsibly program to be best-in-class on social and environmental issues. We invite you to send comments, questions, and suggestions to: [runningresponsibly@brooksrunning.com](mailto:runningresponsibly@brooksrunning.com).

