



RUNNING RESPONSIBLY

2018 Corporate Responsibility Performance Summary Report



BROOKS BELIEF

WE LIVE AND RUN ON THIS PLANET

More than 100 million people run outside, so it's critical we care for the world we share. That means working to minimize our environmental impact, creating positive social change, and being transparent about areas where we can do better. All the while, we give back and lift causes that get people moving.





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A MESSAGE FROM OUR CEO



At Brooks we remain on a mission to make the best running gear in the world. Running ignites a limitless source of positive energy that can transform a day, a life, and even the world. You simply need a great place to run, gear that works for you, and a bit of inspiration to take that first step. That's why we have committed our entire company to inspire, enable, and engage with all who run to help them find their own path to the benefits that come from running and an active lifestyle.

As we operate our global business, we inherently impact people and places. More than 100 million people run outside, so it's critical we care for the home we share. That means working to minimize our environmental impact, creating positive social impact, and being transparent about areas where we can do better. All the while, we give back to the communities in which we operate and lift causes that get people moving.

In 2019, we mark a decade of commitment to sharing our impact and opportunity in corporate

responsibility. While we've tracked, reported, and improved in many areas along the way, we've never been more focused on progress as we are today. To that end, for the first time we've set and committed to five-year goals that will focus our efforts against 1) reducing our environmental impact in line with climate science and 2) creating positive social change. We've organized our work around product sustainability, climate action, responsible sourcing, and giving back.

This 2018 Running Responsibly report highlights our vision, goals, strategies, programs, and performance from the past year. While we acknowledge areas where we need to do better, key highlights of progress we've made during the year include:

1. We increased our percentage of bluesign® approved fabrics in our apparel products to 44%, up from 30% year over year.
2. We lowered our absolute GHG emissions by 7% versus prior year.

3. The percentage of products made in factories that met or exceeded our minimum standards grew from 66% in 2017 to nearly 99% in 2018.
4. Brooks donated more than \$11 million (cash and product) with a highlight being our deep partnership with the 2018 Special Olympics USA Games in Seattle.

Ultimately, we know runners can choose from many brands. We believe most will choose a brand that delivers great gear and gets how the run fits into their lives. We also know many will look past what we do and want more information on how we do it. We are committed to making progress on reducing our environmental impact and creating positive social change. It's a lifelong race, and we are running it.

— Jim Weber, CEO

CORPORATE RESPONSIBILITY STRATEGY

VISION

Create the best running gear in the world while we reduce our environmental impact in line with climate science, create positive social change, and be transparent about these efforts.



OUR PROGRAMS

Product Sustainability

Reduce the environmental impact of our product through a focus on materials, waste, and chemicals

Climate Action

Reduce greenhouse gas emissions in line with climate science

Responsible Sourcing

Partner with our suppliers to achieve and continuously improve upon the Brooks Supplier Code of Conduct and Responsible Sourcing Standards

Transparency

Brooks is committed to providing transparency to our customers and wider stakeholders on our goals and progress. We are committed to adopting the Higg Index as one of the primary vehicles for providing that transparency. Publicly communicating Higg Index scores will be available beginning in 2020 and we plan to align with that timeline.

CORPORATE RESPONSIBILITY GOALS & PROGRESS

Product Sustainability

Reduce the environmental impact of our product through a focus on materials, waste, and chemicals

Goal	Baseline	CY ¹ 2018	CY 2023 Target
All polyester & nylon fiber 100% recycled content	7% (CY17)	18%	100%
100% nominated apparel fabrics bluesign® approved	30% (CY17)	44%	100%
100% leather sourced from Leather Working Group Gold-certified tanneries	100% (CY17)	100%	100%
Minimum 75% average upper material efficiency	68% (CY18)	68%	75%
100% manufacturing assembly chemicals, water-based	33% (CY17)	31%	100%
100% Durable Water Repellents, non-fluorinated	Short-chain (C6) DWRs (CY17)	Short-chain (C6) DWRs	C0/non-fluorinated
Communicate Higg product scores for 80% of product volume	N/A	N/A	80%

Climate Action

Reduce greenhouse gas emissions in line with climate science

Goal	Baseline	CY ¹ 2018	CY 2023 Target
Develop science-based climate goal to reduce our greenhouse gas emissions	N/A	N/A	Set goal
100% renewable energy at Brooks-operated facilities	0% (CY18)	0%	100%

¹ CY = Calendar Year

CORPORATE RESPONSIBILITY GOALS & PROGRESS

Responsible Sourcing

Partner with our suppliers to achieve and continuously improve upon the Brooks Supplier Code of Conduct and Responsible Sourcing Standards

CODE OF CONDUCT - FINAL ASSEMBLY FACILITIES

Goal	Baseline	CY 2018	CY 2023 Target
100% of facilities pass annual social responsibility audit	69% (2013)	75%	100%
100% of facilities achieve verified Higg Index Facility Environmental Module (FEM) level 1	N/A (2019)	N/A	100%
Year-over-year reduction in lost days of work due to work-related accidents	239 lost days of work (2018)	N/A ¹	Year-over-year reduction
Average weekly working hours across the supply chain equal 60 or less	55 (2017)	55.7	Year-over-year reduction

CODE OF CONDUCT - MATERIAL SUPPLIERS

Goal	Baseline	CY 2018	CY 2023 Target
Annually achieve traceability and assess risk at all strategic materials	12.5% (2018)	12.5%	100%
Remediate 100% of major noncompliances to our Supplier Code of Conduct	19.4% (2018)	19.4%	100%
100% of applicable facilities ² achieve Higg FEM level 2	N/A (2019) ³	N/A	100%

WORKER VOICE

Goal	Baseline	CY 2018	CY 2023 Target
Incorporate worker voice into 100% of social responsibility assessments	6.6% (2018)	6.6%	100%
100% of facilities have functioning grievance mechanisms and democratically elected worker representatives	N/A (2019) ³	N/A	100%

SUPPLY CHAIN EXCELLENCE

Goal	Baseline	CY 2018	CY 2023 Target
Incorporate Better Buying Index principles into Brooks' sourcing strategy	Joined Better Buying (2018)	Joined Better Buying	Improved sourcing practices with fewer non-compliances being driven by Brooks' action
25% of facilities improve their facility rating year over year	N/A (2019) ⁴	N/A	25% improve per year

¹ 2018 baseline, year-over-year reduction not possible

² Wet-process facilities and certain high-energy facilities

³ New goal, 2019 baseline

⁴ New goal, 2019 baseline

PRODUCT SUSTAINABILITY

Aim: reduce the environmental impact of our product through a focus on materials, waste, and chemicals.

MATERIALS

A significant portion of our products' overall environmental impact comes from their materials. During the lifecycle of a material, there are demands on energy, water, land, and chemicals; there are also greenhouse gas emissions, wastewater discharge, and creation of waste. Developing industry-leading performance running footwear and apparel requires the careful selection of materials that will meet the high-performance and quality standards we demand in our products. We're focused on minimizing the environmental impact of our product by selecting materials that are better for both your run and the world you run in.

Our approach

We use materials that have less impact on the environment, such as recycled content and bluesign® approved materials. In addition, we use the Sustainable Apparel Coalition's (SAC) Higg Materials Sustainability Index (Higg MSI) and Higg Design & Development Module (Higg DDM) to evaluate, understand, and compare the impact of our material choices and product designs. This knowledge helps drive sustainable product decisions and inform our product sustainability strategies.

“Two thirds of the sustainability impact happens at the raw materials stage.”

—Pulse of The Fashion Industry 2018 Report,
Global Fashion Agenda and
Boston Consulting Group

Our performance

RECYCLED CONTENT

We're committed to increasing our use of materials with recycled content. We're currently focused on transitioning virgin polyester fibers to recycled polyester fibers.

Polyester fiber (used in footwear products) that is recycled

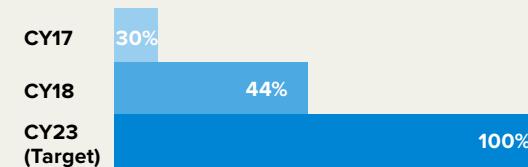


BLUESIGN® APPROVED FABRICS



We continue to prioritize fabrics in our apparel products that are certified to the bluesign® standard, which minimizes impact on people and the environment.

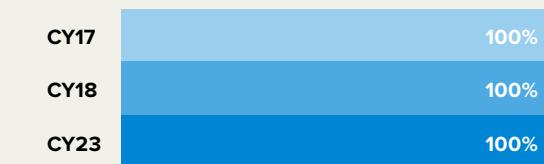
% nominated apparel fabrics bluesign® approved



LEATHER WORKING GROUP CERTIFICATION

We require all leather used in our products to be sourced from tanneries certified to the Leather Working Group (LWG) Gold standard, which ensures high levels of environmental performance, including in chemical management, energy use, and water treatment.

% leather sourced from LWG Gold-certified tanneries



WASTE

Another significant contributor to our products' overall environmental impact is material waste generated during product manufacturing.

Our approach

Brooks is focused on reducing waste generated when materials are cut into shape during the product manufacturing stage. Our product creation teams work to maximize material efficiency so more of the material ends up in the final product and less hits the factory floor as waste. These efforts also help to reduce overall material consumption and cost.

Our performance



CHEMICALS

Chemicals used in the manufacture of materials and product assembly are essential in ensuring the quality and performance of our products. However, certain chemicals can negatively impact the environment and the health of factory workers.

Our approach

We reduce the impact of the chemicals used in product assembly by transitioning to water-based alternatives and restricting harmful chemicals in our products.

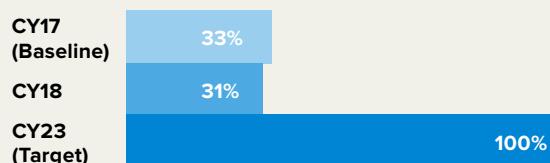
Our performance

Our current focus is on adhesives. As of 2018, we've transitioned 69% of total adhesives to water-based alternatives. As we continue to work toward our goal, we will expand our focus to primers, collaborating with our chemical suppliers to find water-based solutions that also meet our high-performance and quality standards.

WATER-BASED CHEMICALS

We're working to move from traditional solvent-based chemicals used in product assembly to water-based alternatives, which have less impact on human health and the environment.

% total assembly chemical usage that is water-based



RESTRICTED SUBSTANCES LIST

All materials in Brooks' products must comply with our Restricted Substances List (RSL). This list includes, at a minimum, all chemicals that are regulated by the most stringent legal regulations in any region globally, including EU's REACH and California Proposition 65. We also voluntarily restrict or eliminate many other substances considered hazardous for humans and the environment, even when they are not yet regulated by any governmental body.

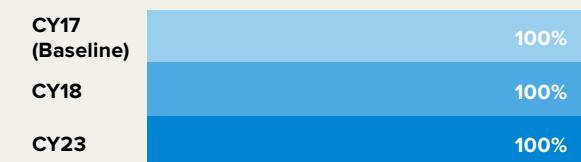
DURABLE WATER REPELLENTS

To achieve water repellency, Durable Water Repellents (DWRs) traditionally use a class of chemicals known as Per- and Polyfluoroalkyl Substances (PFAS). Some of these chemicals are persistent, bioaccumulative, and have toxicological properties. We continue to use only DWR treatments that contain short-chain (C6) PFAS, which have been found to be less toxic than long-chain DWR varieties. We are also working toward non-fluorinated alternatives.

Transition to non-fluorinated DWRs



% of footwear materials in compliance with our RSL



SUSTAINABILITY HIGHLIGHTS

OUR SHOE BOXES

Since 2009, we have updated our shoe box to reduce its impact on the environment.

- Switched to lighter paperboard, saving more than 12 million pounds of material
- Used 100% recycled and recyclable materials, saving more than 465,000 trees
- Removed shoe stuffing from most styles, saving almost 1.5 million pounds of material
- Optimized shoe box dimensions, allowing us to ship 15% more shoe boxes per shipping container



BROOKS GLOBAL HEADQUARTERS

Brooks HQ is certified LEED Platinum, using 79% less energy than a typical office building. It is also the first commercially developed building to complete the City of Seattle's Deep Green Pilot Program by meeting and surpassing rigorous sustainability benchmarks during a 12-month period.

Environmental features

- Highly efficient LED bulbs are managed by sensors so the lights activate only when necessary.
- A chilled beam water-based heating and cooling system uses significantly less energy than a standard HVAC system.
- Large windows allow natural light to reach deeper into the building to reduce need for artificial light.
- The building's systems are extensively metered to monitor energy usage. This data is communicated daily to our employees on a screen in the cafeteria to help influence behavior.

CLIMATE ACTION

Aim: reduce greenhouse gas emissions in line with climate science.

We acknowledge the urgent need to address the threat of climate change. Left unchecked, the impacts will affect the globe, including our business continuity and the simple ability to go for a run.

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**"Climate change is threatening the way we live and the future of our planet."**

— United Nations, 2018

## Our approach

Greenhouse Gas (GHG) emissions are emitted at various stages of our products' life cycle, from the raw material extraction through end of life. To do our part to address the threat of climate change, we need to reduce GHG emissions associated with our own activities as well as those of factories and logistics providers, where the majority of GHG emissions are generated.

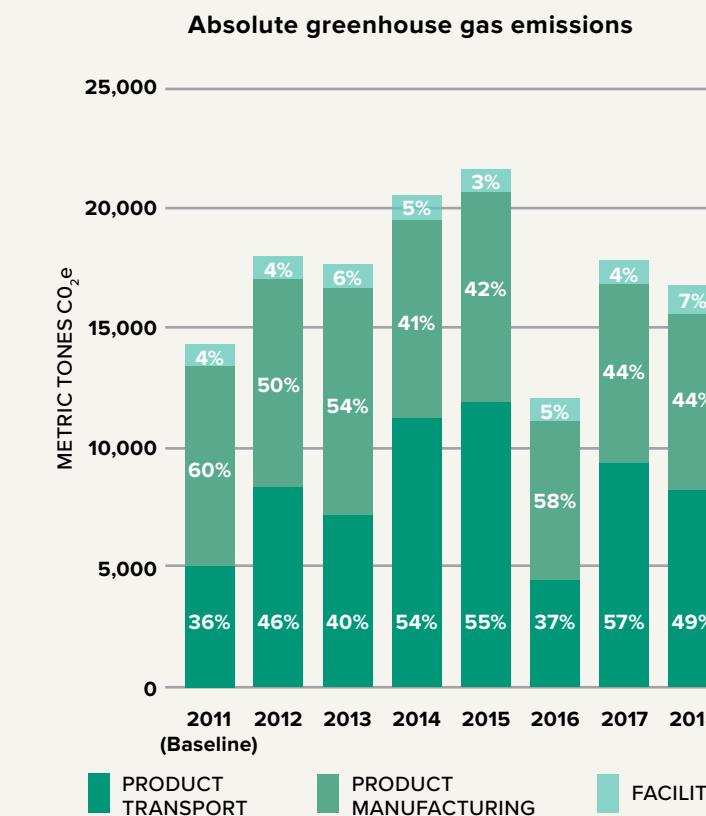
## SETTING A SCIENCE-BASED TARGET

To understand how much and how quickly we need to reduce GHG emissions, we decided in 2018 to set a science-based target for GHG emissions reductions. By setting a science-based target, we are aligning with the scientific community to reduce our GHG emissions according to the level of decarbonization required to keep global temperature increases below 2°C, compared to preindustrial levels.

## PROCURING RENEWABLE ENERGY

Understanding the need for urgent action, we are committed to 100% renewable energy in all Brooks-operated facilities by 2023. We plan to make our first renewable energy procurement in 2020.

## Our performance



GHG emissions associated with shipping our product from outbound port to inbound port decreased 12% from 2017 to 2018, even as we increased the total shipment weight by 32%. This progress was due primarily to less air shipping, which has a higher GHG footprint than shipping by ocean.

## % shipped from outbound port to inbound port by transportation mode

|      |         |           |
|------|---------|-----------|
| CY17 | Air 10% | Ocean 90% |
| CY18 | Air 6%  | Ocean 94% |

## Greenhouse gas emissions per pair

|                 |     |  |
|-----------------|-----|--|
| 2011 (Baseline) | 2.7 |  |
| 2014            | 2.5 |  |
| 2015            | 2.4 |  |
| 2016            | 1.7 |  |
| 2017            | 2.1 |  |
| 2018            | 1.5 |  |

# RESPONSIBLE SOURCING

**Aim: Source 100% of products from final-assembly facilities that achieve our “Meets Minimum Standards” facility rating or better.**

Our Responsible Sourcing Program measures social and environmental compliance against the Brooks Supplier Code of Conduct and local law. In addition, it aims to assist suppliers along their continuous improvement journey toward our 2023 goals and our long-term vision of a sustainable supply chain.

## CODE OF CONDUCT COMPLIANCE - FINAL-ASSEMBLY FACILITIES

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 guidelines we expect all to follow. The Supplier Code of Conduct is enforced through our work in the following areas.



### Our approach

We measure compliance to our Code of Conduct against our facility rating scale. For a factory to be “compliant” with our Code it must achieve our “Meets Minimum Standards” rating, which is defined at far right.

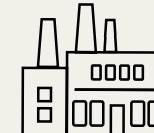
We monitor our final assembly factories based on risk. On average, each factory performs one social responsibility audit per year and is required to complete an annual Higg FEM. We will implement a corrective action plan and expect continuous improvement against our standards should a facility fall short of our “Meets Minimum Standards” rating.

| MEETS MINIMUM STANDARDS |                                   |                                                                        |
|-------------------------|-----------------------------------|------------------------------------------------------------------------|
| Social Responsibility   | Environmental Responsibility      | Worker Voice                                                           |
| Pass most recent audit  | Achieve verified Higg FEM level 1 | Achieve Worker Voice standards — or in probationary improvement period |

## Our performance

In 2018 we refocused our compliance efforts on increasing the percent of products made in compliance with our Code of Conduct.

We improved to 98.5%, up from 66% in 2017. Our goal is to produce 100% of Brooks gear in compliance with our Code of Conduct.



**98.5%**

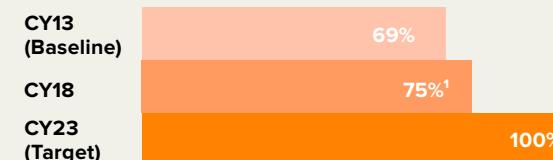
of Brooks products were made in factories which achieved our “Meets Minimum Standards” rating or better.

### SOCIAL RESPONSIBILITY

In 2018 our approved third-party auditors completed 15 third-party social responsibility audits covering 98% of all Brooks products manufactured.

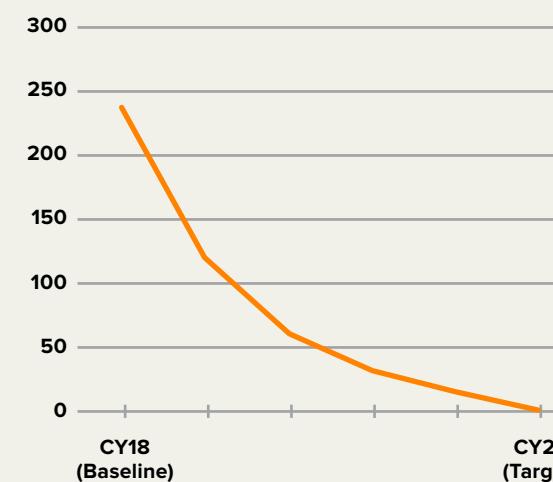
In addition to the social responsibility audit results covered above, we also track two specific

#### Goal: 100% of facilities pass annual social responsibility audit



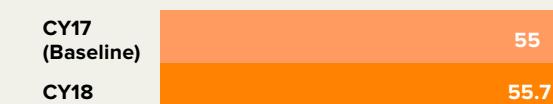
metrics that highlight our facilities' commitment to upholding our social responsibility standards: 1) year-over-year reduction in lost days of work due to accidents, and 2) average weekly working hours across the supply chain equal 60 or less.

#### Goal: Year-over-year reduction in lost days of work due to accidents



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. 2018 was the first year tracking this metric, and we learned a lot from the challenges of communicating our data collection expectations with facilities and third-party auditors. We expect our data collection to improve in 2019 as we hone our approach. We are using 2018 learnings to identify best practices and opportunities for Brooks to implement in-factory health and safety management systems training and capacity building projects.

#### Goal: Average weekly working hours across the supply chain equal 60 or less



Brooks expects strict adherence to our working hours policies; eliminating excessive overtime is a key component of our Code of Conduct. In 2018 we experienced strong partnership and commitment to these standards across the supply chain. There were some

cases where suppliers exceeded our weekly working hours limit (66 hours per week) or our expectation that all workers are guaranteed one day of rest per week. We continue to partner with these suppliers and other brands in our industry on continuous improvement against our working hours standards.

### ENVIRONMENTAL RESPONSIBILITY

In 2018, 16 facilities completed a Higg FEM self-assessment. Three facilities verified their Higg FEM. Moving forward it is an annual requirement for all final assembly facilities to complete the Higg FEM and achieve at least level 1.



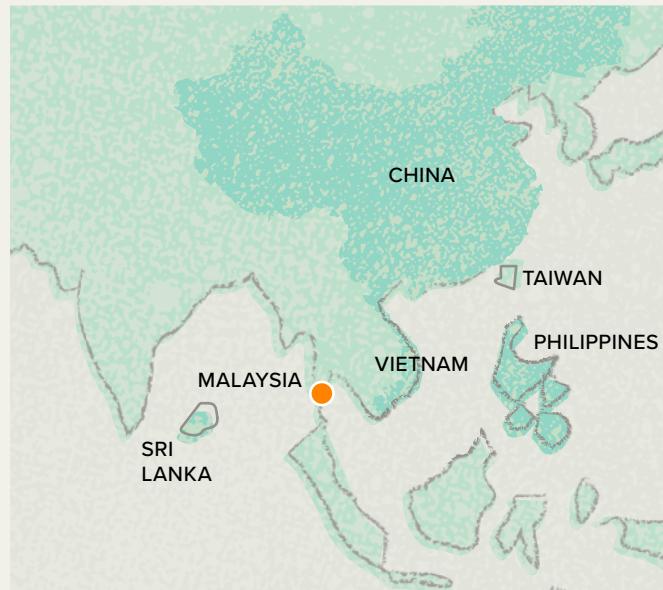
#### Completed Higg FEM assessments

**16**

FEM Self-assessment      Verified FEM

**3**

<sup>1</sup> 94% of suppliers who will produce Brooks gear in 2019 and beyond passed their most recent social responsibility audit.



## MALAYSIA MIGRANT LABOR INVESTIGATION

In 2018, Brooks was one of many brands that was approached by a non-profit investigative reporting organization about the working conditions of foreign migrant workers in the apparel industry in Malaysia. We immediately commissioned our own investigation and confirmed: 1) a facility that was unauthorized to manufacture Brooks products was making promotional apparel for the local Malaysia market, 2) the non-profit's findings in the factory were accurate, and 3) additional findings were noted including poor dormitory living conditions. Despite the fact that this facility was not authorized for Brooks production, we partnered with buyers from the factory to implement a robust corrective action plan:

1. Passports were quickly returned to workers
2. The factory augmented its recruitment and employment policies for foreign migrant workers
3. The factory has begun reimbursement of more than \$250,000 of recruitment fees to the foreign migrant workers, scheduled to be complete in 2019
4. One block of the dormitory was immediately closed for renovations while improvements were being made

Brooks recognizes that forced labor concerns among foreign migrant workers are among the most serious challenges facing the apparel and footwear industry. In addition to our work in-factory, Brooks is a founding signatory to the

[Commitment to Responsible Recruitment](#) and are a member in a working group of outdoor industry brands that shares best practices and works on shared remediation projects with other brands. It is our ongoing commitment that responsible recruitment of foreign migrant workers will be the standard practice in our industry.

## CODE OF CONDUCT COMPLIANCE - MATERIALS SUPPLIERS

### Aim: Assess and remediate risk at strategic materials suppliers.

In 2015 Brooks began working with select materials suppliers on Code of Conduct compliance. As we look closely at this part of the supply chain, we've found risks, which are not as prevalent in our final-assembly supply chain. Key risks include the recruitment of foreign migrant workers and chemical and wastewater concerns at textile dye houses.

### Our approach

Our Code of Conduct compliance strategy at materials suppliers defines: 1) with which facilities we engage, 2) when we engage, and 3) our requirements for these facilities. We track all vendors involved in Brooks' materials production and focus on the top 90% of materials

suppliers by spend. In 2018 we prioritized engagement with 45 high volume suppliers based on risk.

### Our performance

At the 45 strategic materials suppliers, our risk assessment identified the following needs: 44 social responsibility assessments, 11 migrant labor assessments and 25 Higg FEM assessments. We prioritized engagement to facilities with foreign migrant labor and facilities with wet processes (e.g., dye houses) and high energy consumption. In 2018, we completed 10 Migrant Labor assessments, and 15 facilities completed the Higg FEM. We recognize more work needs to be done to assess all risks at our strategic material suppliers by 2023. We are actively looking for streamlining and collaboration opportunities so we can maintain meaningful engagement with these facilities while addressing risk.

**Goal: Annually achieve traceability and assess risk at all strategic materials suppliers**

| Identified Risk                                | Risk Monitored in 2018                        |
|------------------------------------------------|-----------------------------------------------|
| <b>44</b><br>Social Responsibility assessments | <b>0</b><br>Social Responsibility assessments |
| <b>11</b><br>Migrant Labor assessments         | <b>10</b><br>Migrant Labor assessments        |
| <b>25</b><br>verified Higg FEM assessments     | <b>15</b><br>Higg FEM self-assessments        |

In 2018 we identified numerous major noncompliances to our Code of Conduct. To date, 19.4% of identified non-compliances have been remediated. Remediation for all outstanding noncompliances is ongoing. Our 2023 goal is to remediate 100% of major noncompliances against our Supplier Code of Conduct.

**Goal: Remediate 100% of major noncompliances to our Supplier Code of Conduct**



For strategic material suppliers, we assess environmental risk at wet process facilities (e.g., dye houses) and high energy facilities (e.g., midsole facilities). Due to the high environmental impact of the materials production process, we require these suppliers to achieve Higg FEM level 2 by 2023. In 2018, 15 strategic materials suppliers completed the Higg FEM self-assessment. Moving forward, all strategic materials suppliers with identified environmental risks will be required to have their Higg FEM self-assessment verified by a third-party SAC-approved verifier.



**1 in 3**  
strategic materials suppliers completed the Higg FEM in 2018

## WORKER VOICE

### Aim: Ensure production employees have a voice in the facility and provide clear communication channels directly to Brooks.

Through direct engagement, the Worker Voice program expands on our standards in the areas of worker sentiment, harassment and abuse, grievance mechanisms, and worker representation. We recognize these areas are critical to a worker's well-being; this program aims to expand on our audit scope to be able to fully identify and address any noncompliances.

### Our approach

We aim to integrate Worker Voice into every social responsibility audit by 2023. We are currently piloting different approaches, including text message questionnaires and in-person surveys. With an augmented data collection approach and more relevant questions, we aim to measure and assess facility performance in the areas of: 1) worker sentiment, 2) harassment and abuse, 3) grievance mechanisms, and 4) worker representation.

Because of the emerging nature of this work, we do not expect all suppliers to achieve our Worker Voice standards from day one. Therefore, we are arranging training programs in each of the four areas previously mentioned in the event a factory fails to meet our standards. We will grant probationary improvement periods for suppliers engaged in Worker Voice capacity building programs and will consider any facilities working through the goals of their capacity building program to have achieved our expectations toward our "Meets Minimum Standards" rating.

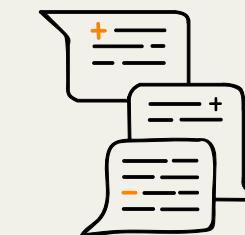
### Our performance

#### COMMUNICATION WITH BROOKS

We piloted our first Worker Voice integrated assessment in 2018. This assessment aimed to measure worker sentiment, as well as harassment and abuse concerns. The results of the integrated assessment identified five noncompliances that would not be identified through our traditional social responsibility audit and provided numerous takeaways that will help us continue to build out this program in 2019.

#### COMMUNICATION WITHIN FACILITY

It is crucial that workers have open lanes of communication to voice concerns within the factory. In addition to channels to Brooks, it is important that there are effective in-factory grievance channels. To this end, the Worker Voice program will also focus on in-factory grievance mechanisms and worker representation. This is phase two of this program; pilots will roll out in 2019.



5

additional worker voice noncompliances identified during our first Worker Voice integrated assessment pilot



## SUPPLY CHAIN EXCELLENCE

**Aim: Partner with final-assembly facilities to provide opportunities to achieve our “Meets Standards” and “Exceeds Standards” facility ratings.**

Continuous improvement is fundamental to the Responsible Sourcing program. While the program has outperformed in ensuring suppliers have met our minimum standards, it falls short as we begin efforts to improve work beyond those minimums. To align with our strategy, the Supply

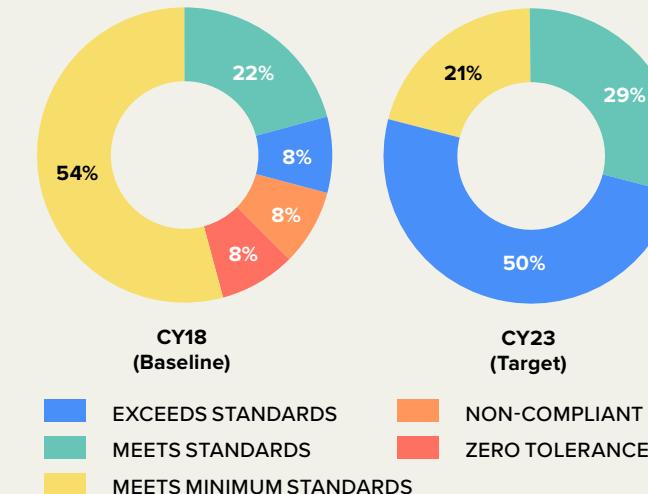
Chain Excellence program: 1) defines our vision of a sustainable supply chain, 2) works with our facilities to go above and beyond the minimum standards, and 3) reviews internal Brooks practices that can improve working conditions in our supply chain.

### Our approach

As outlined below left, a facility must achieve stringent standards in the areas of Social Responsibility, Environmental Responsibility, and Worker Voice in order to reach our “Meets Standards” or “Exceeds Standards” ratings.

| Facility Rating         | Social Responsibility                             | Environmental Responsibility      | Worker Voice                                                           | Living Wage                                            |
|-------------------------|---------------------------------------------------|-----------------------------------|------------------------------------------------------------------------|--------------------------------------------------------|
| Exceeds Standards       | Greater than 90% average score on last two audits | Achieve verified Higg FEM level 3 | Fully achieve Worker Voice standards                                   | Achieving living wage for all employees                |
| Meets Standards         | Greater than 80% average score on last two audits | Achieve verified Higg FEM level 2 | Achieve Worker Voice standards — or in probationary improvement period | All wages and benefits comply with our Code of Conduct |
| Meets Minimum Standards | Pass most recent audit                            | Achieve verified Higg FEM level 1 | Achieve Worker Voice standards — or in probationary improvement period | All wages and benefits comply with our Code of Conduct |

**Goal: 25% of facilities improve their facility rating year over year**



that will change relationships between multinational brands and retailers (buyers), the suppliers responsible for manufacturing their products, and other intermediaries up and down supply chains.” We plan to use Better Buying to identify gaps in our sourcing practices and make improvements accordingly.

### Our performance

#### CONTINUOUS IMPROVEMENT

2018 was the first year of our new approach to facility ratings. Moving forward, we will measure whether suppliers’ ratings are improving, stagnant or declining and partner on a one-on-one basis to implement plans to achieve the Brooks “Meet Standards” and “Exceeds Standards” ratings.

#### BETTER BUYING

Brooks joined the Better Buying Index for the Spring 2019 rating cycle. Survey results will be analyzed and Better Buying principles will be reviewed for incorporation into the Brooks sourcing strategy.

The second part of our Supply Chain Excellence program focuses internally on Brooks’ sourcing practices. We recognize that a brand’s sourcing behavior contributes to noncompliances in the factory. We expect continuous improvement from our facilities, so it would be hypocritical not to analyze our own opportunities to better support compliance to our Code of Conduct. For this effort, we are working with [Better Buying](#).

Better Buying is a trusted third-party rating organization which aims to provide, “clear, relevant, transparent, and timely information and analysis about good purchasing practices

# GIVING BACK



Total Donations in 2018:

**More than  
\$11,000,000**

in cash and product donated

**Our purpose is to inspire everyone to run and be active. We champion organizations that share similar values, and donate time, gear, and money to companies working to make the world a better place in which to run and live.**



2018 Brooks Inspiring Coach of the Year Nicole Vetter

## INSPIRING COACHES

The Brooks Inspiring Coaches program recognizes U.S. high school cross-country and track coaches who go above and beyond to reach, develop, and inspire young runners. For us, reading the inspirational nomination submissions is one of the highlights of the year. Athletes and colleagues describe the impact coaches make on their teams, and with each nomination we're reminded of our sport's ability to bring people together, foster growth, and change lives.



Brooks Beast Josh Kerr and the Jemez Valley High School Warriors

## BOOSTER CLUB

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 fourth year, Brooks granted gear and financial support to 25 high school cross-country and track programs in the U.S. and Canada.

## Run B'Cause



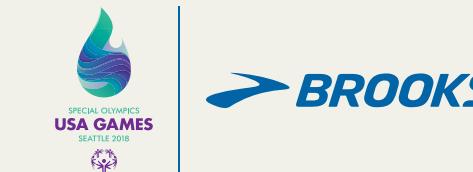
Brooks employees supporting Treehouse, a Seattle nonprofit serving youth in foster care

## RUN B'CAUSE

The Brooks' employee volunteering and donations program encourages Brooks' employees to give back to their communities. Each year, employees are given dedicated volunteer hours and \$300 of gear to donate.



Brooks long-distance pros,  
Andy and Colleen



Our sponsorship included:

- A limited-edition 2018 USA Games performance running shoe, as well as a line of co-branded performance apparel that launched in summer 2018
- Donating a portion of each sale of co-branded merchandise to the 2018 USA Games
- A free pair of Brooks running shoes to athletes participating in the Special Olympics Healthy Athletes Fit Feet program at the 2018 USA Games
- Bringing the support of 300 Brooks employees, partners and local running enthusiasts to volunteer a total of 3,789 hours at the 2018 USA Games

## HIGHLIGHT 2018 SPECIAL OLYMPICS USA GAMES

At Brooks, we believe in the transformative power of the run, and we celebrate the power of sport as a path towards strength, self-confidence, and happiness. Last year, we sponsored the 2018 Special Olympics USA Games to share that belief with the world.



For Brooks, running responsibly is a daily journey, and while we have taken a number of important steps, we recognize this is a marathon, not a sprint. We're continually looking to improve our Running Responsibly program to be best in class. We invite you to send comments, questions, and suggestions to [runningresponsibly@brooksrunning.com](mailto:runningresponsibly@brooksrunning.com).

