

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

Responsible Sourcing 3

Product Sustainability 9

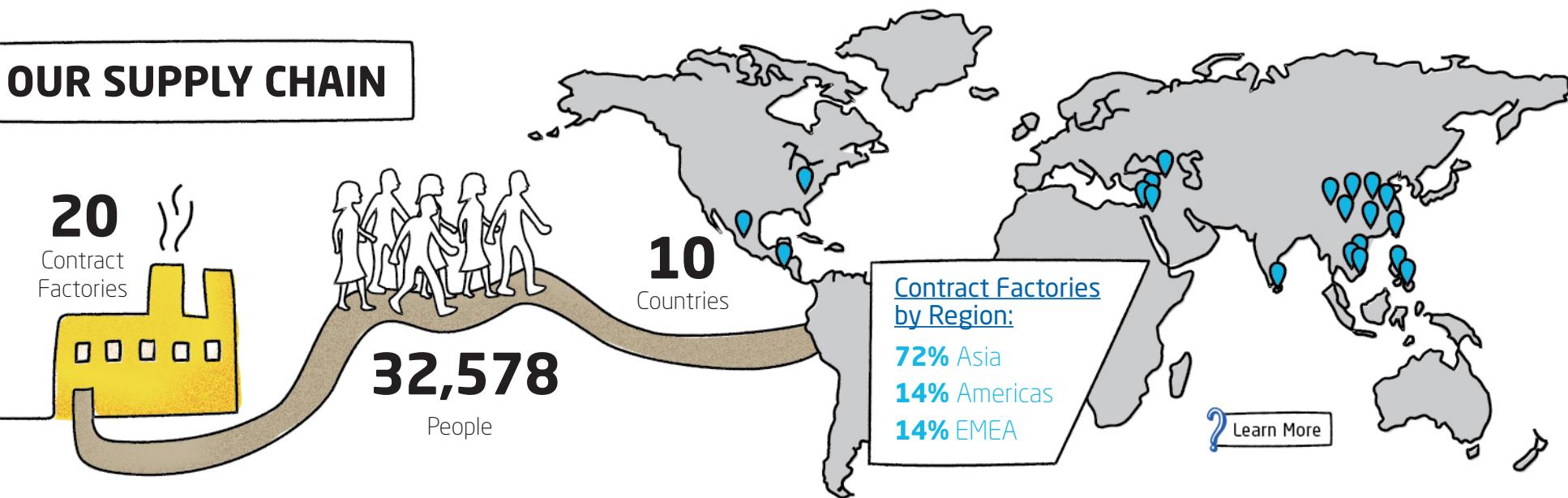
Our Footprint 11

Community 13

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.



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

Zero Tolerance

Critical and zero tolerance issues disclosed. Under review for termination.

Non-Compliant

Factory needs training due to lack of sufficient knowledge and management systems.

Mostly Meets Standards

Factory is on a work plan to fully meet our standards.

Meets Standards

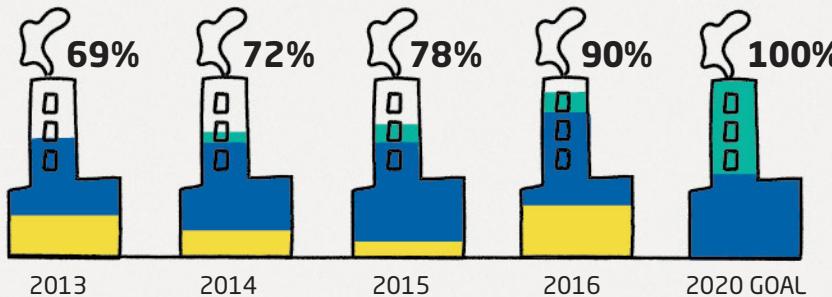
Factory has strong management systems and compliance practices in place.

Exceeds Standards

Factory is fully compliant, self-governing, and considered a leader.

MONITORING & CONTINUOUS IMPROVEMENT

% of Factories Rated
MOSTLY MEETS STANDARDS
or Better



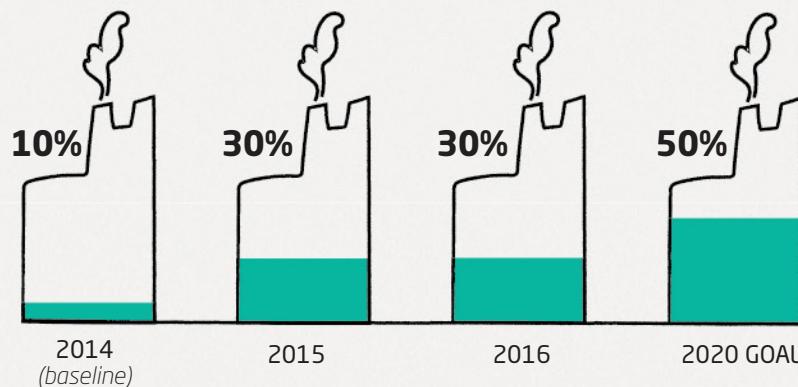
GOAL:

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

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

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

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

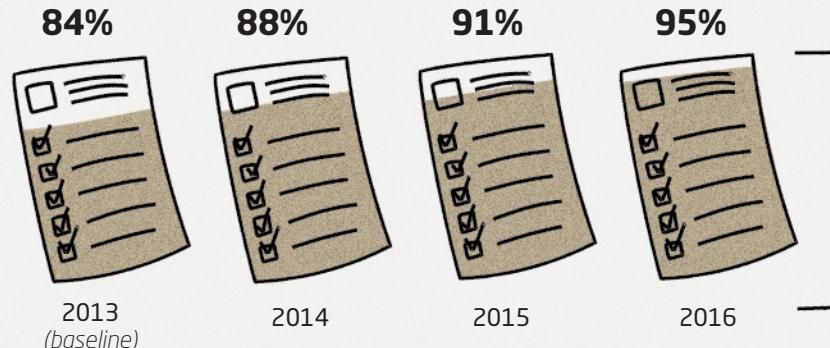


GOAL:

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

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

% of Supply Chain
MONITORING



We monitored the factories
that produce
99%
of volume in 2016.

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

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.

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

HIGHLIGHT



72

women trained as peer educators



4032

people impacted by HERhealth



709

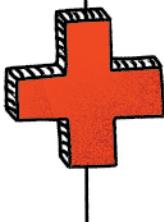
health manuals distributed



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 Nguen Nhu Trang, MPH, Executive Director at LIFECentre Vietnam

CASE STUDY MIGRANT LABOR

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.

BACKGROUND

THE ISSUE

OUR RESPONSE

ENVIRONMENTALLY RESPONSIBLE MANUFACTURING

FACILITY ENVIRONMENT MODULE (FEM)

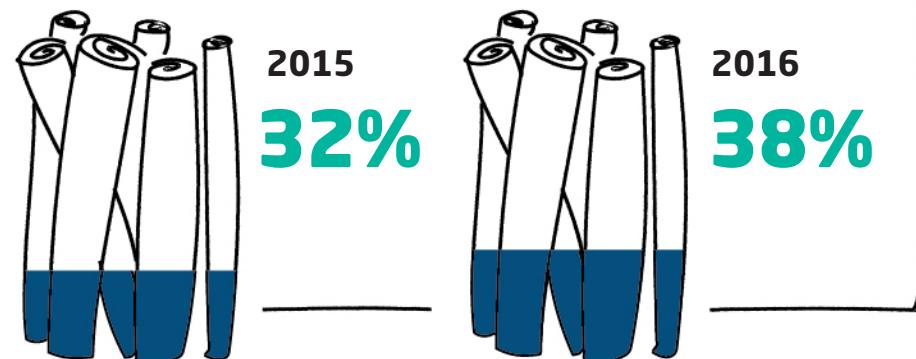
We work with our contract factories to use the Higg Index FEM, an industry standard tool that evaluates environmental management and performance. This tool provides a framework of best practices to measure, manage, and reduce environmental impact. Using this tool, we benchmark our contract factories'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



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.

Learn More

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 Efficiency¹



OUR PLAN:

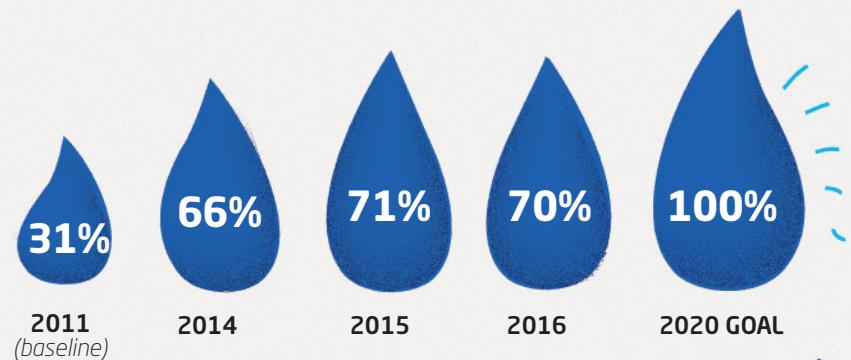
Brooks was an early adopter of the Sustainable Apparel Coalition's [tools](#) to evaluate product sustainability, namely the Materials Sustainability Index (MSI) and the Design and Development Module (DDM). We use these tools to quantitatively evaluate the environmental impact of our materials and product 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.

[Learn More](#)

¹Unless 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

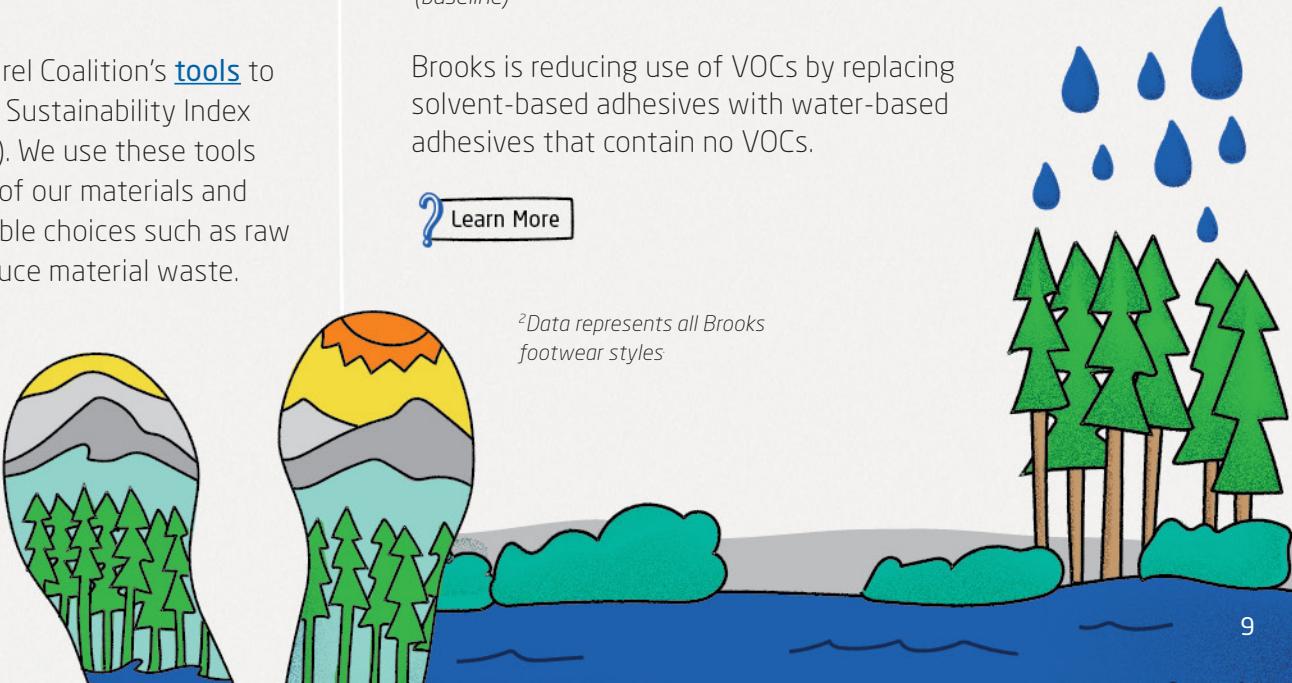
Percentage of Adhesives that are Water-Based²



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

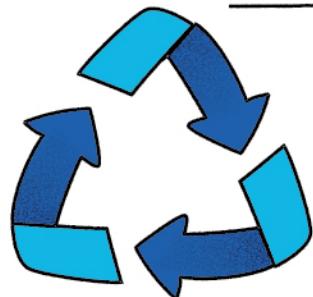
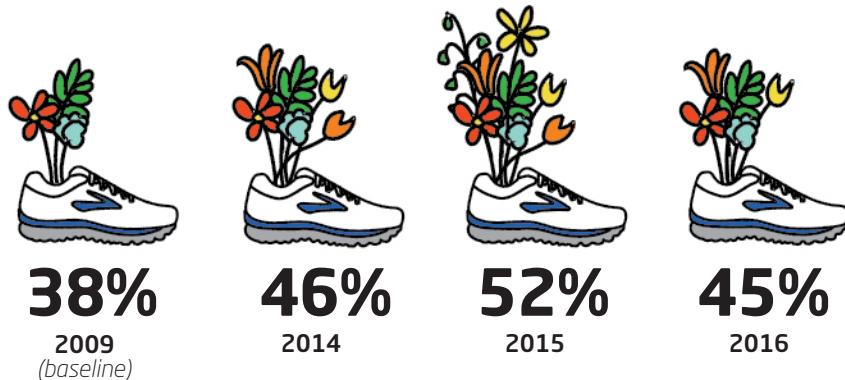
[Learn More](#)

²Data 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.



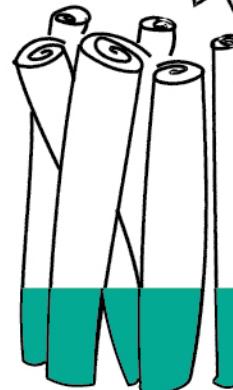
OUR PLAN:

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.



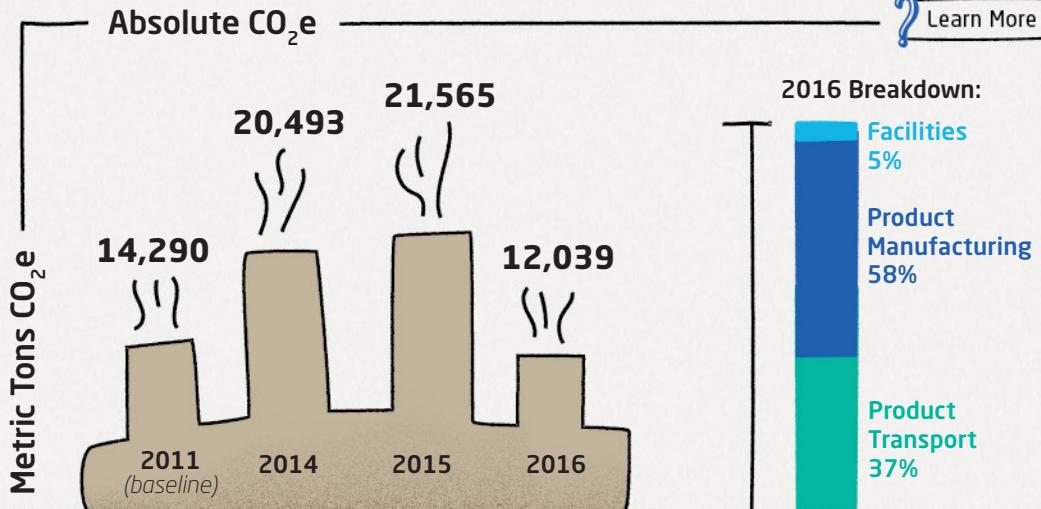
Total Fabric Percentage with bluesign® Certification

2015	2016
36%	36%

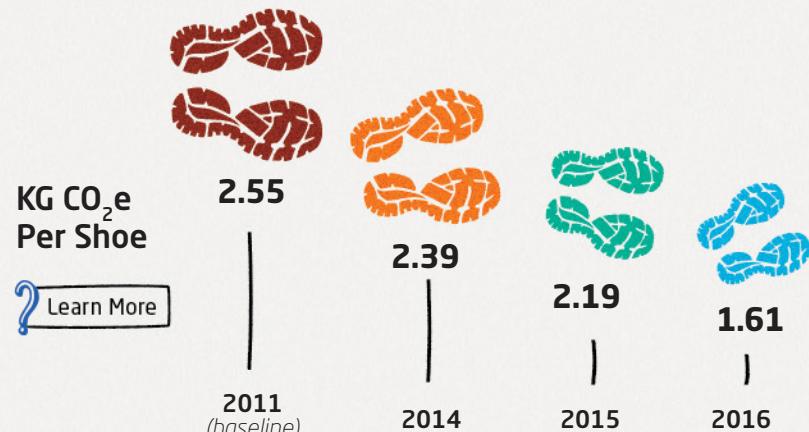
Any fabric that is not bluesign® certified has Oeko-Tex 100 certification or is independently tested for compliance with our Restricted Substances List.

Our Footprint

ABSOLUTE GREENHOUSE GAS EMISSIONS

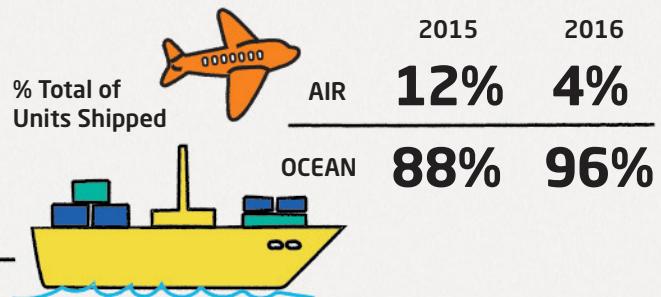


GREENHOUSE GAS EMISSIONS PER SHOE



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 CO₂e compared to 2015 due to customers' decisions to ship ground more often.

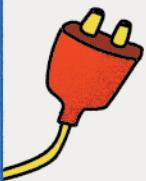
If all our customers selected this ground shipping option, we could collectively reduce the GHG emissions equivalent to driving 600,000 fewer miles per month.

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 building¹. 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.*

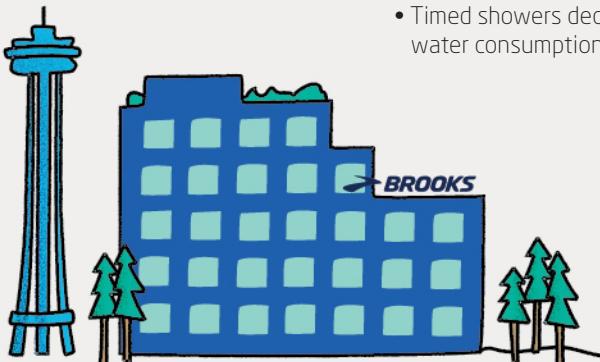
THE DETAILS BEHIND OUR HOME:

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

12003 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.

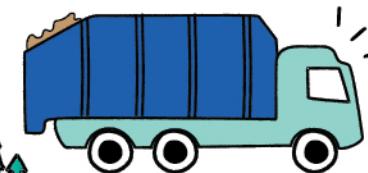
2016

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!



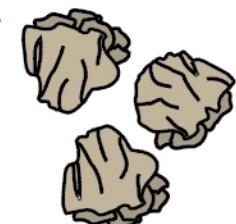
We also continue to use 100% recycled and recyclable materials in our shoe box

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

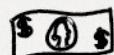
In 2016

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:

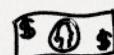
 **\$8,500 TOWARD TEAM EXPENSES**

 **\$70,000 IN PRODUCT**

BOOSTER CLUB

 Learn More

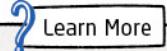
As a sister program to Inspiring Coaches, the needs-based Brooks Booster Club launched in 2015 to boost under-resourced high-school cross country and track teams in North America where pay-to-play sports and program eliminations continue to rise. In its second year, Brooks granted gear and financial 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**

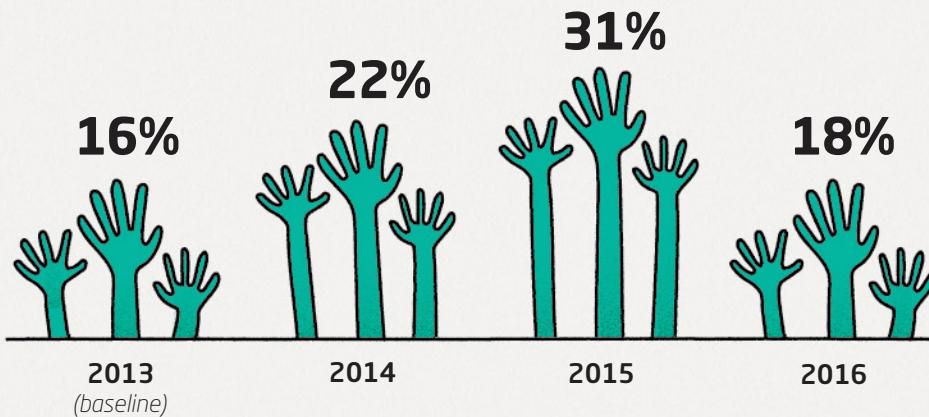
 **\$312,500 IN PRODUCT**

RUN B'CAUSE

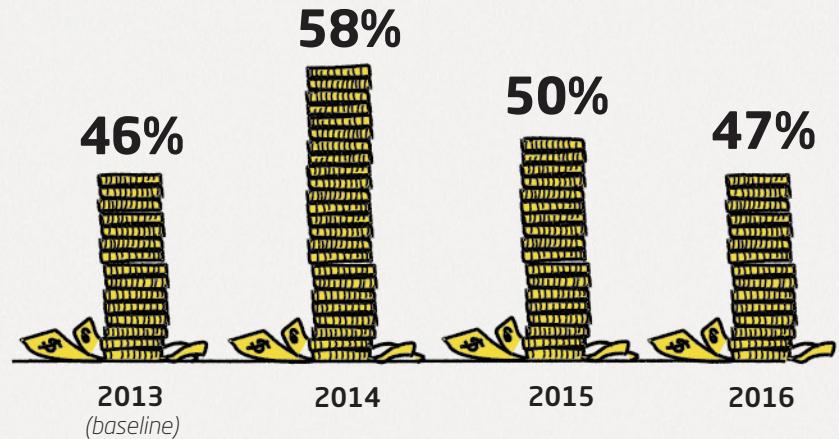
The Employee Volunteering and Donations Program encourages Brooks employees to give back to their communities. Employees get a chance to share time, money, and Brooks gear with causes and groups that matter most to them.



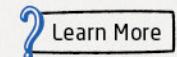
EMPLOYEE VOLUNTEER PARTICIPATION



EMPLOYEE DONATION PARTICIPATION



PARTNERSHIPS



\$5,000 cash donations



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



\$25,000 cash and in-kind donations

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



\$50,000 cash donations



Gold Level Sponsor for 2016



\$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.

