CDP SCORE REPORT - CLIMATE CHANGE 2023

New Balance Athletics, Inc.

Region	North America
Country/Area	United States of America
Questionnaire	General
Activity Group	Textiles & fabric goods

The CDP Score Report allows companies to understand their score and indicate which categories require attention to reach higher scoring levels. This enables companies to progress towards environmental stewardship through benchmarking and comparison with peers, in order to continuously improve their Climate Change governance. Investors will additionally receive a copy of the CDP Score Report upon request. For further feedback please contact your account manager or your key CDP contact.

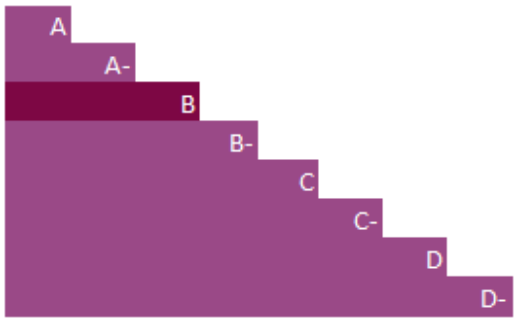
Your CDP score

B

Average performance

Textiles & fabric goods	North America	Global Average
B	C	C

UNDERSTANDING YOUR SCORE REPORT



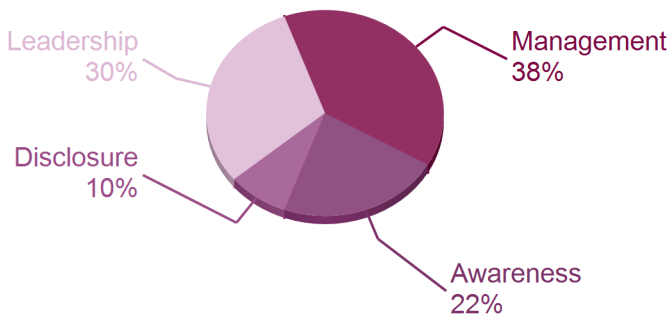
New Balance Athletics, Inc. received a B which is in the Management band. This is higher than the North America regional average of C, and the same as the Textiles & fabric goods sector average of B.

Leadership (A/A-): *Implementing current best practices*
Management (B/B-): *Taking coordinated action on climate issues*
Awareness (C/C-): *Knowledge of impacts on, and of, climate issues*
Disclosure (D/D-): *Transparent about climate issues*

ACTIVITY GROUP PERFORMANCE

Textiles & fabric goods

Your company is amongst 38% of companies that reached Management level in your Activity Group.

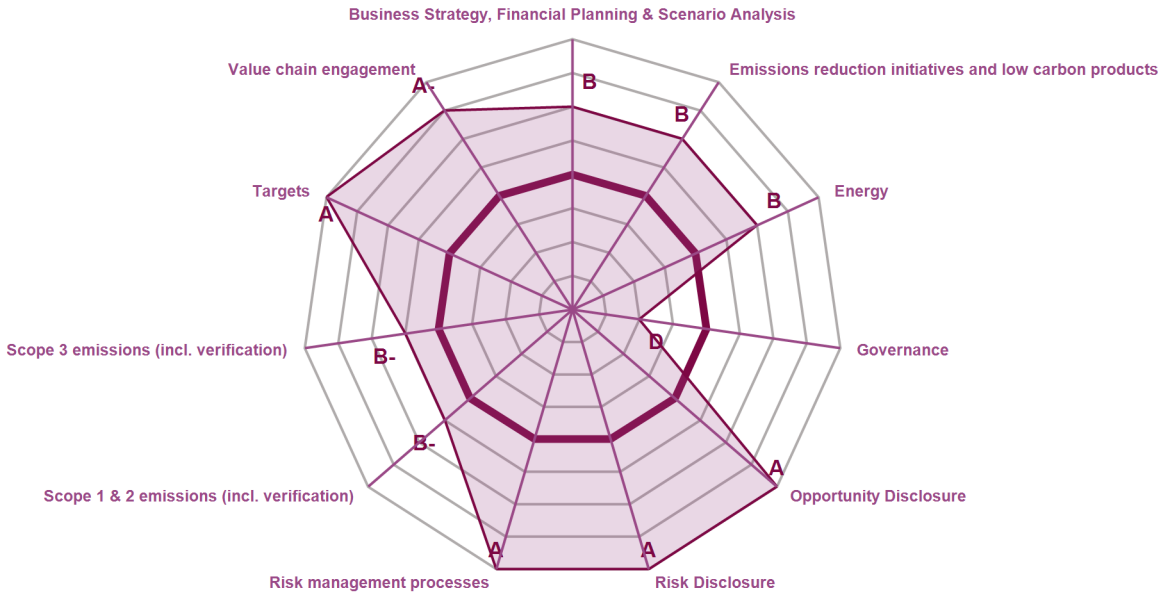


A sample of A-list companies from your Activity Group:
Crystal International Group Limited
Formosa Taffeta Co.
Hermes International

*Please note that the peer group average scores are compiled with only investor-requested company scores

CDP SCORE REPORT - CLIMATE CHANGE 2023

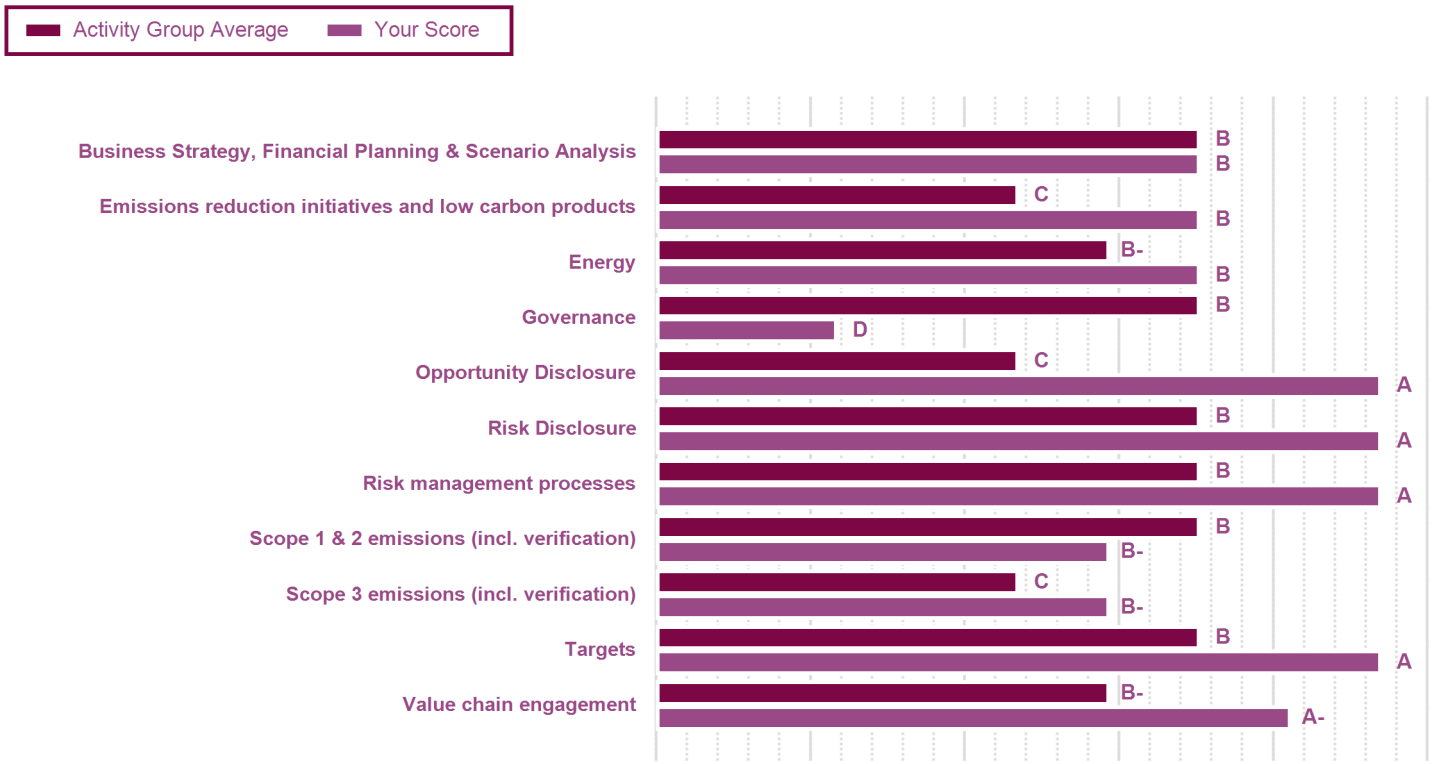
CATEGORY SCORES



If a company scored a C or below, they will not have been scored for Management or Leadership points (the dark purple line represents this).

Please download the 'CDP Scoring Introduction' for more information.

CATEGORY SCORES BENCHMARKING



Scenario analysis No, but we anticipate using qualitative and/or quantitative analysis in the next two years

Each category score in the bar chart represents the progression within each scoring level. Some categories have not been included for category score breakdown as either not enough questions feed into these categories to give a representative score or they are not scored at both Management and Leadership levels. Scoring categories are groupings of questions by topic. They are sub-groups of the 2023 questionnaire modules and are consistent across all sectors. Weighting applied to each category varies across sectors to highlight the areas most important to environmental stewardship in specific sectors.

To find out more about category weightings for each sector, please download the ‘CDP Scoring Categories and Weighting’ documents.

CDP SUPPLIER ENGAGEMENT RATING REPORT 2023

New Balance Athletics, Inc.

Region	North America
Country/Area	United States of America
Questionnaire	General
Activity Group	Textiles & fabric goods

CDP evaluates organizations engagement with their suppliers on climate change. Purchasing organizations have the potential to incentivize significant environmental changes through engagement with their suppliers. By evaluating supplier engagement and recognizing best practice, CDP aims to accelerate global action on supply chain emissions. This document presents your supplier engagement rating and helps you benchmark against your peers.

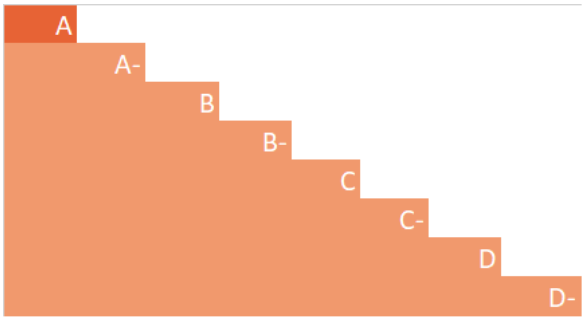
Your SER

A

Average performance

Textiles & fabric goods	North America	Global Average
B-	C	C

UNDERSTANDING YOUR SCORE REPORT



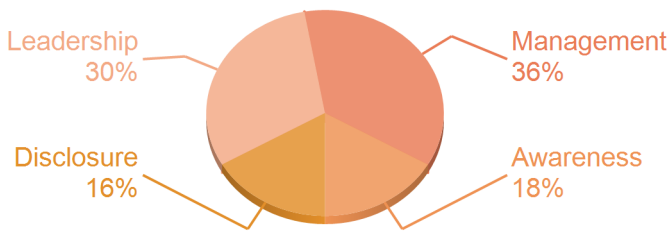
New Balance Athletics, Inc. received an A which is in the Leadership band. This is higher than the North America regional average of C, and higher than the Textiles & fabric goods sector average of B-.

Leadership (A/A-): *Implementing current best practices*
Management (B/B-): *Taking coordinated action on supplier engagement issues*
Awareness (C/C-): *Knowledge of impacts on, and of, supplier engagement issues*
Disclosure (D/D-): *Transparent about supplier engagement issues*

ACTIVITY GROUP PERFORMANCE

Textiles & fabric goods

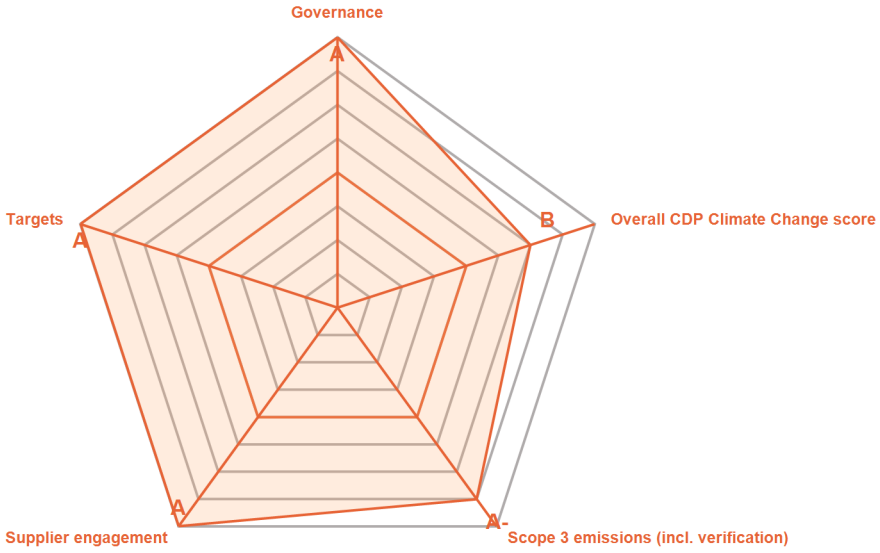
Your company is amongst 30% of companies that reached Leadership level in your Activity Group.



A sample of A-list companies from your Activity Group:
EKOTEN TEKSTİL SANAYİ VE TİCARET A.Ş.
Kering
Moncler
NIKE Inc.
PUMA SE

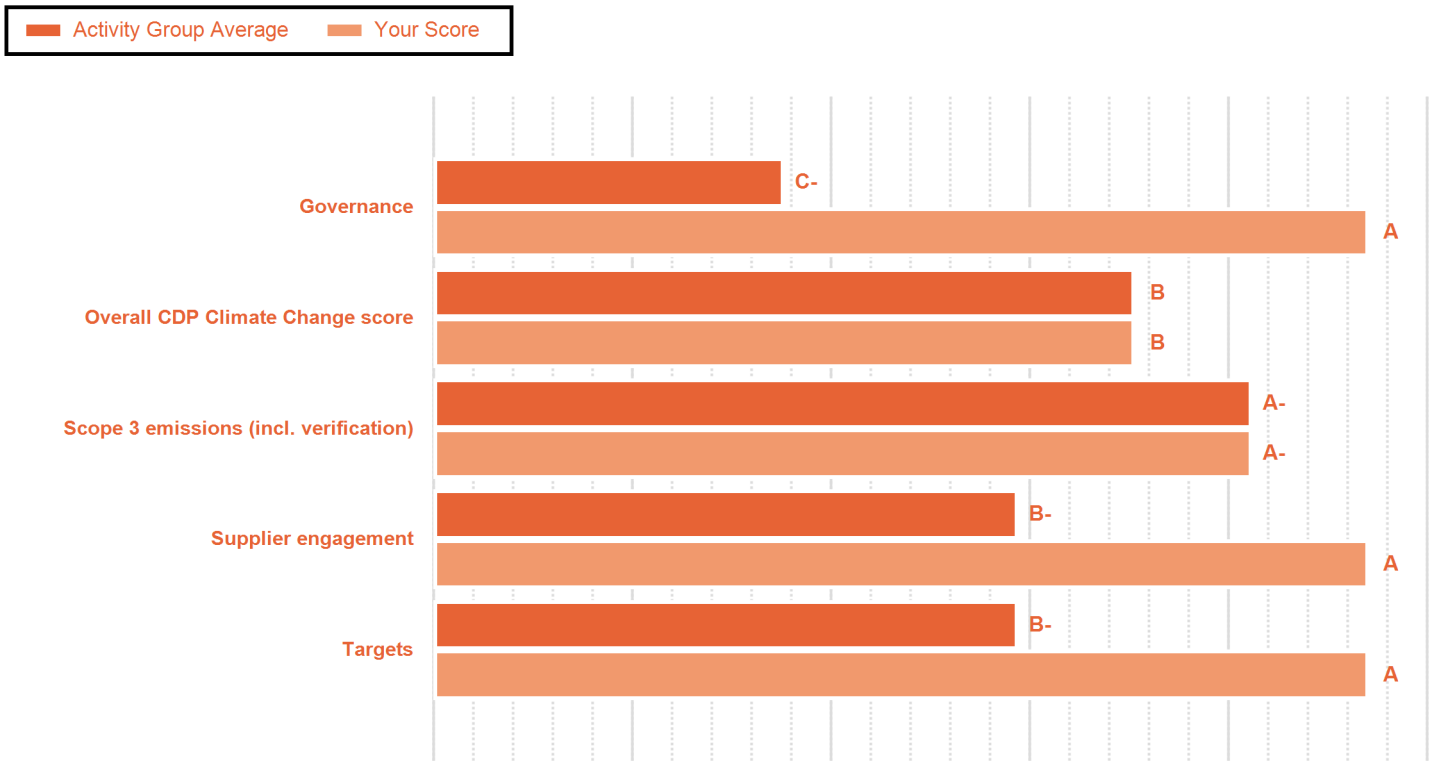
CDP SUPPLIER ENGAGEMENT RATING REPORT 2023

CATEGORY SCORES



Please download the 'CDP Supplier Engagement Rating Introduction' for more information on the category ratings.

CATEGORY SCORES BENCHMARKING



Each category rating in the bar chart represents the progression within each rating level. Rating categories are groupings of questions and are subgroups of the 2023 questionnaire. Weightings are applied to ratings to reflect the relative importance of each category to progress supplier engagement on climate change. To find out more about category weightings, please download the 'CDP Supplier Engagement Rating Methodology'

New Balance Athletics, Inc. - Climate Change 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

New Balance is a global athletic footwear and apparel brand. Headquartered in Boston, MA, New Balance has the following mission: Demonstrating responsible leadership, we build global brands that athletes are proud to wear, associates are proud to create and communities are proud to host. Manufactured in the U.S. for over 75 years and representing a limited portion of our U.S. sales, New Balance Made U.S. is a premium collection that contains a domestic value of 70% or greater. New Balance owns five footwear factories in New England and one in Flimby, U.K. New Balance employs more than 7,500 associates around the globe, and in 2022 reported worldwide sales of $5.3 billion.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for
1 year

Select the number of past reporting years you will be providing Scope 2 emissions data for
1 year

Select the number of past reporting years you will be providing Scope 3 emissions data for
1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

Australia
Austria
Belgium
Canada
China
France
Germany
Hong Kong SAR, China
Indonesia
Ireland
Italy
Japan
Netherlands
New Zealand
Poland
Portugal
Singapore
South Africa
Spain
Taiwan, China
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, another unique identifier, please specify (LEI)	New Balance, Inc.: 549300WULMC7YW6ZGV54

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
General Counsel	New Balance is a privately-owned company. General Counsel is one of three Directors at the company, reporting directly to the company owner, and is a Board level equivalent in our organization. General Counsel is a member of the Senior Leadership Team (SLT) along with other C-suite executive members, described below. The Responsible Leadership team, which leads New Balance's climate program, reports directly to General Counsel, putting our climate program in direct oversight of Board level. The VP of Responsible Leadership meets bi-weekly with General Counsel to discuss aspects of the RL program, which includes climate-related strategy, risks, action plans, investment needs, and progress. An important decision taken by General Counsel (and New Balance's CFO) in 2022 was approval to proceed with local permitting steps for an on-site wind turbine at our Flimby UK factory.
Board-level committee	Our Senior Leadership Team (SLT) is equivalent to a Board Level Committee and is the highest level of collective decision-making at New Balance. SLT includes the General Counsel (described above) and C-suite executives across the business, including CEO, CFO, COO, CMO, CPO, and CHRO. The CEO has overall responsibility for the business, sets strategic priorities, ensures Responsible Leadership is viewed as a core part of the company culture, and approves key sustainability goals and commitments, such as joining the Business Ambition for 1.5C. The COO has responsibility for New Balance's value chain and is the top of the chain in command for any climate-related issues that tie back to value chain and internal company operations. Most of our environmental impacts are tied to our value chain and occur during the production and transportation of our products. Reducing those impacts requires a strategy that is integrated through our supply chain and product creation process.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing innovation/R&D priorities Monitoring the implementation of a transition plan Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing value chain engagement Reviewing and guiding the risk management process	<Not Applicable>	New Balance's SLT met at least monthly in 2022. Climate-related issues are scheduled on the full SLT agenda throughout the year to discuss integration of climate-related issues into broader plans of action, guide annual budget decisions, and monitor progress against our public goals. Additionally, climate-related issues are discussed with individual members of the SLT on a more frequent basis, and value chain issues are discussed as part of the Value Chain Leadership Team meetings. There are bi-weekly meetings between the VP of Responsible Leadership and General Counsel, who is "Board level" at New Balance. The VP of Responsible Leadership and the Director of Sustainability also meet monthly with the COO to discuss hot issues related to value chain, including climate related issues and efforts throughout the value chain.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	As a privately-owned company, our SLT is essentially our Board level organization consisting of the most senior level executives and ownership. Our COO is one of those members. Outside of New Balance, our COO sits on the Board of Zero100, affording him an opportunity to contribute to cross-industry thought leadership and continuously learn and incorporate new innovations into New Balance operations. Zero100 stands for Zero Carbon, 100 Percent Digital supply chain. It is a community-based education and research platform inspiring a new generation of supply chain leaders to accelerate progress on Digital and ESG-focused critical initiatives. In 2021, we also began to develop a new internal Sustainability Competency program for the entire organization, integrated within the company's HR competency framework. This framework is used to develop core competencies across the entire organization and allows us to integrate sustainability knowledge and behavior into individual performance reviews where competency development plans can be created. As part of that offering, we worked with an external trainer to introduce a 12-week deep dive sustainability training program for small, select groups of associates. In 2022, this program was condensed into an Executive Session for our top leadership team to receive training.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee
General Counsel

Climate-related responsibilities of this position
Managing climate-related acquisitions, mergers, and divestitures
Implementing a climate transition plan
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The Responsible Leadership team report to General Counsel, placing him in direct command of the team that creates and implements New Balance's climate program. As a member of the SLT, General Counsel is involved in all Board-level decision making, including setting new corporate targets and monitoring of plans and progress against targets. General Counsel is also a member of the Risk Committee, which oversees and manages all corporate risks, including climate.

Position or committee
Other, please specify (VP Responsible Leadership)

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Implementing a climate transition plan
Integrating climate-related issues into the strategy

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
Meets bi-weekly with General Counsel, Board-level equivalent. Oversees the Responsible Leadership team, which runs New Balance's climate program.

Position or committee
Other, please specify (Director, Sustainability)

Climate-related responsibilities of this position
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Corporate Sustainability/CSR reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
Director of Sustainability leads all activities related to New Balance's climate change program, including strategy, goal setting, transition planning, execution, etc. The Director reports to the VP of Responsible Leadership, who reports directly to the General Counsel.

Position or committee
Chief Operating Officer (COO)

Climate-related responsibilities of this position
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing value chain engagement on climate-related issues
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
COO is Board-level equivalent member of SLT. The COO has responsibility for New Balance’s value chain and is the top of the chain in command for any climate-related issues that tie back to value chain and internal company operations.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	There are no incentives tied singularly to management of climate-related issues. Some individuals, such as the Director of Sustainability, and some teams have specific climate-related goals within their annual performance objectives, which form the basis of annual performance reviews and bonus allocations. The new Sustainability Competency program will establish new expectations for all associates to achieve varying levels of competency and creates a pathway for creating incentives within the HR framework.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	
Medium-term	2	5	
Long-term	5		

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We assess environmental risks, including climate-related risks, according to probability of occurrence and the expected level of impact or potential harm. Probability of occurrence is rated as high, medium, and low, informed by known prior occurrences and expected future occurrence. Impacts are generally either financial or strategic. Most of our high priority impacts at this point are, in fact, considered strategic in nature, but financial risks are increasing. (1) Substantive financial impact is defined as any risk that has a likely probability over the next 5 years of creating lost revenue or increased cost of $5M or higher. In cases where exact financial impacts are not known or cannot be calculated, we rate financial impact as high, medium, and low according to potential impact on sales or expected cost to implement a mitigation action. (2) Substantive strategic impacts are those that are likely to (a) generate reputational impact to our brand, garner significant media attention, or be highlighted as a priority by key external stakeholders (e.g. 30% of our target consumer identifies climate as their top concern), (b) significantly disrupt value chain operations (sourcing, distribution, retail) or strategic Tier 1 manufacturing locations, or (c) jeopardize any of our top 5 key raw materials (e.g. polyester, leather, cotton, rubber, etc.). Strategic impacts can be determined to be substantive even if they have low probability or do not yet meet the financial threshold defined above. Highest risks are addressed as key pillars of our Responsible Leadership program; response measures and programs are created, proposed to senior leadership, and tracked.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Climate-related risk management is integrated into our overall risk management process. Risks are identified, assessed, and responded to multiple times a year, throughout the year. We formally present to New Balance's Risk Committee twice per year, and as needed between those forums. Our objective is to identify and control company level climate change risks that pose substantive financial or strategic impact to the business across all value chain stages (in our direct operations, upstream, and downstream). Short-, medium-, and long-term risks and opportunities are identified by the Responsible Leadership team, assessed with input from other departments, and prioritized. Those that are deemed to have the most substantive financial or strategic impact are addressed as key pillars of our Responsible Leadership program – response measures and programs are created, proposed to senior leadership, implemented and tracked.

Part 1 IDENTIFICATION: Both bottom-up and top-down processes are used to identify climate-related risks and opportunities. Our Responsible Leadership team considers our business model and assesses supply chain conditions to identify potential climate-related risks and opportunities. We identify climate-related risks and determine impacts through various assessments at different value chain stages, including: upstream supply chain audits and assessments, risk mapping exercises, regulatory tracking, life cycle analysis (LCA) of our key materials and products, supplier Environmental Impact Data (EID) collection, and screening public databases for supplier violations, like IPE's platform. We have been using the SAC's Higg FEM tool to assess our Tier 1 footwear suppliers since 2015 and have expanded that assessment into Tier 2 suppliers in more recent years. Those annual assessments, in connection with our internal supplier audit program, identify areas of poor performance and inform supplier goal setting and improvement efforts. Our Responsible Leadership team, public affairs team, legal team, and regional commercial teams track emerging regulation and policy via our membership in various industry groups and trade associations, including the SAC, WFSGI, Outdoor Industry Association, AAFA, and Federation of the European Sporting Goods Industry (FESI).

Part 2 ASSESSMENT and RESPONSE: We assess and prioritize environmental risks, including climate-related risks, according to probability of occurrence and the expected level of impact. Probability can be rated as high, medium, and low, informed by known prior occurrences and expected future occurrence where research is available to support. Impacts are generally either financial or strategic. Strategic impacts may be considered substantive even if they have low probability or do not yet meet the financial thresholds if they might (a) generate reputational impact through media attention or have been highlighted as a priority by key external stakeholders, (b) significantly disrupt value chain operations or manufacturing locations, or (c) jeopardize our top 5 key raw materials.

Response actions typically fall into three categories: 1. Avoid the risk by stopping or banning specific activities or materials, 2. Reduce the risk through mitigation measures to control likelihood and/or impact, or 3. Accept the risk (typically applied to low likelihood and low impact, where cost to mitigate is much higher than costs associated with the risk, or where we have no internal capacity to address). These decisions are made with input from relevant parties from the SLT and/or Risk Committee, and responsibility for responding varies according to the risk area. For example, responses pertaining to suppliers are typically driven by Responsible Leadership and Sourcing, responses pertaining to regulations are coordinated by RL and legal, responses pertaining to materials and product are typically driven by Innovation, Product Design and Materials Development.

Using the above process to identify and assess risks, energy consumption and associated GHG emissions in our direct operations and across our supply chain have been identified as material topics for our business, among others. That formed the foundation for our RE100 target to achieve 100% renewable electricity across our global operations by 2025 and our decision to sign onto the Business Ambition for 1.5C, committing us to set new SBTs in line with 1.5C pathway. SBTs were submitted to SBTi for review in 2022. Materials are a significant part of our Scope 3 emissions and an essential element of our transition plan. In 2022, several SBT workstreams were created to investigate and pursue reduction roadmaps around high impact materials--like soles, polyester, and leather--and related processes.

Upstream, we conduct assessments in our supply chain and have developed a comprehensive supply chain energy program. We focus our attention on Tier 1 footwear factories and Tier 2 mills and tanneries, which also represent a significant portion of our Scope 3 emissions. Tier 1 footwear manufacturing accounts for approximately 15% of our Scope 3 Category 1 emissions and represents one of our top 3 sources of emissions. Because 83% of Tier 1 footwear energy is from grid electricity, adoption of 80% renewable electricity across T1 footwear has the potential to reduce Scope 3 Category 1 emissions by 11%. Our Environmental Impact Data (EID) data collection program has tracked monthly Tier 1 footwear manufacturing energy use since 2014. We are addressing upstream energy efficiency and renewable energy transition through several partnerships and collaborations, like IFC's VIP program and multiple GIZ programs, which are all focused on implementing energy efficiency measures, assessing feasibility of rooftop solar, and helping suppliers develop new rooftop solar installations.

Parts of our supply chain are vulnerable to disruptions from physical climate impacts, like flooding from more extreme precipitation and sea level rise. Further up the supply chain, agricultural operations like cotton production or cattle ranching may suffer from extreme conditions and drought, impacting our access to key raw materials (cotton and leather are two of our top three materials), while also creating lower quality materials and greater levels of price volatility. Financial impacts vary but could include: (1) increased material costs; (2) delays or reduced production; (3) costs associated with identifying new suppliers, adapting facilities, or relocating operations to less susceptible locations.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current global and local regulations are considered in our risk assessments. Examples of current regulations include national or regional carbon taxes and municipal energy efficiency programs. New Balance is not currently exposed to major schemes such as the EU ETS or the UK CRC. These risks are assessed with input from regional teams and with 3rd party consultants as needed. Regulations related to carbon and climate change may have direct impacts on our business. Our corporate operations are not highly energy intensive, but some facilities are now falling within the scope of regulations limiting emissions. In 2021, for example, Boston City Council and the city mayor approved legislation that applies to our Brighton headquarters building, requiring buildings over 20,000 square feet to cut their greenhouse gas emissions to net zero by 2050. We expect other cities to adopt similar legislation in the future. In the United Kingdom, our owned Flimby factory operations have seen increased utility costs, linked to national climate goals and policies to reduce CO2 emissions. Electricity rates are significantly higher in the U.K. than other regions. As a control, New Balance invested in on-site renewable generation, which continue to see favorable payback and net present value as grid prices continue to escalate. Current climate-related regulation for our supply chain is more complex, as our products are obtained from both owned and contracted manufacturing facilities across the globe. In Vietnam, for example, several suppliers are considered "high energy users" and must meet requirements of Vietnam Law on Economical and Efficient Use of Energy (50/2010/QH12, Chapter VIII, Article 33-34) and DECREE No.21/2011/ND-CP. Additionally, "high energy users" must carry out GHG inventory and mitigation according to their own plans based on the Law on Environmental Protection dated November 17, 2020 (72/2020/QH14, Chapter VII, Article 91-92) and Decree No. 06/2022/ND-CP. As a control measure, these supplier facilities are engaged in our supply chain energy program, which includes requirements for regular energy data reporting, hiring an energy manager, creating an energy team at the facility, conducting a 3rd party energy audit, creating an Energy Efficiency Plan (EEP) that identifies saving opportunities for high energy end uses/equipment, and setting GHG reduction goals.
Emerging regulation	Relevant, always included	Climate risk assessment includes emerging regulations and trends. Climate change legislation is expected to grow considerably in the following years where we operate. More than 70 countries have committed to working toward net zero emissions by 2050. There are now 73 carbon pricing instruments implemented, covering 23% of global emissions according to World Bank. The reach of carbon pricing initiatives is growing as more sectors and more gases are being covered. Indonesia--a key sourcing country for New Balance--introduced an ETS this year, and carbon pricing schemes now cover aviation. Compliance with future regulations will require additional expenditure. The EU will introduce new requirements for consumer-facing sustainability claims and more extended producer responsibility (EPR) schemes to address packaging and product end of life. This could impact the way in which New Balance promotes product in the EU and may require more complex environmental impact assessments to substantiate product claims or product-specific climate footprints. Carbon taxes or border adjustment mechanisms could raise costs, while preferred material tariffs could provide economic incentive to adopt lower impact materials. Carbon taxes linked to transportation could impact inbound logistics, which represents approximately 14% of our Scope 3 emissions. Our RL team and regional legal teams track emerging regulation via various industry groups, including the SAC, WFSGI, OIA, AAFA, and FESI. We work closely with our Government Affairs team to advocate for new policies that are aligned with our overall climate strategy. In 2022, (a) donations from our 1% for the Planet program grew significantly and supported non-profits like Protect Our Winters that are working to shape climate policy (b) New Balance continued to support USAID's Corporate Clean Energy Alliance to facilitate rapid deployment of clean energy in Southeast Asia, (c) we continued our role on the OIA's Climate Action Corps Sustainability Advisory Council, allowing us to help advise their program and join important policy advocacy efforts by the entire industry, (d) we successfully advocated for legislation adopted as part of the Inflation Reduction Act of 2022, and (e) we advocated locally for the creation of a state Office of Outdoor Recreation in Massachusetts, which will work on natural resources conservation and promote public understanding of climate-related issues.
Technology	Relevant, always included	Climate-related technology risks and opportunities fall into four main categories for New Balance: (a) Energy Efficiency: Technologies that have a significant energy reduction potential are always considered. New Balance sees this as an opportunity and is focusing on energy efficiency in its buildings and across the supply chain and is a risk if we fail to plan for these solutions within our CapEx planning. (b) Renewable Energy: As part of our RE100 goals, New Balance is continuously seeking and assessing opportunities to generate more on-site renewable energy (e.g. Flimby wind turbine) or support off-site generation through PPAs and similar mechanisms. (c) Circularity: Creation of more circular products, materials, and related repair services depends on new infrastructure, logistics, new material compositions, and implementation partners. (d) Digitization: Digital product creation capabilities like MODO reduce risks associated with physical sampling and have presented an opportunity for more cohesive and engaging digital consumer experience. While all of these have tremendous benefits, there are risks associated with early adoption of new technologies that may fail, and there are often site-specific challenges regarding economics, policy, and grid interconnection. We have evaluated numerous on-site renewable projects at our MA and ME locations that have not moved forward due to poor economics, expired incentive programs, poor timing relative to normal building maintenance like roof replacements, and insurance requirements/fees.
Legal	Relevant, always included	Climate-related litigation has historically been low in the apparel industry but is increasing as new regulations are introduced around reporting/disclosure requirements and indirectly associated with heightened attention on greenwashing. New Balance has not received any climate-related litigation claims in 2022 but anticipates future activity as new regulations are introduced.
Market	Relevant, always included	We think about market risks in four categories: (a) Market access and size: Climate change poses a risk to New Balance if outdoor athletic participation decreases as temperatures rise and related conditions make outdoor exercise unhealthy or impossible at times. (b) Shifting customer expectations and retailer requirements: Feedback and requests from our key customer accounts and other stakeholders help us understand changes in market demand and market concerns related to climate change and sustainability. We have seen an increase in questions from key retailer accounts about climate change. Some are now using the SAC's Higg BRM as a way to measure brand performance or have introduced their own standards. Amazon continued to expand its “climate pledge friendly” badge to indicate more sustainable product offerings. Failure to meet key retailer requirements could lead to order loss or lower conversion, while meeting them can contribute to positive customer relationships and increased orders that help customer accounts meet their own stated goals. (c) Shifting consumer behavior and demands: 1 in 3 of our target consumer audience lists climate change as their top environmental concern, and we have seen increased consumer interest in sustainable products and general consumer awareness of environmental issues related to footwear and apparel. One example of addressing this shifting consumer behavior is that New Balance collaborated with the Renewal Workshop to launch a recommerce pilot for New Balance apparel in August 2021. The Renewal Workshop is a pioneer in circular apparel and a leading provider of circular services that allow brands to find new life for items through repair and resale. (d) Commodity pricing, quality, and availability: Polyester, leather, cotton, rubber, and EVA are our highest volume materials. Climate risks related to these materials and their processing have shaped our strategy to use more preferred materials, including recycled materials, bio-based materials, low water dyeing techniques, and exploration of regenerative agriculture practices. In 2022, New Balance scaled our use of recycled rubber input, tested EVA formulations with higher bio-based content, and continued our work with the Land to Market program to investigate potential sourcing options for leather splits coming from verified regenerative land.
Reputation	Relevant, always included	As a consumer facing brand, New Balance is at risk for negative publicity and activist campaigns regarding our company's response to climate change or the industry’s climate impact in general. Each year, various reports are published that highlight the environmental impacts of the textile and apparel industry, and awareness spreads quickly with social media. This potential "velocity" can elevate the risk level. In 2022, for example, New Balance was scored 2 out of 5 in Global Canopy’s Forest 500 report that scores companies on their forest commodity supply chains. We monitor these activities and manage these risks by (a) tracking questions submitted to New Balance by consumers and NGOs, (b) providing information to various rating systems and surveys, and (c) by actively building relationships with institutions and organizations like the United Nations and World Bank. We work closely with global organizations, governments, and competitors to create innovative industry standards and supply chain programs that address resource efficiency and traceability, like Sustainable Apparel Coalition (SAC), Apparel Impact Institute (Aii), ZDHC Roadmap to Zero Programme (ZDHC), Leather Working Group (LWG), and the UN Fashion Industry Charter for Climate Action. In 2022, we evaluated traceability platforms and selected one for implementation in 2023 to trace key commodity supply chains beyond Tier 2 and increase visibility and understanding of raw material origins. Understanding consumer expectations and establishing a better dialogue with consumers about climate change and our actions is a critical part of our risk management process. We know our target consumer is interested in climate change and seeks brands that share their values. In 2022, we updated our Responsible Leadership website content, and we expanded the footwear models included within our product-line partnership with 1% for the Planet to help engage consumers in climate change advocacy and protecting the outdoor spaces where we love to run. We also evaluate sourcing risks that could impact our reputation, such as our relationship with any suppliers that violate basic environmental regulations. Our supply chain environmental program is designed to minimize these risks. For example, in 2022, New Balance was ranked 4th out of 650 companies in IPE’s Corporate Information Transparency Index (CITI) that evaluates brands according to how well they address supply chain environmental responsibility in China.
Acute physical	Relevant, always included	Acute physical risks from severe weather events are always considered and are highly relevant for our material suppliers, manufacturing partners, distribution facilities, and retail operations. Vietnam and Indonesia, two of New Balance’s key manufacturing countries, are highly vulnerable to flooding and extreme weather events linked to climate change. Expected temperature rise will increase the potential for extreme heat exposure to workers in factories. We could experience business or operational supply chain disruption if a factory, mill, or port were required to close due to heat, flooding or storm damage. We updated our water risk mapping of top Tier 2 suppliers using WWF’s Water Risk Filter and revealed that overall basin and water availability risks were moderate or low for all suppliers, but 97% scored a flood risk of 4 of higher on a scale of 5 where 5 is highest. In 2021, our North America operations also experienced significant disruption from landslides and flooding in British Columbia, exacerbated by a devastating wildfire season that destroyed large areas of forest earlier that year. Every highway in BC was inaccessible in both directions, and all couriers suspended over-the-road service to the region for a period of time.

	Relevance & inclusion	Please explain
Chronic physical	Relevant, always included	Long-term impacts of climate change—like chronic changes in precipitation patterns and rising temperatures—can have significant negative impacts on agricultural production, ultimately impacting availability of materials and raising commodity prices. These potential trends could increase NB's costs because our products rely on agricultural raw materials like leather and cotton. All our key materials also require water and energy for processing and finishing. As a mitigating action, New Balance is (a) taking steps to better understand these agricultural risks in greater detail (e.g. joined Cotton 2040, which undertook a global study of climate risk for cotton), (b) working directly with organizations like IFC and Apparel Impact Institute to enroll mills and tanneries into improvement programs that reduce their reliance on energy and water resources, and (c) utilizing undyed materials and new low-water dyeing techniques like dope dye to dramatically reduce or eliminate the need for water in the processing stage. New Balance committed to 100% preferred cotton use by 2025 and supports more sustainable cotton growing methods. We joined the Better Cotton Initiative (BCI) in 2020 as a way to contribute to improved cotton growing practices globally, and we participated in Forum for the Future's Cotton 2040 initiative, which created a first-ever study of global climate risks for cotton. New Balance also committed to using 100% preferred leather use by 2025 and is a long-time member of the Leather Working Group, which runs a global audit and rating system for tanneries. At this time, preferred leather is defined as leather sourced from LWG-Gold rated tanneries or leather that is chrome-free tanned. We anticipate future criteria to address deforestation-free requirements and programs designed to address environmental impacts at the early stages of the leather supply chain, like regenerative agriculture.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Emerging laws and regulations related to climate may impact cash flow, sourcing strategy, regional sales, and reputation. Our industry is experiencing heightened scrutiny and numerous new laws and regulations are being proposed and put into force around issues like microfiber pollution, deforestation, biodiversity, product environmental impact labelling, and product circularity. We monitor these activities primarily through industry multi-stakeholder initiatives (like AAFA, SAC, and FESI) to maintain awareness, participate in public comment periods, and prepare for any upcoming obligations. For example, more detailed and accurate product environmental footprints (including product carbon footprints) and related consumer-facing product labelling standards are being introduced in many countries that are key New Balance markets, such as the EU's proposed 'Product Environmental Footprint (PEF)' methodology. Some of these product labeling and disclosure requirements are expected to become mandatory after 2025 and are considered a high priority. These might become applicable to New Balance product portfolios within different regions, introducing new requirements to maintain business in key regions. Detailed product LCAs are expensive and can take months to complete for a single style. We do not currently have the capability to conduct LCAs at scale across thousands of styles. Long product creation cycles add to the uncertainty and urgency as product teams are already considering season 2025 product direction. Not meeting these new requirements could lead to confiscated product, fines, or inability to introduce products into the market, leading to loss of business, legal actions related to improper claims, and poor stakeholder relations and reputation. Europe is the most likely region to implement these rules first, a region that represents approximately $1B in sales, approximately 20% of New Balance business in 2022.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

150000

Potential financial impact figure – maximum (currency)

1000000000

Explanation of financial impact figure

There are still many unknowns remaining about the final regulations and consequences for non-compliance. If impact disclosure on labeling were made mandatory on products across the EU--as suggested in France--penalties could include a range of actions, from from fines to millions of non-compliant items being prevented from entering the market. Europe represents roughly 20% of New Balance sales - if mandatory and New Balance were unable to provide the required footprint data for consumer-facing product labels and those products were prevented from entering the market, we estimate roughly $1B could be potentially impacted across Europe as an unlikely worst case scenario. On the low end, we assume a small fee could be applied per non-compliant item with a max fee of $150,000 per company per year. In France,

industry associations have suggested a potential fee of 15,000 euros for non-compliance. We assume an EU-wide maximum as 10x that amount when applied across several countries rather than one, although we suspect it would be much higher. A reasonable assumption within the multiple-million range would elevate this as high risk.

Cost of response to risk
650000

Description of response and explanation of cost calculation
Additional annual costs include software and IT upgrades, consulting, and at least two headcount to manage, estimated: software and IT upgrades $350,000; consulting $100,000; two headcount $200,000.
Situation and Task: More detailed and accurate product footprints and related product labelling standards are being developed in many countries that are key New Balance markets, such as the EU 'Product Environmental Footprint (PEF).' These could include on-product impact metrics, like product carbon footprint, based on specified lifecycle assessment methodologies. These may become mandatory, imposing new requirements to maintain business in key regions. Compliance would require significant investment in product lifecycle assessment (LCA) and additional levels of traceability and environmental data. New Balance needs to establish new data collection and analysis tools, and additional headcount is needed to manage such a program. New Balance monitors emerging regulations through industry groups (like AAFA and FESI) to remain aware and prepare for upcoming obligations.
Action: Through FESI, New Balance works with industry stakeholders to provide comments during open comment periods to help inform emerging regulations. New Balance is also a member of the Sustainable Apparel Coalition, which is creating tools like the Higg Product Module (PM), with potential to be a common tool for product impact assessments. In 2022, New Balance hired an additional lawyer in the EMEA region to focus solely on sustainability regulations, and the Responsible Leadership team added a position to focus on impact assessment and LCA.
Result: FESI and the Policy Hub held regular meetings with member brands and provided comments on behalf of industry to inform government decision makers throughout 2022. For product impact assessments, New Balance completed LCA's on select high volume footwear models in 2022 (continuing into 2023) and used the results to inform new design efforts and new manufacturing methods that reduce energy consumption and waste. LCA determined that a new DM process reduced the material weight required to manufacture a midsole by 44% as compared to the same midsole with the die-cut method. As of 2022, we transitioned two major suppliers to the DM process and integrated those midsoles into over a million pairs of shoes. In 2022, we also identified an LCA software platform to pilot test in 2023 to assess product footprints across product styles at scale.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Changes in precipitation patterns and storm intensity present considerable upstream risks related to business continuity disruption from flooding and drought. This impacts several value chain stages, including raw materials, manufacturing, and distribution. (a) For raw materials, agricultural operations like cotton production or cattle ranching may suffer, impacting our access to key raw materials (cotton and leather are two of our top three materials). These fluctuations could have a significant adverse effect on material quality, cost, and delivery. (b) At the Tier 1 and 2 manufacturing level, suppliers face more frequent and excessive flooding. New Balance sources finished products and materials from hundreds of sites across the globe. Over 90% of our footwear is produced in Asia. We use WWF's Water Risk Filter to assess water risks in our supply chain based on location, allowing us to map supplier sites and assess site risk scores for Physical Risk (water scarcity, flooding, water quality, and ecosystem services), Regulatory Risk (enabling environment, institutions and governance, management instruments, and infrastructure and finance), and Reputational Risk (cultural importance, biodiversity importance, media scrutiny, and conflict). Our sustainability team then further adjusts risk ratings, as needed, based on known operational conditions and local regulatory considerations if we have a more granular assessment of their exposure based on known issues that our regional teams can assess in real-time. In 2021, we mapped our top mills and tanneries--all located in Asia--and found that 97% have a risk level 4 or higher for flooding, expected to increase with climate change. In May 2022, we experienced flooding disruptions at Semerang, Central Java in Indonesia. An apparel factory in the region had to shut down production for 21 days until the water level receded, impacting production of approximately 350,000 units with a value of $3.6 million USD. (c) For transportation, we are already experiencing interruptions due to extreme weather, both flooding and drought. In 2022, for example, a lack of rain caused the river Rhine to dry up. We often move goods from Rotterdam to our Venlo warehouse on river barges on the Rhine, a more environmentally-preferable option compared to road transport. It was impossible to ship by barge for a period of time in August 2022 as the water levels were too low, so we were forced to revert to road transportation.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
3626165

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Zero cost for material pricing as we have not yet observed a flooding situation and directly attributed it to a change in material costs. Direct flooding impacts for New Balance have been observed in the manufacturing and distribution stages.

In 2022, apparel factory flooding caused a loss of 350,000 units with an estimated impact of $3.6 million in production loss and delay.
In 2022, distribution cost increases were minimal and did not significantly disrupt delivery to market. The situation in Germany lasted around 6-8 weeks between early August & late September. During that period, approximately 100 containers arrived in Rotterdam and had to be diverted to alternative road transportation for onward transport to our distribution center. Cost of this change was minimal. We saw an average increase of $50 per container, totaling $5,000. This would have been four times higher if it had impacted all 400 containers entering Rotterdam at this time period, and could double again as our business grows in the region.

Financial impacts related to these events are difficult to estimate. Impact is rated as High because it is broadly applicable to multiple tiers of the supply chain, future mitigation costs are likely to be high (including high capital expenditure for pumping and other flood mitigation infrastructure or site work), and increasing disruptions are likely to negatively impact sales when product does not reach the market on time or at all. Financial impacts would be significantly higher if this same event occurred at a footwear factory.

Cost of response to risk
0

Description of response and explanation of cost calculation
In 2022, the WWF risk tool was free and other aspects to response have not had a cost to prepare tools and set up new processes for gathering information and tracking internally. There were no additional staff hired to manage this risk; it was managed as part of ongoing procurement processes within the sourcing and Responsible Leadership teams.

Situation: Manufacturing sites in Asia and global distribution routes are susceptible to physical climate change threats from more frequent/excessive flooding.
Task: Water-related risks for manufacturing sites are assessed using the WWF Water Risk Filter to map supplier locations against water risk maps. New Balance has mapped strategic suppliers to better understand which suppliers may be located in particularly risky zones.
Action: Prior mapping in 2021 showed that 97% of mapped T2 sites had a risk level 4 or higher (on a scale of 1-5, 5 highest) for flooding, expected to increase with climate change. In 2022, we mapped an additional 60 Tier 1 sites and found similar results, with 95% having high flood risk. We do not yet have tools that can assess risks for distribution routes, but we have engaged our logistics team and regional commercial teams to understand frequency of disruptions.
Results: In 2022, we shifted focus from water scarcity to better prepare for flooding exposure in the supply chain, adding new emphasis on flood response and planning with vulnerable suppliers. We created a Flood Response and Prevention program, including a survey, training and drill program. A trial was conducted with three Tier 1 suppliers and three Tier 2 suppliers to gather feedback on the content and prepare for expansion.

More visibility is needed into deeper parts of the supply chain to better understand the risks associated at farm/raw material level. Our traceability program is working to map our supply chains for top materials like cotton and leather so that we can better understand material origins and associated risks.

Comment
These risks are difficult to classify within a single impact category as they are likely to have broad-reaching impacts across the value chain, including direct operations, supply chain, and downstream distribution and sales.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Our overall strategy to reduce our own Scope 1 and 2 emissions includes both improved energy efficiency (using less) as well as increasing renewable energy. Our initial focus has been on purchased electricity and associated Scope 2 emissions. New Balance joined RE100 in 2019 and has been pursuing various renewable energy options across our global operations with a goal of using 100% renewable electricity by 2025.

New Balance's global electricity consumption was approximately 43,000 MWh in 2022, with 98% sourced from renewables. By prioritizing our largest operations first, our renewable electricity use now covers 100% of our electricity load in the U.S. and EMEA, including all our owned footwear factories, our headquarters and large regional offices, our U.S. distribution centers, and owned retail stores in those regions. Our own Flimby UK footwear factory has a rooftop solar installation that provides approximately 30% of the factory electrical demand. We also source renewable electricity through utility provider contracts and we buy Green-e certified Renewable Energy Certificates (RECs) and Guarantees of Origin (GOs). The only remaining load to address is a small load in APAC where costs remain unreasonably high in a couple of countries. In the U.S., a majority of our electricity load comes from large facilities in MA, ME, and CA, three states with progressive clean energy policy and programs. In Maine, for example, New Balance joined a consortium of public and private buyers to support four Maine-based solar projects through Maine's Net Energy Billing program. These projects are in various stages of development with the first project coming online in 2022 and throughout 2023-2024. We have contracted renewable generation that represents roughly 70% of New Balance's current electricity consumption at our Maine factories, which will yield credits on our electricity bills to lower operating costs.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
125000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
$125,000 is the total expected annual energy bill savings that will be generated from all four anticipated solar projects participating in Maine's Net Energy Billing Credit program which will monetize benefits through credits on our electricity bills beginning when the solar developments are completed and come online. Our first solar project came online in 2022 and began providing energy bill credits in Q4. Savings were $8,630 in 2022.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
There were no up-front costs associated with entering into the Maine NEBC contracts, and the process is managed by our energy consultant under existing agreement/scope of work. Therefore, the cost of the opportunity was 0. Savings will be realized as those projects come online and are administered through energy billing credits.

Situation: New Balance's overall strategy to reduce our Scope 1 and 2 GHG emission includes both improved energy efficiency (using less) as well as increasing renewable energy. Our initial focus has been on Scope 2 from purchased electricity. Approximately half of our total load (and 80% of our U.S. load) is located in just three states – MA, ME, and CA – that all have progressive renewable policy and programs.
Task: New Balance joined RE100 in 2019 and has been pursuing various renewable energy options across our global operations with a goal of using 100% renewable electricity by 2025.
Action/Results: Our strategy overall is to procure renewable energy as a portfolio with a mix of on-site projects where feasible, offsite agreements, and energy attribute certificates where needed. We work with a third-party energy consulting firm to evaluate on-site renewable energy opportunities at our largest facilities, but none have proven to be feasible yet in the U.S. In 2021, we joined a consortium of public and private buyers to support four Maine-based solar projects through Maine's Net Energy Billing program. These projects are in various stages of development, and the first project came online in 2022, generating $8,630 in savings in Q4. We have contracted renewable generation that represents roughly 70% of New Balance's current electricity consumption at our Maine factories. Across four solar sites, New Balance will receive the RECs and a renewable energy billing credits, a combined value of $125,000/year.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
As New Balance seeks to grow and keep greenhouse gas emissions in line with 1.5°C, there is an untapped opportunity for recommerce to play an important role in not only keeping product from entering landfill but also decoupling business growth from resource consumption driven by new product sales. Consumers demand for sustainability is fueling significant growth in the recommerce market. New Balance launched an apparel repair and resale pilot in partnership with The Renewal Workshop (TRW) in August 2021 to increase product longevity and find ways to onboard new tools to support a more circular business model.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
$1,000,000 is an estimated profit in Year 1 for a new footwear and apparel resale program based on approximately 50,000 units with 100% sell through sold at discount from MSRP.

Cost to realize opportunity
250000

Strategy to realize opportunity and explanation of cost calculation
$250,000 includes initial set-up fee with vendor, monthly subscription cost for recommerce platform/site, and 0.5 FTE project manager to run the program.

Situation: Very little footwear and apparel is recycled, most ending up in landfill or incineration. As New Balance seeks keep greenhouse gas emissions in line with 1.5°C while growing, there is an untapped opportunity for recommerce to play an important role in not only keeping product from entering landfill but also decoupling business growth from resource consumption driven by new product sales. Consumers demand for sustainability is fueling significant growth in the recommerce market.
Task: Following a 2021 apparel resale pilot, New Balance spent time in 2022 to assess potential recommerce partners for a broader offering around footwear, our main business.
Action: New Balance assessed several potential partners that could enable us to extend the life of imperfect or returned items, helping to keep them out of landfills. Giving these products a second life, we can offer customers a way to shop renewed product that is guaranteed to meet the same high standards they've come to expect from the brand. We assessed potential partners across multiple criteria and conducted deep dives into two leading contenders to understand technical integration and financial model.
Results: A vendor was selected. We anticipate further refinement to the proposed program in 2023, leading to pre-launch activities.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan
Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan
Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan
We have a different feedback mechanism in place

Description of feedback mechanism
New Balance does not have shareholders and AGMs as a private company. We have other mechanisms in place for collecting feedback from stakeholders within the company, primarily through the Risk Committee. Our Risk Committee comprises senior leaders from across the company and oversees our environmental, social, and governance strategy, policies, practices, and programs. Its members are also responsible for guiding the company's risk management on all topics. Externally, we continually seek opportunities to collaborate and learn from external stakeholders, which broadens our perspective, helps us identify risks sooner, and strengthens our accountability. Anyone can also send us feedback via our Responsible Leadership email address, publicly available on our website and regularly monitored by our team.

Frequency of feedback collection
More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)
New Balance Sustainability and Impact Report 2022.pdf

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Lack of internal resources	While New Balance has already set ambitious targets as a member of RE100 and as a signatory to the Business Ambition for 1.5C and the UN Fashion Charter, we anticipate using more formal climate scenario analysis as part of our science based target planning to align with 1.5C pathway based on absolute contraction method. Scenario analysis results will provide a better understanding of the financial impacts of climate risks and opportunities under different climate scenarios, which will further influence our goals and low-carbon strategy. Including quantitative scenario analysis within our goal setting process can provide context for emission reduction targets and the investments needed to achieve them. New Balance set new Science Based Targets aligned with the 1.5 degree pathway in 2022 and submitted them to SBTi for approval in 2022. The timeframes chosen (2025 for RE100, and 2030 for SBTs) align with our long-term strategy definition and allows a longer timeframe for achieving reductions in Scope 3, but is within a timeframe where today's strategy is still relevant. Scope 1 and 2 strategy, of course, centers on continued energy efficiency efforts and increased procurement of renewable electricity via a portfolio of on-site and off-site solutions. Our Scope 3 emissions are driven mostly by the materials we use to make product and our contract manufacturing. In 2022, we expanded our supply chain renewable energy program to cover more suppliers and to engage more directly on renewable energy development and policy, particularly in Vietnam, our largest sourcing country. As described in other sections, New Balance has been actively engaged in energy efficiency programs for its suppliers since 2013, including internal supplier capacity building programs and external partnerships. To reduce our raw material impacts in the near- to mid-term, we created 2025 goals to transition our three highest volume materials--polyester, leather, and cotton--to preferred options. Preferred options include attributes with lower climate impact, such as recycled polyester, leather from verified regenerative sources, and cotton sourced as Better Cotton Initiative (BCI) cotton; and New Balance is an active participant in various industry groups that are evaluating material impacts and creating an industry pathway to low-carbon materials, like Textile Exchange.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	The materials we use to make product is the largest source of Scope 3 emissions. We have set goals for our top materials to reach 100% preferred cotton by 2023, 100% preferred leather by 2025, and 50% recycled polyester by 2025. Recycled polyester, for example, has a lower carbon footprint than virgin polyester. We also use feedback and requests from our key customer accounts, consumers, and other stakeholders to understand changes in market demand and market concerns related to climate change and sustainability in general. 1 in 3 of our target consumer audience also lists climate change as their top environmental concern, and we have seen increased consumer interest in sustainable products and general consumer awareness of environmental issues related to footwear and apparel. One example of addressing this in 2022 is that New Balance increased our use of environmentally preferred materials to 44% recycled polyester, 91% preferred leather, and 64% preferred cotton. Details can be found in our 2022 Sustainability and Impact Report. New Balance also joined the Savory Institute's Land to Market program in 2021 as a way to begin sourcing leather from ranches with verified regenerative land outcomes.
Supply chain and/or value chain	Yes	Many of our environmental impacts are tied to our value chain and occur during the production and transportation of our products. Our supply chain energy program focusses on resource efficiency, increasing renewable energy installations, eliminating coal from the supply chain, and policy advocacy to improve access to renewables. New Balance works closely with our Tier 1 and Tier 2 suppliers to improve resource efficiency in production processes. Tier 1 footwear factories are a key part of our Scope 3 emissions. We have an extensive supply chain energy program that has reduced energy consumption per pair, meaning footwear production has become more efficient in how it uses energy to create a pair of shoes. In 2022, Tier 1 and Tier 2 suppliers completed 48 priority Energy Conversion Measures and renewable electricity installations with an annual CO2 savings estimated at 25,732 MTCO2 annually. In 2022 suppliers engaged in a number of third party supply chain improvement programs, like IFC's Vietnam Improvement Program, and GIZ's Energy Support Programme (GIZ/ESP). In partnership with GIZ, we've implemented multiple programs across our supply chain to improve energy efficiency, educate factory teams about energy management and develop rooftop solar energy projects. With the GIZ Energy Support Programme, we supported the development of eight additional rooftop solar systems in 2022 at Tier 1 and Tier 2 facilities. With GIZ, New Balance also joined other brands to launch a Climate Action Training (CAT) program to motivate climate action in our supply chain in Vietnam. The program sets factories on a path toward achieving a GHG emissions reduction target by 2030. As of 2022, 54 industry suppliers have joined CAT, 27 of which play a role in manufacturing New Balance products.
Investment in R&D	Yes	New Balance's product sustainability strategy includes specific efforts around low-climate impact materials and product circularity. Research and Development efforts at New Balance in 2022 were heavily influenced by our Responsible Leadership Goals with particular focus on zero-waste-to-landfill and decarbonizing materials as part of our Scope 3 emissions reduction strategy. Emphasis was placed on developing lower-impact materials with recycled content and bio-based content, both from outside sources and from utilizing waste materials from within our factory walls. For example, our Innovation team developed and validated new sole formulations based on recycled rubber, recycled EVA foam, and "bioEVA" from sugar cane. We developed new foams in 2022 that use up to 40% recycled EVA waste, and over 90% of die-cut inserts now demonstrate this technique across all sourcing locations because of massive consolidation of color options. We evaluated and implemented strategies to decrease our company carbon footprint through utilization of low carbon materials in many of our primary components and will continue to expand this strategy in the years to come alongside material consolidation strategies.
Operations	Yes	The biggest environmental impact within our direct business operations relates to energy use and greenhouse gas (GHG) emissions, transportation, and solid waste. (a) Energy use and emissions: Although Scope 1 and 2 emissions are small compared to the emissions of our materials and Tier 1 manufacturing base, we believe that we have a responsibility to operate our facilities efficiently to minimize environmental impacts. As a factory owner and operator, New Balance can also lead by example and demonstrate to our supply chain that it is possible to shift footwear production to low-emissions energy sources as we change energy procurement practices to meet our 2025 RE100 goals. Each year, our Facilities team evaluate potential energy savings projects and renewable energy opportunities with the help of our third party energy services firm. (b) Waste: New Balance has set a target for zero waste to landfill from our Tier 1 footwear factories by 2025. This is leading to new efforts to eliminate waste creation and new recycling opportunities that can lead to low-carbon circular materials. In 2022, our internal design teams are rethinking how we design products to drive better material efficiency and eliminate unnecessary waste. We created a Less Waste Design Guide to educate and empower footwear designers to make design decisions that prioritize waste reduction, ultimately helping to reduce the amount of waste created at the Tier 1 manufacturing site. (c) Transportation: We are beginning to change product and transport packaging to more sustainable options. In 2022, we continued an internal investigation to assess feasibility of eliminating plastic packaging like apparel polybags and plastic DTC shipping envelopes that are used for small apparel-only orders. Initial trials with alternative packaging materials were completed in 2022 to inform potential adoption and scaling plans. We tested alternative options in the factory, distribution center, and retail environments and then launched a small scale consumer trial in the U.S. to gather feedback on performance and overall experience. Testing is slated to continue into 2023.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence

Row 1	Revenues
	Direct costs
	Indirect costs
	Capital expenditures
	Capital allocation
		New Balance's financial planning process occurs annually, and climate-related risks and opportunities have shaped New Balance's strategy and influenced related financial planning and allocation of funding. As a top footwear and apparel brand and as part of the global community, we have a responsibility to understand, mitigate and adapt to the effects of climate change. New Balance is moving toward a low carbon future, focusing on four urgent actions: (1) Renewable Energy: Increasing energy efficiency and promoting renewable energy within our operations and across our supply chain; (2) Materials: Prioritizing materials with lower climate impact; (3) Longevity and Circularity: Exploring and supporting more circular business models like repair and post-consumer recycling; and (4) Advocacy: Engaging in climate advocacy and establishing a closer dialogue with our consumers. Two major climate commitments provide the foundation for our climate goals: RE100 and the Business Ambition for 1.5C. Under RE100, New Balance has committed to sourcing 100% of its electricity from renewable sources by 2025 across all global New Balance operations, and our broader goals under the Business Ambition for 1.5C (and the UN Fashion Charter) necessitate similar increase in renewable energy consumption across our supply chain. At the same time, energy efficiency efforts lower the overall demand and energy costs.
		// Operating Costs: As disclosed in C2.4 Opp1, New Balance identified the opportunity of using lower emission sources of energy and implementing energy efficiency initiatives. Increasing energy efficiency and shifting to renewable energy could impact financial planning in the short-term by lowering indirect (operating) costs and a medium financial impact. This opportunity resulted in allocation of funds to implement energy conservation measures, purchase renewable electricity, hire consultants to explore options, and engage with supply chain implementation partners for our suppliers. In 2022, New Balance increased our purchase of Renewable Energy Certificates and added Guarantees of Origin and I-RECs so that 98% of our global electric load was covered. (In combination with our Flimby solar generation and clean energy contracts, all of the electricity used in our owned footwear manufacturing sites was sourced as renewable, allowing for future consumer-facing claims on those products, which could in turn generate positive reputation and increased sales for "Made in US" and "Made in UK" product.) In 2021, through Maine's Net Energy Billing program, New Balance joined a consortium of public and private buyers to support four solar projects located in the state of Maine. These projects are in various stages of development with the first project coming online in late 2022. We have contracted renewable generation that represents roughly 70% of New Balance's current electricity consumption at our Maine factories. When fully operational, New Balance will receive the RECs and a renewable energy billing credits, a combined value of $125,000/year. The magnitude of impact is Medium. Time horizon: Short.
		// Capital expenditures: New Balance's capital expenditure and allocation are influenced by climate-related risks and opportunities. As an example, the company's financial plans include allocating capital to implement various energy conservation projects at our offices and owned footwear factories, such as HVAC upgrades, installation of Energy Management Systems, boiler upgrades, compressed air repairs, and lighting upgrades. In collaboration with our Facilities team and external energy consultant, we conduct financial analysis on each energy or emissions reduction initiatives for our global facilities. Finance has established guidelines for desirable payback criteria that should be met in order for funds to be allocated. These investments help the company progress towards its long-term energy and emissions goals while reducing the company's long-term operating costs of energy. Case Study: New Balance's owned and operated Flimby factory has been investing in renewable energy and energy efficiency for many years, beginning with their first solar array in 2013. Today, rooftop solar provides about 30% of the factory's electricity needs, saving approximately £30,000 per year. The factory created an Energy Management Team (EnMT) in response to the UK government's Energy Savings Opportunity Scheme (ESOS) and achieved ISO50001 accreditation in October 2019 for the factory, Warrington Head Office and UK Retail. This was followed by migration to ISO 50001 – 2018 and a successful surveillance audit in 2020, during the pandemic. Under this certification, Flimby has a structured Energy Management System with policies, processes, procedures and action plans to continuously invest in energy saving opportunities and improve energy management. Evaluation of Significant Energy Uses (SEU) within the factory helped identify opportunities for improvement, including: (a) Ensuring electricity contracts are from renewable energy sources; (b) Encouraging behavioral changes, like switching machines off at breaktimes where possible and switching screens off at night; (c) PIRs have been installed in corridors, offices, meeting rooms during 2020 and we completed lighting upgrades to energy efficient LED lighting in 2021; and (d) Changes to procurement process to evaluate the energy performance of new equipment before purchase. The magnitude of impact is Low to Medium. Time horizon: Short.
		// Revenues: As we work to meet the needs and shifting preferences of our customers around the world, we have an opportunity to develop products with more sustainable attributes that will improve our competitive position and contribute to our role as an industry leader, driving revenues. In 2022, New Balance investigated opportunities to launch a recommerce program to extend the life of worn and returned items. We selected a partner for further planning and modeling in 2023. Given the interest among consumers and importance of sustainability and climate change to our target consumer, the magnitude of impact for revenues is Medium. Time horizon: Short.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, but we plan to in the next two years	<Not Applicable>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set

2022

Target coverage

Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
3874

Base year Scope 2 emissions covered by target (metric tons CO2e)
11593

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
15467

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
60

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
4203

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
560

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
4763

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
New

Please explain target coverage and identify any exclusions
In 2021, New Balance signed onto the Business Ambition for 1.5C and committed to setting a new Science Based Target aligned with 1.5C across all scopes of emissions. In 2022 New Balance submitted targets for approval by SBTi. Our Scope 1 and 2 target is a 60% absolute reduction from our base year.

Plan for achieving target, and progress made to the end of the reporting year
In 2022, our total emissions from Scope 1 and 2 activities, which include those from our offices, distribution centers, retail stores, and owned-manufacturing sites, were 4,763 metric tons of carbon dioxide equivalent (MTCO2e). This is a 53% reduction from 2021 and a 69% reduction from our 2019 baseline year, exceeding our 2030 60% reduction goal. Looking closer, Scope 1 emissions increased by 24%, while our Scope 2 emissions decreased by 92% because of increased renewable electricity purchasing. We procure renewable electricity in several ways, including on-site generation and energy attribute certificates. While we have exceeded our overall goal, we will continue to address Scope 1 emissions and adjust our renewable electricity strategy to improve the quality of our renewable energy mix over time. Our strategy focuses on energy efficiency to reduce energy demand and increased procurement of renewable electricity via a portfolio of on-site and off-site solutions. Each year, our Facilities team evaluate potential energy savings projects and renewable energy opportunities with the help of our third party energy services firm. New Balance's owned and operated Flimby factory has been investing in renewable energy and energy efficiency for many years, beginning with their first solar array in 2013. Today, rooftop solar provides about 30% of the factory's electricity needs, and we are investigating an on-site wind turbine that will provide enough electricity to satisfy 100% of the electrical demand and enough excess for future electrification to replace fuels. In 2021, New Balance increased our purchase of Renewable Energy Certificates and added Guarantees of Origin and I-RECs so that 100% of our U.S. and EMEA electric load was covered. In 2021, through Maine's Net Energy Billing program, New Balance also joined a consortium of public and private buyers to support four solar projects located in the state of Maine. These projects are in various stages of development but are expected to be online in 2022 and early 2023. We have contracted renewable generation that represents roughly 70% of New Balance's current electricity consumption at our Maine factories.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 2

Is this a science-based target?
Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 4: Upstream transportation and distribution

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
887014

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
145948

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
1032962

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
1032962

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
84.9

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
84.9

Target year
2030

Targeted reduction from base year (%)
50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
994136

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
233409

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
1227545

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
1227545

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
In 2021, New Balance signed onto the Business Ambition for 1.5C and committed to setting a new Science Based Target aligned with 1.5C across all scopes of emissions. The SBT process began in 2021 and we submitted the application to SBTi in 2022. Categories 1 and 4 are our largest Scope 3 categories and account for 85% of Scope 3 emissions, essentially covering the materials we use to make product, the energy used in factories to make product, and the transportation of that product to global markets.

Plan for achieving target, and progress made to the end of the reporting year
Scope 3 Category 1 represents materials used to make NB products and the energy consumed by our supplier factories. We are making progress toward Scope 3 reductions by focusing on: (1) Supplier Energy Efficiency and Renewable Energy: In 2022, we expanded our supply chain renewable energy program to cover more suppliers and to engage more directly on renewable energy development and policy, particularly in Vietnam, our largest sourcing country. (2) Materials: Our products—and the materials that go into them—are processed with energy, water and chemicals in factories around the world. Raw materials like polyester and leather represent a significant portion of our footprint, so we prioritize materials with lower impacts and finding ways to use less. We created 2025 goals to transition our three highest volume materials--polyester, leather, and cotton--to preferred options that have attributes with lower climate impact, such as recycled polyester and leather from LWG Gold-rated tanneries. We participate in industry groups that are evaluating material impacts and creating an industry pathway to low-carbon materials, like the UN Charter and Textile Exchange. (3) Longevity and Circularity: We are challenging ourselves to make products last longer, extending product use through repair and repurposing products at their end of life, working toward a closed loop system. (4) Advocacy: We're using our position as a global brand to promote broader climate action by engaging governments to enact better climate policy, supporting advocacy groups and building awareness among our consumers. (5) Land Use: We're working to eliminate deforestation in our supply chains and exploring the role of regenerative agriculture. In 2022, we partnered with Savory's Land to Market program for the second consecutive year.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 3

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition
1.5°C aligned

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
3874

Base year Scope 2 emissions covered by target (metric tons CO2e)
11593

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
15467

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2050

Targeted reduction from base year (%)
100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
4203

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
560

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
4763

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
New

Please explain target coverage and identify any exclusions
New Balance is a signatory of the UN Fashion Charter, the Business Ambition for 1.5C, and a member of the Outdoor Industry Association Climate Action Corps. These organizations and its members have expressed goals to reach net zero by 2050, aligned with SBT 1.5C pathway. In the case of OIA, goals go beyond net zero with an aspiration to become “climate positive,” defined as reducing carbon footprint according to science-based targets, remove their remaining carbon emissions from the atmosphere (ideally, through nature-based projects), and advocate for robust climate policy. Our net zero goal covers Scope 1 and 2.

Plan for achieving target, and progress made to the end of the reporting year
Our Scope 1 and 2 strategy focuses on energy efficiency to reduce energy demand and increased procurement of renewable electricity via a portfolio of on-site and off-site solutions. Each year, our Facilities team evaluate potential energy savings projects and renewable energy opportunities with the help of our third party energy services firm. Over time, we will seek new opportunities for more meaningful renewable electricity sourcing, and we will begin to address Scope 1 emissions in coming years. We are already beginning to evaluate feasibility of full electrification and alternative fuel considerations.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2019

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2017

Consumption or production of selected energy carrier in base year (MWh)
43394.84

% share of low-carbon or renewable energy in base year
20

Target year
2025

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
98

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Is this target part of an emissions target?
Yes, to the extent that actions taken to achieve RE100 will reduce Scope 2 emissions across our operations.

Is this target part of an overarching initiative?
RE100

Please explain target coverage and identify any exclusions
New Balance joined RE100 in 2019 and committed to sourcing 100% renewable electricity across our global operations by 2025. In 2021, we achieved 58% renewable electricity through a combination of on-site solar PV generation, green power purchasing in UK and EMEA, green-e certified REC procurement in the U.S, and GO and I-REC procurement across EMEA.

Plan for achieving target, and progress made to the end of the reporting year
Our strategy for addressing RE100, of course, centers on continued energy efficiency efforts to lower overall electricity demand and increased procurement of renewable electricity via a portfolio of on-site and off-site solutions. Each year, our Facilities team evaluate potential energy savings projects and renewable energy opportunities with the help of our third party energy services firm. New Balance's owned and operated Flimby factory has been investing in renewable energy and energy efficiency for many years, beginning with their first solar array in 2013. Today, rooftop solar provides about 30% of the factory's electricity needs, and we are investigating an on-site wind turbine that will provide enough electricity to satisfy 100% of the electrical demand and enough excess for future electrification to replace fuels. In 2021, New Balance increased our purchase of Renewable Energy Certificates and added Guarantees of Origin and I-RECs so that 100% of our U.S. and EMEA electric load was covered. In 2022, through Maine's Net Energy Billing program, New Balance also joined a consortium of public and private buyers to support four solar projects located in the state of Maine. These projects are in various stages of development but are expected to be online in 2021 and early 2023. We have contracted renewable generation that represents roughly 70% of New Balance's current electricity consumption at our Maine factories.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1

Target year for achieving net zero
2050

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Please explain target coverage and identify any exclusions
New Balance is a signatory of the UN Fashion Charter, the Business Ambition for 1.5C, and a member of the Outdoor Industry Association Climate Action Corps. These organizations and its members have expressed goals to reach net zero by 2050, aligned with SBT 1.5C pathway. In the case of OIA, goals go beyond net zero with an aspiration to become “climate positive,” defined as reducing carbon footprint according to science-based targets, remove their remaining carbon emissions from the atmosphere (ideally, through nature-based projects), and advocate for robust climate policy.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Unsure

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)
These details are to be determined.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	2	402
Implementation commenced*	2	598
Implemented*	48	25732
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Insulation, Lighting and HVAC reported in aggregate)

Estimated annual CO2e savings (metric tonnes CO2e)
265

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 1: Purchased goods & services

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
52292

Investment required (unit currency – as specified in C0.4)
123377

Payback period
1-3 years

Estimated lifetime of the initiative
16-20 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Other, please specify (Multiple types of opportunities within the supply chain, including automation, CHP, compressed air, machine/equipment replacement, motors and drives, process optimization, and waste heat recovery)

Estimated annual CO2e savings (metric tonnes CO2e)
1230

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 1: Purchased goods & services

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
118899

Investment required (unit currency – as specified in C0.4)
1021336

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment

Initiative category & Initiative type

Low-carbon energy generation	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
24236

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 1: Purchased goods & services

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
228741

Investment required (unit currency – as specified in C0.4)
230595

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Management measures)

Estimated annual CO2e savings (metric tonnes CO2e)
1.25

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 1: Purchased goods & services

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
220

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
3-5 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Facilities budget includes annual funding for energy efficiency, and our Responsible Leadership budget includes budget for supporting supply chain energy programs like Aii Clean by Design and other similar programs.
Dedicated budget for other emissions reduction activities	Budget is planned each year for purchasing energy attribute certificates (RECs and GOs) and consulting services related to renewable energy assessments, regulatory tracking, contract bidding support, and strategy review.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	In Scope 3 Category 1 there were three changes: the data source changed for our apparel business, emission factors for some leather volumes were updated to supplier specific EFs, sole materials were calculated using weight and spend data (previously only spend).

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	No, because we do not have the data yet and plan to recalculate next year	<Not Applicable>	New Balance has used the reporting year 2019 as the baseline for our GHG emission calculation and science-based target setting. To accurately track progress towards our GHG emission reduction targets, we may adjust our base year emissions to account for any significant changes, if changes drive a cumulative increase/decrease in emissions greater than 5% versus the initial baseline. We may also choose to recalculate our baseline emissions for changes <5%, especially when structural changes occur. Key events that may trigger a baseline adjustment: • Structural changes, such as mergers, acquisitions, and divestments, may trigger a base year recalculation. When a structural change occurs, such as the acquisition of a company, the recalculation will be conducted within the following year. • Methodology changes, such as updated emission factors, improved data sources, or updated protocols, that significantly impact our base year GHG emissions may also trigger a base year recalculation. • Data errors discovered in previous years' reporting that significantly impact emissions (threshold 5%), base year recalculation may be triggered. New Balance will publicly disclose the scope and boundary of our GHG inventory.	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
3874

Comment
CES

Scope 2 (location-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
17479

Comment
CES

Scope 2 (market-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
11593

Comment
Market based calculations were started in 2019.

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
887549

Comment

Scope 3 category 2: Capital goods

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
32950

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
5779

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
145948

Comment
Includes WTW adjustment.

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
1994

Comment

Scope 3 category 6: Business travel

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
24234

Comment
Includes WTW adjustment.

Scope 3 category 7: Employee commuting

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
27111

Comment
Includes WTW adjustment.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Not relevant.

Scope 3 category 9: Downstream transportation and distribution

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
10151

Comment
Includes WTW adjustment.

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Not relevant.

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Not relevant.

Scope 3 category 12: End of life treatment of sold products

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
54629

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Not relevant.

Scope 3 category 14: Franchises

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
1885

Comment

Scope 3 category 15: Investments

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
25054

Comment
Emissions for Warrior added during SBTi approval process.

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

China Corporate Energy Conservation and GHG Management Programme
IEA CO2 Emissions from Fuel Combustion
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
4203

Start date
January 1 2022

End date
December 31 2022

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
3401

Start date
January 1 2021

End date
December 31 2021

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
14940

Scope 2, market-based (if applicable)
560

Start date
January 1 2022

End date
December 31 2022

Comment

Past year 1

Scope 2, location-based
15890

Scope 2, market-based (if applicable)
6652

Start date
January 1 2021

End date
December 31 2021

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
994136

Emissions calculation methodology
Average data method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
15

Please explain
A variety of measures are used depending on data type available for each category of purchased goods. For example, Average Data Method (Higg MSI kgCO2e/kg of material) and Spend-based method (USEEIO kgCO2e/$) were used for different materials, both covering cradle-to-grave emissions. Higg MSI was used for leather and textile since weights were available, while USEEIO spend-based method was used for the rest of the categories. Licensed product material weights were calculated using unit sales reports and assumptions about product material composition by category and average item weights. Tier 1 footwear factory emissions were calculated directly from known fuel use and electricity consumption data, collected monthly as part of our supply chain energy program.

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
113877

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Capital goods spend was extracted from internal systems and grouped into categories consistent with emission factors available in the Quantis Evaluator tool.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
4940

Emissions calculation methodology
Average data method
Other, please specify (Extrapolated 2019 data to 2022)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Category 3 was 5,779 MTCO2e in 2019, the baseline year for our new SBT in process. As is represented 1% of Scope 3 emissions, we extrapolated the 2019 amount to 2022.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
233409

Emissions calculation methodology
Spend-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
For transportation, distances were used for US and EMEA regions, while the remainder we applied emission factors from Quantis Scope 3 Evaluator to total spend by mode. Due to global inflation in supply pricing in 2022, these emissions calculated on a spend-based method are artificially inflated. Our plan is to establish better quality activity data in coming years so that we rely less on spend-based methodology. For warehouse storage, we collect global operational square footage per building used and the average number of days the product stays in storage. We apply emission factors specific to warehouse and storage electricity intensity for each region in which the warehouses were located.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
3724

Emissions calculation methodology
Spend-based method
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Waste tonnage is tracked internally for U.S. locations and one U.K. location. For remaining sites that do not track weight, spend was used. During the SBTi approval process some exclusions were identified and the total was doubled to account for this.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
13269

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Spend is pulled from internal finance and travel booking systems by region. For a small set of locations where spend was not available by transportation mode, it was assumed that the percentage of each mode was the same as the breakdown for known spend.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
19969

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The number of employees was obtained per country with assumed working days based on average vacation allotted. Country-specific census data was used for average commute distance, and modal distribution based on surveys from key office locations. Due to lingering effects of the COVID-19 pandemic, retail employees were the majority of associates who traveled to work in the reporting year as all retail locations were open for business. Because New Balance was not requiring office workers to work in-office, we assumed all office employees commuted to the office 2 days per week.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
New Balance does not have upstream leased assets.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
11566

Emissions calculation methodology
Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
All outbound transport is paid for by third party and falls under Category 9. Total quantity of goods sold globally in the reporting year multiplied by average product and packaging weights for footwear and apparel. That tonnage multiplied by 600 miles average distance based on Higg Product Module assumptions. Emission factor for medium or heavy-duty diesel truck.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
New Balance does not produce intermediate products. We produce and sell finished footwear, apparel, and accessories. This category is not relevant for New Balance sold products.

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not relevant for New Balance. In our industry, this category tends to be driven by apparel care. Apparel remains a relatively small portion of overall NB business (approximately 20% of footprint sales in 2019 and 2020), and footwear has limited impacts during use phase as they are seldom washed.

End of life treatment of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
62800

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
An average weight for footwear and apparel was assumed for each category and multiplied by the number of items sold in the calendar year. EOL scenarios were assumed and applied for landfill, incineration, and recycling.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
New Balance does not have downstream leased assets.

Franchises

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1813

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
We use this category to report emissions associated with U.S.-based NB licensed (NBL) retail stores, which are outside the Scopes 1 and 2 boundary. We use an average data method where we calculate emissions based on store floor area.

Investments

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
24067

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
This category represents our Warrior business. Emissions were calculated based on revenue.

Other (upstream)

Evaluation status

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date
January 1 2021

End date
December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)
888818

Scope 3: Capital goods (metric tons CO2e)
46290

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
5254

Scope 3: Upstream transportation and distribution (metric tons CO2e)
218314

Scope 3: Waste generated in operations (metric tons CO2e)
1962

Scope 3: Business travel (metric tons CO2e)
3320

Scope 3: Employee commuting (metric tons CO2e)
13144

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)
10831

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)
50277

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)
1890

Scope 3: Investments (metric tons CO2e)
19782

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000000899

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
15467

Metric denominator
unit total revenue

Metric denominator: Unit total
5300000000

Scope 2 figure used
Market-based

% change from previous year
61

Direction of change
Decreased

Reason(s) for change
Change in renewable energy consumption
Change in revenue

Please explain
Our 2022 emissions intensity figure per revenue is 61% lower than it was in 2021. This decrease is due to a 53% reduction in Scope 1 and 2 emissions in the numerator and a 20% increase in revenue as the denominator. Scope 1 increased slightly, while Scope 2 reduced significantly due to increased procurement of renewable electricity.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CH4	2.41	IPCC Fifth Assessment Report (AR5 – 100 year)
CO2	3885.24	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	3.71	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (R134A)	75.46	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (R22)	166.4	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (R32)	0.12	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (R404A)	28.62	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (R410A)	41.33	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
United States of America	4073.34
United Kingdom of Great Britain and Northern Ireland	129.94

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Manufacturing (owned)	1887
Warehouse/DC	528
Office	871
Retail	496
Transportation	422

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	7544.59	0
Taiwan, China	102.42	0
Australia	128.93	128.93
Poland	1371.6	0
China	2735.8	0
Japan	1274.94	0
Italy	114.95	0
United Kingdom of Great Britain and Northern Ireland	306.59	0
South Africa	240.37	0
Hong Kong SAR, China	276.09	0
France	29.67	0
Spain	7.76	0
Germany	67.34	0
Singapore	147.33	0
Ireland	13	0
Netherlands	21.73	0
New Zealand	44.77	0
Indonesia	38.89	0
Belgium	0.75	0
Austria	0.28	0
Canada	37.53	0
Malaysia	429.93	429.93
Portugal	4.04	0
United Arab Emirates	0.67	0.67

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Manufacturing (owned)	2255	0
Warehouse/DC	1791	0
Office	1934	0
Retail	8960	560

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	5290	Decreased	52.62	Scope 1 emissions increased slightly. Scope 2 emissions were reduced as a result of increased renewable electricity purchasing. The previous year 2021 Scope 1 and 2 emissions were 10,053. The change is Scope 1 and 2 was 5,290 MTCO2e decrease. (5,290 / 10,053) * 100 = 52.6%
Other emissions reduction activities	0	No change	0	There were limited energy efficiency projects fully implemented in 2022. Projects were started but are not classified as "Implemented" in c4.3a because they continued into 2023. Our Facilities team performed repairs and maintenance projects in 2022 and a small lighting retrofit without a quantified reduction to report. Overall, we consider these as "no change."
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	19519.66	19519.66
Consumption of purchased or acquired electricity	<Not Applicable>	42176.96	729.89	42906.85
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	154.85	<Not Applicable>	154.85
Total energy consumption	<Not Applicable>	42331.81	20249.55	62581.36

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other biomass

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Coal

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Oil

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
4613.52

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Includes fossil fuels, Diesel and Oil

Gas

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
14906.14

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Includes gaseous fossil fuels, Propane and Natural Gas

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Total fuel

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
19519.66

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
total of diesel, oil, propane, and natural gas

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	219.05	154.85	219.05	154.85
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
Australia

Consumption of purchased electricity (MWh)
172.13

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Austria

Consumption of purchased electricity (MWh)
2.4

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Belgium

Consumption of purchased electricity (MWh)
6.14

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Canada

Consumption of purchased electricity (MWh)
798.83

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
China

Consumption of purchased electricity (MWh)
4909.91

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
France

Consumption of purchased electricity (MWh)
723.91

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Germany

Consumption of purchased electricity (MWh)
178.32

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Hong Kong SAR, China

Consumption of purchased electricity (MWh)
406.01

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Indonesia

Consumption of purchased electricity (MWh)
49.56

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Ireland

Consumption of purchased electricity (MWh)
37.35

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Italy

Consumption of purchased electricity (MWh)
374.61

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Japan

Consumption of purchased electricity (MWh)
2762.6

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Malaysia

Consumption of purchased electricity (MWh)
556.11

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area

Netherlands

Consumption of purchased electricity (MWh)
58.65

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
New Zealand

Consumption of purchased electricity (MWh)
373.07

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Poland

Consumption of purchased electricity (MWh)
1766.18

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Portugal

Consumption of purchased electricity (MWh)
24.64

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Singapore

Consumption of purchased electricity (MWh)
303.15

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
South Africa

Consumption of purchased electricity (MWh)
277.41

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Spain

Consumption of purchased electricity (MWh)
50.62

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Taiwan, China

Consumption of purchased electricity (MWh)
201.21

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
United Arab Emirates

Consumption of purchased electricity (MWh)
1.65

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)
1603.4

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
United States of America

Consumption of purchased electricity (MWh)
27268.98

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

C8.2h

(C8.2h) Provide details of your organization's renewable electricity purchases in the reporting year by country/area.

Country/area of consumption of purchased renewable electricity
United States of America

Sourcing method
Default delivered renewable electricity from the grid, supported by energy attribute certificates

Renewable electricity technology type
Renewable electricity mix, please specify (U.S. RPS (wind, solar, biomass, etc.))

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
10831

Tracking instrument used
Contract

Country/area of origin (generation) of purchased renewable electricity
United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
Green-e

Comment

Country/area of consumption of purchased renewable electricity
United States of America

Sourcing method
Retail supply contract with an electricity supplier (retail green electricity)

Renewable electricity technology type
Solar

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
311

Tracking instrument used
US-REC

Country/area of origin (generation) of purchased renewable electricity
United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2022

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
Green-e

Comment
NEBC REC for 2022

Country/area of consumption of purchased renewable electricity
Canada

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (ACT contract specifies "Any")

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
362

Tracking instrument used
US-REC

Country/area of origin (generation) of purchased renewable electricity
Canada

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
Green-e

Comment
ACT Commodities contract

Country/area of consumption of purchased renewable electricity
United States of America

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
15360

Tracking instrument used
US-REC

Country/area of origin (generation) of purchased renewable electricity
United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year

2022

Additional, voluntary label associated with purchased renewable electricity
Green-e

Comment
BEF contract

Country/area of consumption of purchased renewable electricity
Austria

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
2.4

Tracking instrument used
Other, please specify (AIB REC)

Country/area of origin (generation) of purchased renewable electricity
Austria

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Belgium

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
6.14

Tracking instrument used
Other, please specify (AIB REC)

Country/area of origin (generation) of purchased renewable electricity
Belgium

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
China

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

4909.91

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
China

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
France

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
723.91

Tracking instrument used
Other, please specify (AIB REC)

Country/area of origin (generation) of purchased renewable electricity
France

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Germany

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
178.32

Tracking instrument used
Other, please specify (AIB REC)

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Hong Kong SAR, China

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
406.01

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
Hong Kong SAR, China

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Indonesia

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
49.56

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
Indonesia

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Ireland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
37.35

Tracking instrument used
Other, please specify (AIB REC)

Country/area of origin (generation) of purchased renewable electricity
Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Italy

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
374.61

Tracking instrument used
Other, please specify (AIB REC)

Country/area of origin (generation) of purchased renewable electricity
Italy

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Japan

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
2762.6

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
China

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity

No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Netherlands

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
58.65

Tracking instrument used
Other, please specify (AIB REC)

Country/area of origin (generation) of purchased renewable electricity
Netherlands

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
New Zealand

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
373.07

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
New Zealand

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Poland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
1766.18

Tracking instrument used

GO

Country/area of origin (generation) of purchased renewable electricity
Poland

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Portugal

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
24.64

Tracking instrument used
Other, please specify (AIB REC)

Country/area of origin (generation) of purchased renewable electricity
Portugal

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Singapore

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
303.15

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
Indonesia

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
South Africa

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
277.41

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
South Africa

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Spain

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
50.62

Tracking instrument used
Other, please specify (AIB REC)

Country/area of origin (generation) of purchased renewable electricity
Spain

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
Taiwan, China

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
201.21

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
China

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

Country/area of consumption of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Renewable electricity mix, please specify (Wind, solar, geothermal, hydro, biomass)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
1603.4

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
BEF

C8.2j

(C8.2j) Provide details of your organization's renewable electricity generation by country/area in the reporting year.

Country/area of generation
United Kingdom of Great Britain and Northern Ireland

Renewable electricity technology type
Solar

Facility capacity (MW)
0.25

Total renewable electricity generated by this facility in the reporting year (MWh)
219.05

Renewable electricity consumed by your organization from this facility in the reporting year (MWh)
154.85

Energy attribute certificates issued for this generation
No

Type of energy attribute certificate
<Not Applicable>

Comment
Flimby UK rooftop solar generation and consumption

C8.2k

(C8.2k) Describe how your organization's renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.

New Balance sources renewable electricity using a mix of mechanisms that drive both direct and indirect impact. We are constantly evaluating options to determine suitability for individual regions and sites. When on-site options are not feasible, we consider offsite options that will directly contribute to new capacity being developed. If those are not feasible or where we have a collection of small loads distributed over a region/area, we rely on EACs to indirectly incentivize renewable development and send market signals. Our owned Flimby UK footwear factory has a rooftop solar installation that provides approximately 30% of the factory electrical demand, and we have approved the development of an on-site wind turbine to provide 100% generated renewables. In the U.K. and parts of Europe, we source some renewable electricity through utility provider contracts. VPPAs have not be viable for New Balance yet. A large part of our current sourcing is done through Green-e certified Renewable Energy Certificates (RECs), IRECs,

REGO, and Guarantees of Origin (GOs). In the U.S., a majority of our load comes from large facilities in MA, ME, and CA, three states with progressive clean energy policy and programs. In Maine, for example, New Balance joined a consortium of public and private buyers to directly incentivize four new Maine-based solar projects through Maine's Net Energy Billing program. These projects are in various stages of development and started to come online in 2022.

C8.2l

(C8.2l) In the reporting year, has your organization faced any challenges to sourcing renewable electricity?

	Challenges to sourcing renewable electricity	Challenges faced by your organization which were not country/area-specific
Row 1	Yes, in specific countries/areas in which we operate	<Not Applicable>

C8.2m

(C8.2m) Provide details of the country/area-specific challenges to sourcing renewable electricity faced by your organization in the reporting year.

Country/area	Reason(s) why it was challenging to source renewable electricity within selected country/area	Provide additional details of the barriers faced within this country/area
Australia	Prohibitively priced renewable electricity	Excessive pricing per REC

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Directly work with suppliers on exploring corporate renewable energy sourcing mechanisms

% of suppliers by number

20

% total procurement spend (direct and indirect)

60

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

New Balance's supply chain renewable energy program focuses on strategic suppliers, both Tier 1 footwear and strategic/core Tier 2 material suppliers, representing the most significant environmental impacts and our highest areas of influence. Both represent our most significant areas for renewable energy transition. Tier 1 direct footwear suppliers are relatively consolidated, accounting for approximately 25% of our Tier 1 suppliers by count but over 85% of revenue, and they represent 15% of our Scope 3 emissions. Similarly, strategic Tier 2 material suppliers are roughly 20% of Tier 2 by count, and they represent a significant source of emissions. Tier 2 emissions are included within the lifecycle emissions of our materials purchased in Scope 3 Category 1--our largest emissions category--calculated based on material consumption and lifecycle emission factors, not yet using primary Tier 2 data. In 2022, we advanced the conversation with suppliers beyond energy efficiency to focus more on increasing adoption of renewable energy. Part of our Sourcing vendor scorecard includes performance on sustainability metrics, including renewable energy as part of our "Marathon" program. Suppliers are beginning to recognize that reducing their emissions and setting reduction targets provides an advantage because it signals that they are investing in best practices, managing environmental risks, and sharing in the pursuit of important goals with New Balance as a partner.

Impact of engagement, including measures of success

Measures of success include number of renewable energy installations and their capacity, aiming for at least 5 new systems with 10 MWp added. In 2022, we saw 8 new installations with a capacity of 18.4 MWp.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers

Collect targets information at least annually from suppliers

% of suppliers by number
47

% total procurement spend (direct and indirect)
90

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
New Balance has been working with our suppliers to better understand and manage environment impacts through data collection. We are working closely with Tier 1 and strategic Tier 2 suppliers to collect data, monitor trends, and support the improvement of sustainability performance based on the representative major risks and opportunities in our supply chain across 401 active Tier 1 direct suppliers and Tier 2 material suppliers in 2022.
In 2022 we encouraged all Tier 1 footwear suppliers to use our Environmental Impact Data (EID) System to report and track monthly environmental data across six categories, including but not limited to production data, energy data, and GHG emissions. We track Tier 1 footwear suppliers closely because they represent approximately 85% of our business volume, approximately 85% of total Tier 1 manufacturing GHG emissions, and about 15% of Scope 3. More broadly, we also use annual Higg FEM assessments to collect data from Tier 1 footwear, strategic Tier 1 apparel, and Tier 2 material suppliers, including information about their energy consumption, emissions, and targets.

Impact of engagement, including measures of success
Metrics include Percentage of Tier 1 footwear suppliers participating in EID, and Percentage of Tier 1 direct suppliers and Tier 2 material suppliers that have completed an FEM assessment annually. Measures of success include participation in monthly EID data collection by at least 60% of footwear suppliers (representing at least 80% of business volume), and completion of annual FEM assessment by at least 50% of suppliers (focusing on those that represent our highest volume of business and spend).

Results:
In 2022, 61% of Tier 1 footwear suppliers participated in our monthly EID data collection program, including all strategic and core, accounting for 90% of business volume by FOB.
In 2022, we engaged 187 Tier 1 and Tier 2 material suppliers with FEM. This provides information from approximately 45% of our Tier 1 direct supplier facilities and 48% of our Tier 2 material suppliers at least annually. Within the Tier 2 category, this data collection process covers 66% of our strategic and core material suppliers.

Based on data collected , New Balance can analyze environment impacts based on specific conditions within our supply chain and find where energy and other resources are being consumed and where to best implement reduction efforts. We use the primary data collected through the Environmental Impact Data (EID) System and Higg FEM to set reduction targets and work with stakeholder to develop supporting programs that drive suppliers' resource energy efficiency and investments in renewable energy to reduce our Scope 3 GHG emission. Data collected from suppliers is verified by qualified members of New Balance's sustainability team and by 3rd party service provider for Higg FEM data.

Comment

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Provide training, support, and best practices on how to set science-based targets

% of suppliers by number
60

% total procurement spend (direct and indirect)
90

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
New Balance's supply chain training program focuses on all Tier 1 suppliers and strategic Tier 2 material suppliers, representing the most significant environmental impacts and our highest areas of influence. In 2022, we engaged close to 60% of suppliers in capacity building efforts, like the Climate Action Training (CAT) program developed in conjunction with GIZ.

Impact of engagement, including measures of success
Measure of success is at least 70% of suppliers completing training with relevant SBT content, measured by % FOB. In 2022, we engaged 137 suppliers across Tier 1 and Tier 2, representing 89% of FOB.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

We have seen increased consumer interest in sustainable products and general consumer awareness of environmental issues related to footwear and apparel. New Balance's sustainability strategy includes specific efforts around climate change and increased advocacy and consumer dialogue. We are actively building more consumer facing campaigns and transparent reporting to educate our consumers about our climate change strategy, goals, and performance. In 2021, we launched a new "If Not Now, When?" campaign to educate consumers about the urgency of climate change and what we are doing to take action. This was hosted on our website and launched with a media event, providing global reach to all NB consumers. In 2022, we updated the Responsible Leadership website to include more detailed information about our climate program, goals, and progress. Throughout 2022, we also continued our partnership with 1% for the Planet in the U.S., where a portion of Hierro v7 sales is being donated to benefit non-profit organizations specifically working on climate change and protecting public land, like Protect Our Winters. The 1% program includes information on the product hang tag and is intended to speak directly to consumers through product—our most important touch point—and helps engage consumers in climate change advocacy and protecting the outdoor spaces where we love to run.

Impact of engagement, including measures of success

Measures of success include (a) Responsible Leadership monthly website page visits (greater than 1,000), (b) the average amount of content consumed as measured by number of pages viewed per visit (3 or more pages), and (c) annual donation to 1% for the Planet (>$100,000). In 2022, monthly site visits were approximately 1,500 with visitors seeing 4 pages of content, with over 90% of that activity taking place in the U.S. Annual donations to 1% for the Planet in 2022 exceeded $120,000.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement
Complying with regulatory requirements

Description of this climate related requirement
New Balance is committed to fair and ethical business practices around the world. We have a set of governing standards, policies and disclosures that set out the principles for how we do business, starting with our Supplier Code of Conduct. This Code is available in more than 40 languages and sets forth the basic requirements that all suppliers must meet in order to do business with New Balance. The Code is based on internationally accepted standards. In cases where differences or conflicts in standards arise, New Balance applies the higher standard. Section I of the Code is Compliance with Laws, which states "Suppliers shall operate in full compliance with the laws of their respective countries and with all other applicable international, national, and local laws, rules, and regulations." Section XI goes further into "Environmental Protection" and includes provisions that "Suppliers shall comply with all applicable environmental laws and regulations, including but not limited to air emissions...[and] energy usage...."

Suppliers must post this Code in the languages of their employees in visible and accessible locations in their facilities and train employees on their rights and obligations. Suppliers are required to allow relevant New Balance personnel and/or any of our authorized representatives or agents unrestricted access to al facilities and all relevant records at all times, whether or not notice if provided in advance.

% suppliers by procurement spend that have to comply with this climate-related requirement
100

% suppliers by procurement spend in compliance with this climate-related requirement
100

Mechanisms for monitoring compliance with this climate-related requirement
Supplier self-assessment
Second-party verification
Off-site third-party verification
On-site third-party verification
Grievance mechanism/Whistleblowing hotline
Supplier scorecard or rating
Other, please specify (IPE Blue Map screening)

Response to supplier non-compliance with this climate-related requirement
Retain and engage

Climate-related requirement
Setting a renewable energy target

Description of this climate related requirement
Tier 1 footwear suppliers are expected to set renewable energy targets to achieve at least 50% renewable electricity by 2025 and 80% renewable electricity by 2030.

% suppliers by procurement spend that have to comply with this climate-related requirement
80

% suppliers by procurement spend in compliance with this climate-related requirement
80

Mechanisms for monitoring compliance with this climate-related requirement
Supplier self-assessment
Second-party verification
Off-site third-party verification
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement
Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
No, but we plan to have one in the next two years

Attach commitment or position statement(s)
<Not Applicable>

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
Director of Sustainability regularly communicates and coordinates closely with regional Legal Counsel representatives and Director of Public Relations and Government Affairs to ensure engagement activities are consistent and aligned with New Balance's climate strategy and goals.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Inflation Reduction Act

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Emissions – CO2
Low-carbon, non-renewable energy generation
Renewable energy generation

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Signed a letter in June 2022 with the Outdoor Industry Association in support of Biden administrations' proposals to combat climate change, and spoke directly with Senator King (I-ME, where New Balance owns and operates three footwear factories) on the importance of addressing climate change.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
The $369 billion for climate solutions infrastructure will reduce our nation's carbon emissions by 40% by 2030; invest in efforts to mitigate pollution and address environmental justice across the nation; and enact unprecedented efforts to incentivize the utilization of clean energy across both residences and the private sector to catalyze major change in the way Americans address their energy needs. Additional notable investments will fund crucial nature-based climate solutions, including agricultural subsidies to farmers who reduce emissions through climate-friendly farming practices, and address forest health and drought resilience. The impacts will be sweeping and will catalyze new programs across the federal, state, and local levels. This could impact New Balance's renewable energy adoption in our U.S. operations and connects to regenerative farming concepts we are pursuing in our leather supply chain (including within the U.S.).

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Creation of a state Office of Outdoor Recreation in Massachusetts

Category of policy, law, or regulation that may impact the climate
Climate change adaptation

Focus area of policy, law, or regulation that may impact the climate
Other, please specify (Climate resilience)

Policy, law, or regulation geographic coverage
Sub-national

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Engaged with Baker administration and Executive Office of Energy and Environmental Affairs to actively advocate for the creation of the Office of Outdoor Recreation to promote and continue the Commonwealth's vibrant outdoor recreation industry and parks system.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
MA OREC will work on natural resource conservation and promotes public understanding of climate-related issues. This office will make overt efforts to make sure underrepresented communities know about opportunities to recreate outdoors. and will focus on increasing access to outdoor recreational opportunities, emphasizing the health benefits of recreating outdoors, creating healthier communities, climate resilience, and economic growth.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document
New Balance Sustainability and Impact Report 2022.pdf

Page/Section reference
Targets and progress, p.9.
Environment section, pp. 29-38 (Climate, p.30)
Governance and Ethics, p.47
SASB Index, p.50

New Balance is a private company and is not requested to disclose in mainstream reports. Our RE100 reporting is integrated into CDP. We disclose climate information on our Responsible Leadership website and in our annual Sustainability and Impact Report, attached.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Other, please specify (RE100 target and progress)

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Business Ambition for 1.5C Fashion Charter for Climate Action RE100 Race to Zero Campaign Other, please specify (OIA Climate Action Corps)	Business Ambition for 1.5C - we are a signatory member Race to Zero Campaign - member by virtue of signing Business Ambition for 1.5C RE100 - we are a signatory member UN Fashion Charter - we are a signatory member, prior co-lead of the Scope 1 and 2 working group, and currently have New Balance representatives on all active working groups OIA Climate Action Corps - member and our Director of Sustainability sits on their Sustainability Advisory Council since 2021

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	No, but we plan to have both within the next two years	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Operating Officer	Chief Operating Officer (COO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms