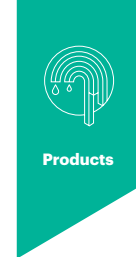


Operations



Products

# OUR APPROACH TO CLIMATE CHANGE

## Addressing climate change

Climate change is a serious threat to the environment and economies around the world. Rising global temperatures are affecting weather patterns and causing extreme weather conditions, leading to food shortages and water scarcity; they also affect our ability to move and play sports, as well as the places where we do this. Climate change is also a direct threat to our business, impacting production sites and logistical routes in our supply chain.

Climate change is caused by a build-up of greenhouse gases in our atmosphere, released in part by businesses such as ours. We know that we contribute to global CO<sub>2</sub> emissions both through our manufacturing and distribution processes and our direct operations. The materials we use to make our products can also contribute to our overall emissions. For example, polyester and polyurethane are derived from fossil fuels, and release CO<sub>2</sub> when the products containing carbon are incinerated at the end of their life. For these reasons, we see climate change as a crucial issue for our business.

We're committed to reducing our carbon footprint by setting science-based carbon reduction targets in line with the goal of the Paris Agreement to keep global temperature increases below 2°C. Our new targets were set in 2018, and officially approved by the Science Based Targets initiative (SBTi) in the same year.

We will actively engage our supply chain partners, consumers and other stakeholders on these issues and work toward achieving our targets together.

### For more about what we're doing to achieve our targets

→ see pages 19, 20, 25, 26 and 30.

**SCIENCE BASED TARGETS**  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**Science Based Targets initiative (SBTi)**  
The SBTi was established in 2015 and is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The initiative champions science-based target setting as a way to boost companies' competitive advantage in the transition to the low-carbon economy. Targets adopted by companies to reduce carbon emissions are considered "science-based" if they are in line with the level of decarbonization required to keep global temperature increase below 2°C compared to pre-industrial temperatures.

**Find out more about Science Based Targets initiative**  
→ <https://www.sciencebasedtargets.org>

### CO<sub>2</sub> emissions reduction targets for 2030

Scope 1 and 2: <b>33%</b> Reduction in absolute CO <sub>2</sub> emissions from our direct operations (2015 baseline)	Scope 3: <b>55%</b> Reduction in CO <sub>2</sub> emissions from our supply chain per product manufactured (2015 baseline)*
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#### Action 1

**60%**  
Or above boost to the ratio of renewable energy in our business facilities

#### Action 2

**30%**  
Reduction to the amount of energy our Tier 1 supplier factories use to manufacture each of our products

#### Action 3

**100%**  
Recycled polyester to replace standard polyester materials in shoe uppers and sportswear products

\* Target scope is 'purchased goods and services' and 'end-of-life treatment of sold products'.