



Allbirds Environmental Program

Purpose

This document discusses our Environment Program (the “Program”), which relates to our environmental practices at the enterprise and supply chain level, and summarizes our continued commitment to reduce our environmental impact. The Program includes expectations of our internal operations, supply chain, and raw material related to environmental impact. The practices and requirements discussed in this document are implemented primarily through policies, guidelines and manuals.

Our Commitments

Allbirds was conceived as a new kind of business to show shoes and apparel can be made in a better way, with less harm and more urgency to address the most pressing issue of our time — the rapidly warming planet.

When we began making shoes, our focus was on building exceptional products from naturally derived materials in place of petroleum-based synthetics. From the beginning, we knew that how we conduct business at Allbirds mattered not just to us, but to the world.

We use several mechanisms to monitor our environmental impact to assess where we’re doing well and where we need to improve. We will continue to transparently share both our progress and setbacks along the way. We understand this document is not exhaustive of all parts of our environmental impact, and we intend to update our program and goals within this document as they evolve over time.

We commit to the following in support of reducing our environmental impact:

- We will ensure environmental and climate change criteria are considered in our products, supply chain and business operations.
- We will use an analytical, data-driven approach and invest in systems and tools that enable us to have the largest possible carbon reduction.
- We will reduce consumption of resources and use energy more efficiently.

- We will monitor where we have a significant impact on the environment, and will set targets and objectives to drive continuous improvement in these areas.
- We will report regularly on environmental issues, following key industry reporting frameworks in our external reporting and disclosures, including our annual sustainability report.
- We are committed to contributing to science and using our influence to advocate and help develop best practices in regenerative farming and the development of natural, low carbon materials.
- We will empower our employees with the tools and educational resources needed to integrate environmental factors into product creation and supply chain decisions.
- We will continue to engage and consult with stakeholders on environmental issues, and use their feedback to improve and evolve our Program over time.
- We will ensure that our senior management and board of directors periodically reviews our environmental practices.

ENTERPRISE

Overview

Climate change is the most pressing challenge of our generation and likely generations to come. How we address it collectively will define the future not only for businesses but for all communities, governments, ecosystems, and species. Allbirds considers environmental conservation and impact mitigation in all key business decisions, and we constantly seek solutions to drive systemic change in the footwear and apparel industry.

Allbirds commits to cutting our per-unit carbon footprint in half by the end of 2025. By 2030, our per-unit carbon emissions will be reduced by 95%, driving our emissions to less than 1 kg CO₂e per product. These ambitious goals are against a 2020 baseline including total company emissions across Scopes 1 (direct emissions from owned or controlled sources), 2 (indirect emissions from the generation of purchased energy), and 3 (all other emissions associated with a company's activities), which are necessary to reduce our absolute carbon emissions in alignment with a 1.5 °C reduction pathway.

To get there, we not only use our [carbon footprint methodology](#) to continuously inform product design and development, but we have also developed ten high-priority targets that touch every part of our company and supply chain, ranging from sheep farms to transportation to energy procured in our retail stores. For a deep dive into our goals and progress, check out our 2021 Sustainability Report: [Allbirds Flight Status](#).

Monitoring

Public Benefit Corporation

Because we wanted to integrate environmental conservation directly into our business, in 2016, we chose to become a Public Benefit Corporation, a for-profit corporation that is intended to produce a public benefit and to operate in a responsible and sustainable manner. This means that our board of directors and management are empowered and encouraged to consider environmental conservation, which is our specific public benefit purpose, and Allbirds' impact on all stakeholders when making decisions, in addition to tending to the bottom line.

B Corp Certification

We then went a step further and attained B Corp certification, a designation which means we have satisfied the social and environmental performance, accountability and transparency standards established by B Labs, Inc., an independent non-profit organization. The assessment evaluates how a company's operations and business model impact its workers, customers, suppliers, community, and the environment. Every three years, a certified B Corp must apply for recertification from B Labs, a process that by design becomes more demanding every time. To maintain our status as a B Corp, we will need to update our current certification in early 2023. You can read more about B Corp [here](#).

Higg Brand and Retail Module (BRM)

As a member of the Sustainable Apparel Coalition, Allbirds completes the Higg Brand and Retail Module (BRM) on an annual basis. The BRM helps brands and retailers comprehensively assess their sustainability risks and impacts and drive continuous improvements. From product design to logistics and retail operations, the Higg BRM measures a business' overall sustainability performance. You can learn more about the Higg BRM [here](#).

Sustainability Principles and Objectives (SPO) Framework

When we went public in 2021, we found that there was no framework for late-stage private companies, companies preparing to go public, and early-stage public companies to clearly articulate their performance against, and commitment to, a set of environmental, social, and governance, or ESG, criteria. So, we worked alongside a group of leaders in the areas of finance, sustainability, and social impact to develop the Sustainability Principles and Objectives (SPO) Framework. The SPO Framework's criteria covers six categories: ESG Rating, Mission and Purpose, Climate and Environment, Value Chain, People, and Governance. This framework is designed to hold our business accountable to the planet, not just the bottom line. You can read more about the SPO Framework [here](#).

Flight Plan Monitoring

In support of our [Flight Plan](#) goal to cut our per-unit carbon footprint in half by the end of 2025, the Allbirds Sustainability team calculates the cradle-to-grave carbon footprint of all our products through our life cycle assessment (LCA) tool. We do this through several inputs: detailed material compositions for every component, energy data we collect from our Tier 1 and strategic Tier 2 suppliers, emissions from all transportation and distribution, consumer use, and more. The Allbirds LCA methodology details are publically available [on our website](#). Carbon emissions data enables the *Allbirds* product team to make informed decisions in design and development, as well as track both product-level and company carbon footprints, which we offset to fulfill our commitment as a carbon neutral business, as certified by [Climate Neutral](#).

Accountability

These monitoring tools, as well as our Flight Plan goals, are managed by the Allbirds Sustainability team in partnership with other key functions. The Flight Plan goals are embedded into our company-wide objectives and key results, and the Allbirds Sustainability team holds quarterly meetings with an internal cross-functional team to check progress against the Flight Plan. The Allbirds Sustainability team is accountable for ensuring that these tools and goals remain on track, as well as ensuring they are supported across the business for implementation. The Sustainability

The Sustainability team reports into the Chief Operating Officer and the Material team reports into the Chief Brand and Product Officer. Updates are presented to the Board of Directors quarterly, and progress is reported out annually through a public-facing sustainability report.

SUPPLY CHAIN: SUPPLIERS

In order to execute upon our Flight Plan goals, we need to ensure that our supply chain, covering our raw materials through our manufacturers, is aligned with our environmental expectations. As the bulk of our carbon emissions and other impacts occur within our supply chain, it is crucial that we ensure our partners' policies and practices support the protection, preservation and enhancement of the environment.

Overview

Suppliers are required to adopt responsible measures to mitigate negative impacts on the environment. Suppliers shall comply with all local and international environmental laws and regulations applicable to their operations worldwide. Such compliance includes, but is not limited to:

- **Environmental Management System.** The facility has an environmental management program that seeks to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous waste, and other significant environmental risks. Each facility must have a dedicated employee on-site in charge of environmental management activities and set a long-term environmental strategy for each of their facilities to reduce their impact.
- **Compliance with Permits.** The facility has all legally required environmental permits, licenses, approvals, and / or other registrations. All equipment must be regularly maintained and meet permit requirements.
- **Environmental Pollution.** The facility does not have severe environmental pollution, which is to be understood as pollution that contaminates soil, air, and/or water and where the effects will be very difficult or expensive to correct.
- **Air Emissions.** As applicable, air emissions have been identified, characterized, routinely monitored, controlled, treated prior to discharge, and meet the discharge limits for regulated constituents.
- **Hazardous Waste.** Hazardous wastes are separated from general waste and are appropriately handled and disposed of as legally required. All hazardous waste transporters, treatment and disposal facilities must be licensed and permitted.
- **Water and Wastewater Management.** Water sources must be tracked, including how and from where the site obtains water. Wastewater is properly treated to meet discharge standards / limits as legally required; if wastewater is produced but treated off-site, relevant manifests and records are maintained. There are no illegal discharges, and there are no spills of wastewater entering storm drains. Where applicable, the facility has procedures for notifying local community authorities in case of accidental discharge or any other environmental emergency.
- **Waste.** Wastes (non-hazardous) and trash are properly classified, collected and disposed as legally required. Open burning and dumping of waste on-site must be forbidden and any onsite incineration must be controlled and legally permitted.
- **Chemicals Management.** All suppliers of finished goods, components, materials, and raw materials are expected to ensure that products (as well as components of products) meet the restrictions in the current version of the AFIRM Restricted Substances List (RSL). Suppliers are expected to keep informed of relevant global regulations related to restricted

substances in consumer products, and ensure compliance with the relevant regulations including, but not limited to, REACH, Prop 65, and CPSIA. Each facility must maintain an inventory of chemicals used in operations and production, including supplier identification for each chemical product and safety data sheet (SDS). All employees must be trained on chemical hazard, risk, proper handling and what to do in case of emergency or spill.

Monitoring

Allbirds uses three main monitoring mechanisms (a Social and Environmental audit, the Higg Facility and Environmental Module, and a RSL Program) to ensure that our suppliers are complying with our environmental expectations.

Below is a breakdown:

	What is it	Monitoring frequency	How it's implemented	How long it takes
Social and Environmental Audit	A third-party assessment conducted at the facility against Allbirds' Responsible Sourcing expectations. The audit includes a facility tour, document review, and worker interviews.	Annually, but could be more frequently if there are High Risk issues identified.	When Allbirds starts working with a new factory, they are assessed with a Social and Environmental audit to ensure there are no High Risk findings. Following every audit, a Corrective Action Plan (CAP) is developed to ensure continuous improvement.	The audit takes 1-4 days, depending on the number of workers. The entire process from initial kick-off call to finalizing the CAP can take up to 9 weeks.
Higg FEM	The Higg Facility Environmental Module (Higg FEM) is a sustainability assessment tool that standardizes how facilities	Annually, factories must publish their data from the prior year by April 30.	Factories complete a self-assessment that covers: EMS, energy use, greenhouse gas emissions, water use, wastewater,	The assessment should take roughly 3-6 weeks to complete and requires the facility answering questions and

	measure and evaluate their environmental performance, year over year.		emissions to air, waste management, chemical use and management	providing data as evidence of the sustainability of their operations.
RSL Program	A RSL (Restricted Substances List) Program outlines chemical substances that Allbirds has restricted from materials, components, and products.	Quarterly, or as new products launch.	Allbirds has adopted the AFIRM RSL. We use a risk matrix to identify priority components, materials, and final products to test quarterly.	Testing should occur during pre-production, and test reports are valid for one year. Once samples are submitted to a lab, results are typically available within one week.

Accountability

Who is responsible for ensuring compliance with each monitoring system?

	Allbirds Sustainability is responsible for:	Factory is responsible for:	Service provider is responsible for:
Social and Environmental Audit	<ul style="list-style-type: none"> - Introducing the Responsible Sourcing program and assessment to a new factory, and answering any questions the factory has - Scheduling the audit with its nominated service provider - Communicating audit results and next steps - Approving the CAP and following up with the factory to close findings 	<ul style="list-style-type: none"> - Sending all applicable paperwork to the auditor prior to the audit - Allowing full access to its facility and records during the audit - Developing a CAP after an audit - Working towards continuous improvement 	<p><i>Service provider: ELEVATE</i></p> <ul style="list-style-type: none"> - Scheduling the audit with the factory - Conducting the audit - Sending audit results to the Allbirds Sustainability team within one week

Higg FEM	<ul style="list-style-type: none"> - Confirming with suppliers that they will be completing the annual FEM - Confirming with Higg which supplier facilities have completed / plans to complete the FEM - Reviewing FEM results with suppliers and developing an improvement plan 	<ul style="list-style-type: none"> - Completing the self-assessment and posting results before April 30 - Sharing the results with Allbirds - Scheduling a third-party verification within the calendar year - Working with Allbirds Sustainability to develop an improvement plan 	<p><i>Service provider:</i> <i>Third-party verifier</i></p> <ul style="list-style-type: none"> - Verifying self-assessment - Posting verified results
RSL Program	<ul style="list-style-type: none"> - Nominate lab and request AFIRM RSL testing program and pricing - Apply risk matrix seasonally to develop test request list - Send test requests to suppliers - Review test results - Apply failure resolution protocol as needed 	<ul style="list-style-type: none"> - Submit samples to lab and address failures as needed 	<p><i>Service provider:</i> <i>Nominated lab</i></p> <ul style="list-style-type: none"> - Manage test requests - Send test results to Allbirds and suppliers - Maintain RSL Testing program, test package and price list

SUPPLY CHAIN: RAW MATERIALS

Overview

As a footwear and apparel company, a significant portion of our carbon footprint comes from raw material production & processing. We rely on three principles to help guide our material sourcing decisions:

1. **COMMITMENT TO NATURE:** Directionally, we can't continue to drill oil from the ground to make things. We must transition to renewable, natural materials. Natural materials aren't always lower carbon, but through practices like regenerative agriculture, they can be.

2. **MINIMIZE CARBON FOOTPRINT:** Carbon footprint should be minimized, while maintaining our commitment to natural materials. Origin of raw materials, fiber choice, yarn and fabric

construction, dyes and finishes, component formation, product assembly, as well as weight and material utilization all contribute to the materials carbon footprint.

3. LESS IS MORE: When it comes to design and development, there are some general principles to follow like lighter weight, fewer components, and fewer manufacturing steps.

Monitoring

To achieve the above principles, all of our significant raw materials are certified to third-party certification schemes, to ensure high quality and responsible practices throughout the supply chain.

	What is it	Governance	Chain of Custody (CoC requirements)
ZQ Wool	Allbirds uses ZQ-Certified Wool for all its wool footwear and apparel. ZQ Wool is the world’s leading standard of ethical wool-only growers who meet strict standards of animal welfare, environmental sustainability, fiber quality, traceability, and social responsibility are awarded the ZQ certification.	New Zealand Merino https://www.discoverzq.com/	Of all the certifications we require, ZQ-Certified Wool is the only one that does not require a Chain of Custody, because New Zealand Merino (the people behind ZQ-Certified Wool) only sell to preferred manufacturing partners. Allbirds receives a Certificate of Authenticity, from its manufacturing partners, which we then confirm with New Zealand Merino.
Forest Stewardship Council® (FSC)	Our Tree fiber—TENCEL™ Lyocell—is sourced from wood and is Forest Stewardship Council® (FSC) certified, which means it meets strict standards to protect forests, and the animals and people who depend on them.	Forest Stewardship Council® (FSC) https://us.fsc.org/en-us/certification	FSC certification is no small task - every facility that touches the supply chain must be certified in order for Allbirds to claim certification. We request verification letters from all facilities in our supply chain to confirm the purchase of

			FSC-certified fiber from Lenzing (the manufacturer of TENCEL™ Lyocell).
Global Recycled Standard (GRS)	Boosting the natural content of our products while maintaining performance and durability is a tricky thing, as natural materials don't always last as long as synthetics. So when we need durability, we prioritize recycled synthetics over virgin to bolster our preferred material content. Our preferred certification for recycled synthetic fabric is GRS, which not only verifies the material is recycled, but also requires facilities to meet additional social and environmental standards.	Textile Exchange https://textileexchange.org/standards/recycled-claims-standard-global-recycled-standard/	Allbirds requests Scope and Transaction Certificates from its suppliers to confirm the purchase of GRS-certified post-consumer recycled yarns.
Global Organic Textile Standard (GOTS)	Whenever we use cotton, we make sure it's organic. We use GOTS certification because it verifies both environmental and social criteria, meaning it covers everything from the chemical inputs being used to the ethical treatment of workers.	Global Organic Textile Standard (GOTS) https://global-standard.org/	Allbirds requests Scope and Transaction Certificates from its suppliers to confirm the purchase of GOTS organic certified cotton yarns.

Accountability

Who is responsible for ensuring materials meet all CoC and certification requirements?

	Allbirds Sustainability team is responsible for:	Allbirds Material team is responsible for:	Supplier is responsible for:
Material Certifications	<ul style="list-style-type: none"> - Setting the standard and CoC requirements for material certifications - Refreshing the standard and requirements annually - Approving new materials - Developing training material for suppliers 	<ul style="list-style-type: none"> - Sourcing material that aligns with Allbirds material guidelines - Ensuring material suppliers have the appropriate documentation to meet CoC requirements - Collecting CoC documentation from suppliers 	<ul style="list-style-type: none"> - Supplying Allbirds with materials that align with its requirements - Obtaining and maintaining necessary certification - Providing Allbirds with CoC documentation when requested

Future Improvements

While this document - and our environmental program - will always evolve and improve, we have to start somewhere. We are committed to operating our business in a sustainable manner, and the policies and monitoring mechanisms under the Program will keep us on track.

If you're wondering what's next, we are looking forward to exciting work streams in 2023:

- Fine-tune our RSL program and continue to explore integrating a clean chemicals policy upstream in our supply chain
- Understand our water footprint and develop a program, policies, and goals to support its conservation

For more information about this Program, please contact Allbirds Investor Relations (IR@allbirds.com) or Allbirds Sustainability (sustainability@allbirds.com).

____ *Joe Vernachio* _____

Authorized Representative of Allbirds, Inc.

____ COO _____

Title of Representative of Allbirds, Inc.

____ 3/2/23 _____

Date