

Allbirds 2023 Flight Status



Our version of a
sustainability report.

allbirds

Allbirds

Made to inform and inspire (not put to sleep).

Welcome to our Flight Plan progress in 2023, our jaunty version of a sustainability report.

As you'll see, we remain steadfast in our commitment to cutting our per-product carbon footprint in half by the end of 2025.

We've also committed to reducing our per-product carbon footprint to near zero by 2030.

In 2023, we reduced that per unit carbon footprint* by 1.58 kg CO₂e, a 22% reduction compared to 2022.

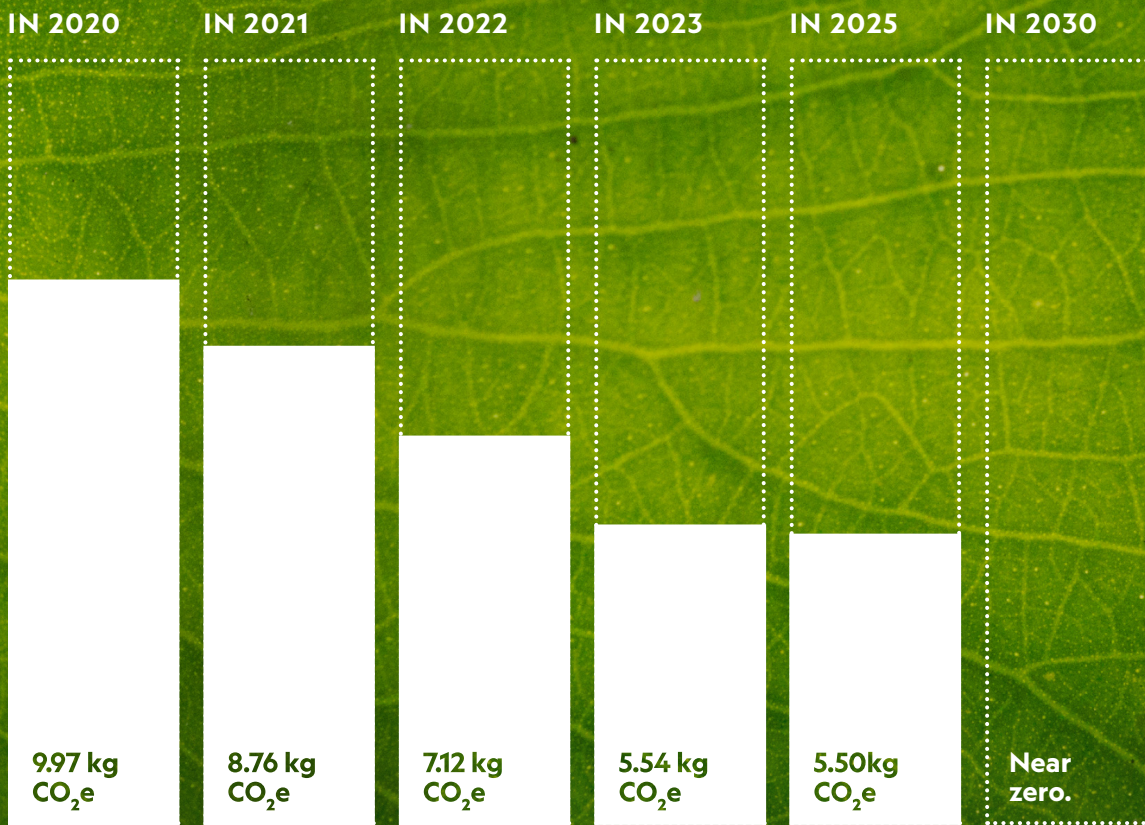
In 2023, we cut carbon by giving our packaging a lighter makeover (7%) and leaning into renewable energy (2%). Also, lower production of apparel styles played a pretty big role (13%). Looking forward, our business is focusing more on footwear and we're revisiting how we reflect this shift in our Flight Plan and annual reports.

After three years, we're exceeding our own predictions (huzzah!). This means we are rapidly closing in on our 2025 Flight Plan goals, with the greatest progress reducing carbon emissions at the product level (double huzzah!).

*The annual per unit carbon footprint is the average carbon footprint calculated based on the product carbon footprints in that year and the units produced in that year. In other words, it is the total product-related emissions in that year, divided by the total number of units produced in that year.



And yes, we have big, beautiful charts.



These measurements represent our average product carbon footprint, excluding emissions from corporate operations (retail stores, offices, employee travel, etc.).

While our 2023 average product carbon footprint has almost reached our 2025 target, there's still room for progress to hit our overall per unit carbon emissions goal for 2025.

zero.

2023
FLIGHT STATUS

At Allbirds,
we work hard
to accomplish
zero.

2023
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At Allbirds

At Allbirds, we work hard to accomplish zero.

Here's the deal: our mission is to shrink our carbon footprint to zero. You could say every day, we're working hard to do... zero.

Launched in 2021, our Allbirds Flight Plan is all about cutting our average product carbon footprint in half by 2025 and getting close to zero by 2030. One could say this is the wind beneath our wings.

The best part? We're ahead of schedule. With a 22% drop in our average product carbon footprint in 2023, we're closing in on our 2025 Flight Plan goal.

Okay, now the less glamorous truth. The grind of real, consistent carbon reduction isn't exactly exciting. No big headlines, viral moments, or flashy announcements—just steady work that gets the job done. That said, we embrace it with both arms (e.g. wings).

Here's the twist: the boring stuff actually translates to small victories! The lack of pomp and circumstance in these updates means we're sticking to our word and making steady progress backed by science. No flashy distractions—just the real work that gets us where we're going.

This leads us back to this year's Flight Status report, which is our humble way of saying that all this work toward nothing is building into a whole lot of something.

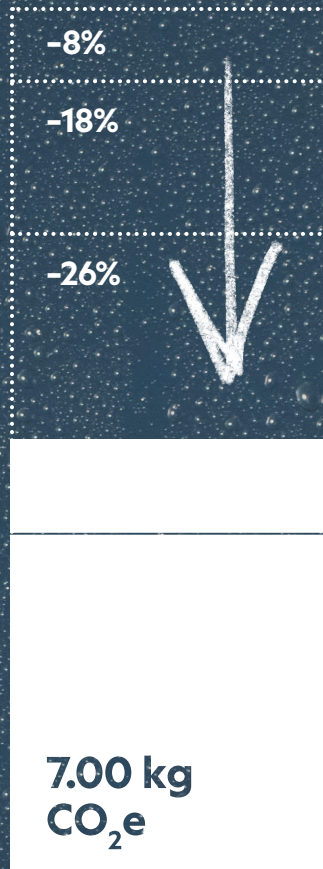
We're cutting our per-unit carbon footprint in half by the end of 2025, and we have a snappy graph to show our plan.

BUSINESS AS USUAL EMISSIONS



Our projected average per unit carbon emissions in 2025 without any action to limit them.

WITH FLIGHT PLAN COMMITMENTS



Our goal for what average per unit carbon emissions will be in 2025 with Flight Plan commitments.

Regenerative Agriculture

Renewable Materials

Responsible Energy

5.50 kg CO₂e

Our goal for what average product related carbon emissions will be in 2025 (product related emissions exclude things like stores, offices, and employee travel).

a time.

2023
FLIGHT STATUS

Making
transparency
fashionable—
one carbon
footprint at
a time.



2023
FLIGHT STATUS

Making



Making transparency fashionable—one carbon footprint at a time.

Here at Allbirds, we're shedding light on fashion's carbon footprint. Curious what that means? Let's walk you through it (preferably in your Allbirds).

Beyond every product's price tag, there's a cost to the planet. But what if that number was just as obvious as, say, \$32.99 for a smart and stylish shirt? Since 2020, we've labeled every product with its carbon footprint—and even shared our approach so other brands can follow suit.

This isn't an indictment but an invitation: the more brands we can invite to our party, the easier it will be for customers to compare products' impacts and feel good about their purchases.

Since we began our journey to measure and reduce our carbon footprint, evolving standards and laws have only increased the need for technology that can keep up and scale with our goals.

Five years after rolling out our carbon labels and calculator, we're working to level up our carbon measurement and reduction

approach with Carbonfact, a carbon management tool made just for the fashion industry. Pretty cool tool, right?

Switching to Carbonfact for our carbon footprint modeling will give us sharper data and helps to keep us aligned with new standards, guidelines, and laws (no shade to our amazing lawyers). This shift means we might reset our emissions baseline, update our Flight Plan targets, and remodel our carbon reductions. As always, we're looking forward to sharing everything we discover.



Plan Pillars.

2023
FLIGHT STATUS

Meet our Flight Plan Pillars (the rockstars of our strategy).



2023
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Meet our Flight

Regenerative Agriculture

Shifting farming practices to draw down carbon.

If it's not already apparent, we're not huge fans of fossil fuels' impact on our planet. That's why we work to go big on natural and recycled materials instead. Our biggest source of adoration? Sheep. While yes, sheep do what sheep do and emit methane, the vast grasslands they roam on also serve as carbon sinks.

2025 TARGETS

- 100% of wool from regenerative sources
- Reduce or sequester 100% of annual CO₂e emissions from wool

2023 PROGRESS

In 2023, regenerative agriculture accounted for a reduction of 0.00 kg CO₂e of our overall per unit reduction of -1.58 kg CO₂e.*

*The values cited across Regenerative Agriculture, Renewable Materials, and Responsible Energy do not add up to the total of -1.58 kg CO₂e because that number also includes reductions from lower production of apparel styles.



KEY WINS

We're using regenerative wool in more products. In 2023, we launched the SuperLight Wool Runner and introduced M0.0NSHOT, a project to create the world's first net zero* carbon shoe using wool from Lake Hawea Station—a New Zealand farm that sequesters more carbon than it emits. (Thank ewe!)

*If you're curious about the novel way we calculated 0.0 kg CO₂e, you can learn more here.

KEY CHALLENGE

We need access to data and the ability to include farm emissions and sequestration in our carbon footprint calculations. We're teaming up with our supply chain and software partners to boost data access for wool farms. As we gather more of that data, we'll need to also meet evolving guidelines for using it—especially when it comes to agriculture and land-based carbon accounting.

Renewable Materials

Reducing virgin petroleum-based materials and working to replace them with natural or recycled alternatives.

Here's the dirt on the fashion industry: roughly 55% of the materials used are virgin synthetic. Most synthetic materials come from fossil fuels, which are accelerating the problem we're working to solve. How do we slow it all down? By using more recycled and natural materials in our products.

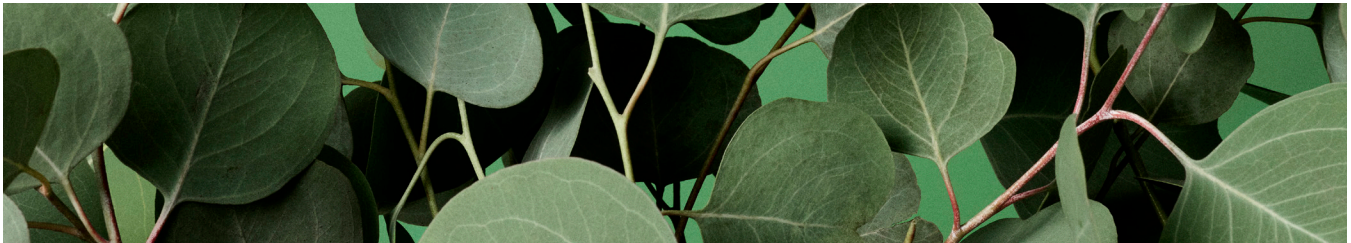
2025 TARGETS

- 75% sustainably sourced natural or recycled materials
- Reduce carbon footprint of key raw materials by 25%
- Reduce raw materials use by 25% across footwear & apparel products
- Double the lifetime of footwear & apparel products

2023 PROGRESS

In 2023, renewable materials accounted for a reduction of -0.50 kg CO₂e of our overall per unit reduction of -1.58 kg CO₂e.*

*The values cited across Regenerative Agriculture, Renewable Materials, and Responsible Energy do not add up to the total of -1.58 kg CO₂e because that number also includes reductions from lower production of apparel styles.



KEY WINS

Reduce packaging weight by thinking inside the box. For some time, we've been exploring ways to reduce the weight of our packaging, aiming to use less materials and lower the carbon footprint of shipping. In 2023, we completely redesigned our footwear packaging, significantly cutting down its weight. Less packaging means fewer emissions, which means less stress on the planet, proving once again that less is so much more.

KEY CHALLENGE

Finding sustainable materials that can scale across supply chains without breaking the bank. Creating products around natural or recycled materials comes with its fair share of hurdles. Sometimes, they're tough to source, and even when we find them, factories aren't always familiar with how to work with them, which can slow down the process. We also run into challenges with durability and costs. Still, we're committed to their potential and constantly working on solutions.

Responsible Energy

Using less and cleaner fuel and electricity.

Most of our carbon footprint comes from the energy we use—from processing materials and making shoes to shipping them and even the energy you use to freshen them up in the washing machine. Safe to say, we're all in on cutting that down.

2025 TARGETS

- “Owned & operated” – 100% renewable energy for “owned & operated” facilities
- Manufacturing – 100% renewable energy for Tier 1 factories
- Transportation – achieve a steady state of >95% ocean shipping
- Customer use – 100% of customers machine wash on cold and 50% of customers hang-dry Allbirds apparel

2023 PROGRESS

In 2023, responsible energy accounted for a reduction of -0.15 kg CO₂e of our overall per unit reduction of -1.58 kg CO₂e.*

*The values cited across Regenerative Agriculture, Renewable Materials, and Responsible Energy do not add up to the total of -1.58 kg CO₂e because that number also includes reductions from lower production of apparel styles.



KEY WINS

We expanded renewable energy for production that transferred to our Vietnam factory. We've shifted most of our footwear production to our factory in Vietnam, where we've teamed up with our key factory group to roll out our renewable energy approach using RECs (Renewable Energy Credits). While RECs aren't the perfect fix, they're our best step forward for now, especially since we don't own the factories.

KEY CHALLENGE

Continue to keep our ocean shipping sailing.

In 2023, we maintained 96% ocean shipping for inbound transportation (by weight), which is right on track with our 2025 Flight Plan goals. While hitting this target year after year involves a lot of effort, we remain hyper-focused on reducing our air shipments, which carry a much larger carbon footprint than ocean freight. It takes a sea change to see change.

strides.

2023
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**Making
certifiable
strides.**

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Making

We wear our Climate Label as a badge of honor.

When it comes to reducing climate impact, there are two steps. The first step—and most crucial one—is to reduce your emissions as much as possible. As you’ve hopefully seen in this report, this work is ongoing as we work to cut emissions across our products and business.

But it’s not enough to reduce over time; we believe that we—and all businesses, really—

should be accountable for our climate impact today. That’s where step two comes in: mitigating remaining emissions.

While striving for carbon reduction goals, we recognize the importance of also supporting high-quality carbon projects today, with a focus on shifting to nature-based projects that remove or sequester emissions.



In collaboration with our partner, The Change Climate Project, we joined a small group of corporate climate leaders to beta test their evolved certification standard. The new framework takes a unique approach by requiring companies to adopt an internal carbon fee, invest in projects that cut emissions from their operations and supply chain, and fund high-impact carbon removal and mitigation projects around the world. We are among the first to certify under this updated standard and earn The Climate Label, a certification designed to increase funding for climate solutions and accelerate urgent emissions reductions. We are excited by the introduction of this certification, which incentivizes carbon reduction and removal projects—an ongoing area of focus for us.

In 2023, we supported the following projects:



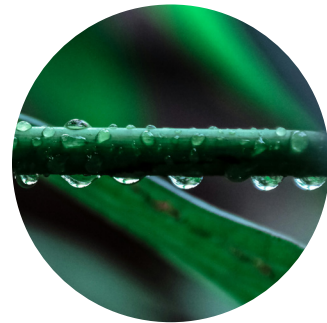
ARGENTINA REGENERATIVE WOOL PROJECT

We continue to back the Argentina Regenerative Wool Project, which helps farmers transition to regenerative practices by giving fields a break from sheep grazing to grow healthier grasses and capture more carbon. Since our first investment in 2021, the project has grown from 10,000 to 200,000 hectares, with a goal of hitting 1 million hectares by 2030.



MISSISSIPPI RIVER ISLANDS FOREST CONSERVATION PROJECT

Through our inaugural support of the Mississippi River Islands Forest Conservation Project, located between Kentucky and Illinois, we are advancing wetland forest health and carbon storage by preserving over 2,000 acres of forested wetlands. These wetlands help purify the river, serve migratory birds and pollinators and reduce the amount of sediment and pollutants that enter the water benefiting fish and other aquatic organisms.



ENVIRA AMAZONIA PROJECT

Our ongoing partnership with the Envira Amazonia Project helps protect 494,000 acres of endangered Brazilian rainforest by investing in local communities. The Amazon is not only home to over two million animal species but is also crucial for balancing the carbon cycle.

Our philosophy is always evolving, and we are always looking for new opportunities for our business to have a positive impact on climate solutions.

Bringing our B-game every day.

Yes, we're pretty intent on carbon reduction. But our work doesn't end there. Truth is, we're compelled to create even more meaningful change—across the board.



One way to make this happen is by continuing to maintain our B Corp certification.

B Corp is one of the most recognizable, revered, and rigorous certifications that shows a company's commitment to benefiting all people, communities, and the planet. Earning that B is all about putting an A+ feeling back into the world.

For our B Corp recertification, we responded to close to 300 questions across five areas: governance, workers, community, environment, and customers. It wasn't just a sustainability team effort—over 20 people from 13 teams chipped in, and having everyone on board was key to getting it done. When our flock aims high, we soar.

In 2023, we completed our certification for the third time, earning an overall score of 96.5, representing an 18% increase since our first B Corp certification.



WE'RE ALL ABOUT PUSHING OURSELVES TO DO BETTER, AND B CORP CERTIFICATION KEEPS US ON TRACK.

In 2019, we saw room to grow our fair labor and environmental responsibility programs for Tier 1 suppliers, so we launched workstreams to invest in those areas—and it paid off in our 2023 score. Now, we're focused on new targets for water and waste management, supporting our suppliers to make even more improvements. It's all about running a better business, together.

In addition to B Corp certification, we've outlined five foundational areas of focus as part of our Flight Plan: Fair Labor, Water, Chemistry, Animal Welfare, and Traceability & Transparency. For more information about how we work to operate in a responsible way, head on over to allbirds.com/pages/how-we-operate.

Disclosures.

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Metrics and Disclosures.

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Metrics and

Sustainability Accounting Standards Disclosures

The mission of the Sustainability Accounting Standards Board, or SASB, is to develop sustainability metrics for public corporations to disclose material, decision-useful information to investors. Our disclosures are designed to provide comparable and consistent data. We have included metrics from the SASB’s Consumer Goods Sector – Apparel, Accessories and Footwear industry standard and Consumer Goods Sector – ECommerce industry standard that are relevant to our business below. Although we include all the disclosures for the SASB Apparel, Accessories, and Footwear industry standard, our primary standard, in the tables below, we do not currently satisfy all of the requirements for that standard. In addition, we have included select disclosures from the SASB eCommerce industry standard in the tables below that we believe are relevant for our business. We will continue to build out our disclosures in alignment with these standards over time.

Environmental

Description of Disclosure	2023 Response	SASB Standard
Raw Materials Sourcing - Management Approach		
<p>(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities.</p>	<p>In 2023, the top raw materials in our products, by weight, were wool, TENCEL™ Lyocell (tree-based fiber), recycled polyester, and SweetFoam®, our midsole blend that is made with ethylene-vinyl acetate, or EVA, and sugarcane-based Green EVA.</p> <p>Allbirds relies on material certifications to work to ensure we are buying high quality, natural materials. In 2023, our material certification for wool was ZQ, TENCEL™ Lyocell is derived from controlled or certified wood sources meeting FSC or PEFC standards, and the raw material sugarcane-based Green EVA is Bonsucro certified.</p> <p>Our 2025 Flight Plan goals include continuing to replace virgin petroleum-based materials with natural and recycled ones such that 75% of our materials are sustainably sourced natural or recycled, reducing the carbon footprint of key raw materials by 25%, and reducing raw material use by 25% across footwear & apparel products.</p> <p>We calculate the carbon footprint of each of our products including emissions from materials, manufacturing, transportation, product use, and end of life using our LCA tool. We have published detailed information about our LCA tool on our website.</p>	<p>CG-AA-440a.3</p>

Environmental

Description of Disclosure	2023 Response	SASB Standard
Third Party Environment and Social Standards - Quantitative Metrics		
(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard.	<p>Wool:</p> <ul style="list-style-type: none"> Amount purchased (MT): 50 Certification: ZQ Amount certified (MT): 50 <p>TENCEL Lyocell:</p> <ul style="list-style-type: none"> Amount purchased (MT): 90 Certification: Controlled or certified wood sources meeting FSC or PEFC standards Amount certified (MT): 89 <p>Green EVA (SVT-2145 & SVT-2180):</p> <ul style="list-style-type: none"> Amount purchased (MT): 265 Certification: Bonsucro Amount certified (MT): 265 	CG-AA-440a.4
Energy Use - Quantitative Metrics		
The total amount of energy consumed as an aggregate figure, in gigajoules (GJ)	The total energy consumed in 2023 was 22,671 GJ. ¹	CG-EC-130a.1
The percentage of energy consumed that was supplied from grid electricity	Of 22,671 GJ of energy consumed in 2023, 61% was supplied from grid electricity. We do not have onsite generation. ²	
The percentage of energy consumed that is renewable energy	Of 22,671 GJ of energy consumed in 2023, 52% was from renewable sources. ³	

¹Represents total energy consumed in retail stores and offices (which contributes to Scope 1 and 2 emissions); excludes energy consumed in warehouses (which contributes to Scope 3 emissions).

²Represents total electricity consumed in retail stores and offices (which contributes to Scope 2 emissions); excludes electricity consumed in warehouses (which contributes to Scope 3 emissions). Represents total electricity other than onsite generation, as we do not currently generate electricity onsite.

³Represents total renewable electricity consumed in retail stores and offices; includes, but is not limited to, utility renewable programs and purchased renewable energy credits, or RECs.

Environmental

Description of Disclosure	2023 Response	SASB Standard
Environmental Impacts in the Supply Chain - Quantitative Metrics		
<p>Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement</p>	<p>100% of our Tier 1 supplier facilities are in compliance with wastewater discharge permits and/or contractual agreements. To date, we have focused on increasing the number of our Tier 1 and Tier 2 suppliers to complete the Higg FEM assessment, which includes a module on wastewater discharge. We are currently defining the parameters of our wastewater quality program in alignment with Sustainable Apparel Coalition and Zero Discharge of Hazardous Chemicals guidelines and have set a goal to reach 100% compliance with wastewater discharge requirements from our Tier 1 suppliers and Tier 2 fabric mills and dyehouses by the end of 2025. We prioritize selection of more sustainable alternatives for water proofing and textile dyeing that minimize the impact of wastewater discharge whenever possible.</p>	<p>CG-AA-430a.1</p>
<p>Description of water withdrawal, water risks, and water withdrawn or consumed in locations of high water stress</p>	<p>As part of our 2025 goals, we will need to measure water consumption at Tier 1 and strategic Tier 2 suppliers, audit how our current supply chain impacts water scarce regions, and work with suppliers to identify conservation opportunities and set goals to reduce water consumption.</p>	<p>CG-EC-130a.2</p>
<p>Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition’s Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment</p>	<p>In 2023, 100% of our Tier 1 suppliers, by volume, completed the 2022 Higg FEM. This represents 63% of our Tier 1 suppliers by factory count (in other words, we did not receive the Higg FEM from 3 factories that produced relatively few units for Allbirds). We do not yet track the completion of the Higg FEM beyond our Tier 1 suppliers, but our goal is to achieve 100% Higg FEM completion from Tier 1 and strategic Tier 2 suppliers by the end of 2025.</p>	<p>CG-AA-430a.2</p>

Environmental

Description of Disclosure	2023 Response	SASB Standard
Product Packaging & Distribution - Management Approach		
<p>Strategies to reduce the environmental impact of fulfillment and delivery of products, including impacts associated with packaging materials and those associated with product transportation including logistics selection, packaging choices, fuel and vehicle choices, route efficiency, etc.</p>	<p>We strive to minimize packaging and source packaging materials with the lowest environmental impact possible, while meeting functional requirements and delivering a best-in-class customer experience. We prioritize packaging that is made from traceable recycled materials that can be recycled at end of life. Practically, this means prioritizing FSC-certified recycled cardboard, limiting adhesives to enable recycling, and avoiding single-use polybags or bioplastics. During 2023, we redesigned our footwear packaging to reduce its weight, which was a robust initiative that involved many internal teams, from design through operations, as well as key external partners.</p> <p>Moreover, we prioritize ocean transportation whenever possible. In 2023, we maintained 96% ocean shipping for inbound shipments by weight. Our goal is to achieve a steady state of over 95% ocean shipping by the end of 2025.</p>	<p>CG-EC-410a.2</p>
Quantitative Metrics		
<p>The tank-to-wheels greenhouse gas, or GHG, footprint, in metric tons of CO₂e, associated with outbound shipment of products</p>	<p>2023 Scope 3.9 (Downstream Transportation & Distribution) Emissions: 1,798 tonnes CO₂e.</p>	<p>CG-EC-410a.1</p>
Data Center Design/ Selection		
<p>Environmental considerations integrated into siting, design, construction, refurbishment, and operational specifications for data centers</p>	<p>We currently outsource all of our data center needs and have no physical services (including no racks). We primarily rely on SaaS providers, which allow for resiliency if one data center we use has an interruption of service for any reason.</p>	<p>CG-EC-130a.3</p>

Social

Description of Disclosure	2023 Response	SASB Standard
Raw Materials Sourcing and Third Party Environmental and Social Standards		
<i>The social impacts are addressed in the raw materials sourcing and third party environmental and social standard disclosures discussed above in the environment section of the table.</i>		
Processes to maintain compliance with restricted substances regulations		
Processes used to verify that products are in compliance with restricted substances regulations	We updated our Restricted Substances List (“RSL”) Program and RSL Brand Manual in 2023, detailing processes used to verify products are in compliance with restricted substances regulations. This included updating the RSL in line with the annual update from AFIRM. All Tier 1 suppliers formally acknowledge our RSL and prohibited chemicals list.	CG-AA-250a.1
Processes to assess and manage risks and/or hazards associated with chemicals in products		
Process to manage risks and/or hazards associated with chemicals in products	In addition to the above (CG-AA-250a.1), we require that our Tier 1 suppliers complete the Higg FEM, which includes a module on chemicals management. Progress on the percentage of suppliers completing the Higg FEM is referenced in CG-AA-430a.2.	CG-EC-410a.1
Labor Conditions in the Supply Chain - Management Approach		
Standards to which labor code of conduct compliance is measured	We are committed to ensuring that working conditions in our supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible. We require our suppliers to implement our Supplier Code of Conduct, which includes, but is not limited to, Occupational Health and Safety, Freely Chosen Employment, No Child Labor, Harassment or Abuse, No Discrimination, Freedom of Association, Working Hours, Wages and Benefits, Environmental Practices, and Animal Welfare. Allbirds adheres to recognized standards built from local law and internally accepted norms, including guidance from the International Labor Organization, to help ensure safe, lawful, humane, and ethical manufacturing practices.	CG-AA-430b.1

Social

Description of Disclosure	2023 Response	SASB Standard
<p>Publicly available policy ensuring freedom of association and the right to collective bargaining</p>	<p>Our Supplier Code of Conduct stipulates that Tier 1 suppliers shall recognize and respect the right of workers to form and join trade unions and other worker organizations and participate in collective bargaining without fear of harassment, interference, or retaliation. Tier 1 suppliers shall also develop effective, respectful, and transparent grievance mechanisms to resolve disputes and complaints, and ensure effective communication between employees, employee representatives, and management.</p>	
<p>Measures to ensure freedom of association and facilitate collective bargaining (i.e., communication of rights, grievance procedures)</p>	<p>Our initiatives include ensuring workers in our supply chain have channels to voice concerns, suggestions, or advocate for their rights through Worker Voice programs. Our goal is for 100% of our Tier 1 factory workers to have access to Worker Voice programs by the end of 2025.</p> <p>Our grievance procedures for employees in our flock include formalized feedback and complaint mechanisms beyond direct reporting lines (including reporting directly to Employee Experience, Legal or anonymously through a whistleblower hotline) to address concerns and improve our company practices.</p>	

Social

Description of Disclosure	2023 Response	SASB Standard
<p>Additional context around supply chain auditing, including Audit methodologies and criteria (e.g., management system investigation, worker interviews, management interviews, document review, visual observations), efforts to increase transparency, etc.</p>	<p>We only source from a select number of Tier 1 suppliers that commit to protecting the rights of workers and the environment by signing our Supplier Code of Conduct. We also expect full transparency of our partners’ own supply chains and sub-suppliers.</p> <p>Before a Tier 1 factory is approved to produce for Allbirds, it must pass a social and environmental audit as part of its evaluation. To assess factories’ compliance with our Responsible Sourcing expectations, we use independent, third-party, expert auditors. These audits, which may or may not be announced, include confidential worker interviews, review of documentation and records, and visual inspection of safety conditions. Audits are conducted against international labor standards and local law. Where there are discrepancies between the two, the more stringent requirement will be applied. Audit cadence is determined based on risk level from identified in previous audits.</p> <p>In the middle of 2021, we updated our audit scoring system so that we could better track factory performance to enable future reporting. Audits are scored and factories are rated as Green (Low Risk), Yellow (Medium Risk), Red (High Risk), or ZT (Zero Tolerance), based on the highest risk level of non-compliance found in the audit. A passing audit is either Green or Yellow. Factories rated as Red or ZT after the initial audit will not be approved.</p> <p>We believe in continuous improvement and will partner with the factory to develop a Corrective Action plan, based on the audit findings. We require our suppliers to follow-up and improve upon any identified deficiencies in a realistic but timely manner, emphasizing root-cause-analysis and effective management to ensure long-term performance and accountability.</p> <p>Whenever Allbirds starts working with a new Tier 1 factory, the factory will undergo the Allbirds Responsible Sourcing Audit. Once a compliance level is established, we will accept mutual recognition programs in order to reduce audit fatigue and collaborate with other brands.</p>	<p>CG-AA-430b.2</p>

Social

Description of Disclosure	2023 Response	SASB Standard
<i>Quantitative Metrics</i>		
<p>Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor</p>	<p>As of December 31, 2023, 100% of Tier 1 supplier facilities, by facility count, had social audits completed by a third-party in the previous 12 months. 100% of these audits were conducted by a third-party auditor. We are not yet able to report on labor code of conduct audits for suppliers beyond Tier 1, but plan to expand our audit program to strategic Tier 2 suppliers by the end of 2025.</p>	<p>CG-AA-430b.1</p>
<p>Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits</p>	<p>In 2023, two out of our eight Tier 1 factories were initially rated as 'Red / High Risk' due to the risk level of non-conformance as detailed in the Allbirds Responsible Sourcing Manual; with both ratings being resolved to 'Yellow / Medium Risk' shortly after. The findings were related to machine safety and overtime wage calculations, all of which were resolved. There were zero factories that were 'Zero Tolerance' (the highest severity non-conformance).</p>	<p>CG-AA-430b.2</p>
Supply Chain Labor, Environment, Health & Safety Risks - Management Approach		
<p>The three labor conditions issues and the three environmental health and safety issues that pose the greatest potential risk in Allbirds' supply chain</p>	<p>Based on the materiality assessment we conducted in late 2020, the following topics were deemed to be ESG priorities to manage across the business, including in our supply chain.</p> <p>Labor Conditions Issues:</p> <ul style="list-style-type: none"> • Human rights • Diversity & social inclusion • Economic inclusion & wage systems <p>Environmental Health and Safety Issues:</p> <ul style="list-style-type: none"> • GHG emissions and energy management • Materials sourcing (includes health and safety aspects as well as environmental factors) • Materials waste 	<p>CG-AA-430b.3</p>

Social

Description of Disclosure	2023 Response	SASB Standard
Health and Safety - Management Approach		
<p>Health and safety policy and management system, and coverage of programs, employee training, data compilation, emergency response, and audits</p>	<p>We have policies and procedures in place to address the health, safety, and wellness of our employees, including applicable occupational health and safety principles. We also conduct quarterly operational audits within retail stores to ensure that working areas are safe.</p> <p>Our Supplier Code of Conduct outlines Allbirds' occupational health and safety requirements for suppliers within our supply chain. Specifically, we require our Tier 1 suppliers to provide their employees with a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or because of the operation of the supplier. Suppliers are expected to regularly assess the workplace for hazards and implement appropriate safety systems, controls, and training.</p>	
Employee Recruitment, Retention, Inclusion and Performance (Inclusion) - Management Approach		
<p>Policies and practices to foster an inclusive and diverse culture</p>	<p>Our commitment to building and cultivating a culture that incorporates diversity, equity, inclusion, and belonging has never been stronger. We intentionally seek diversity in race, gender, background, cultures, socioeconomic status, age, and sexual orientation. We track and measure our diversity and representation quarterly.</p> <p>We conduct and have committed to conducting annual reviews of pay equity. Our 2023 pay equity review considered job level, performance, and experience across gender, sexual orientation, and ethnicity in the US, UK, and Vietnam. While we did not identify statistically significant pay differences, where we did find pay differences for individual employees, we increased their pay to bring parity between their and their peers' pay.</p>	<p>CG-EC-330a.3</p>

Social

Description of Disclosure	2023 Response	SASB Standard
<i>Quantitative Metrics</i>		
<p>Gender representation for all employees and racial/ethnic group representation for its U.S. employees by employee category.</p>	<p>Ethnic group representation by employee category as of December 31, 2023 (United States only):</p> <p>Management</p> <ul style="list-style-type: none"> • 62% White • 3% Black or African American • 10% Hispanic or Latino • 16% Asian • 2% Native Hawaiian or Other Pacific Islander • 6% Two or more races <p>Technical Staff</p> <ul style="list-style-type: none"> • 63% White • 4% Hispanic or Latino • 21% Asian • 13% Two or more races <p>All Other Flock Employees</p> <ul style="list-style-type: none"> • 45% White • 11% Black or African American • 25% Hispanic or Latino • 14% Asian • 1% Native Hawaiian or Other Pacific Islander • 3% Two or more races <p>Gender representation by employee category:</p> <p>Management</p> <ul style="list-style-type: none"> • Female: 51% • Male: 49% <p>Technical Staff</p> <ul style="list-style-type: none"> • Female: 8% • Male: 92% <p>All Other Flock Employees</p> <ul style="list-style-type: none"> • Female: 49% • Male: 50% <p>Employee categorizations are based on SASB and EEO-1 guidance.</p>	<p>CG-EC-330a.3.</p>

Social

Description of Disclosure	2023 Response	SASB Standard
(Employee Engagement) - Management Approach		
Source of the survey, methodology used to calculate the percentage, and a summary of questions or statements included in the survey or study (e.g., those related to goal setting, support to achieve goals, training and development, work processes, and commitment to the organization)	In 2023, we ran our annual engagement survey using an employee engagement and performance management software. The survey covered key indicators of employee engagement such as performance drive, career growth, culture of feedback, work environment/culture health, performance management, leadership, and direct managers. All 28 survey questions were translated into local languages to accurately capture the sentiments of our global team. The overall response was favorable.	CG-EC-330a.1
Quantitative Metrics		
Employee engagement as a percentage	In July 2023, Allbirds conducted an engagement survey of all global employees. Of all employees surveyed across different locations, 78% submitted a response. 71% of respondents reported favorable employee engagement.	CG-EC-330a.1
Turnover - Quantitative Metrics		
Turnover as a percentage, including voluntary and involuntary departures	Our overall turnover rate in 2023 was 93%. Approximately 82% of turnover in 2023 was voluntary, and 12% was involuntary.	CG-EC-330a.2
Work life balance - Management Approach		
Options of workplace flexibility and working time reduction to support work life balance	Our Flexible Time Off Policy provides U.S. corporate, full-time employees in our flock with the ability to take as much time off as they need to reach their performance targets and achieve their goals for work-life balance. Outside of the United States, time off policies vary by country and depend on a variety of factors, including market practice and statutory benefits. Globally, our time-off policies are around or above market.	

Social

Description of Disclosure	2023 Response	SASB Standard
Pay and Benefits - Management Approach		
<p>Discussion of salaries above minimum wage or a living wage that allows workers and their families to maintain a safe, decent standard of living (minimum resources for physical well-being plus healthcare, utilities, transportation, education and small savings) and extent the company provides relevant healthcare benefits (e.g., financial contributions or company-paid medical facilities/services)</p>	<p>In the United States, our benefits include health and wellness, paid time off, holidays, competitive pay, career growth opportunities, paid volunteer time, product discounts, and a culture of recognition. Specific health benefits for U.S. employees include employer-sponsored health insurance, dental insurance, vision care insurance, flexible spending accounts, and commuter benefits. We also offer Life Style accounts, which reimburse employees for their qualified wellness (e.g., gym memberships) and technology (e.g., cell & internet) reimbursements.</p> <p>We also offer other US benefits intended to support employees in navigating complex and often sensitive, personal situations. These plans include a medical travel assistance benefit, which provides reimbursement for qualified medical expenses that are not available within 100 miles from employees’ place of residence. A medical concierge program intended to help employees secure quicker access to medical professionals and quality care. For employees who are on medical/maternity and family leaves, we partner with a company who specializes in supporting employees through all aspects of their leave, including coordination of pay that spans the employer, disability and if applicable, state paid leave programs. And lastly, employees are eligible to engage with a mental wellness provider for therapy and coaching sessions, among several other wellness related features they may use.</p> <p>Outside of the United States, benefits vary by country and depend on a variety of factors, including market practice and statutory benefits. Like their US colleagues, our international employees have access to certain additional benefits, such as the health and wellness reimbursements through our Life Style Account benefit. As well as the same access to our mental wellness provider for therapy and coaching sessions, and other wellness related features made available to them. We also observe country specific holidays and extend the same product discounts, career growth opportunities and culture of recognition.</p> <p>Globally, we offer compensation that is competitive and linked to the skills, knowledge, and experience required in each position. We also comply with all global compensation regulations and laws.</p>	

Social

Description of Disclosure	2023 Response	SASB Standard
Extent the company provides relevant retirement benefits	All eligible US employees may participate in the company's 401(k) plan. Eligible employee may defer pre-tax and/or Roth dollars from their eligible pay. The company also provides a Safe Harbor employer matching contribution on 100% of the first 3% of eligible employees' pay and 50% on the next 2%. For a maximum employer match of 4%. All U.S. employees are also eligible for financial wellness benefits through Origin where they can speak with certified financial planners about retirement planning.	
Training & Development - Management Approach		
Description of training programs to develop staff and enable personal and professional growth	<p>We have the following training and career development initiatives in place:</p> <ul style="list-style-type: none"> • Formal onboarding process for new flock members • Ongoing training on core job responsibilities • Manager training for all people managers • Executive coaching for senior leaders • Internal promotion of eligible employees • Employees in the flock are able to make lateral moves or change career direction or pace when possible 	
Quantitative Metrics		
Disclosure of average training time/expenses per employee by employee category	In 2023, the average training time was 15 hours for Individual Contributors and Managers and 35 hours for Directors and above.	
Technical Employees who are Visa Holders - Quantitative Metrics		
Percentage of technical employees that held valid H-1B visas as of the close of the reporting period.	We believe this is immaterial to our business as it reflects less than 5% of our total workforce.	CG-EC-330a.4

Governance

Description of Disclosure	2023 Response	SASB Standard
Good Governance Practices - Management Approach		
<p>Overview of our corporate governance policies and procedures, including how we assess and manage ESG risks and opportunities, engage with external stakeholders on ESG topics, and link remuneration with ESG performance.</p>	<p>Public Benefit Corporation Status</p> <p>Because we are a PBC under Delaware law, our board of directors must manage our business and affairs in a manner that balances the pecuniary interest of our stockholders, the best interest of those materially affected by our conduct, and the specific public benefit of environmental conservation that is identified in our certificate of incorporation. As a result, in operating our business we are required to consider environmental conservation and the well-being of our flock and other stakeholders affected by our conduct alongside the financial interests of our stockholders. We are also obligated to report to our stockholders every two years on our progress as a PBC. Annually, we publish a Flight Status report on our website, making it available to all stakeholders.</p> <p>Certified B Corp Status</p> <p>In addition to our PBC status, we have also achieved B Corp certification since 2016. Every three years, we must recertify through a process and set of expectations that have become more rigorous over time. Historically, the median score for companies evaluated by B Lab has been 50.9, compared to our latest recertification score of 96.5 in 2023, which increased from our previous scores of 89.4 in 2020 and 81.9 in 2016, despite the growing size and complexity of our business during these years.</p> <p>Oversight and our Board of Directors</p> <p>We regularly require that ESG issues are represented at the highest level of decision making (including through our Director of Sustainability). The Sustainability, Nomination, and Governance Committee of our board of directors is responsible for overseeing ESG matters.</p>	

Governance

Description of Disclosure	2023 Response	SASB Standard
Data Security - Management Approach		
<p>Data security risks & data breaches</p>	<p>Data security is built into our company’s technology strategy since first launching our e-commerce site. We focus on a 360-degree approach designed to mitigate risks of data loss and protect ourselves against damages to our reputation. We utilize a wide range of tools as part of our cybersecurity program. Some examples include:</p> <ul style="list-style-type: none"> • Least Privilege Principle: We limit access to company resources based on user roles and real-time access needs. • End User training: We require security training for all new employees as well as run frequent phishing simulations and additional training for those at high risk. • Internal Audits: We regularly review all security programs, policies, and audit for any controls that need to be re-evaluated. <p>Our Chief Technology Officer and IT team provide regular presentations to the Audit Committee. No material breaches occurred in 2023.</p>	<p>CG-EC-230a.1</p>

Governance

Description of Disclosure	2023 Response	SASB Standard
Customer Education - Management Approach		
Discussion of measures that have been implemented to increase customer awareness on sustainability impacts of products during their life cycle and to help customers reduce the environmental footprint of products	<p>We understand the value customers place on authenticity and transparency, and since our inception, have run extensive campaigns to educate consumers about the sustainability impacts of footwear and apparel in general, and how we are working to address those impacts through our manufacturing processes and our products themselves. We share information on the social and environmental attributes of our products in our stores, in our social media channels, on our website, and in our sustainability reports. Examples of Allbirds marketing campaigns with a sustainability focus include labeling all products with their carbon footprint and freethefootprint.com.</p> <p>In 2020, we began labeling all of our products with their carbon footprint. We did this for two reasons: to hold ourselves accountable to reducing our impact over time and to help our customers make informed purchasing decisions with climate impacts in mind. Providing a product's planetary cost front and center empowers people to make intentional choices.</p> <p>According to a survey we conducted of 1,300 U.S. customers in 2020, 92% of our customers trust us to deliver reliable information, tools, and advice around sustainability.</p>	CG-EC-230a.2
SASB Activity Metrics		
Number of shipments	Our global e-commerce shipments in 2023 were approximately 3.8 million. ⁴	CG-EC-000.C
Entity-defined measure of user activity	In 2023, we fulfilled approximately 2.6 million orders globally.	CG-EC-000.A
Data processing capacity, percentage outsourced	100% of our data processing is outsourced. ⁵	CG-EC-000.B
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	<p>1) We had 8 Tier 1 suppliers in 2023.</p> <p>2) We had 90 Designated Suppliers beyond Tier 1 in 2023. ⁶</p>	CG-AA-000.A

⁴ We define number of shipments as number of global E-commerce shipments to customers; excludes returns and shipments to retail stores.

⁵ Due to our engagement with cloud computing, data analytics, and digital platforms.

⁶ "Tier 1" refers to the primary production facility to which an Allbirds purchase order is issued. "Designated Suppliers" refers to material suppliers that are designated in our Product Lifecycle Management (PLM) system for styles in the given year. Note: as we continue to implement our PLM system, the coverage of suppliers is expected to increase over time (i.e., it's likely that some suppliers are missing from the "Designated Suppliers" list due to the transfer of data to a new system).

The Task Force on Climate-Related Financial Disclosures

The Financial Stability Board established the Task Force on Climate-Related Financial Disclosures, or TCFD, which is committed to market transparency and stability, to develop recommendations for more effective climate-related disclosures. Allbirds supports the mission of the TCFD to improve and increase reporting of climate-related financial information. We believe our initial TCFD climate-related financial disclosures align with the TCFD recommendations, and we intend to continue to refine our strategy and reporting in this framework going forward. In the table below, we look at existing governance structures and strategy that fit within the TCFD framework, what was done in the year ended December 31, 2023, and indicate our aspirations for the future to make this disclosure more robust. TCFD provides a framework with four thematic areas—Governance, Strategy, Risk Management, and Metrics and Targets—and 11 recommended disclosures. The following table provides information intended to address each recommendation.

Description of Disclosure	Notes and Location
Governance: <i>Disclose the organization's governance around climate-related risks and opportunities.</i>	
<p>a. Describe the board's oversight of climate-related risks and opportunities.</p>	<p>Our board of directors considers sustainability risks and opportunities as part of its overall strategic decision-making process through review and approval of our annual operating plan and our sustainability strategy.</p> <p>Our Sustainability, Nomination, and Governance Committee has oversight of ESG topics; both the committee and the full board of directors receive quarterly reports from management on significant sustainability actions, goals, and progress.</p>
<p>b. Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>In 2021, we developed an external Sustainability Advisory Committee to provide a review of our sustainability strategy, progress, and insights into potential business risks and opportunities. The Sustainability Advisory Committee was composed of external ESG leaders who brought diverse experience and industry expertise.</p> <p>Our sustainability strategy, or the Allbirds Flight Plan, centers on three strategic priorities: Regenerative Agriculture, Renewable Materials, and Responsible Energy, which are underpinned by ten specific, quantitative targets. These climate-related strategic priorities are operationalized through our Sustainability team, with oversight from our CEO.</p> <p>Our Sustainability team collaborates on an ongoing basis with cross-functional teams to monitor climate-related issues, and promote sustainability initiatives across our value chain, including product development, supply chain sourcing, and broader business operations.</p> <p>At the end of each fiscal year, the Sustainability team also engages with each business area to collect specific data to prepare the greenhouse gas inventory analysis. This process includes cross-functional and leadership reviews, as well as third-party verification of the data.</p>

Description of Disclosure	Notes and Location
<p>Strategy: <i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.</i></p>	
<p>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<p>According to the Task Force on Climate-related Financial Disclosures’ 2020 Status Report, when companies choose to disclose on TCFD, only 7% globally fully disclose on the strategy pillar. Allbirds decided to pursue an analysis of climate-related risks in our strategy and our approach to risk management.</p> <p>In 2021, management began the process of identifying, assessing, and quantifying Allbirds’ climate-related transition and physical risks, as well as corresponding opportunities, through a hot spot analysis. This assessment was supported by Anthesis, a global sustainability consulting leader, to help us better understand our risk exposure, create a roadmap for scenario analysis and resiliency planning, develop strategies for leveraging opportunities, and meet our reporting and disclosure commitments.</p> <p>The first step in our climate-risk and opportunity analysis was to conduct climate risk and opportunity workshops with key business areas, including Sustainability & Innovation, Supply Chain, Product Development, Legal, Finance, Workplace, Marketing, Technology, and Retail. These workshops were intended to 1) identify a preliminary list of potential climate-related business risks and opportunities; 2) understand the potential scale of such risk or opportunity should it occur; and 3) identify substantive social, regional, or financial risk and opportunity thresholds that would designate a risk or opportunity as material to our business.</p> <p>Once we had a preliminary list of risks and opportunities, we identified the anticipated effect (the impact that a risk or opportunity will have on that key business area) and vulnerability (any management plans we have to mitigate against those risks or capitalize on those opportunities) to understand the potential scale. The exercise analyzed both effect and vulnerability of transition and physical risks across the short- (five years), medium- (ten years), and long-term (30 years). At the conclusion of these workshops, we evaluated the effect and vulnerability of each physical and transition risk associated with climate change, which informs the list of risks and opportunities provided below.</p> <p>The following risks have been identified through the workshops with the key business areas but have not been assessed for their materiality to our business. This will be completed through the upcoming scenario analyses.</p>

Description of Disclosure	Notes and Location
	<p>RISKS:</p> <p>Transition - the risks associated with the transition to a low-carbon economy over the next decade:</p> <ul style="list-style-type: none"> • Pricing on greenhouse gas, or GHG, emissions • Energy and fuel price increase <p>Physical - the chronic and acute risks associated with the physical impacts of a changing climate may affect Allbirds' ability to source natural materials and move them through a global supply chain. These physical climate risks include:</p> <ul style="list-style-type: none"> • Increased frequency and severity of extreme weather events including extreme precipitation and drought • Increased mean temperatures including extreme heat and cooling degree days • Wildfires brought on by droughts and extreme temperature • Rising sea levels • Changes in precipitation patterns <p>OPPORTUNITIES:</p> <p>Efforts to mitigate and adapt to climate change also present opportunities for our business:</p> <ul style="list-style-type: none"> • Energy Sources: Conventional fuel prices are projected to increase. Our goal is to use 100% renewable electricity to manufacture all Allbirds products at owned and operated facilities and finished goods manufacturers by the end of 2025. By procuring renewable energy, Allbirds will help mitigate additional costs to our business, helping preserve our competitive pricing structure. • Products & Services: We believe Allbirds' corporate mission and increasingly sustainable products provide a competitive position within the landscape of shifting consumer preferences for environmentally and socially responsible products. • Resource Efficiency: Partnerships with manufacturing facilities on environmental initiatives may decrease costs. This could improve energy efficiency and indoor air quality, as well as improve employee attraction and retention through a commitment to sustainability and better working conditions. • Resilience: Allbirds has developed tools and strategies to quantify and manage emissions, which will help to respond to climate change.

Description of Disclosure	Notes and Location
<p>b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.</p>	<p>To support our bold ambition on climate change, our sustainability strategy, or the Allbirds Flight Plan, centers on three strategic priorities: Regenerative Agriculture, Renewable Materials, and Responsible Energy, which are underpinned by ten specific, quantitative targets.</p> <p>With these targets, we set a goal to cut our carbon emissions per unit of product produced in half by the end of 2025, relative to a baseline of what we expect our per-unit carbon emissions would be in 2025 without any further action to limit emissions.</p> <p>We believe in the importance of demonstrating near-term progress and laying out a clear path to achieve our goals. We expect that achieving these ten targets as a whole ultimately improves gross margin and business resiliency.</p>
<p>c. Describe the potential impacts of different scenarios, including a 2°C scenario, on the organization’s businesses, strategy and financial planning.</p>	<p>In 2021, we conducted a hotspot mapping exercise to prioritize our key climate-related risks and opportunities. Building off this exercise, we plan to conduct scenario analyses of the key transition and physical risks and opportunities. The analysis will quantify the financial implications associated with these climate-related risks and opportunities, enable us to gather the quantitative information necessary to assess our adaptive capacity, and further invest in opportunities to enhance resilience across our value chain.</p>
<p>Risk Management: <i>Disclose how the organization identifies, assesses, and manages climate-related risks.</i></p>	
<p>a. Describe the organization’s processes for identifying and assessing climate-related risks.</p>	<p>Our Sustainability team collaborates on an ongoing basis with cross-functional teams to monitor climate-related issues, and promote sustainability initiatives across our value chain, including product development, supply chain sourcing, and broader business operations.</p> <p>Additional enterprise risk functions include climate-related risks as part of their analysis, which is presented to the Audit Committee of our board of directors and management annually.</p> <p>Allbirds evaluates climate risks based on their likelihood, significance, and scope of impact across the business. The 2021 climate risk and opportunity identification workshops also established the key business areas’ substantive risk thresholds. Revenue, cost, and adjusted EBITDA are metrics used by the key business areas to evaluate climate-related risks.</p> <p>Aggregating these data points allows Allbirds to establish company-wide substantive risk thresholds. These established substantive risk thresholds will serve as a basis for us to identify future climate-related risks posed to our operations. Allbirds will use these established thresholds to evaluate climate risks annually at a minimum, and more often as needed.</p>

Description of Disclosure	Notes and Location
<p>b. Describe the organization's processes for managing climate-related risks.</p>	<p>Our Director of Sustainability and other subject-matter experts actively engage with Allbirds' key business areas to manage climate risks and opportunities on an ongoing basis.</p> <p>We categorize risks according to four distinct management methods, based on enterprise risk management methodology: avoid, reduce, share, and accept. For example, we manage risks using the 'reduce' method through our strategic vendor partnerships, based on our partners' willingness to implement and uphold best practices, decreasing the inherent vulnerability associated with vendor-based manufacturing. Once we identify a best practice for mitigating climate risk through vendor management, we proactively update our existing vendor agreements to align with improved internal standards.</p>
<p>c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>As part of our standard Enterprise Risk Management, or ERM, process, our cross-functional risk management team evaluates enterprise risks based on their likelihood, significance, and scope of impact across the business, including climate-related risks.</p> <p>The four climate risk management methods outlined above reflect the same methodology used to manage all enterprise-wide risks. Risks are evaluated at least annually and reported to management and the board of directors.</p> <p>Substantive risk findings from our climate risk identification and assessment process and scenario analysis established by the Sustainability team in 2021 are planned to be integrated into our company-wide risk management process.</p>
<p>Metrics & Targets : <i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.</i></p>	
<p>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>In 2020, we began the annual practice of measuring our carbon footprint across Scope 1, 2, and 3 categories, as defined by the Greenhouse Gas Protocol. This includes calculating the carbon footprints for all products produced in a given year.</p> <p>We have adopted an internal price on carbon to incentivize emissions reductions. We use the proceeds from this internal tax to purchase renewable energy credits and high-quality carbon offsets. All carbon offset projects are third-party verified to the highest standards, such as Gold Standard, Verified Carbon Standard, or Climate Action Reserve.</p>
<p>b. Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas emissions and the related risks.</p>	<p>Since 2020, we have focused on calculating and disclosing the carbon footprint of each of our products, working with a LCA tool to estimate the cradle-to-grave carbon footprint of products, identify hotspots, and drive emission reductions. This LCA tool was developed by our Sustainability team in partnership with external LCA experts and has been third-party verified against the requirements of ISO 14067:2018. It enables our teams to make informed decisions in design and development, tracking both product-level and</p>

Description of Disclosure	Notes and Location
	<p>company-wide carbon impact. As a result, in April 2020, we published the carbon footprint for every product in our permanent collection.</p> <p>We also disclose the absolute emissions across our direct and indirect operations, following the Greenhouse Gas Protocol, with additional third-party verification by Point B. Scope 1 and 2 emissions are driven by retail stores and corporate offices, and the majority of our Scope 3 emissions are from the materials, manufacturing, and transportation associated with our products.</p> <p>2023 Allbirds' Market-based Emissions (tonnes CO₂e)</p> <ul style="list-style-type: none"> a. Scope 1: 446 b. Scope 2: 281 c. Scope 3 (excludes Use & End of Life): 20,725 d. Scope 3 (includes Use & End of Life): 22,627
<p>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>The Allbirds Flight Plan centers on three strategic priorities: Regenerative Agriculture, Renewable Materials, and Responsible Energy, which are underpinned by ten specific, quantitative targets. The Allbirds Flight Plan drives our targets for climate-related risk mitigation.</p> <p>By the end of 2025, we aim to reduce our per-unit emissions by 50% relative to a baseline of what we expect our per-unit carbon emissions would be in 2025 without any further action to limit emissions, driving our average carbon emissions to around 7 kg CO₂e per product. We aim to achieve this by sourcing zero carbon wool, replacing petroleum-based materials with natural or recycled ones, and using less and cleaner fuel and electricity. Specifically, our goal is that 75% of our materials will be sustainably sourced natural or recycled materials, and we are committed to reducing raw materials use and the impact of key raw materials by 25% across footwear and apparel products.</p> <p>In addition, our goal is to source 100% renewable electricity for all owned and operated facilities, including offices, retail stores, and distribution centers, as well as finished goods manufacturers, by the end of 2025. We are committed to achieve a steady state of more than 95% ocean shipping, reducing the amount of higher emission modes of transport, like air shipping. We also aim to encourage our customers to machine wash our products on cold and hang-dry Allbirds apparel.</p> <p>By 2030, we aim to reduce our per-unit emissions by 95%, driving our carbon emissions to less than 1 kg CO₂e per product. This ambitious goal is necessary to reduce our absolute carbon emissions in alignment with a science-based 1.5°C reduction pathway.</p> <p>We have set a science-based target to reduce absolute scope 1, 2, and 3 emissions 42% by 2030 from a 2020 baseline. Our target is aligned with all the requirements of The Science Based Targets initiative, or SBTi, including alignment with a 1.5°C reduction pathway, and was approved by SBTi in 2021.</p>

The Sustainability Principles and Objectives Framework

In November 2021, Allbirds shared the following commitments with its Stakeholders through the Sustainability Principles and Objectives Framework: <https://ir.allbirds.com/static-files/bca25a53-1b72-4319-875b-64c7d61ba25b>

This will be the final update on the Sustainability Principles and Objectives Framework, including direction for where relevant information can be found moving forward, as relevant.

	Commitment	Status as of 2024
ESG Rating		
1	Company undergoes environmental, social, and governance (ESG) assessment from a widely recognized third-party ESG reviewer and discloses a summary of the assessment and credentials of the ESG reviewer. Company ESG performance should be in the top third of the ESG reviewer's coverage universe. Company self-assessment is not permitted.	Company's Sustainalytics assessment update is included in the 10-K. The Company's last B Corp certification was in June 2023, valid for 3 years.
Mission and Purpose		
2	Company clearly articulates how positive social and/or environmental impact is embedded in its business model, products and services as they relate to key stakeholders (e.g., customers, employees, suppliers, shareholders, and external stakeholders) as evidenced through SEC filings and other publicly available company reports. Company can also meet this criterion through Public Benefit Corporation, Benefit Corporation, or Social Purpose Corporation status.	Company mission of "environmental conservation" is enshrined in its Public Benefit Corporation status.
3	Company has either already reported, or committed to report annually on key ESG factors. Company may use one or more comprehensive reporting frameworks on financially material industry-specific sustainability-related risks and opportunities for an investor audience (e.g. the Sustainability Accounting Standards Board, or SASB) and/or report on holistic economic, environmental, and social impacts of the company's activities and contributions for a stakeholder audience (e.g. Global Reporting Initiative, or GRI) or pursue an integrated reporting approach, in addition to meeting regulatory disclosure requirements. This reporting will also include clear and explicit references to the company's performance against the SPO Framework.	Company's SASB disclosures are included in the Flight Status report. This will be the Company's final update on the on the Sustainability Principles and Objectives Framework, including direction to where relevant information can be found moving forward.

	Commitment	Status as of 2024
Climate and Environment		
4	Company has either already reported according to Task Force on Climate-Related Financial Disclosures recommendations, or commits to do so within 24 months of Initial SPO Evaluation Date, to demonstrate forward-looking understanding, management, and disclosure of climate-related risks.	Company's TCFD disclosures are included in the Flight Status report.
5	<p>i) Company has already reported scope 1, 2, and 3 emissions</p> <p>AND</p> <p>(ii) Company has already verified scope 1 and 2 emissions at Initial SPO Evaluation Date and commits to verify scope 3 emissions within 6 months of Initial SPO Evaluation Date or explain why scope 3 emissions cannot be verified</p> <p>AND</p> <p>(iii) Company commits to report and verify Scope 1, 2, and 3 emissions annually.</p>	Company's Scope 1, 2, and 3 emissions are included in the TCFD section of the Flight Status report.
6	Company has either already reported, or committed to report annually on key ESG factors. Company may use one or more comprehensive reporting frameworks on financially material industry-specific sustainability-related risks and opportunities for an investor audience (e.g. the Sustainability Accounting Standards Board, or SASB) and/or report on holistic economic, environmental, and social impacts of the company's activities and contributions for a stakeholder audience (e.g. Global Reporting Initiative, or GRI) or pursue an integrated reporting approach, in addition to meeting regulatory disclosure requirements. This reporting will also include clear and explicit references to the company's performance against the SPO Framework.	Company's SASB disclosures are included in the Flight Status report. This will be the Company's final update on the on the Sustainability Principles and Objectives Framework, including direction to where relevant information can be found moving forward.

	Commitment	Status as of 2024
7	<p>Company has enterprise-wide policies or programs to address its most material environmental issues (e.g., water, waste/circularity, biodiversity, land use, chemical use, energy use, and natural resource use), as well as applicable occupational health and safety principles for employees. Company commits to report annually on progress.</p>	<p>Regarding most material environmental issues, Company followed guidelines provided by recognized frameworks to develop its definition of materiality and also conducted an assessment to incorporate stakeholder input. This assessment informs the sustainability strategy that is publicly posted on its website and included in the 2020 Sustainability Report. The Company will report progress toward the sustainability commitments on an annual basis in the Flight Status report.</p> <p>The Company has policies and procedures in place to address the health, safety, and wellness of its employees, including applicable occupational health and safety principles. The Company conducts quarterly operational audits within retail stores to ensure that working areas are safe.</p>

Value Chain

8	<p>Company has policies or programs designed to require Tier 1 (“T1”) suppliers to address its most material environmental issues (e.g., water, waste/circularity, biodiversity, land use, chemical use, energy use, and natural resource use). Company commits to report annually on progress.</p>	<p>Environmental Program:</p> <p>The Company created an Environmental Policy and Program for Tier 1 suppliers, which includes guiding principles to reduce environmental impact in its supply chain and the necessary monitoring mechanisms to ensure compliance. Included in the Company’s Environmental Policy is the requirement for all Tier 1 suppliers to disclose their environmental performance through the Higg Facility Environmental Module (FEM), and verify it within the first three years.</p> <p>Chemicals:</p> <p>Another important facet of Allbirds’s Environmental Program is its commitment to a chemicals management program. The Company has made several updates to its RSL program, which includes adopting the AFIRM RSL, creating a binding RSL Manual for our Tier 1 suppliers, and defining new testing requirements and processes.</p> <p>Company’s disclosures reporting on progress are included in the SASB section of the Flight Status report.</p>
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	Commitment	Status as of 2024
9	Company has policies or programs in place to monitor and enforce Tier 1 supply chain labor standards based on core labor standards as defined by the International Labour Organization, or local legal requirements, whichever is higher. Such policies and programs are supported and verified by assessment and Company commits to report annually on progress.	Company has a Supplier Code of Conduct, drawing upon ILO Core Labor Standards, and all Tier 1 suppliers, including subcontractors, are obligated in all of their activities to operate in full compliance with the laws, rules and regulations of the countries in which they operate. Beyond written commitments covered in The Code, the Company also requires Tier 1 suppliers to participate in independent, third-party social and environmental audits, which include confidential worker interviews, review of documentation and records, and visual inspection of safety conditions. The Company's audits are conducted against international labor standards and local law, and Company strives to audit all factories at least once per year. Company's disclosures are included in the SASB section of the Flight Status report.
People		
10	Company has made a commitment to achieve and maintain employee diversity (e.g., Gender/Race/Ethnicity/National Origin/Sexual Orientation/Religion/Disability/Age if legally permitted to collect such employee data) and reports currently and annually on progress, including aggregate data on representation, targets, job category, and compensation, and, in addition, commits to conduct ongoing training for personnel, leadership, and board members.	Company's Diversity, Equity, Inclusion & Belonging ("DEIB") website https://www.allbirds.com/pages/deib went live in October 2022. The Company currently has recruitment data for Race and Gender, but we do not yet have data by Level and Category.
11	Company commits to report annually on progress towards its goals regarding the median pay gap and mean pay gap, as defined by local regulations or, where those do not exist, the Organization of Economic Cooperation and Development or International Labour Organization on gender and minority groups appropriate for their geography/ies.	Company conducts analyses of pay and compensation practices in consultation with expert third-party firms. Through pay and policy adjustments, we correct for unintended pay differences and, where appropriate, adjust for market competitiveness as part of our annual and ongoing reviews. Based on internal analysis that takes various groups and gender into account, as well as comparing against national market data and benchmarks, the Company compensates all employees equitably.
12	Company commits to establish, within one year of Initial SPO Evaluation Date, a human rights policy consistent with the UN Guiding Principles on Business and Human Rights.	Company published Human Rights Policy in March 2023.

	Commitment	Status as of 2024
Governance		
13	Company commits to establish and implement, within 24 months of Initial SPO Evaluation Date, a living wage requirement for all employees using a credible third-party measurement framework.	The Company has not yet conducted a living wage gap analysis but will continue to evaluate the wages for all employees and may, in the future, undertake a plan to establish a living wage requirement.
14	Company has clearly articulated how the Board will oversee ESG-related matters, including strategy, risk, and reporting, as formally documented in the charter for one or more Board committees.	Completed. Company's Sustainability, Nomination, and Governance Committee oversee ESG-related matters (enumerated in committee charters).
15	Company has made a commitment to achieve and maintain board diversity (e.g., Gender/Race/National Origin/Sexual Orientation/Religion/Disability/Age, where legally permissible) and report annually on progress.	Completed. Company will disclose in its yearly proxy statement (i.e. Nasdaq board diversity requirements).
16	Company has tied, or commits to tie within one year of Initial SPO Evaluation Date, executive remuneration to performance on ESG metrics, with disclosure of how the metrics relate to material ESG issues.	In 2023, company executive bonuses were tied to sustainability metrics.
17	Company has one or more dedicated ESG-focused executives, such as Chief Sustainability Officer or similar role.	Completed. Company employs a Director of Sustainability.
18	Company commits to align, within six months of Initial SPO Evaluation Date, its policy advocacy, political contributions, and trade association engagement with these sustainability criteria.	Company published an update in May 2022.
19	Company has a company-wide ethics policy and confidential channel for reporting concerns.	Completed. Company's Code of Business Conduct and Ethics, including a confidential reporting channel, can be found here: https://ir.allbirds.com/corporate-governance/governance-overview

Flight Status

Allbirds
2023

UPDATED
OCTOBER 2024

Flight
Status