



Allbirds Provides Update on its Sustainability Principles and Objectives Framework

Nov 4, 2022

SAN FRANCISCO, Nov. 04, 2022 (GLOBE NEWSWIRE) -- Allbirds, Inc. (Nasdaq: BIRD), a global lifestyle brand that innovates with naturally derived materials to make better footwear and apparel products in a better way, today announced an update on the commitments made through its Sustainability Principles and Objectives (SPO) framework. These commitments are consistent with the mission & values of Allbirds and our dedication to making better things in a better way. Allbirds is providing an update on the following commitments:

	Commitment	Status as of November 2022
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.	Sustainalytics assessment done pre-IPO. Last B Corp certification in Jan 2020, valid for three years. Company has begun the recertification process and expects recertification in Spring 2023 due to delays at B Lab.
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.	SASB and TCFD disclosures included in FY21 10-K filed on March 16, 2022. The Company published its 2021 "Flight Status" Sustainability Report in October 2022 with an update on Flight Plan progress https://www.allbirds.com/pages/sustainable-practices . The current document updates the Company's performance against the SPO Framework.
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.	Included in Company's 2021 10-K filed on March 16, 2022.
5	(i) Company has already reported scope 1, 2, and 3 emissions AND (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 AND (iii) Company commits to report and verify Scope 1, 2, and 3 emissions annually.	Company GHG inventory third party verified in Spring of 2021, and reported emissions by scope per its Climate Neutral certification: https://www.climateneutral.org/brand/allbirds . Company also reported 2021 absolute GHG emissions and reductions on a per unit basis in 2021 "Flight Status" sustainability report published October 2022: https://www.allbirds.com/pages/sustainable-practices .
6	Company commits to establish, within one year of Initial SPO Evaluation Date, a carbon emissions reduction target that: (i) Aims for net zero emissions covering Scopes 1, 2 and 3 as soon as possible, and no later than 2040 AND	Company has a Science Based Target for 2030 aligned with a 1.5°C trajectory to reduce scopes 1, 2, and 3 emissions by 42% from a 2020 baseline year. Allbirds also committed to net zero emissions by 2030 as defined by B Corp's Net Zero by 2030 commitment at COP25 in 2019, meaning that it will reduce emissions aligned with a 1.5°C trajectory before neutralizing remaining emissions.

	(ii) Is aligned to a 1.5°C temperature scenario, with interim targets measured no later than 2030. Company commits to make all viable efforts to reduce emissions before looking to purchase carbon offsets, which should be transparently disclosed, of high quality, and verified by a credible third-party. If a company has significant Scope 3 emissions (over 40% of total Scope 1, 2, and 3 emissions), it should include all material categories of Scope 3 emissions in the target.	
7	Environmental Program: Company created an Environmental Policy & Program for T1 suppliers, which includes guiding principles to reduce environmental impact in its supply chain and the necessary monitoring mechanisms to ensure compliance. Included in Allbirds's environmental policy is the requirement for all T1 suppliers to disclose their environmental performance through the Higg Facility Environmental Module (FEM), and verify it within the first three years. In 2020, 68% of Company partners completed the FEM. Allbirds is on track to meet 99% completion for its Tier 1 manufacturers in 2021. Chemicals: Another important facet of the Company's Environmental Program is its commitment to a clean chemistry program. The Company has made several updates to its RSL program, which includes adopting the AFIRM RSL, creating a legally-binding RSL Manual for our suppliers, and defining new testing requirements and processes. This new program will launch to suppliers in Q4 2022.	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. 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 has a Retail Health & Safety Task Force in place that meets weekly to discuss and share workplace health and safety matters and developments. Moreover, the Company conducts quarterly operational audits within retail stores to ensure that working areas are safe. However, the health and safety system in place is not certified to a relevant standard (e.g. ISO 45001).
Value Chain		
8	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.	Environmental Program: The Company created an Environmental Policy & Program for T1 suppliers, which includes guiding principles to reduce environmental impact in its supply chain and the necessary monitoring mechanisms to ensure compliance. Included in Allbirds's environmental policy is the requirement for all T1 suppliers to disclose their environmental performance through the Higg Facility Environmental Module (FEM), and verify it within the first three years. In 2020, 68% of Company partners completed the FEM. Allbirds is on track to meet 99% completion for its Tier 1 manufacturers in 2021. Chemicals: Another important facet of Allbirds's Environmental Program is its commitment to a clean chemistry program. The Company has made several updates to its RSL program, which includes adopting the AFIRM RSL, creating a legally-binding RSL Manual for our suppliers, and defining new testing requirements and processes. This new program will launch to suppliers in Q4 2022.
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.	The Company updated its Responsible Sourcing audit framework to enable better visibility and data collection into its Tier 1 manufacturers and completed training with 100% of its Tier 1 manufacturers on its updated Responsible Sourcing audit framework.
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 and also plans to launch a LinkedIn page to share its DEIB progress. The Company currently has recruitment data for Race and Gender, but we do not yet have data by Level and Category. Allbirds has onboarded a new DEIB learning tool that will launch a pilot in November 2022 with the goal of giving access to DEIB training to all employees in January 2023. The Company is also launching a DEIB training pilot to its first store in October 2022 with the goal to expand to other stores in 2023.
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 has contracted with Businesses for Social Responsibility (BSR) to complete and create a Human Rights Policy aligned with the UN Guiding Principles, expected by the end of 2022
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.	Company plans to conduct a living wage gap analysis with Living Wage for the US in the first half of 2023, and plans to outline a roadmap to pay a living wage to all employees by the end of 2023. Roadmap to a living wage by end of 2023.
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. The 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.	Completed. Company executive bonuses are 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 Head 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: https://ir.allbirds.com/static-files/c0d9d371-f7fc-4f44-b434-06cfdad1e642
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

About Allbirds, Inc.

Headquartered in San Francisco, Allbirds is a global lifestyle brand that innovates with naturally derived materials to make better footwear and apparel products in a better way, while treading lighter on the planet. The Allbirds story began with superfine New Zealand merino wool and has since evolved to include eucalyptus tree fiber knit fabric, sugarcane-based EVA SweetFoam®, castor bean oil-based SwiftFoam™, and Plant Leather. Allbirds serves customers across 36 countries through 53 Allbirds stores and its e-commerce website, www.allbirds.com.

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