Sustainability and Impact Report 2024

new balance



A Message from our President and CEO

Dear Valued Stakeholders,

We are pleased to share our 2024 Sustainability and Impact Report, which highlights our commitment to building a better future through meaningful actions that reflect our One NB culture of teamwork and integrity. This year's report offers a comprehensive look at our efforts across key areas, including our focus on ensuring an engaged and collaborative workforce, strengthening our local communities, and shaping solutions that address environmental and supply chain challenges within our industry. By working together, we believe we can drive purposeful change for our organization and the global landscape in which we operate.

At New Balance, we prioritize associates' learning and career development at all levels with innovative tools for growth and collaboration globally. From tailored training programs to mentorship initiatives, we empower associates to expand their skills and share their knowledge across the organization.

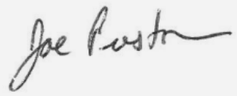
Our long-standing commitment to our U.S. and UK athletic shoe factories remains an integral part of our company culture.[1] In 2024, we began transitioning Maine associates to our newly expanded NB Central Maine factory in Skowhegan — a state-of-the-art facility designed to enrich our manufacturing workplace. At the same time, we finalized construction of our newest factory, NB Londonderry in New Hampshire, which will begin athletic footwear production by early 2026

New Balance's philanthropic efforts have always focused on creating opportunities for active living, strengthening communities, and driving positive change. In 2024, New Balance Foundation and New Balance Foundation International awarded more than $12 million in grants to 90 non-profit organizations committed to expanding access to sport, supporting education, fostering career readiness, and enhancing overall well-being. New Balance also supported a wide range of charitable efforts through corporate financial contributions and in-kind donations as well as volunteerism and giving match programs.

Guided by our core values, we are integrating more sustainable practices at every level of our business. Our climate action strategy focuses on six key areas for improvement: energy efficiency and renewable energy, materials, longevity and circularity, advocacy efforts, responsible land use, and lower-carbon transportation. We view these areas as opportunities to drive impact not just within our organization, but throughout our entire supply chain. In 2024, we reduced our Scope 1 and 2 emissions by 34%, while our Scope 3 emissions increased by 27% compared to our 2019 baseline.

Our success continues to be fueled by our One NB team culture and our associates' relentless focus on innovation and operational excellence. I am proud of our strong growth and confident in our ability to continue leading with purpose. Our journey ahead is full of opportunity, and I look forward to continuing to share our progress.

Sincerely,



Joe Preston
President and CEO



1 New Balance Made in USA footwear contains a domestic value of 70% or more. Made in USA makes up a limited portion of New Balance's US sales.

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About New Balance

Independent since 1906, we empower people through sport and craftsmanship to create positive change in communities around the world.

Our purpose, values, and vision

Our purpose captures what our brand stands for, reflects our long-standing values, and is woven into every aspect of our company. We strive to unite people through sport and its principles of respect and fair play. We believe we can help shape the future of sport and culture in which all voices are welcome and heard. We are committed to creating positive change by lifting communities through access and opportunity to healthy, active living and education. Every person associated with New Balance — including our associates, athletes, ambassadors, and partners — has a responsibility to embrace, endorse, and amplify our purpose.

Our company's global culture, which we call "One NB," is centered around our core values of integrity, teamwork, and total customer satisfaction. Our workplaces reflect our people-centric culture, as we dedicate resources to help our associates continually learn, grow, and succeed. In all our global facilities, we are committed to promoting open discussions, supporting courageous conversations, and driving positive improvements.

As a privately held, family-owned company, we believe in taking a long-term view and making strategic investments that reflect our core values and benefit our business and people.

54
GLOBAL OFFICES
HEADQUARTERS IN BOSTON, MA

$7.8B
GLOBAL ANNUAL SALES
IN 2024

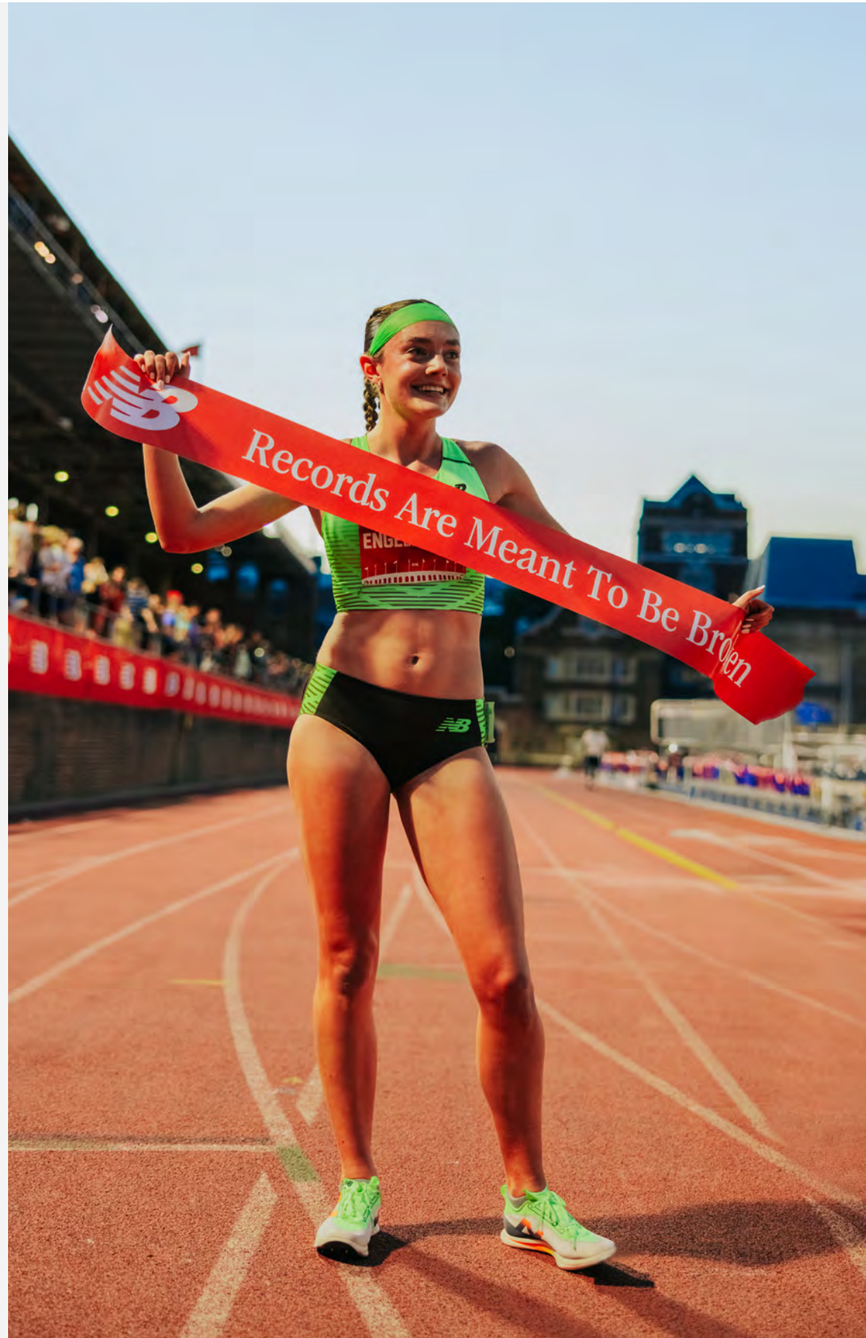
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NEW BALANCE- AND WARRIOR-OWNED FACILITIES[1]

10,000+
ASSOCIATES
WORLDWIDE

2,600
RETAIL STORES GLOBALLY
INCLUDING 480+ NEW BALANCE-OWNED STORES

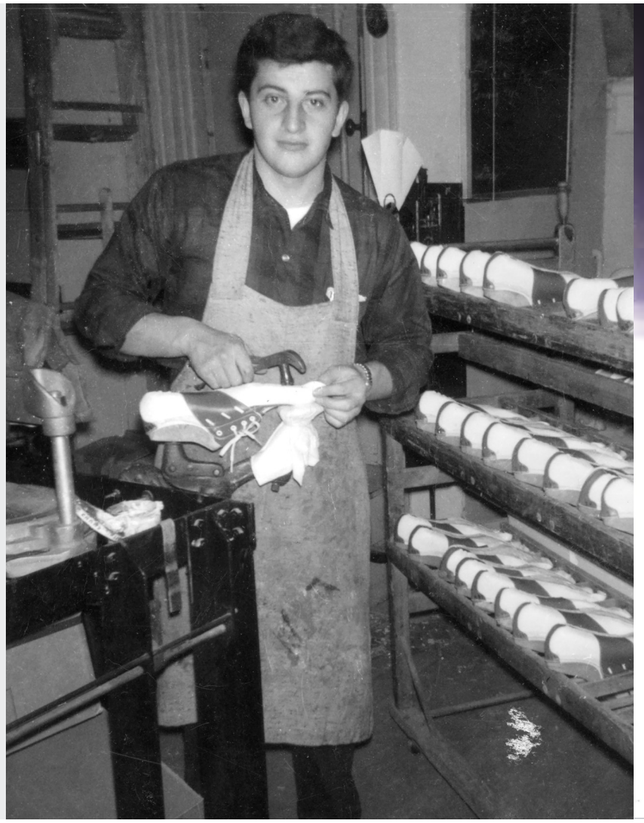
115+
COUNTRIES
WHERE NEW BALANCE PRODUCT IS SOLD

1 Five New Balance MADE in USA factories in the U.S. (Lawrence and Methuen, MA; Norridgewock, Norway, and Skowhegan, ME), one MADE in UK factory (Flimby, UK), and two factories owned by New Balance affiliate Warrior (Shelby Township, MI, and Tijuana, Mexico). A list of New Balance MADE and Warrior-owned facilities are available on Open Supply Hub.



Our history

In 1906, William J. Riley founded the New Balance Arch Support Company in Boston, Massachusetts. Inspired by nature, he designed arch supports modeled after the structure of a chicken foot to provide consumers with better comfort, support, and balance in their footwear. By 1938, we crafted our first pair of running shoes for a local running club. Then, on the day of the 1972 Boston Marathon, current Chairman Jim Davis acquired New Balance. Four years later, *Runner's World* rated the New Balance 320 as the #1 running shoe. In 1978, we launched our first running shoe designed exclusively for women. Over time, we have continued to diversify, crafting a complete range of performance and lifestyle footwear, apparel, and accessories for people of all ages and abilities around the world.







1906
WILLIAM J. RILEY FOUNDS THE NEW BALANCE ARCH SUPPORT COMPANY



1972
JIM DAVIS ACQUIRES NEW BALANCE



1981
NEW BALANCE FOUNDATION ESTABLISHED

1982
990 LAUNCHES FIRST RUNNING SHOE TO RETAIL FOR $100



2000
NEW BALANCE ACHIEVES $1 BILLION IN GLOBAL ANNUAL SALES



2015
NEW BALANCE GLOBAL HQ OPENS AT BOSTON LANDING



2020
NEW BALANCE CREATES GENERAL USE FACE MASK DURING COVID PANDEMIC



2022
THE TRACK AT NEW BALANCE AND NEW BALANCE METHUEN OPEN



2023
GROUNDBREAKING OF MADE FACTORIES IN LONDONDERRY, NH, AND EXPANSION IN SKOWHEGAN, ME



2024
NEW BALANCE FOUNDATION EXCEEDS $150 MILLION IN GIVING



MADE

In 2024, New Balance was proud to own and operate six athletic footwear factories in the United States and the UK (MADE factories) where our associates manufactured some of our most iconic and highly crafted shoes, including the 990, 991, 993, and 1500.

Commitment to domestic manufacturing

New Balance MADE is an integral part of our company heritage and culture. Our MADE product line inspires creativity and product innovation, and helps us meet our significant global consumer demand. We take great pride in the ingenuity and craftsmanship of our skilled associates who work in our MADE factories.

MADE in USA

New Balance is the only major athletic shoe manufacturer that has consistently maintained factories in the United States. In 2024, more than 1,100 associates worked across our five manufacturing facilities in New England — three in Maine (Norridgewock, Norway, and Skowhegan) and two in Massachusetts (Methuen and Lawrence). In these facilities, our skilled associates carefully prepare, cut, and mold materials and components of our athletic footwear, then sew, press, and assemble those materials and components into the final products.

New Balance Made in USA footwear contains a domestic value of 70% or more. Made in USA makes up a limited portion of New Balance's US sales.



Growing U.S. footwear manufacturing

In 2024, United States Footwear Manufacturers Association (USFMA) hosted its annual meeting in California, bringing together manufacturers, suppliers, and elected officials to discuss policies and legislative opportunities to advance the U.S. footwear manufacturing industry.

"We said, listen, we can't play just defense — we want to grow this industry, so we are being more proactive in recruiting new members, getting out there and highlighting what's going on in our industry. You can see at meetings like this, supply chains for new shoes are being formed right in front of your eyes."

BILL McCANN
USFMA EXECUTIVE DIRECTOR

INCREASING U.S. PRODUCTION

As we focus on delivering strong and sustainable growth for our MADE in USA business, we identified the transformative opportunity to enhance our manufacturing associate experience by uniting our Skowhegan and Norridgewock associates at our new, expanded and re-named Central Maine facility in Skowhegan (below). The transition began in Fall 2024 and will drive best-in-class operations, expand our learning and development initiatives, and advance our One NB culture of teamwork, innovative collaboration, and community engagement.



In November 2023, New Balance began construction on a 102,000-square-foot manufacturing facility in Londonderry, New Hampshire (below). We began outfitting the new facility in late 2024 and will begin initial athletic footwear production in late 2025. As we have done at our other U.S. factories, our primary focus will be on hiring and training new associates on our unique



One NB culture and ways of working to enable a methodical and successful ramp-up of production. See the **Climate** section for information on renewable energy and sustainability features at these facilities.

Our MADE facilities exemplify our continued commitment to our U.S. and UK manufacturing footprint through innovation that enhances associate safety and product quality, and our ongoing priority of a demand-driven and responsive supply network for our MADE footwear.

EXPANDING OUR MADE SUPPLIER NETWORK

New Balance sources shoe components and materials from U.S. suppliers for our MADE in USA athletic footwear whenever feasible. We have proudly developed and maintained long-standing relationships with U.S. suppliers which employ hundreds of U.S. workers across the country. New Balance continues to innovate and expand this supplier network for our MADE in USA footwear through industry networking, government advocacy, and pilot research projects. Our active participation in industry groups such as the **United States Footwear Manufacturers Association** (USFMA) has served to highlight the importance of maintaining a U.S. textile and manufacturing base.

MADE in UK

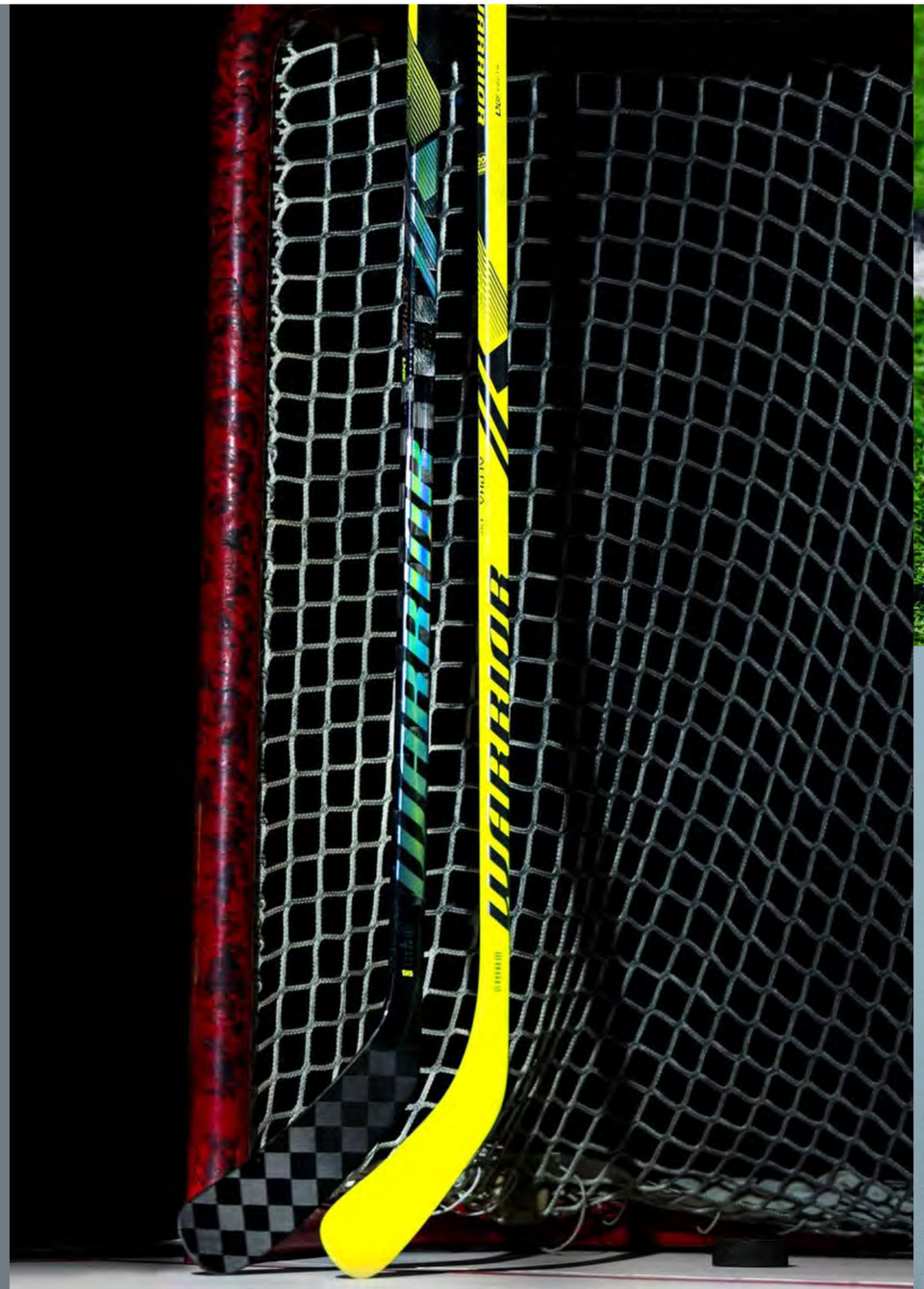
New Balance started crafting our MADE in UK footwear in 1982, incorporating technological innovation and meticulous craftsmanship into every pair of MADE in UK footwear. Our factory in Flimby, UK — a small village on the coast of the Irish Sea — employs approximately 230 associates. See the **Climate** section for information about on-site renewable energy generation in Flimby.



Warrior

Founded in 1992 and headquartered in Shelby Township, MI, Warrior Sports is recognized as one of the sporting goods industry's premier manufacturers of innovative, high performance, cutting-edge equipment for lacrosse and hockey athletes of all ages and abilities. Warrior joined the New Balance family of brands in February 2004.[1]

Warrior is dedicated to a core set of philosophies and strengths: technical superiority, grassroots marketing, original and creative youthful expression, and strong relationships with retailers and suppliers. Since creating the first titanium lacrosse shafts in 1992, Warrior continues to push the evolution of the game. By taking a fresh, energetic approach to team sports and employing enthusiastic, passionate associates, Warrior continues to push to change the sporting goods industry with its unique voice and innovative products. Warrior employs approximately 400 employees globally.







1 Warrior is an affiliate entity of New Balance and information about Warrior is included in the About New Balance, Climate, and People sections of this report, and in the SASB index.

Our Responsible Leadership strategy

"In the pursuit of progress, we embrace evolution and growth, recognizing that meaningful change knows no finish line."

ANNE DAVIS
NEW BALANCE VICE CHAIRMAN



Responsible Leadership is our approach to doing business, as we recognize our day-to-day decisions impact people and the planet.

Our Responsible Leadership strategy describes how we strive to build a better, more sustainable future. By understanding these impacts and reshaping our actions, we can intentionally improve the lives of people throughout our value chain and protect the ecosystems we rely on and live within.

Based on our assessments and feedback from internal and external stakeholders, as reviewed by our Risk Committee and senior management, our Responsible Leadership strategy currently focuses on the following six objectives:[1]

Addressing the climate crisis

We are transitioning New Balance and our suppliers to renewable energy, investing in lower-carbon materials and treatments, engaging in joint policy advocacy, and exploring ways to reduce transportation emissions. New Balance signed the Business Ambition for 1.5°C commitment in 2021, and in 2023, the Science Based Targets initiative (SBTi) approved our science-based targets for our own operations and across our value chain. In 2024, our Scope 1 and Scope 2 data was assured by an independent third party. Details can be found in the Assurance Statement on our Governance and Policies page.

Protecting water resources

We are collaborating with our supply chain to eliminate harmful wastewater effluent, particularly in our Tier 2 supply chain, which has the biggest impact. We are also working with suppliers to reduce freshwater consumption, primarily through the adoption of lower-impact dye methods.

Building a circular economy

We are committed to breaking free from the traditional linear consumption cycle by embracing approaches that emphasize circularity. Our focus is on reducing production waste, incorporating recycled feedstock, and extending product life to keep products and materials in circulation for as long as possible.

Cultivating our One NB culture

Our everyday actions create an environment where collaboration is valued and each associate is respected. We foster a skilled talent pipeline, support a continuous learning environment, build a team-driven culture, and ensure transparency. We create equitable advancement opportunities within our company to forge a better tomorrow for all.

Ensuring fair and decent work in our supply chain

We are raising standards across our supply chain, ensuring compliance with our Supplier Code of Conduct and promoting best practices beyond basic compliance. Our comprehensive supplier program enables progress on fair compensation, prevents forced labor, and promotes fair recruitment practices. We also work with our strategic suppliers to establish workplace dialogue programs and provide educational opportunities to empower women working in their factories.

Advancing communities and youth through sport

We dedicate ourselves to making a difference in the lives of young people and communities through our corporate giving and New Balance Foundation (NBF).[2] NBF's grantmaking invests in organizations that increase access to sport, educational support, career readiness, and overall well-being and programs grounded in measurable, data-driven initiatives addressing complex social issues. In 2024, NBF donated more than $12 million to 90 NGOs globally.

1 We have re-ordered our Responsible Leadership strategy descriptions and the sections in this year's report to align with future CSRD reporting requirements.

2 Includes New Balance Foundation and New Balance Foundation International.



Our Responsible Leadership targets and progress

Key
- Achieved
- On target
- Needs attention

For high-impact and high-risk areas, we have set ambitious and transparent targets to create positive change.

SUPPLY CHAIN / HUMAN RIGHTS

Metric	2024 Progress
By 2026, collect wage data, measure living wage progress, and publish results for all strategic footwear suppliers and select strategic apparel suppliers	Data collected and gaps measured
By 2027, 100% of workers in our Tier 1 supply chain will have access to a workplace engagement program	58%
By 2027, 100,000 women workers in our Tier 1 supply chain will participate in training and education programs for personal and career development	11,000
By 2025, trace 25% of total material volume to the Tier 2 supplier level and 50% by 2026	13%

CLIMATE

Metric	2024 Progress
By 2030, reduce Scope 1 and 2 emissions by 60%[1]	34% reduction from baseline
By 2030, reduce Scope 3 emissions by 50%[2]	27% increase from baseline
By 2025, source 100% renewable electricity for owned operations	90%

WATER

Metric	2024 Progress
By 2025, eliminate the discharge of hazardous chemicals in water	97%

WASTE

Metric	2024 Progress
By 2025, divert 100% of waste from landfill in our Tier 1 and owned footwear factories	87% diverted

DESIGN AND DEVELOPMENT[3]

Metric	2024 Progress
By 2030, source 100% preferred polyester, with 25% of recycled fibers derived from textile waste	67% preferred 8% from textile waste
By 2030, source 100% preferred leather	93%
By 2025, source 100% preferred cotton	91%
By 2030, utilize 80% preferred midsole and 90% preferred outsole compounds	39% midsole 40% outsole

PRODUCT CHEMISTRY[4]

Metric	2024 Progress
By 2025, eliminate the use of hazardous chemicals	77%

NEW BALANCE FOUNDATION (NBF)[5]

Metric	2024 Progress
Donate $11 million in 2024 from NBF to non-profits[6]	$12.2 million
Serve 15 million individuals annually through non-profits funded by NBF	25 million
Serve 3 million individuals annually directly through programs funded by NBF	4 million
At least 30% of people served fall below the poverty line	70%
Empower 1.5 million young people annually through NBF-funded programs	2.7 million

1 Compared to 2019 baseline. 2024 data includes Warrior for the first time.

2 Compared to 2019 baseline. Our Scope 3 reduction goal applies to Category 1: Purchased Goods & Services and Category 4: Upstream Transportation & Distribution emissions, which typically account for 80%–90% of our total Scope 3 footprint.

3 See **Design and development** section for definition of preferred materials and details on product exclusions.

4 See **Product chemistry** section for details on metric.

5 See **Our communities** section for details on how targets are defined and measured.

6 Includes New Balance Foundation and New Balance Foundation International.

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Climate

The changing climate affects lives worldwide, underscoring the urgent need for meaningful, collective action. In line with efforts to limit global warming and drive decarbonization, we have set ambitious goals and are advancing key pathways toward a lower-carbon future.

We are committed to understanding and reducing the environmental impact of our business, from product design through manufacturing to transportation and product end-of-life. By focusing on the most resource-intensive parts of our business, we can make strategic decisions to bring about change. We have built our climate action response around these six key areas.

OUR CLIMATE ACTION RESPONSE: SIX AREAS OF MEANINGFUL CHANGE

1: Energy efficiency and renewable energy

Reducing emissions starts with energy. We are working within our own operations and across our supply chain to use less energy, electrify processes, and shift toward renewables.
(See **Prioritizing renewable energy**)

2: Materials

Everything we make has an impact. Our products — and the materials that go into them — are processed with energy, water, and chemicals in factories around the world. Raw materials like polyester and leather represent a significant portion of our climate footprint, so we are prioritizing materials with lower impacts and finding ways to use less.
(See **Choosing preferred materials**)

3: Longevity and circularity

We are challenging ourselves to break cycles of consumption that end at the landfill by developing closed-loop solutions for material waste and extending product use through repair and resale.
(See **Designing out waste** and **Waste**)

4: Advocacy

We are using our position as a global brand to promote broader climate action beyond our walls by engaging governments to enact better climate policy, supporting advocacy groups, and building climate awareness and action among our consumers.
(See **Advocating for climate policy**)

5: Land use

Land use plays a central role in addressing climate change, so we are exploring the role of regenerative agriculture within our leather strategy, and we are mapping our supply chain to better understand if supplier operations are located near biodiversity-sensitive areas.
(See **Choosing preferred materials**)

6: Low-carbon transportation

Moving goods to global markets has a significant carbon footprint. We are improving our data systems to better understand sources of emissions. Our strategy includes consideration of slow shipping, air freight limits, and working with vendors to transition to low-carbon fuels and improve fuel efficiency.
(See **Low-carbon transportation fuels**)

Targets

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

REDUCE SCOPE 1 AND 2 EMISSIONS[1]

2030 TARGET	2024 PROGRESS
↓60%	↓34%

REDUCE SCOPE 3 EMISSIONS[1,2]

2030 TARGET	2024 PROGRESS
↓50%	↑27%

SOURCE 100% RENEWABLE ELECTRICITY FOR OWNED-OPERATIONS[3]

2025 TARGET	2024 PROGRESS
100%	90%

1 Compared to a 2019 baseline. For more detail on the baseline see **page 14**.
2 Our Scope 3 reduction goal applies to Category 1: Purchased Goods & Services and Category 4: Upstream Transportation & Distribution emissions, which typically account for 80%–90% of our total Scope 3 footprint.
3 Our 2025 **RE100** goal only applies to New Balance operations and excludes Warrior.

Our carbon footprint

Our near-term greenhouse gas emissions (GHG) reduction targets are approved by the **Science Based Targets initiative** (SBTi), verifying that our goals align with limiting global temperature rise to 1.5°C across all scopes.

We disclose our complete emissions inventory and an overview of key climate risks and opportunities in our **CDP Report**, for which we received a B rating in 2024.

We continue to make progress against our Scope 1 and 2 reduction targets. However, the growth of our business and the expansion of our retail sites continue to impact our overall emissions. In 2024, our combined Scope 1 and 2 emissions decreased 34% from our 2019 baseline year, but they increased 62% from the prior year. Looking closer, Scope 1 emissions increased 99% and our Scope 2 emissions increased 16% compared to 2023. This was caused by our increasing retail footprint and by changes in our inventory to include Warrior emissions for the first time.

Reducing total Scope 3 emissions remains difficult as a result of business growth. Total Scope 3 emissions increased 31% from 2023 and 33% from our 2019 baseline. Our reduction target is focused on Categories 1 and 4, which have increased 31% from 2023 and 27% from the baseline.

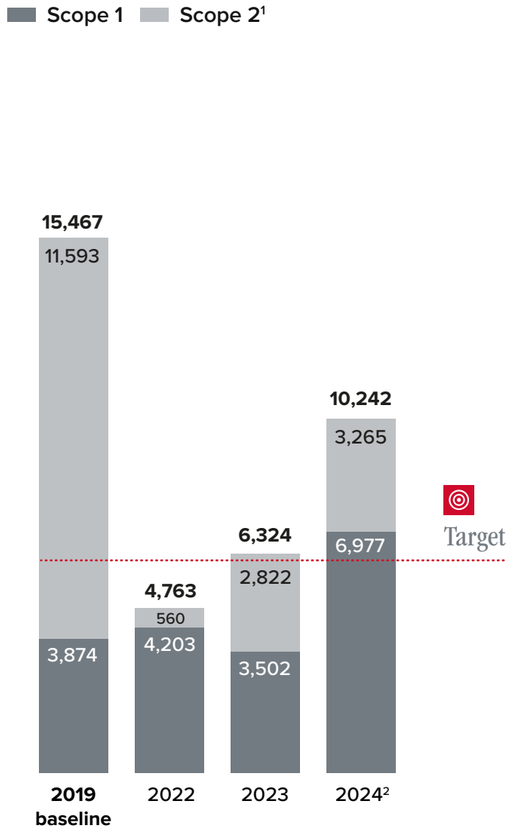
When we consider emissions intensity per revenue, 2024 increased 8% from last year but are 33% less than 2019.

Scope 1 and 2

Our 2024 Scope 1 and 2 carbon inventory covers all New Balance operations, including our Warrior affiliate for the first time. Corporate offices, owned manufacturing sites, distribution centers, and owned retail premises are all included.

In 2024, our Scope 1 and 2 emissions totaled 10,242 metric tons of carbon dioxide equivalent ($MTCO_2e$), an increase of 62% over the prior year, primarily due to growth in our retail footprint and the inclusion of emissions from Warrior, which were historically captured under our Scope 3 Category 15 emissions. We achieved limited assurance of our Scope 1 and 2 emissions for the first time this year. A copy of the assurance statement can be found on our **Governance and Policies page**.

SCOPE 1 AND 2 EMISSIONS ($MTCO_2e$)



1 Market-based.
2 Includes Warrior data for the first time.

GHG accounting methodology

We calculate our GHG emissions in alignment with the GHG Protocol Corporate Accounting and Reporting Standard. Scope 1 emissions are calculated by applying standard emissions factors to the quantity of fuels purchased. We track Scope 2 emissions using the market-based methodology and report progress against our goal. When consumption data is unavailable, we rely on reasonable assumptions and methodologies to estimate emissions, which we revisit and improve regularly. Some Scope 3 emissions within Category 1 are calculated using material lifecycle assessment data based on cradle-to-gate emission factors. We include primary energy data from our Tier 1 suppliers. Since 2023, we have worked with Vaayu, a climate tech and impact reduction provider, to calculate our transportation emissions for Scope 3 Categories 4 and 9. Fuel-based calculations are applied for inbound transportation using underlying logistics activity data like weight, transport mode, and distance traveled.

Improving the accuracy of our carbon footprint is an ongoing process, and we have made several changes in our 2024 GHG emissions inventory approach:

Scope 1 and 2

- We have relied heavily on estimated consumption data for our retail stores due to a lack of actual utility bill data in prior years. In 2024, we established a new process to collect utilities invoices from stores across our global portfolio, where available. Twenty-five percent of retail consumption data now comes from utility bills compared to 4% in 2023.
- In response to changes in reporting requirements, emissions from Warrior are now included within each of New Balance's respective emissions scopes. All Warrior emissions were previously captured under Scope 3 Category 15 using a revenue-based calculation.

Scope 3 Category 1

- Emissions from our leased data centers and cloud computing, which had not been captured elsewhere in prior inventory years, are now included under Scope 3 Category 1.
- Scope 3 Category 1 now includes emissions associated with waste disposal from direct Tier 1 footwear suppliers.
- There have been significant updates made to emission factors databases which we rely on for calculating the impact of our materials, specifically for leather, resulting in a decline in the material's emissions intensity.
- In Scope 3 Category 1, we updated our sole reporting to capture all components from the bill of materials and utilized primary energy data from sole workshops to customize emission factors for molding methods.
- Biomass emissions from Tier 1 suppliers are reported separately.

Improvements in our data collection and calculation methods have made it challenging to compare 2024 emissions to our 2019 baseline and also revealed slight variances in Scope 3 hot spots compared to when we initially set our Scope 3 targets. Recalculations of prior years are not possible, so we are establishing a new baseline for all scopes to track our future progress more accurately.

Scope 3

Scope 3 emissions come from our upstream and downstream operations and are reported for the categories relevant to our business. In 2024, our total Scope 3 emissions were just over 1.5 million $MTCO_2e$.

Category 1 is our most significant Scope 3 category, which includes emissions from the materials we use to make products, supplier energy use, cloud computing/data center storage, and Tier 1 supplier factory waste.

In 2024, materials represented 86% of Category 1 and 68% of total Scope 3 emissions. This includes energy used at Tier 2 supplier facilities, as our methodology relies on lifecycle emissions factors rather than being derived from primary Tier 2 energy data.

Energy used at direct Tier 1 footwear suppliers — including assembly and some sole production — accounted for 12% of Scope 3 Category 1 emissions and 10% of total Scope 3 emissions.

While we produced more units compared to last year, our materials impact increased 2.4% per unit, and Tier 1 footwear manufacturing decreased 22% per pair, suggesting a decoupling from business growth and highlighting progress in renewable energy procurement.

Category 4 emissions totaled 75,622 $MTCO_2e$, a 236% increase from 2023, driven primarily by a significant increase in the number of shipments to our warehouses. Additionally, we saw an increase in the use of air freight, which tends to be much more emissions-intensive than other modes of transport. Air freight accounted for 50% of inbound transportation emissions in 2024, compared to 35% of emissions in 2023.

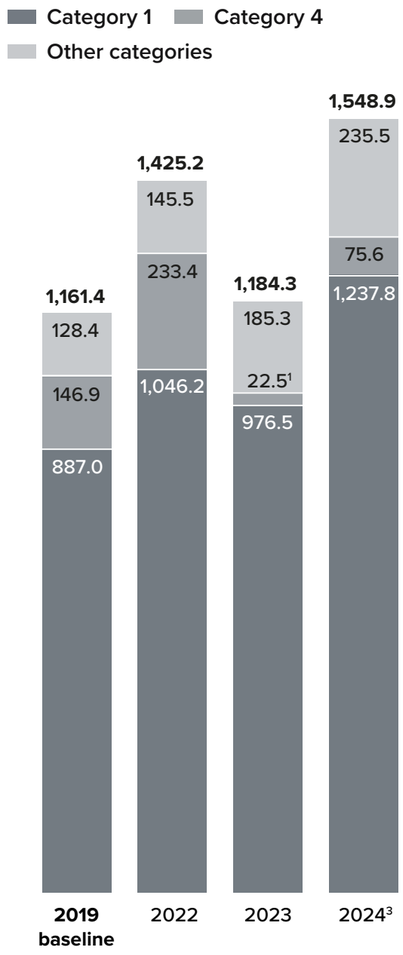
Biogenic emissions

An additional 68,050 $MTCO_2e$ of biogenic emissions were calculated and tracked outside of Scope 3 emissions per greenhouse gas accounting protocols. These originate from biomass fuels used by suppliers and from the production of bio-based materials like leather, cotton, and bio-based EVA midsole foams.

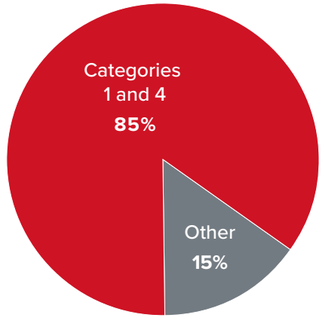
Supplier biomass fuels accounted for 37,499 $MTCO_2e$.

Biogenic emissions associated with materials accounted for 30,551 $MTCO_2e$, including land use change and land management. Removals are not included. We have only calculated these emissions where emission factors are available in alignment with the GHG Protocol's draft Land Sector and Removals Guidance. We will continue to improve upon our biogenic emissions methodology as appropriate datasets become available.

SCOPE 3 EMISSIONS (thousands $MTCO_2e$)



SOURCE OF SCOPE 3 EMISSIONS



Category	$MTCO_2e$	%
1: Purchased goods & services	**1,237,840**	**80%**
2: Capital goods	**44,060**	**3%**
3: Fuel- & energy-related activities	**3,129**	**<1%**
4: Upstream transportation & distribution	**75,622**	**5%**
5: Waste generated in operations	**2,681**	**<1%**
6: Business travel	**9,392**	**1%**
7: Associate commuting	**14,957**	**1%**
8: Upstream leased assets	**N/A**	**N/A**
9: Downstream transportation & distribution	**70,200**	**5%**
10: Processing of sold products	**N/A**	**N/A**
11: Use of sold products	**N/A**	**N/A**
12: End-of-life treatment of sold products	**89,758**	**6%**
13: Downstream leased assets	**N/A**	**N/A**
14: Franchises[2]	**1,286**	**<1%**
15: Investments	**N/A**	**N/A**

1 In 2023, our calculation method changed as we began using the Vaayu platform to calculate Category 4 and Category 9 emissions using fuel-based data to replace spend-based data.

2 New Balance does not have franchises. We report U.S. licensed stores in this category.

3 We have made significant improvements in Scope 3 data sources and associated calculation methods since 2019. We are unable to retroactively recalculate our prior inventories to reflect these improvements, including our 2019 baseline, because higher-quality data is not available for past years. These inconsistencies between data sets means we can no longer make meaningful comparisons between year-over-year emissions data. In line with our recalculation policy, we are establishing a new baseline to better track future progress against our climate goals. See page 14 for a full description of all our methodology changes.

Prioritizing renewable energy

We support the need for a global transition to clean energy. Our approach includes moving to clean energy across our owned facilities as well as expanding renewable energy use at supplier facilities. Additionally, we advocate for climate policy through dialogue with governments and business.

In New Balance facilities

As a member of **RE100**, we are committed to sourcing 100% renewable electricity for our owned operations by 2025, which includes our global offices, owned retail sites, distribution centers, and MADE footwear factories.[1] To reach our target, we seek opportunities to lower our overall electricity demand through energy efficiency efforts and are increasing procurement of renewable electricity via a portfolio of on-site and off-site solutions. Each year, our Facilities team evaluates potential energy savings projects and renewable energy opportunities with the help of our third-party energy services firm.

In 2024, our global electricity consumption across owned or operated facilities was 59,204 MWh, with 90% sourced from renewables. The only locations without renewable electricity coverage in 2024 were Australia, Japan, Singapore, and Taiwan, where energy attribute certificates were either unavailable or cost-prohibitive. Additionally, due to a change in RE100 retirement requirements, we were not able to retire purchased RECs in Ireland, and our coverage in Ireland is not counted towards our RE100 goal in 2024.

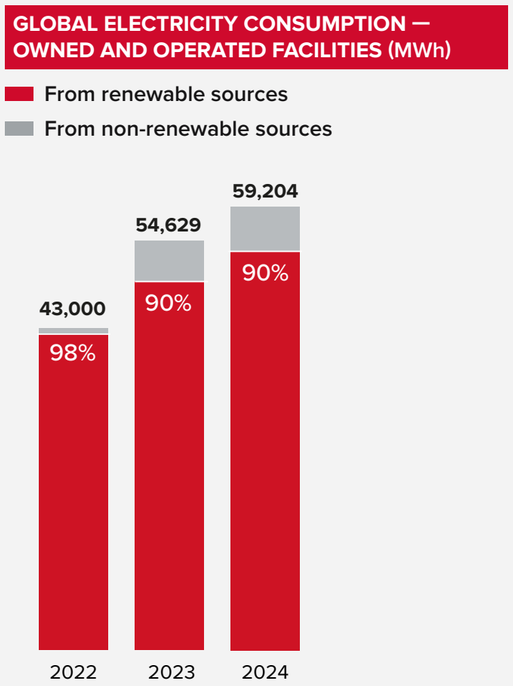
We have implemented on-site renewable energy and notable sustainability features in two of our U.S.-owned manufacturing facilities. As part of our Skowhegan factory expansion in Maine, we are installing a new 1 MW rooftop solar system, with an expected completion date in 2025. We also installed energy-efficient features, including LED lighting, low-flow toilets, and electric vehicle (EV) charging stations. In Londonderry, New Hampshire, our first fully electrified footwear manufacturing facility is set to open in 2025. Designed to LEED specifications, the site features rooftop solar panels, energy recovery systems, and connections to the local bicycling infrastructure.

New Balance's Flimby factory in the UK has been investing in renewable energy and energy efficiency, beginning with their first solar array in 2013. In 2024, 151 MWh of electricity was consumed from our rooftop solar system, representing 17% of our on-site energy needs. The addition of the new wind turbine will allow the Flimby facility to run on 100% on-site generated renewable energy. See the full story below.

We continue to support other local renewable energy generation by participating in Maine's Net Energy Billing Credit program. Through that program, New Balance is part of a consortium of public and private buyers that purchases renewable electricity from solar projects in Maine, equivalent to about one-third of our overall electricity consumption in Maine.

1 Our 2025 RE100 goal only applies to New Balance operations and excludes Warrior.

GLOBAL ELECTRICITY CONSUMPTION — OWNED AND OPERATED FACILITIES (MWh)



Wind and solar energy in Flimby

In 2024, we received approval to construct an on-site wind turbine — supplementing our solar generation — at our Flimby, UK, site. The turbine has a capacity of 1 MW, with the potential to generate up to 1.8 MWh annually. The factory's current energy demand is 1.1 MWh. The new wind turbine, combined with existing rooftop solar, will allow Flimby to generate more electricity on-site than it needs. The excess generation may be used for future electrification of thermal loads at the site or possibly applied to cover electricity needs at other locations in the UK, such as our Oxford Street store and Warrington site. We are currently finalizing several requirements in line with local legislation, including a highway survey, construction plan, and grid capacity review.

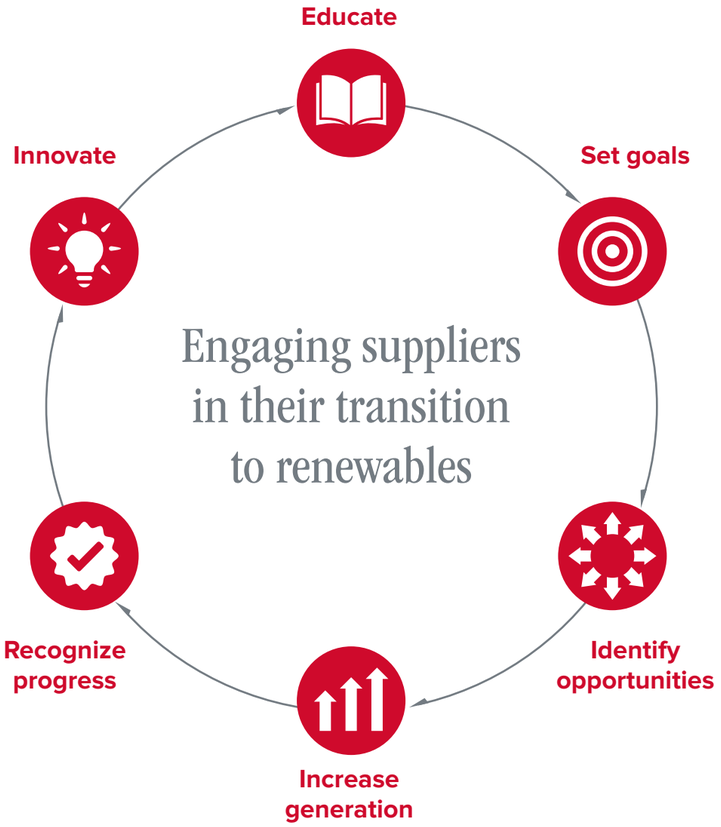


Across our supply chain

Tier 1 and Tier 2 manufacturing processes are a key source of our Scope 3 Category 1 emissions. We collect energy consumption data from these suppliers to better understand emissions across our supply chain.

Tier 1 manufacturing energy usage accounts for 10% of our total Scope 3 emissions and 13% of Scope 3 Category 1. We collect monthly data from all Tier 1 footwear suppliers and strategic Tier 1 apparel suppliers using our Environmental Impact Data (EID) system and Higg FEM. Tier 2 supplier data is gathered as part of suppliers' annual Higg FEM responses. Using the data, we support our Tier 1 and 2 suppliers in developing Energy Efficiency Plans with tailored recommendations, including suggestions for implementing energy-saving measures and moving to renewable energy alternatives.





- **Educate**
  We encourage our suppliers to educate themselves about decarbonization through the Climate Action Training (CAT) program. Developed in partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and multiple fashion brands, CAT trains and equips suppliers with tools to set emissions reduction goals and work toward achieving them.

- **Set goals**
  In 2024, we assisted suppliers in setting 1.5°C-aligned targets and creating Energy Transition Plans. Five of our supplier factory ownership groups enrolled in Cascale's Manufacturer Climate Action Program (MCAP) to develop science-aligned climate targets across their portfolio of sites. In addition to MCAP, we require our Tier 1 footwear and strategic Tier 1 apparel suppliers to build plans for reaching 80% renewable energy by 2030.

- **Identify opportunities**
  We continued our collaboration with the International Finance Corporation (IFC) to implement Phase 3 of their Vietnam Improvement Program (VIP). Phase 3 focused on identifying opportunities to reduce carbon emissions and solid waste in sole production by analyzing standard operating procedures for a mix of footwear models at five Tier 2 sole suppliers. Thirteen energy conservation measures were identified as short-term opportunities, which will lead to a carbon reduction of around 843 $MTCO_2e$ per year. Other opportunities are undergoing further analysis and could realize carbon reductions of nearly 4,500 $MTCO_2e$ per year and a material saving of 52.9 MT per year.

- **Increase generation**
  Twenty-five percent of our Tier 1 footwear suppliers now have on-site rooftop solar generation, contributing roughly 15,500 MWh of electricity in 2024 — more than twice as much as last year — and covering 3.6% of total demand. Since 2020, supplier rooftop systems have grown from 4 to 35, with total capacity increasing from 4.6 MWp to 78.7 MWp. In 2024, our suppliers collectively purchased 128,600 renewable energy certificates (RECs), reducing our Tier 1 footwear footprint by 92,849 $MTCO_2e$, or 37.1%. New policy and market mechanisms in China are making renewable energy more accessible. As a result, our Tier 1 footwear suppliers in the region purchased 5,700 MWh, and increased their percentage of renewable energy used in 2024 to 5.2%.

- **Recognize progress**
  To encourage renewable energy adoption by our suppliers, we have included renewable electricity use as a key metric within the Sourcing team's supplier scorecard.

- **Innovate**
  See the Electrification feature story on page 18 describing our work with Global Efficiency Intelligence and the Outdoor Industry Association (OIA).

Electrification

Electrification of heating processes in textile manufacturing has the potential to be a transformative step toward reducing emissions.

In 2024, we completed a feasibility assessment of electrifying heating in two textile mills in Indonesia. Findings indicated that available electrification technologies, like heat pumps and electric boilers, can deliver energy, emissions, and cost benefits when replacing current steam and hot oil boilers powered by natural gas and coal.

In addition to those individual site assessments, we worked alongside the Outdoor Industry Association (OIA) and other OIA Clean Heat CoLab member brands to co-fund a project with Global Efficiency Intelligence (GEI) that developed an open-source industry tool aimed at accelerating electrification for textile mills.

In January 2025, OIA and GEI launched the Textile Heating Electrification Tool, which allows any textile mill to conduct a feasibility analysis at their location. The only way to create a more responsible apparel and footwear industry for the future is by collaborating closely like this with peers, supply chain partners, and communities.



SUPPLIER ROOFTOP SOLAR

Metric	2022	2023	2024	Total
Rooftop systems installed (#)	8	8	6	22
Tier 1 supplier systems installed	5	6	4	15
Tier 2 supplier systems installed	3	2	2	7
Added capacity (MWp)	18.4	16.9	15.5	50.8
Tier 1 supplier capacity	14.5	14.8	9.1	38.4
Tier 2 supplier capacity	3.9	2.1	6.4	12.4

Includes: Projects tracked, completed, and operating; supported and/or verified by New Balance.
Excludes: Projects under construction and unverified information reported by suppliers in the Higg FEM.

Low-carbon transportation fuels

Our products are distributed globally, contributing transportation-related emissions to our Scope 3 footprint. As a Zero Emission Maritime Buyers Alliance (ZEMBA) member, we joined over 20 brands in collectively driving demand for low-carbon shipping solutions. In April 2024, ZEMBA concluded its first tender for ocean shipping services that achieve a 90% reduction in greenhouse gases on a lifecycle basis. Hapag-Lloyd, a global leader in container shipping, won the tender for 2025–2026 to align with the expected deployment of e-fuels by 2027. A book-and-claim system will verify and allocate the environmental benefits of the certified waste-based biomethane shipping service.

Advocating for climate policy

At New Balance, we work with industry groups and peers to drive climate action across business sectors and governments. Our policy advocacy focuses on expanding renewable energy generation capacity and safeguarding public lands.

Throughout the year, we participated in several forums and workshops in Southeast Asia. Our engagement in these sessions allows us to actively participate in the dialogue around renewable energy policy and procurement of clean energy while encouraging further collaboration among stakeholders.

We continue to be active across several industry bodies that are engaging in climate policy, including:

- **The Outdoor Industry Association (OIA):** New Balance has had a representative on OIA's Climate Action Corps Sustainability Advisory Council since 2022. We have had a representative on the Recreation Council, which advocates for increased access to and protection of recreational spaces, since 2023.
- **USAID Corporate Clean Energy Alliance (CCEA):** As a CCEA member, we have advocated with other businesses for clean energy adoption in Southeast Asia, where most of our material and finished product production occurs.
- **1% for the Planet:** Through December 2025, New Balance will donate 1% of MSRP from all Fresh Foam X Hierro v8 and Fresh Foam X Hierro GTX sold in the United States to 1% for the Planet to benefit organizations working on climate change and public lands. In 2024, these donations supported Protect Our Winters (POW) and Trust for Public Land (TPL).
- **United Nations Fashion Industry Charter for Climate Action (FICCA):** In 2024, we participated alongside industry peers in the FICCA Policy Working Group to collectively promote policies that will scale renewable energy in key supply chain markets.
- **Asia Clean Energy Coalition (ACEC):** New Balance joined ACEC, a coalition of top renewable energy buyers, sellers, and financiers working to strategically shift policy in key Asian markets to make clean energy accessible, affordable, and accountable at scale by 2030. In 2024, we participated in over a half-dozen policy engagement activities.

Our work supports these United Nations Sustainable Development Goals (SDGs).

Water

Responsible water stewardship is essential to maintain suppliers' local license to operate and, most importantly, safeguards a vital resource for current and future generations.

Target

ELIMINATE THE DISCHARGE OF HAZARDOUS CHEMICALS IN WATER[1]

2025 TARGET	2024 PROGRESS
100%	97%

1 This goal applies to New Balance's Tier 2 strategic material suppliers that have wet processes. The metric is the percent of those wet process suppliers that conform to Foundational level according to ZDHC Wastewater Guidelines, with the goal being 100%.

Manufacturing materials like leather and textiles is a water-intensive process. New Balance collaborates closely with our supplier network to minimize our collective impact on water resources by identifying water-related risks, reducing freshwater consumption, and ensuring wastewater from mills and tanneries is properly treated and safely returned to the environment.

Our ability to influence water consumption depends largely on the materials we select and the dyeing processes used. As a brand, we can best influence supplier water consumption by collaborating with suppliers to implement low-water dyeing techniques for high-volume materials. See the Design and Development section to learn about our efforts in new dyeing methods.

Discharging water responsibly

The textile industry is considered one of the largest polluters of water globally, making it crucial that all wastewater from supplier manufacturing processes is properly treated before being returned to the environment.

Suppliers can be categorized in two ways, based on whether they discharge wastewater directly or indirectly.

Direct discharge suppliers

- treat wastewater completely on-site before directly discharging it into the environment.
- are expected to meet a strict set of criteria as they represent the final treatment point.

Indirect discharge suppliers

- pretreat their wastewater and send it out for further treatment at a central effluent treatment plant (CETP).
- must meet their pretreatment permit requirements.

TIER 2 MATERIAL SUPPLIER WASTEWATER PERFORMANCE

Metric	2022	2023	2024
Total suppliers[2]			
Suppliers participating in ZDHC wastewater testing	**64**	**67**	**74**
Suppliers conforming to ZDHC Wastewater Guidelines	**58 / 91%**	**58 / 87%**	**68 / 92%**
Strategic suppliers			
Strategic suppliers participating in ZDHC wastewater testing	**19**	**28**	**38**
Strategic suppliers conforming to ZDHC Wastewater Guidelines	**17 / 89%**	**26 / 93%**	**37 / 97%**
Direct discharge			
Suppliers discharging into the environment	**27**	**28**	**30**
Suppliers in conformance	**23 / 85%**	**26 / 93%**	**27 / 90%**
Indirect discharge and zero liquid discharge			
Suppliers discharging into CETP etc.	**37**	**39**	**44**
Suppliers in conformance	**35 / 95%**	**32 / 82%**	**41 / 93%**

2 Tier 2 Total supplier data was incorrectly listed in our 2023 report as Strategic supplier data.

Visibility into CETP performance and engaging with them to influence improvements can be challenging, but we are working to improve water quality from CETPs wherever possible.

ZDHC Wastewater Guidelines

ZDHC is a multi-stakeholder organization with over 320 signatories working to eliminate hazardous chemicals from global supply chains in the textile, apparel, and footwear industries. As a ZHDC Signatory, we use the ZDHC Roadmap to Zero Programme tools and roadmaps to guide, evaluate, and improve our supply chain performance.

Our Tier 2 suppliers test their wastewater twice yearly through approved third-party laboratories to assess their conformance with the ZDHC Wastewater Guidelines. These tests measure wastewater against conventional wastewater parameters and for the presence of specific restricted substances. In 2024, 74 Tier 2 suppliers completed ZDHC testing, reflecting the highest number of suppliers assessed by New Balance to date. Among our strategic Tier 2 suppliers, 97% achieved conformance with Foundational levels — driving us closer to our target of 100% by 2025.

On-site wastewater treatment

New Balance can more easily monitor and evaluate the performance of suppliers that treat wastewater on-site before discharging it directly into the environment.

For the second consecutive year, all Tier 2 suppliers that discharged their wastewater directly achieved conformance with ZDHC Foundational Limits for conventional parameters. These include water quality indicators like biological oxygen demand, total suspended solids, and heavy metals like arsenic and lead. Additionally, 77.4% of direct discharge suppliers reached Aspirational Limits for conventional parameters, the best limit achievable.

Beyond conventional parameters, ZDHC Wastewater Guidelines include testing for restricted substances based on the ZDHC Manufacturing Restricted Substances List (MRSL). When suppliers are found to be out of conformance, we perform a root cause analysis (RCA) and create a corrective action plan (CAP) to address the issue and prevent recurrence. CAPs are tailored to each supplier's needs and may include transitioning to environmentally preferred substances or processes, or undergoing additional training.

In 2024, we identified 20 MRSL non-conformities. The most common instances involved volatile organic compounds (VOCs). All suppliers completed an RCA and implemented a CAP or are currently doing so. There were two recurrences of VOC non-conformance after RCA and CAP implementation. Regular retesting will be conducted for recurring problems in addition to the measures and mitigations provided by CAPs. Retesting results may be used to augment and extend RCAs and CAPs.

TRAINING FOR WASTEWATER PLANT OPERATORS

Appropriate and up-to-date training is essential for treatment plant operators dealing with wastewater. New Balance assesses suppliers to identify and take steps to remediate any operator skills gaps. In 2024, we commissioned and implemented a two-day training course for 25 chief operators and managers from 19 suppliers in China. Training topics included dyeing and tannery wastewater treatment processes, as well as cost reductions and efficiencies for wastewater plants. All participants passed an end-of-course exam. In 2025, we plan to scale this training program to suppliers across Vietnam and Indonesia.



Environmental violation screening

In addition to ZDHC testing, we screen China-based suppliers for environmental violations — including wastewater violations — using the Institute of Public & Environmental Affairs (IPE) Blue Map Database, a publicly accessible database compiled from government and monitoring organization reports. Alongside this, some of our strategic suppliers also screen their own supply chains, bringing the total number of sites screened to over 350. We work closely with our suppliers to investigate root causes and implement corrective actions. Environmental violations are delisted once compliance has been ensured through a formal process.

IPE BLUE MAP SCREENINGS

Metric	2022	2023	2024[1]
Violations identified in Blue Map	11	16	29
Violations remediated[2]	15	16	29

1 Records from Taiwan (R.O.C.) were added. Eighteen of the 29 violations were Taiwanese.

2 Number of remediations may exceed number of violations when a previous year's violation(s) are remediated in the following year.

Resolving violations through strategic supplier collaboration

Shanggao Chung-Jye achieved a significant breakthrough in expanding the screening and tracking of their supply chain in Taiwan (R.O.C.). In 2024, all 18 environmental violation records from nine Taiwanese suppliers were successfully resolved through close collaboration and strong commitment. The company has now identified and screened 145 entities, including material suppliers and hazardous waste and waste treatment vendors. Currently, there are no open violations in its supply chain.

In 2024, our commitment to responsible supply chain management and transparency earned us:

15TH (out of 780 companies)
IN IPE'S GREEN SUPPLY CHAIN CORPORATE INFORMATION TRANSPARENCY INDEX (CITI)

14TH (out of 1,800+ companies)
IN THE CORPORATE CLIMATE ACTION TRANSPARENCY INDEX (CATI)



Understanding microfiber impacts

Textile manufacturing, product use, and laundering release tiny textile fragments — known as microfibers — into the environment, polluting land, air, and water. As a member of **The Microfibre Consortium** (TMC), New Balance collaborates with industry peers to reduce the impact of fiber fragmentation. In 2024, we selected nine material compositions, yarn types, structures, and finishes for testing. Initial results indicated that these materials shed more microfibers than the TMC benchmark data. These findings have been added to TMC's database. The data helps us understand how selected materials respond to laundering and supports the industry's work toward eliminating microfiber pollution. We plan further testing to explore specific factors influencing the results, such as yarn type.

In 2024, the database included sites in Taiwan (R.O.C.) for the first time. In addition, 18 CETPs were added to the database, increasing our visibility to a part of the wastewater network that can be difficult to monitor. In total, 29 violations were identified, with 18 in Taiwan.

Two of our strategic Tier 2 suppliers worked directly with their CETPs to help remediate violations. As a result, two CETPs in China successfully addressed and remediated their violations and had them delisted.

See the **Product chemistry** section of this report for more information about our chemical input criteria.

Mitigating flood risks

Water-related risks, such as scarcity and flooding, are expected to increase as climate change intensifies. We assess our suppliers for water risks and develop response plans to address them. Using the World Wildlife Fund's (WWF) **Water Risk Filter maps** and additional site-specific assessments that considered operational risks, we identified that 85% of our strategic Tier 1 suppliers face flood risks. In 2024, we developed targeted training content to help at-risk suppliers effectively manage their preparedness and responses to floods. Trainings are planned to take place in 2025.

Managing freshwater consumption

We regularly emphasize the importance of water stewardship to our suppliers and actively encourage them to improve water efficiency, especially in facilities located in water-stressed regions. We gather data to better understand freshwater usage throughout our extended supply chain by using Cascale's **Higg Facility Environmental Module** (FEM). Insights into water consumption help us determine if suppliers should be enrolled in programs like Apparel Impact Institute's (Aii) **Clean by Design** (CbD) program.

In 2023, 28 strategic leather and textile material suppliers reported using a total of 15.2 million m^3 of freshwater to produce materials for New Balance and other brands. Textile mills consumed 80% of this freshwater, reinforcing the need to reduce water demand through improved practices such as better dyeing techniques. See **Design and development**.

Freshwater reduction strategies

One of our strategic Tier 2 suppliers is reducing its freshwater consumption for dyeing and finishing through the following initiatives:

- Installing 11 low liquor ratio dyeing machines, resulting in an 11.1% reduction
- Using recycled water, which accounts for 17% of its total water consumption



6 CLEAN WATER AND SANITATION

Our work supports this **United Nations Sustainable Development Goal (SDG)**.

Waste

We are exploring innovative solutions and improving processes to reduce pre- and post-consumer waste.

Waste is a significant challenge in the footwear and apparel sector, driven by high material use, inefficient production processes, poor infrastructure, and few end-of-life disposal options. At New Balance, we focus on responsible production methods, waste reduction strategies, and innovative solutions to advance a more circular and sustainable industry.

Target

WASTE DIVERSION FROM LANDFILL IN OUR TIER 1 AND OWNED FOOTWEAR FACTORIES

2025 TARGET	2024 PROGRESS
100%	87%

OUR MANUFACTURING WASTE PRIORITIES

Reduce
On-site

Reuse
On-site/Off-site

Recycle
On-site/Off-site/Upcycle

Energy recovery
Co-processed/
Waste-to-energy (WTE)

Landfill or incineration
Incineration without energy recovery/Open burn/Landfill



Pre-consumer waste

By 2025, we aim to achieve zero waste to landfill at Tier 1 and owned footwear factories.[1] We systematically review our manufacturing processes, closely monitoring sources and volumes of waste. We prioritize waste reduction where possible while pursuing more circular solutions for the waste we cannot avoid. Our internal working groups meet monthly to review waste data, highlighting opportunities to reduce waste and increase waste diversion. New Balance and our suppliers use commonly available solutions like open-loop recycling, co-processing (using waste materials as alternative fuels), and waste-to-energy incineration in our efforts to increase waste diversion. We have adopted closed-loop solutions where they exist and work with suppliers and other stakeholders to create additional opportunities. See Closed-loop solutions on **page 25**.

Waste in New Balance-owned facilities

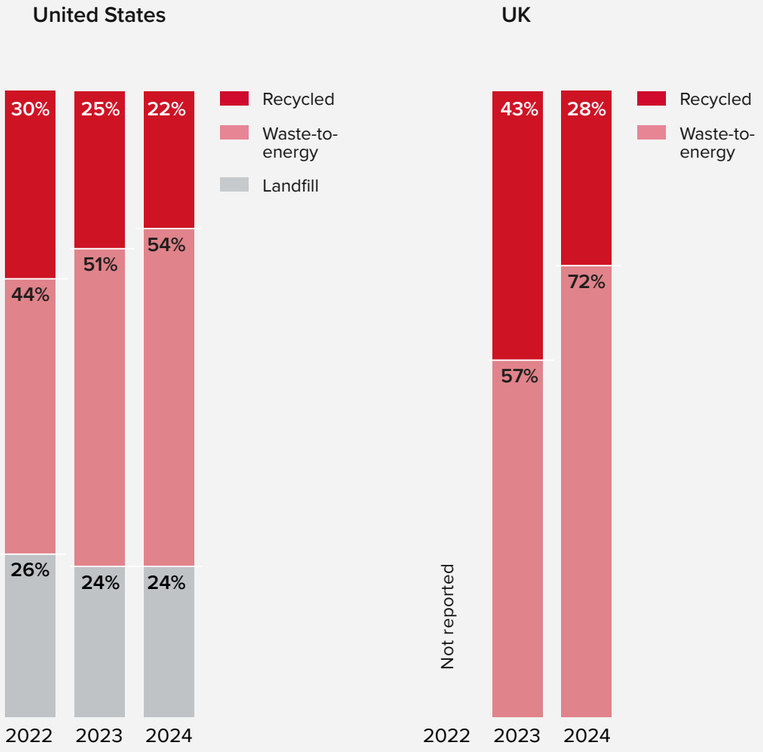
We measure and track manufacturing waste and disposal monthly from our New Balance-owned factories in the United States and UK, primarily based on data reported to us by our waste vendors.

In 2024, our U.S. factories diverted 76% of waste from landfill. The remaining 24% that went to landfill consisted primarily of leather cut scraps. We are working with partners to explore options to recycle this leather into a useful feedstock material. See Leather waste under Closed-loop solutions on **page 25**.

At our Flimby site in the UK, we have diverted 100% of production waste from landfill for the second consecutive year. We share vendor waste data monthly with our factory associates to enhance transparency on the types and volume of waste being produced and to involve them in identifying solutions. In 2025, we plan to pick one production line and examine every type of waste from the production process to analyze where and how we can continue improving.

1 Diversion from landfill also includes diversion from open burning and incineration without energy recovery. In addition to 100% diversion, we are working with suppliers to limit waste-to-energy (WTE) at 30%. We anticipate this will be difficult in the short term until more options and infrastructure are available within key sourcing markets and regions.

WASTE DISPOSAL METHOD — OWNED FACTORIES



U.S. notes: U.S.-owned factory waste data is measured and reported by waste vendors.

Includes: Solid waste generated from manufacturing (material cutting waste, domestic waste, and packaging).

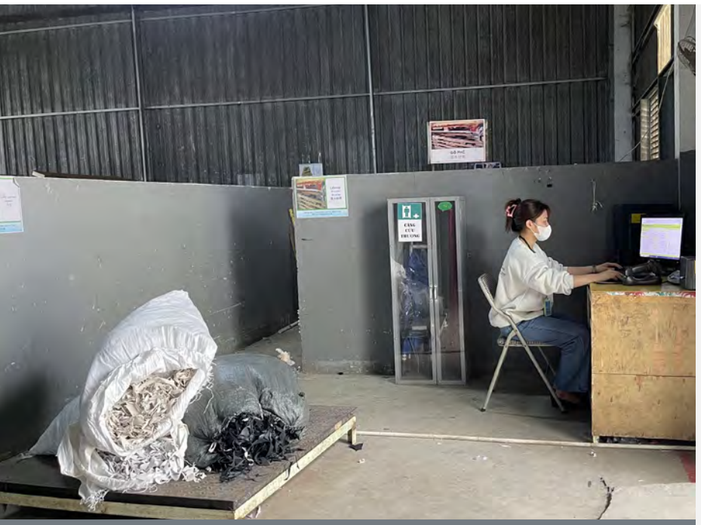
Excludes: Hazardous waste within special disposal methodology, tool/machine waste (e.g., molds, lasts, cutting dies, cutting plates), and C-grade products/components. C-grades are largely non-diverted, meaning the overall diversion rate would be slightly lower for the U.S. locations if included. Excludes offices, warehouses, and distribution centers.

UK notes: Flimby waste data is measured by the waste vendor and reported to New Balance monthly. Waste data for 2022 was not reportable due to unreliable data from our vendor, which has since been replaced.

Includes: Solid waste from manufacturing processes (material cutting waste, packaging, soft plastics, paper, cardboard, and co-mingled).

Excludes: Hazardous waste within special disposal methodology, metal waste, and waste electrical and electronic equipment.





Smart waste management

ADIANA Viet Nam Footwear Company Limited, one of our footwear suppliers, uses an automated system to improve waste tracking and management. The Smart Waste Management system categorizes approximately 40 types of solid waste during manufacturing. It connects to an auto-weigh unit, providing a real-time, transparent database that tracks material flow in and out of the facility.

Recognized as a best practice approach, the system helps suppliers categorize waste streams directly from the production line, helping identify waste reduction opportunities. A scan code classifies the waste by type, allowing recyclable materials to be repurposed and non-recyclables to be safely disposed of by waste vendors.

Waste in our supply chain

Our direct Tier 1 footwear suppliers in Asia report their waste data each month. Regular reporting helps us track progress toward goals and identify materials that are difficult to dispose of responsibly. For materials frequently sent to landfill, we explore opportunities for recycling and work to develop more circular solutions. Polyurethane (PU) synthetics, laminated textiles, laminated foams, and leather continue to be the most difficult materials to divert. See Closed-loop solutions on **page 25**.

In 2024, Tier 1 footwear suppliers generated 23,740 metric tons of waste, an increase of 42% compared to 2023, which can primarily be attributed to New Balance's increased production volume. At the same time, we were able to improve our waste diversion by 27% with 88% of supplier waste diverted from landfill. The significant increase in diverted waste can be attributed to New Balance's suppliers working more closely with their waste vendors. Additionally, as regulations and policies promoting circularity expand, more responsible waste management options are now available. Our Sourcing team also closely monitors waste diversion metrics as part of their supplier scorecard.

Maximizing material use

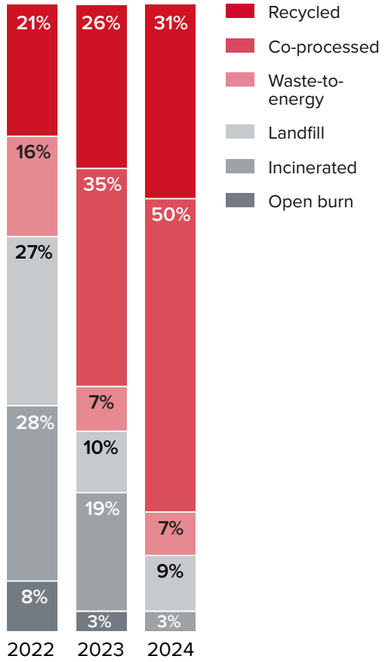
We are reducing waste by maximizing material use through thoughtful product design, skilled craftsmanship, and process innovations.

Enhanced leather cutting

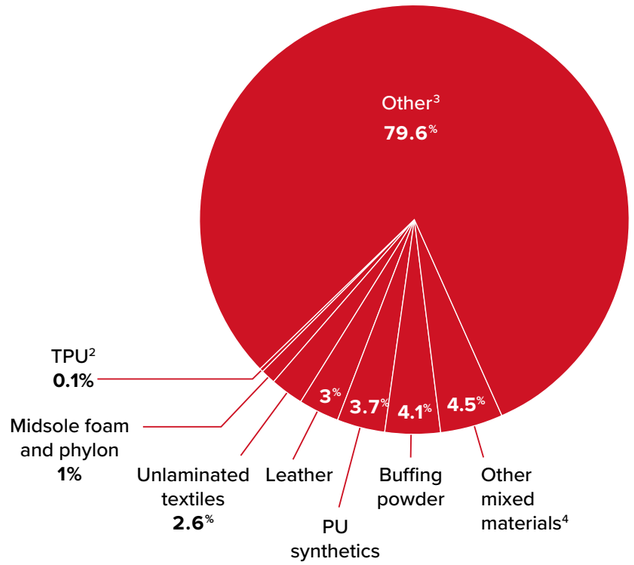
At our MADE in UK factory, our skilled leather cutters carefully assess each hide's dimensions, grain, and shape to optimize its use. A high-definition camera detects imperfections, which are then tagged before cutting to maximize material use and minimize waste.

See more about Designing out waste on **page 35**.

WASTE DISPOSAL METHOD TIER 1 FOOTWEAR SUPPLIERS[1]



NON-DIVERTED MATERIAL 2024 TIER 1 FOOTWEAR SUPPLIERS[1]



Tier 1 Footwear Supplier notes: Tier 1 footwear waste data was self-reported by factories using New Balance's environmental impact data tool and was periodically confirmed by our team during site visits. Open burn is a violation within New Balance's audit program and was eliminated before 2020. However, some suppliers in certain regions reverted to old practices during COVID-19. We worked with suppliers and were able to eradicate open burn practices again by the end of September 2023.

Includes: Solid waste generated from manufacturing (material cutting waste, domestic waste, packaging, and C-grade products/components).

Excludes: Hazardous waste within special disposal methodology and tool/machine waste (e.g., molds, lasts, cutting dies, cutting plates).

1 Totals may not add up to 100% due to rounding.
2 Thermoplastic polyurethane.
3 Includes domestic waste and non-production waste like packaging. New suppliers in 2024 had more domestic waste from canteens. And, as production waste achieves higher diversion, domestic waste constitutes a higher percentage of remaining non-diverted waste.
4 Includes production waste like mixed textiles and general unclassified waste. This percentage has reduced compared to prior years as factories improve their sorting into other categories.

Within our Tier 1 suppliers, a sourcing initiative called NB Lean encourages digital technology for cutting processes. Digital cutting uses sophisticated techniques to find the most efficient cut, increasing material utilization rates and helping to reduce waste.

Closed-loop solutions

Footwear manufacturing creates scrap and excess materials that traditionally have become waste. Using closed-loop solutions, we repurpose waste into a feedstock to manufacture new New Balance products, reducing the need for virgin resources.

We are using closed-loop processes with three of our top waste stream materials: outsole rubber, midsole ethylene-vinyl acetate (EVA), and textiles. In 2024, closed-loop recycling of EVA and rubber waste back into the production processes accounted for around 3% (704.0 metric tons), up from 1% (166.7 metric tons) in 2023.

Outsole rubber waste

We actively divert rubber waste from landfill by recycling it on a large scale and incorporating it back into our rubber components, reducing the need for new raw materials. In 2024, 40% of the outsole components produced for our shoes featured this technology. We use recycled outsole rubber waste in our new outsoles in two different ways:



- **Multicolored applications:** These applications take outsoles of various colors which are then recycled to constitute up to 10% of a new outsole in its most common application (up from 5% in 2023). This gives the outsoles a speckled appearance.
- **Black applications:** These applications take black outsoles which are then recycled to constitute up to 5% of a new outsole in its most common application.

Midsole foam waste

In 2024, we experimented with adding recycled content to midsole foams. We have created midsole foams that use up to 5% recycled content while still meeting our performance requirements. These foams were used in multiple styles, including the Fresh Foam X Evoz v3, Fresh Foam X More v5, and Fresh Foam X Cruz v3.

Textile waste

Textile waste can be laminated or unlaminated. We are exploring opportunities to recycle Tier 1 polyester waste, but our focus remains on recycling Tier 2 unlaminated textile waste. We have commercialized a mechanically recycled polyester yarn made from dyed textile waste, used in webbing, insert top covers, and laces. Additionally, we worked with our suppliers to develop a thermo-mechanically recycled yarn from undyed textile waste that can be used more broadly on vamp textiles, including for the BB550v1.

One of our goals is to increase the amount of recycled content coming from textile waste instead of bottle flake. In 2023, we updated our preferred polyester goal so that 25% of recycled content will be from textile waste by 2030. In 2024, we made significant progress in adopting textile-to-textile feedstock, using it for lining materials in our Hierro v8 and v9 models. Work is ongoing to identify new areas where we can use textile waste for feedstock.

In addition to our unlaminated textile waste explorations, we also researched recycling PU foam and PU synthetics. We determined that chemical recycling is not currently a good solution for our PU foam waste.

Leather waste

In Asia, there are limited diversion options for Tier 1 cut scrap waste from tanned leather. We identified new opportunities to manage our Tier 1 leather waste in Asia and are at the early development stage of determining viability. We will continue exploring these options in 2025. In parallel, we prioritized efforts to address wet blue leather waste[1] further up the supply chain. Recycled leather has been tested, and we are targeting commercialization in 2026.

In the United States, we have continued to explore recycling options for tanned cut scrap waste from our own factories, including examining options for converting leather waste into usable material. See the **Design and development** section for more information about how we define preferred leather.

1 Wet blue leather waste is a chromium-rich solid waste from the leather tanning industry. It is considered hazardous waste and can be harmful to the environment if not disposed of properly.



Closed-loop rubber recycling

In 2024, New Balance increased the amount of closed-loop rubber material for its sole components to 10% in some compounds. However, our supplier, CJV, in Northern Vietnam, could not source Regrind rubber from other regions of Vietnam or overseas.

To address this, CJV invested in rubber recycling equipment, enabling the company to recycle rubber materials in-house. This system boosted the factory's capacity for recycling, collectively reducing waste and improving overall recycling rates. The investment reduced the need to purchase new materials and led to significant energy savings.



Reuse. Recommerce. Reconsidered.

In 2024, we teamed up with **Archive** to launch **Reconsidered** — a U.S. program designed to keep products in circulation longer.

Through the Reconsidered program, New Balance products that have either been worn or are unsellable as brand new for cosmetic reasons are given another chance. All products are inspected by our vendor **Tersus Solutions** and are cleaned if needed. Each item is given a condition grade so you know exactly what you're buying.

We are constantly exploring ways to keep products and materials in circulation as long as possible. New Balance Reconsidered is one small step to try to keep some product in circulation longer. Products that do not meet our trade-in criteria are donated to **Soles4Souls**.

Reconsidered program 2024 highlights

118
PARTICIPATING STORES

60,000+
ITEMS ASSESSED, WITH 80% SUITABLE FOR LISTING

26,500+
PRODUCTS PURCHASED

14%
OF CUSTOMERS WHO TRADED IN A PRODUCT FOLLOWED UP WITH A SECOND TRADE

46M+
IMPRESSIONS ON SOCIAL MEDIA AT LAUNCH



Post-consumer waste

Post-consumer waste is a growing concern in the footwear and apparel industry. To address this, New Balance continues to explore different approaches. To get the most out of everything that goes into making our products, we are implementing programs to extend product life as a step toward a more circular economy:

- **Repair:** New Balance Japan repaired 4,482 pairs of shoes, extending their usability, contributing to waste reduction, and promoting sustainable consumption.
- **Donation:** In 2024, we donated over 298,000 unused products to **Soles4Souls**. The surplus footwear, apparel, and accessories were from past seasons that could not be sold or did not meet the criteria of our Reconsidered program. These items were provided to people in need in Moldova, Ukraine, Turkey, and Syria. Through our global partnership with Soles4Souls, New Balance teams worldwide can efficiently donate new and gently used products, helping to reduce waste while supporting communities.
- **The Footwear Collective (TFC):** TFC is a group of brands working together pre-competitively to create a circular future for the footwear industry. New Balance worked alongside industry peers to identify and scope projects that target three key pillars of circularity: circular materials, infrastructure, and consumer behavior. These projects will provide proof-of-concept(s) for using collective action to reduce impact at scale.

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Design and development

Since 1906, quality and craftsmanship have been hallmarks of our material selection and our product design and development. Building our products more responsibly is a continuous journey.

We craft durable, high-performing products while maintaining a focus on lowering material impacts, reducing waste, and promoting longevity on the road to circularity. New Balance product teams are trained to consider different approaches to designing more sustainable products. We explore lower-impact design solutions and try to scale methods that may drive meaningful changes.

Targets[1]

SOURCE 100% PREFERRED POLYESTER[2]

2030 TARGET	2024 PROGRESS
100%	67%

25% OF RECYCLED FIBERS DERIVED FROM TEXTILE WASTE

2030 TARGET	2024 PROGRESS
25%	8%



Choosing preferred materials

Materials are the foundation of everything we design and create. Our material choices determine much of a product's performance, style, cost, and a major portion of its environmental impact.

Every material has distinct performance characteristics and a unique environmental footprint. Our internal Environmentally Preferred Material (EPM) Guide equips our teams with preferred material criteria, aligning our approach across teams and driving progress toward our preferred material and science-based emission reduction targets. We are continually exploring a wider range of recycled, natural, and lower-carbon material options to support this journey.

SOURCE 100% PREFERRED LEATHER[3]

2030 TARGET	2024 PROGRESS
100%	93%



SOURCE 100% PREFERRED COTTON[4]

2025 TARGET	2024 PROGRESS
100%	91%

UTILIZE PREFERRED MIDSOLE COMPOUNDS[5]

2030 TARGET	2024 PROGRESS
80%	39%

UTILIZE PREFERRED OUTSOLE COMPOUNDS

2030 TARGET	2024 PROGRESS
90%	40%

1 Excluded from our environmentally preferred material targets (and progress against those targets) are licensed footwear, licensed apparel, licensed accessories, apparel designed and marketed by New Balance's regional design centers (Tokyo Design Center and Manchester Design Studio), New Balance direct to team, promotional products ordered through third-party vendors, and New Balance Japan apparel and footwear.

2 Our preferred polyester is from recycled, biologically-derived, or emissions-based feedstocks. See page 29 for details.

3 Our preferred leather is chrome-free, regenerative, or considered low-emissions. See page 30 for details.

4 Our preferred cotton can be organic, recycled, or sourced through Better Cotton. We currently use a small amount of recycled cotton but do not count it as preferred in our progress until better verification is in place. We hope to include this in the future.

5 We consider entire midsole compounds to be preferred if they contain at least 3% bio-based EVA from sugarcane by weight or at least 5% recycled midsole foam by weight. Entire outsole compounds are considered preferred if they contain at least 3% bio-based content or at least 5% recycled rubber by weight. The entire weight of that compound containing bio-based or recycled content is counted toward the goal calculation, including the non-bio-based and non-recycled materials within the same compound. Midsoles and outsoles may contain multiple compounds; only the preferred compound weight is counted. See page 32 for details.

Polyester

Polyester is our most commonly used material. It is durable, lightweight, and well-suited for many footwear and apparel products, but it is conventionally derived from fossil fuels.

Our preferred polyester is from recycled, biologically-derived, or emissions-based feedstocks.[1]

We aim to source 100% preferred polyester, with 25% of recycled fibers derived from textile waste by 2030. In 2024, we made good progress toward this target and sourced 67% preferred polyester, with 8% recycled fibers derived from textile waste.

RECYCLED POLYESTER

While recycled polyester from plastic bottles has a lower impact than virgin polyester, using recycled polyester from textile waste results in an even lower impact and helps address end-of-life concerns for products and materials from within our industry.

Targets

SOURCE 100% PREFERRED POLYESTER

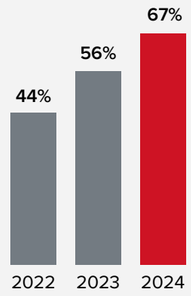
2030 TARGET	2024 PROGRESS
100%	67%

25% OF RECYCLED FIBERS DERIVED FROM TEXTILE WASTE

2030 TARGET	2024 PROGRESS
25%	8%

EPM CONSUMPTION DATA[2,3]

Preferred polyester sourced







1 Biologically-derived polyesters are from renewable resources, such as natural oils and fats. All feedstocks we source for bio-based materials must not come from human food sources. In emissions-based polyester, emissions captured from the atmosphere are converted into the building blocks for polyester in the place of fossil-based ingredients.

2 See page 33.

3 2024 is the first year that included preferred options beyond recycled content.

Leather

Leather is known for its durability and comfort, but its production process can be resource-intensive, requiring significant land, water, and chemical use.

Our preferred leather is chrome-free, regenerative, recycled, or considered low emissions.[1]

Our goal is to source 100% preferred leather by 2030. In 2024, we sourced 93% preferred leather and expanded our definition of preferred leather to prioritize lower emission sources and align with our science-based targets.

CHROME-FREE LEATHER

Tanning leather conventionally requires the use of chromium III. When disposed of improperly, chromium III may transform into chromium IV, posing a risk to human and ecosystem health. Chrome-free leather is produced without chromium III, eliminating this risk.

REGENERATIVE PRACTICES

Many of the environmental impacts of leather, such as land-use change and agricultural pollution from animal farming, originate at the farm level. Regenerative refers to leather sourced from ranches practicing regenerative agriculture and is one way to target these impacts.

Leather is one of our highest-volume material categories for footwear. While a program to establish leather sourced from regeneratively managed land did not come to fruition, we are continuing to explore leather sourced from regeneratively managed land through a variety of channels.

RECYCLING LEATHER WASTE

Leather cuttings, shavings, and trimmings are significant waste streams in our supply chain and have traditionally been challenging to divert from landfill. We are investigating innovative ways to repurpose post-industrial leather waste into new products, helping to close the loop on this material. Learn more about our efforts to recycle leather in the Waste section of this report.

LOWER-EMISSION LEATHER

We define lower-emission leather as coming from a supplier who can provide a life cycle assessment (LCA) showing an emissions factor below 18 $kgCO_2e/kg$ material. In 2024, new data was published showing a decrease in the conventional emissions factor for conventional leather. New Balance will be reevaluating what qualifies as low emissions leather to better align with the new standards.

Kangaroo leather

New Balance has ceased production of footwear containing kangaroo leather, as of the end of 2024.

1 Tanneries that supply New Balance over 1 million square feet annually must be Leather Working Group (LWG) Gold-rated, and smaller tanneries that supply New Balance under 1 million square feet must be LWG audited.

2 See page 33.

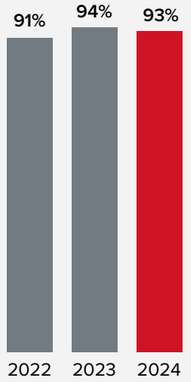
Target

SOURCE 100% PREFERRED LEATHER

2030 TARGET	2024 PROGRESS
100%	93%

EPM CONSUMPTION DATA[2]

Preferred leather sourced





Cotton

Cotton is a versatile and comfortable natural fiber. However, conventional cultivation can demand high volumes of water and agricultural chemicals, and its production can be linked to labor rights concerns.

Our preferred cotton is organic, recycled, or sourced through Better Cotton.[1]

Our goal is to source 100% preferred cotton by 2025. In 2024, we sourced 91% preferred cotton, up from 38% in 2023. Data anomalies introduced inaccuracies that caused a reduction in the 2023 preferred cotton metric. We have since corrected the cotton calculation process for 2024.

BETTER COTTON

New Balance is a proud member of **Better Cotton**. Better Cotton trains farmers to use water efficiently, care for soil health and natural habitats, reduce the use of the most harmful chemicals, and respect workers' rights and well-being. Better Cotton is sourced via a mass balance system and, therefore, may not be physically traceable to end products. Buying products sourced as Better Cotton creates demand and directly invests in improving conditions at the farm level.



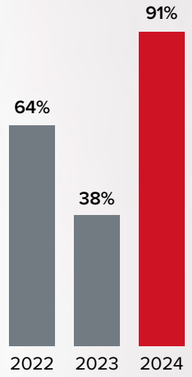
Target

SOURCE 100% PREFERRED COTTON

2025 TARGET	2024 PROGRESS
100%	91%

EPM CONSUMPTION DATA[2]

Preferred cotton sourced





1 Certified organic cotton must adhere to specific cultivation and processing standards, which restrict the use of certain chemicals and aim to safeguard local soil health and biodiversity. Organic cotton will continue to play a role within our preferred sourcing and design strategy. Recycled cotton is made from mechanically recycled scrap from pre-consumer textile waste. In 2024, New Balance used a very small amount of recycled cotton (542kg) in footwear, but we do not count that recycled cotton volume as preferred in our 2024 progress due to a lack of verification.

2 See page 33.

Soles

Footwear midsoles and outsoles represent a substantial portion of our emissions and materials demand. They also play a vital role in the performance, durability, and comfort of a shoe.

Our preferred midsole compounds contain at least 3% bio-based EVA from sugarcane by weight or at least 5% recycled midsole foam by weight.

Our preferred outsole compounds contain at least 3% bio-based content by weight or at least 5% recycled rubber.

We have set a goal to source 80% preferred midsole and 90% preferred outsole compounds by 2030. In 2024, 39% of our midsole compounds were preferred and 40% of our outsole compounds were preferred. This means, for example, that 40% of our outsole compounds (by weight) contained at least 5% recycled rubber or at least 3% bio-based content.

Outsoles and midsoles are conventionally made from synthetic materials. By using bio-based and recycled materials, we can reduce the carbon footprint of outsoles and midsoles and reduce our reliance on non-renewable fossil-based materials.

RECYCLED CONTENT

Many of our outsole and midsole compounds are made with at least 5% (by weight) of reclaimed material waste and are used across several styles and models. See the **Waste** section of this report to learn more about closed-loop solutions.

BIO-BASED CONTENT

Many of our midsole foams have had the polymer content updated with 3% sugarcane-based EVA. We expect bio-based material to be a significant contributor in helping us reach our 80% preferred midsole compound goal.

Targets

UTILIZE PREFERRED MIDSOLE COMPOUNDS

2030 TARGET	2024 PROGRESS
80%	39%

UTILIZE PREFERRED OUTSOLE COMPOUNDS

2030 TARGET	2024 PROGRESS
90%	40%





Better Molding

In addition to compounds, molding methods can play an important role in lowering the impacts of sole production. We use manufacturing processes such as injection and direct molding to create our midsoles. These processes may reduce energy demands and waste associated with sole manufacturing.

See the **Climate** section for details about our work in 2024 to identify energy and waste reduction opportunities at some of our strategic sole suppliers in Vietnam. We expect to update our preferred sole goal next year to formally include molding methods in addition to preferred compounds.



Numeric 480 featuring the use of HyphaLite™

Material innovations

Our portfolio of environmentally preferred materials is constantly evolving and growing as we aim to shift toward lower-carbon, biobased, or natural materials. An example of this in 2024 is our use of HyphaLite™ on the Numeric 480. HyphaLite, developed by ISA Next-Gen Materials, is a 100% biobased material made from certified natural latex, FSC-certified regenerated cellulose fibers and contains mushrooms. HyphaLite was used for the tongue label and the medial and lateral N logo of this shoe.

Leveraging data to drive EPM adoption

We use a data-driven approach to identify and scale design and development choices that will have a meaningful impact. Our Product Sustainability team guides our product teams to adopt best practices that align with our sustainability goals.

The New Balance Footwear EPM dashboard equips designers with real-time insights into how material selection and design decisions can influence overall product sustainability during development. The Materials Sourcing and Development teams also use the dashboard to identify gaps where we do not have clearly identified environmentally preferred alternatives.

The dashboard tracks key metrics related to material volumes, consolidation, and substitution, highlighting opportunities to reduce waste and drive higher adoption of EPMs.

EPM CONSUMPTION DATA[1]

Metric	2022	2023	2024
Preferred polyester sourced[2,3]	44%	56%	67%
Preferred leather sourced[4]	91%	94%	93%
Preferred cotton sourced[2]	64%	38%[5]	91%

1 Excluded from our environmentally preferred material targets (and progress against those targets) are licensed footwear, licensed apparel, licensed accessories, apparel designed and marketed by New Balance's regional design centers (Tokyo Design Center and Manchester Design Studio), New Balance direct to team, promotional products ordered through third-party vendors, and New Balance Japan apparel and footwear.

2 Includes textile, laces/webbing, labels, boxtoes/counters; excludes synthetic leather backers.

3 In 2023, we updated our definition of preferred polyester, which may impact year-over-year comparisons.

4 In 2024, we updated our definition of preferred leather, which may impact year-over-year comparisons.

5 Data anomalies introduced inaccuracies that caused a reduction in the 2023 preferred cotton metric. We have since corrected the cotton calculation process for 2024.

Preferred dyeing techniques

The fashion industry consumes high volumes of water, primarily in conventional dyeing and textile finishing processes. Pumping, heating, and cleaning water consumes energy and produces significant greenhouse gas emissions, which further amplify climate change and water scarcity concerns. By adopting low- and no-water dyeing techniques and introducing reduced water conventional dyeing, we reduce water, energy, and chemical consumption. Techniques include:

- **Dope dyeing:** Fibers are dyed before being knitted or woven into textiles, which reduces waste and saves energy and water. We are strategically applying this method, starting with our most used internal footwear materials. In 2024, dope dyed options became the default choice for design teams. Around 10 million yards of tricot fabric are now dope dyed per year, with plans to scale this across all shoes with tricot as a reinforcement.
- **Digital Dyeing:** A technique that prints colors and patterns directly onto undyed textiles, using significantly less water and energy than conventional dyeing and reducing the carbon footprint. By only dyeing what is needed, we can reduce deadstock materials. Any cut waste from this process remains undyed, creating valuable opportunities for closed-loop recycling in the future. In 2024, Digital Dye was commercialized on two lifestyle models and two performance models, which equates to over 500,000 pairs. By 2025, we expect this number to double.
- **Reduced water conventional dyeing:** Leveraging conventional dye equipment specifically designed to consume less water and energy, resulting in a lower-carbon footprint of the dyed materials.
- **No dye:** Using materials in their natural shade. See No dye case study at right.

These advanced methods often require different machinery, capabilties, and infrastructure compared to conventional methods. As we work to increase capacity in our supply chain, we are also pursuing shorter-term solutions to reduce water and energy use.

See the Water section of this report for more information about how we approach water stewardship.

No dye process reduces water and emissions

Using materials in their natural shade eliminates the dyeing steps of textile treatment and means fewer unique materials are needed. Compared to traditional batch dye methods, no dye demonstrates a significant reduction in water, chemical, and energy use.

In 2024, No dye insert top covers were adopted in newly developed performance and select lifestyle models.





Reduced water conventional dyeing

The material dyeing process relies on inputs like water, steam, electricity, dyes, and additives to give materials vibrant colors.

Reduced water conventional dyeing refers to methods or machines that use less water during the dyeing process. We can reduce the required amount of dyes, steam, electricity, and process time by minimizing water usage. Reduced water conventional dyeing technology uses advanced machines with improved water efficiency, reducing resource consumption and emissions without compromising quality. In 2024, 4% of our footwear polyester volume was dyed using reduced water conventional dyeing methods.

New Balance is introducing the process of reduced water conventional dyeing with a focus on our Tier 2 suppliers in Asia.

4%

VOLUME OF FOOTWEAR POLYESTER DYED USING REDUCED WATER CONVENTIONAL DYEING METHODS

Designing out waste

Our industry faces the challenge of creating more sustainable, less wasteful products while keeping pace with rapidly shifting trends. Simple, mono-material, and mono-color products are highly effective in reducing waste, yet consumer and retailer demand often leans toward more complex designs and varied aesthetics.

Our Product Sustainability team publishes how-to guides that help our product teams consider sustainability early in the development cycle, challenging them to continually improve and make choices that lead to a lower environmental impact. Designers are encouraged to reduce waste through methods such as:

- **Pattern efficiency:** Optimizing pattern design and layout to reduce cut waste between pieces.
- **Color and material consolidation:** Using the same materials and colors across product lines to reduce the number of different textiles we order.
- **Part reduction:** Eliminating a component when it is unnecessary or can be replicated with a printed feature or alternative technique.
- **Production methods:** Prioritizing processes with a lower waste footprint, such as direct molding instead of die cutting.
- **Durable design:** Implementing design features so our footwear is more durable and lasts longer.

See more about Maximizing material use to reduce waste on page 24.



Waste as a feedstock

A practical example of designing out waste can be found on the Fresh Foam X More v5 performance running shoe. The vamp mesh that is cut from around the ankle is now being used as part of the tongue of the shoe instead of going to waste.



Dematerialization hits the mark

The BB550v1 was initially reintroduced in 2020 as part of a collaboration. Originally intended to be a small-volume release, the model's popularity quickly grew, leading to increased production.

In 2024, we conducted a dematerialization exercise to reduce both the number and amount of materials used in its production. We were able to eliminate six components and reduce the size of three components. In 2025, we will undertake the same exercise with our U9060 model.

Our work supports these **United Nations Sustainable Development Goals (SDGs)**.

Packaging

Packaging ensures the integrity of our products, safeguarding them from damage during transport.

Damage during transportation and distribution can lead to significant and preventable waste. In designing our packaging, we consider environmental impact while maintaining its primary purpose of protecting the product.

Footwear packaging

Footwear packaging uses primarily paper-based materials.[1] Shoes are stuffed and wrapped in 100% recycled paper tissue to maintain their shape and prevent discoloration. They are then placed in boxes made of 90%[2] recycled cardboard, packed into cartons with 70% recycled content for distribution, and shipped to the end consumer in 70% recycled cardboard boxes.

We try to incorporate recycled materials in all our packaging. When recycled options are not available or feasible, we rely on virgin materials from certified forest programs like the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC), and the Sustainable Forestry Initiative (SFI).

The majority of our paper shopping bags in the United States and Europe are FSC- and PEFC-certified, while 100% of our shipping cartons at U.S. distribution centers meet SFI standards. FSC-certified paper is used for all specialty collaborations with our brand ambassadors and athletes.

Packsize's innovative system custom-cuts corrugated cardboard to fit products, decreasing the packaging size. Following the adoption of Packsize technology in 2023, our average amount of corrugate used per shipper in our Nashville Distribution Center decreased by 6%. In 2024, we decreased that amount by an additional 5% for a cumulative total of 11%. By reducing packaging volume, we also help improve transportation efficiency.

We continue to explore other ways to optimize our packaging to prevent unnecessary waste. For example, we are developing a molded pulp shoe box insert that will support soft foam shoes in the best position during ocean freight transport. This insert prevents cosmetic indentations, which customers sometimes interpret as damaged product, leading to returned merchandise. The insert will be 100% recyclable, eliminating the need for additional tissue packaging and reducing overall waste.

1 Stuffing tissue is 100% recycled globally, and wrapping tissue is 100% recycled for in-line packaging, which is 98% of the business. On some collab products the wrapping tissue is heavier/stronger so it requires a mix of virgin and recycled content.

2 This recycled percentage drops to 80%+ in the limited instances when collabs use foils or special finishes.



Apparel and accessory packaging

Polybags

Our primary apparel and accessory packaging has traditionally been plastic poly bags. These are strong and keep items clean and undamaged during transit from the factory to the customer, but their end-of-life solutions are limited. We aim to introduce a more sustainable alternative. In a two-year-long project, New Balance has been working with a third-party packaging vendor to develop and test an alternative packaging material made from FSC-certified 100% recyclable brown kraft paper with transparent glassine. We will trial the new packaging with our MADE in USA collection in early 2026 and are exploring options to expand to other product lines in late 2026 and 2027.

Mailing bags

In 2024, we started transitioning our e-commerce mailing bags from plastic to paper for apparel shipments. The paper-based mailers at our Nashville Distribution Center are produced on demand using Accutech automated manufacturing equipment. These paper-based e-commerce mailers are 100% recyclable.

Hangtags

We use Living Ink's Algae Black™ pigment, a renewable bio-based pigment derived from algae, in hangtag inks across all product lines. All apparel hangtags are printed onto FSC-certified 100% recycled paper and printed with Algae Black™ to enhance the tag's recyclability. We continue to explore additional opportunities for more sustainable packaging practices with Living Ink.





Product chemistry

We continuously work toward eliminating hazardous substances to conserve healthy ecosystems and protect the health and safety of consumers and workers across our supply chain.

Target

ELIMINATE THE USE OF HAZARDOUS CHEMICALS BY 2025[1]

2025 TARGET	2024 PROGRESS
100%	77%

1 Measured by the percentage of input chemicals compliant with ZDHC MRSL Level 1. Our target is 100% compliance at strategic Tier 2 material suppliers.

New Balance is committed to ensuring the safety of every substance in our products. We consider their potential impacts on the health of our consumers, factory workers, and the environment throughout the entire product life cycle — from manufacturing to use and disposal.

Promoting responsible production

New Balance has a comprehensive chemical management program to ensure our supply chain meets global regulations and to help eliminate harmful chemicals from the industry. Our Restricted Substances (RS) Program promotes compliance with our **Restricted Substances Manual** (RSM), helping suppliers make more sustainable chemical choices and adhere to best practices in chemical management. The RSM contains two lists of restricted substances:

- **The Restricted Substances List (RSL)** applies to all New Balance products, components, materials, and manufacturing processes, reflecting the strictest global regulations and aligning with the requirements of the **Apparel and Footwear International RSL Management** (AFIRM) Group. New Balance is a proud member of AFIRM, an industry association focused on reducing the use and impact of harmful substances in apparel and footwear supply chains.
- **The Manufacturing Restricted Substances List (MRSL)** applies to the chemicals used in manufacturing materials and finished products. In 2024, we adopted the **ZDHC MRSL**, which sets threshold limit values on restricted substances in chemical formulations used in facilities that process textile materials, trim parts, and leather.

These lists include over 380 substances and chemical groups identified by international regulations and recognized standards as chemicals of high concern, such as carcinogens and endocrine disruptors. We update the lists annually to ensure alignment with our own standards, industry associations, and regulatory mandates. Our suppliers, factories, and licensees must meet all the standards outlined in the RSM and sign a legally binding Certificate of Acknowledgment each year to confirm their commitment.

New Balance's Global Chemical Inventory List (CIL) provides our Tier 1 suppliers with a specific list of chemicals we approve for use in their processes. The CIL is updated quarterly, reflecting our commitment to the use of lower-impact and safer chemistries.

As the industry continues to learn more about harmful substances and chemicals, our Product Chemistry team (PCT) updates and improves our Restricted Substances (RS) Program to manage their use. Our experts work closely with our owned factories and suppliers to identify potentially problematic chemistries, assess safer alternatives, and increase the overall traceability and transparency of the chemicals used throughout our supply chain.

In 2024, the number of strategic Tier 2 suppliers included in the scope of our target increased by 35%. Additionally, the combination of new and existing suppliers has introduced approximately 2,000 new chemicals, supplementing those used in the previous year. While the majority of these chemicals conform with ZDHC MRSL Level 1 standards, we are currently conducting a thorough evaluation to ensure the compliance of several new chemicals with those requirements. This ongoing evaluation has led to a temporary decrease in the percentage of chemicals that satisfy the Level 1 standards.



Supporting safer chemistry choices

To promote the use of safer chemicals in our supply chain, we implemented the **ZDHC InCheck Program**, which screens chemicals that are used in New Balance products against the ZDHC MRSL using digital chemical inventories.

The program consists of three phases:

- **Adoption:** Onboard external platforms to enable suppliers to create digital chemical inventories
- **Implementation:** Conduct supplier awareness training sessions in association with ZDHC to educate suppliers on creating their digital chemical inventories, which can then be screened against the ZDHC MRSL to confirm compliance
- **Compliance:** Evaluate supplier digital chemical inventories against the ZDHC MRSL to ensure harmful chemicals are not being used in the New Balance supply chain

In 2024, 84 strategic Tier 2 material suppliers enrolled in the ZDHC InCheck program, reaching ZDHC MRSL Level 1 compliance. We will extend the ZDHC InCheck program scope in 2025 by including additional Tier 1 and Tier 2 suppliers.

Ensuring supplier compliance

Implementing New Balance's RS program across our Tier 1 and Tier 2 suppliers is a two-phase approach. Our suppliers' chemical management systems are evaluated through an on-site audit, followed by product testing to ensure the suppliers achieve RSL compliance per New Balance requirements.

We conduct CIL audits, RSL testing, and MRSL testing and audits, tracking results using a digital platform. If a violation occurs, New Balance works directly with the supplier to identify the underlying cause and develop a remediation and continuous improvement action plan. The RSM also provides solutions to noncompliance issues and helps guide suppliers back to compliance. The supplier has a specified amount of time to make the improvement and limit the chemicals in question. During this time, the PCT works with other New Balance departments, such as Material Sourcing, Development, and Product teams, to communicate the supplier action plan and ensure noncompliant materials and chemicals are not used in New Balance products. Any Tier 1 supplier not in compliance is audited again within three months before the next regularly scheduled audit, so that immediate action can occur.

In 2024, we conducted 200 CIL audits across all our Tier 1 footwear suppliers, including their subcontractors. These audits are conducted quarterly, and we saw a compliance rate of 95% for the year. Additionally, our Tier 2 suppliers undergo annual RSL certification audits. In 2024, the PCT performed 100 Tier 2 supplier RSL certification audits.

In 2024, the PCT tested 1,234 footwear materials, resulting in a 98.7% pass rate, and 404 apparel materials were tested with a 98.8% pass rate. The materials tested include leather, textiles, polymers, inks, chemicals, and packaging.



PFAS phase-out progress

To mitigate adverse social and environmental impacts and comply with global regulations, New Balance prohibits purchasing or using materials or chemicals containing any detectable levels of per- and polyfluoroalkyl substances (PFAS), also known as forever chemicals. As of the end of 2023, we have eliminated the intentional use of PFAS in all New Balance products.

The PCT works with chemical manufacturers and material suppliers, in coordination with our Material Sourcing and Development teams to evaluate alternatives to PFAS chemistries and polytetrafluoroethylene (PTFE) membranes to ensure no detectable levels of PFAS chemistries are present in New Balance products, while maintaining the highest levels of performance and quality possible.

In 2024, we delivered internal and supplier awareness sessions on our PFAS phase-out approach to support continued compliance in all New Balance products and across our supply chain.

Supplier training and certification

Our PCT and Responsible Leadership teams collaborate closely with suppliers to ensure they meet New Balance standards and comply with industry regulations.

Training courses

We offer online and in-person training courses and provide resources covering topics such as restricted substances, testing procedures, and chemical management best practices. All suppliers must complete training during onboarding and maintain certification annually thereafter. Annual training ensures suppliers stay up to date with the practices New Balance has in place and prevents noncompliance issues. In 2024, we trained 36 new material suppliers, reaching 100% of new and existing material suppliers through our online program.

Certification Program

Our RSL Certification Program verifies that a supplier has a robust internal program for managing chemicals and avoiding the use of restricted substances. Certified suppliers who have proven their internal control systems, provided advanced transparency into their manufacturing processes, and completed successful audits are permitted to test fewer materials each season. This program strengthens relationships between New Balance and our suppliers, improves communication, and increases transparency in the manufacturing process.

Our certification process allows suppliers to achieve one of three certification levels: gold, silver, and bronze. As of the end of 2024, we have certified 100 Tier 2 suppliers: 17 at the gold level, 35 at silver, and 48 at bronze. Currently, 23% of our suppliers are certified at one of these levels. In 2025, we plan to digitize our certification process with benchmarking against industry standards such as the chemical module within Higg FEM 4.0. This process will foster efficiency in the auditing process, enhance our certified supplier database, and support our sustainable chemical management system.



CERTIFIED SUPPLIERS

GOLD	SILVER	BRONZE
17	35	48



Taking responsibility for product safety

We uphold global safety standards through robust programs, third-party testing, and proactive engagement with industry best practices:

- Our RSM process, audits, and regular training ensure adherence to safety standards worldwide.
- Maintaining our regulatory tracking databases allows us to monitor changes and adjust our RSM and practices as needed.
- Third-party testing certifies compliance with international regulations, including the U.S. Consumer Product Safety Improvement Act (CPSIA), Chinese national standards (GB), and the Korean Certification (KC) Mark.
- Memberships in American Apparel & Footwear Association (AAFA), AFIRM, and the Federation of the European Sporting Goods Industry (FESI) help us adopt best practices and strengthen our safety initiatives.

Our PCT reviews our Product Safety Program annually to incorporate new regulatory requirements.

People

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Our culture

Our people are the heart of New Balance. Our talented associates are passionate about their craft and are committed to strengthening what makes New Balance unique — our collaborative and supportive One NB culture.

We owe our success to the thousands of dedicated associates who devote care and quality craftsmanship to each New Balance product at every step of the process — from design to factory to store. We focus on cultivating talent at all levels of the organization and commit ourselves to supporting and encouraging our associates' continued growth.

Attracting top talent

We aspire to be a global destination for top talent who align with **our purpose, values, and vision**. Our **New Balance Careers website** is designed to attract internal and external candidates, with job seekers able to search for roles in five languages. We use social media platforms like LinkedIn to showcase New Balance as a leading employer.

Our talent acquisition process allows candidates to engage with interview panels, tour facilities, and participate in in-depth conversations to gain a deeper understanding of our business, culture, and key initiatives.

Advancing careers

We are committed to providing our associates with the tools, support, and opportunities they need at each stage of their journey at New Balance. Our comprehensive career development philosophy promotes a culture of continuous learning, internal mobility, and skill-based advancement. This approach creates a dynamic work environment where associates actively contribute to their career growth and organizational success.

The Career Track is an internal tool that provides detailed Role Profiles including job responsibilities, growth opportunities, and required core skills and behaviors. Profiles help associates set meaningful goals, plan their professional development, and guide open, transparent career conversations with their managers.





Another tool, Workday Career Profiles, allows associates to create a personalized profile highlighting their work experience, achievements, skills, and career goals. The tool can send alerts about internal job opportunities that match an associate's interests and automatically include relevant skills to their application when they apply for the role.

Learning and career development

Our 11 Core Competencies are at the foundation of our career development philosophy. These competencies define the skills that align with our business strategy, guide associate performance, and outline proficiencies required at different levels.

Our learning approach follows the 70/20/10 model: 70% of learning comes from on-the-job experiences, 20% through social interactions, and 10% from formal education. The Career Track gives associates access to thousands of resources covering a wide range of development topics.

SUSTAINABILITY TRAINING

At New Balance, we believe it is important for our associates to understand their role in helping us reach our sustainability goals. Through available courses and resources, our sustainability competency training increases associates' sustainability expertise, advances their awareness of the global impact of our company's actions and decisions, and fosters collaboration across the company to address these challenges.

MERCHANDISING ACADEMY

In 2024, New Balance launched The Merchandising Academy — a global eLearning platform designed to support the company's brand-led approach by defining, educating, and continuously evolving the art and science of merchandising. The Academy offers an immersive curriculum to support teams' ongoing growth and development, aiming to build a best-in-class merchandising function. Since its launch, over 150 associates have participated.

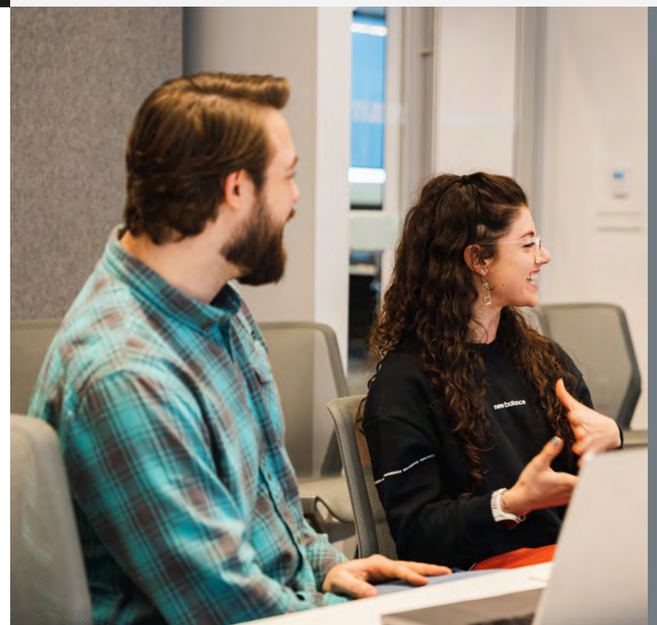
> "The time we spent participating in Merch Academy will help us stay true to our rich heritage while elevating the brand to new heights."
>
> **ERICA MORIN**
> GENERAL MERCHANDISING MANAGER

The New Balance Rock Wall

The Rock Wall, a blog presented by our Talent team, celebrates associates who have championed internal growth by developing into new roles across the business.

Marco Alves joined New Balance in 2016 and began exploring his potential by taking on new roles to increase his experience. He received ongoing support from the regional leadership team and through a combination of academic and hands-on learning, was able to navigate his career path — or Rock Wall — with confidence.

Marco enjoys contributing to the brand's growth by building and leading successful teams, creating a high-performance culture, and encouraging associates to explore internal career moves.



Developing skills for success

Through talent review conversations, strategic workforce planning, and discussions with the Leadership team, we have identified the most critical skills needed to support the long-range plan (LRP) for our business. The skills are connected through Workday, ensuring integration across the career development process. Using the LinkedIn Learning platform,[1] associates have access to courses designed to enhance their knowledge in these core areas and discover a variety of other learnings and skills. In 2024, associates completed over 2,500 LRP Skills courses.

1 Not available in China.

TEN THOUSAND COFFEES

1,664
TOTAL MEMBERS



Connecting with Ten Thousand Coffees

The New Balance Community on Ten Thousand Coffees (NB x 10KC)[1] offers virtual networking and connectivity for associates across the globe. This platform fosters new and deeper connections between associates, teams, and departments. Through NB x 10KC, associates can network with colleagues around the world, exchange ideas and share experiences, and participate in exclusive virtual events.

Virtual networking provides an innovative way to support career growth and professional development opportunities by learning from others. Throughout the year, over 4,200 associates participated in a networking session.

1 Not available in China.

Cultivating an engaged workforce

We foster an engaged workforce by helping associates build meaningful connections within the company, such as through our Ten Thousand Coffees initiative.

Gathering insight through associate feedback

An important part of our engagement strategy is understanding associates' experience. We launched our global listening strategy in 2024 using Workday's Peakon survey technology. This tool allows us to gather associate feedback on key topics such as health, well-being, career growth, change, and more. By analyzing survey insights, we can prioritize feedback, celebrate successes, and address areas for improvement — creating a better experience for associates across our global footprint.

Event-driven engagement

Our events program encourages associates to gather in person to celebrate, collaborate, and hear information firsthand from our leaders. Events like our Global Town Hall include news on product developments, consumer engagement, and panels with New Balance's team of elite athletes, as well as providing business updates. Associates worldwide can join virtually with local watch parties to build community. Events that took place during the year included:

- **North America Store Managers Meeting:** Around 200 associates and managers from retail and cross-functional teams, including 135 from the United States and Canada, gathered for the three-day meeting to focus on our North American retail vision and 2024 roadmap, alongside skills sessions and an awards evening. Associates enjoyed a favorite teambuilding activity — building and donating bikes to the Lawrence Boys and Girls Club.



Global Footwear Product Development Summit



North America Store Managers Meeting

- **EMEA Retail Summit:** Held in Malaga, Spain, over 200 associates gathered for three days of connection, collaboration, and growth under the theme Superheroes. The event celebrated collective achievements and featured sessions and workshops, including an inspiring talk by British Paralympic athlete Jack Hunter-Spivey (see story, right).
- **Global Footwear Product Development Summit:** Hosted at Boston Headquarters, the Summit explored topics including sustainability, digital operations, quality, and project updates, with the product teams taking the opportunity to share new concepts under development.
- **North America Brand Summit:** Associates celebrated New Balance's special and unique culture, experienced the power of our brand momentum, and learned about strategic plans for the future — all while building key connections with each other as One NB. The team also gave back to local youth with a skateboard build event with Numeric athletes Jamie Foy, Brandon Westgate, Tiago Lemos, and Andrew Reynolds.

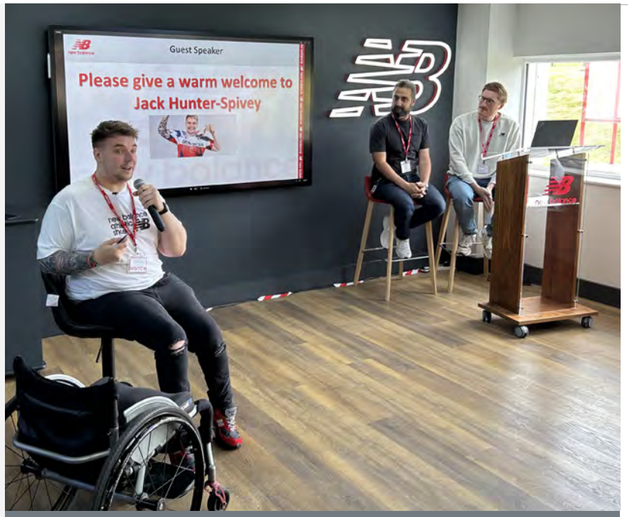
Fostering our One NB culture

At New Balance, our everyday actions create an environment where associates are seen, heard, respected, and encouraged to bring their authentic selves and talents to work.

We believe in encouraging, listening to, and amplifying all voices — opening doors for new perspectives that will shape the future of sports and culture in which all people are welcome and heard.

Education and awareness

We see education as an opportunity to enhance our culture, equipping our associates with resources to build awareness, understanding, and skills. In 2024, we offered multiple associate trainings and a variety of internal and external learning programs.



In conversation with Jack Hunter-Spivey

Associates at our Flimby factory welcomed Jack Hunter-Spivey, a Great Britain table tennis player who won gold at the 2022 Commonwealth Games in Birmingham, UK.

Born initially blind and deaf, and with cerebral palsy, Jack discovered a love of table tennis at an early age as one of the few games he could play with his non-disabled friends. He did his best on his own for a few years before joining the World Class Performance Squad.

Jack spoke movingly and honestly about his struggles with mental health at a time when he was competing at the highest level. He credits sport with saving his life and giving him a platform to share his story.

Grey Days celebrate our heritage

Grey Days spotlight the new and classic expressions of New Balance's enduring legacy in its signature color. In tribute to Grey, thousands of associates across 16 corporate, manufacturing, and distribution center locations celebrated through a global event. Associates wore their finest New Balance "groutfits" (grey outfits) and enjoyed festivities, including refreshments, photobooths, raffles, and screenings of the ***Grey Days*** short film.

Retail locations also joined the celebration, with 45 stores across the United States and EMEA hosting exclusive in-store events throughout the month. These events included early access to the WRPD Runner and 1906 styles and large projections of the *Grey Days* film.





Building community through fitness

The EMEA Run Your Way challenge encourages fitness and community building, bringing associates together to run, walk, or hike. Regional captains capture the completed distances on a leaderboard alongside photographs of the events.

In 2024, 200 associates from across nine countries — including teams from Iberia, Sweden, France, the Netherlands, Germany, Italy, the UK, and Denmark — completed a total of 24,000 km, surpassing last year's total by 1,000 km.

THE PARTNERSHIP

The Partnership, Inc. focuses on attracting, retaining, and developing professionals of color at all levels of leadership. The programs enhance the networking, strategic skills, and leadership capabilities that continue to play a critical role in ensuring professionals of color can succeed in today's global workforce. In 2024, nine New Balance associates engaged in these development programs.

WOMEN UNLIMITED

WOMEN Unlimited, Inc. (WUI) offers development programs that challenge and inspire leaders to think and act in new ways. The program experiences drive significant and subtle transformations in participants and in the senior leaders who engage throughout the process. Program leaders actively involve the managers of each program participant and, at no additional cost, provide manager sessions that enhance connection and support of managers for their participant(s) while expanding the managers' leadership capabilities. In 2024, five New Balance associates participated in WUI programs, including the first associate to participate from EMEA.

The Partnership and WUI are two of many development opportunities offered to New Balance associates.

Talent acquisition and associate growth

We welcome candidates through strategic recruitment programs and channels. As part of those efforts, we regularly review our hiring process to minimize bias. In addition, we expand our talent pool by advertising roles across a wide range of platforms.

Our long-term relationship with Pensole Lewis College of Business & Design helps us foster a pipeline of talented graduates in our industry. We also engage with candidates at the University of Massachusetts Boston (UMass Boston) and Northeastern University, as well as through our Master of Business Administration (MBA) internship program.

Associate engagement and experience

We believe an engaged workforce drives meaningful change and sparks innovation. By creating a safe, accessible, and welcoming environment, we empower our associates to build connections, foster community, and amplify their voices. This approach unlocks our full potential and propels our business forward, with every associate playing a vital role in strengthening our collaborative culture.

ASSOCIATE RESOURCE GROUPS

Our Associate Resource Groups (ARGs) include over 800 associates across nine groups. ARGs are open to all associates, associate-led, and self-directed, bringing together individuals with shared interests and backgrounds. In 2024, we celebrated the launch of our ninth ARG and our first group outside the United States — the EMEA Globe Trotters — for those who have relocated from other countries or regions.

ARGs contribute to New Balance and local communities by:

- building cohesion and creating programming around common interests and experiences.
- championing and reinforcing our culture.
- aligning with business priorities.
- participating in and advising on key initiatives.

Each ARG is sponsored by a senior leader who offers strategic guidance and mentorship. Representatives from all groups collaborate through the ARG Leadership Council to share ideas, strengthen partnerships, and establish best practices.

800+

ARG MEMBERS IN NORTH AMERICA AND EMEA



Designing with Sole

For nearly a decade, New Balance has teamed up with Pensole Lewis College in Detroit to offer "Designing with Sole," a hands-on intensive design program to broaden career pathways for underrepresented groups in our industry. The program has resulted in a career path for 230 students and 50 design interns — 21 have become full-time associates across our footwear and apparel teams — and fostered connections with hundreds of emerging designers.

Students from the 2024 Certificate Program were challenged to create industry-defining products for the next generation of female athletes. Their designs focused on historic moments in women's basketball, drawing inspiration from Cameron Brink.



Black Footwear Forum

New Balance was proud to sponsor the **2024 Black Footwear Forum (BFF) National Forum**. This landmark event brings together Black and Brown professionals, students, executives, allies, and supporters to foster community and drive the industry toward greater belonging.

U.S. ASSOCIATE REPRESENTATION — RACIAL AND ETHNIC DIVERSITY[1]

	2022	2023	2024
American Indian or Alaska Native	0.4%	0.6%	0.6%
Asian (Not Hispanic or Latino)	3.9%	4.0%	4.8%
Black or African American (Not Hispanic or Latino)	9.1%	10.4%	11.2%
Hispanic or Latino	26.0%	26.6%	26.9%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0.3%	0.3%	0.4%
White (Not Hispanic or Latino)	56.7%	53.9%	52.1%
Two or more races	1.9%	2.3%	2.3%
I do not wish to answer	1.4%	1.5%	1.6%
(Blank)	0.3%	0.3%	0.2%

U.S. ASSOCIATE REPRESENTATION — GENDER

	2022	2023	2024
Women	50.7%	49.7%	48.8%
Men	49.2%	50.2%	51.0%
Not declared	0.1%	0.1%	0.2%

U.S. DIRECTOR AND ABOVE REPRESENTATION — RACIAL AND ETHIC DIVERSITY[1]

	2022	2023	2024
Asian (Not Hispanic or Latino)	3.1%	3.7%	4.5%
Black or African American (Not Hispanic or Latino)	1.9%	1.6%	0.5%
Hispanic or Latino	2.5%	2.1%	2.5%
White (Not Hispanic or Latino)	91.9%	91.6%	91.6%
(Blank)	0.6%	1.1%	0.5%

U.S. DIRECTOR AND ABOVE REPRESENTATION — GENDER

	2022	2023	2024
Women	35.0%	37.9%	37.5%
Men	65.0%	62.1%	62.5%

1 Totals may not add up to 100 due to rounding.

Data and metrics

Our dashboard, available to all associates, provides data about our U.S. workforce.



Conversations Amongst Us

Conversations Amongst Us is designed to create opportunities for exploration and inspiration, connecting Creative Director Joe Robinson of Joe Freshgoods, New Balance athletes, collaborators, and Black Soles associates at the intersection of sport and culture to create a spirit of possibility within the industry.

In Portland, OR, New Balance hosted an engaging evening for local high school and college students and young Black creatives. The event offered a platform for open and honest discussions with Joe Robinson, acclaimed artist Aminé, and members of New Balance's Black Soles ARG. Joe and Aminé shared candid insights on hometown pride, the true meaning of friendship, and the process behind successful collaborations.

Performance

We equip our managers with training to bring out the best in their teams. Over 75 managers have participated in regional workshops focused on building trust, providing effective feedback, and developing core management capabilities. These workshops also encourage associates to share best practices and ideas, fostering collaboration and learning.

We align performance goals, competencies, compensation, and development to support associate growth and success. Our People Performance Pay (PPP) initiative ensures at least three formal discussions annually between associates and their supervisors to review performance and set goals. Automated systems streamline the process, making performance data easily accessible to customize training and support throughout the year. The Career Track provides skills-focused courses to help associates and supervisors before a review, including Communication Fundamentals, Understanding Radical Candor, and Giving Feedback.

Competitive Total Rewards

Our compensation and benefits packages reflect the varying lifestyles and life stages of our workforce. We regularly review our compensation framework to ensure fairness, equity, and competitiveness with market standards. Alongside traditional benefits, we extend a broad spectrum of support to our associates to help manage their well-being, including access to fitness, wellness, and lifestyle[1] programs. Our employee assistance programs are designed to support associates with physical and mental health, as well as work-life services. We also provide a student loan paydown program with free counseling and up to $100 in matching loan payments.[2] At several of our Asian locations, we provide leave for marriage, childcare, and religious ceremonies, while our Flimby factory in the UK has adopted a 4-day work week.

Leadership development

New Balance's strength as a brand and company can be traced back to the leaders who supported our success in sport and craftsmanship for more than a century. Leadership development remains essential to our future growth, success, and resilient culture. We offer a comprehensive range of programs designed to cultivate and enhance exceptional leadership skills and talents.

Signature Leadership

Signature Leadership, our global leadership development program, helps associates build a pathway to leadership. The program enables participants to develop agility, creativity, and broader perspectives to advance New Balance's business objectives and culture while enhancing their leadership acumen. Twenty-two associates successfully completed their training in 2024, and an additional 24 associates will finalize their training in April 2025.

1 Available in the United States, Canada, EMEA, China, Japan, and APAC.
2 U.S. locations only. Matching loan payments available to eligible associates.

CANDID CONVERSATIONS

Candid Conversation is a forum for live conversations and panels between New Balance leadership, associates, and external experts to foster dialogue and understanding. Each conversation brings a different perspective and insights around various topics. In 2024, conversations included:

- **Taking care of ourselves and our mental health (even when we feel ok):** the transformative power of sport, and how a single act of kindness can positively impact the lives of those around us, with Tarrant Cross Child, a Canadian-based marathoner and passionate mental health advocate.
- **Understanding the mental health challenges facing youth and adolescents,** respectfully addressing those issues, promoting psychological well-being, and how adults can be good role models, with Dr. Stacy Drury, Psychiatrist-in-Chief, Department of Psychiatry and Behavioral Science, Boston Children's Hospital.



Catherine Debrunner

A Candid Conversation with Catherine Debrunner

We hosted a Candid Conversation with New Balance ambassador Catherine Debrunner to discover what drives the sportswoman's incredible success. Catherine is a five-time world champion and a six-time world record holder.

Catherine shared her experiences and the importance of representing sports and athletic apparel in a fresh, inclusive way — a relationship both she and New Balance deeply value. Teamwork emerged as a recurring theme, with Catherine underscoring the value of surrounding yourself with people you trust who communicate and work together well. She also spoke candidly about embracing challenges when results fall short, viewing them as opportunities to learn and grow.

A Friend Named Cousin

A Friend Named Cousin, a global art exhibition curated by Joe Freshgoods, explores familial connections beyond blood ties, focusing on the intricacies of chosen family and community. While the notion of the traditional family is rooted in biological relationships, familial connections can take the form of profound friendships forged through love, support, shared experiences, and mutual commitment. These artworks celebrate the significance of familial connections distinguished by choice, the construction of chosen families and communities, and the diversity that spans cultures, countries, and generations.



Our work supports these **United Nations Sustainable Development Goals (SDGs)**.

Associate Health & Safety

We protect our greatest asset — the associates crafting our products — by consistently meeting standards, assessing risks, and improving workplace conditions.

At New Balance, the health and safety of associates are fundamental to our Responsible Leadership commitment. We aim to create a safe, supportive, and thriving workplace for all through proactive programs, continuous improvement initiatives, and a focus on physical and mental health.

Health and safety management

New Balance protects associates by investing in state-of-the-art safety equipment, risk assessments, and targeted programs at New Balance-owned MADE in USA and MADE in UK manufacturing facilities and Warrior sites in the United States and Mexico.

Each facility adheres to local laws and international industry standards, including those set by the U.S. Occupational Safety & Health Administration (OSHA), the UK Health and Safety at Work (HSW) Act 1974, Reglamento Federal de Seguridad y Salud en el Trabajo, Normas Oficiales Mexicanas (NOM), and Ley Federal del Trabajo. Our Environmental Health and Safety (EH&S) management system[1] is aligned with international standards,[2] ensuring a proactive risk prevention and mitigation approach.

Across Company facilities, associates receive health and safety training, including roles such as fire marshals, CPR and first aid, and medical response emergency teams that can provide incident responder skills.

Additional EH&S requirements are included in our **Code of Business Ethics and Conduct** and **Supplier Code of Conduct**.

MADE in USA[3]

At five New Balance MADE in USA sites, we discuss associate safety during our daily team meetings and prioritize the topic in our monthly operations reviews. Teams conduct ongoing EH&S risk assessments and perform annual evaluations to identify and address the root causes of injuries, accidents, and near misses. The Health and Safety (H&S) steering committees develop and disseminate H&S goals, objectives, and targets; establish guidelines for reviewing safety incidents; and conduct periodic evaluations to ensure ongoing improvement. Safety sub-teams support the steering committees by addressing areas and processes of concern highlighted by our injury trend data. The teams conduct risk assessments, safety audits, policy reviews, and root cause analyses of past incidents. They also respond to trends identified by Health and Safety leaders and recommend appropriate actions.

MADE in UK

At the New Balance MADE in UK facility in Flimby, daily production and management meetings focus on associate safety. At leadership-level meetings, any safety issues raised are assigned an action plan. In 2024, the Flimby team completed a two-year program to assess ergonomic risks for each piece of equipment and the over 400 processes involved in the manufacturing of a shoe. Teams made adjustments to machine processes to ensure the correct ergonomic setup for associates, resulting in zero musculoskeletal injuries in the factory during the year.

We have achieved the following certifications at our Flimby manufacturing and Warrington Head Office sites:

- **ISO 14001:2015** Environmental management systems
- **ISO 45001:2018** Occupational health and safety management systems
- **ISO 50001:2018** Energy management systems

Warrior

At the Warrior site in Shelby Township, Michigan, morning manufacturing meetings address immediate safety concerns. A cross-functional monthly meeting highlights issues and provides an opportunity to review training requirements. All associates are involved so they are equipped to look out for both themselves and their teammates' safety.

At the Warrior facility in Tijuana, Mexico, all associates are engaged in managing and prioritizing safety through daily activities and regular risk assessments. The Safety and Health committee meets periodically to address areas of concern, and as required by local laws.

1 The United States and the UK use Evotix.
2 Evotix aligns to ISO 45001 and 14001. The Warrior system in Mexico aligns to NOM-030-STPS-2009, preventive services of safety and health at work-functions and activities.
3 New Balance Made in USA footwear contains a domestic value of 70% or more. Made in USA makes up a limited portion of New Balance's US sales.

Safety initiatives

New Balance and Warrior deliver comprehensive safety training through New Hire Safety orientations and monthly safety topics shared via our EH&S Compliance training calendar. Manufacturing teams receive specialized training tailored to their roles, covering machinery operation, accident prevention, chemical handling, and other critical safety protocols to ensure regulatory compliance.

Team managers provide regular safety-related communications through safety talks (or toolbox talks) on the factory floor at New Balance MADE sites. Managers use the time to facilitate discussions on specific workplace safety topics while maintaining a culture where associates are encouraged to share their own insights and observations.

MADE in USA

Monthly assemblies are conducted for associates on safety-related issues. Our EH&S newsletter complements face-to-face activities by providing safety information, product updates, news, and compliance training.

In 2024, MADE in USA adopted an operational learning, human-centric approach to managing high-potential incidents (HiPo). Teams were taught how to investigate major incidents and HiPos, focusing on effectively investigating incidents, identifying relevant information, conducting root cause analyses, and developing comprehensive action plans. The approach promotes open communication and shared responsibility, providing a safe space for associates and facilitators to collaborate in understanding incidents and finding solutions. This initiative saw 21 out of 27 actions fully executed, with positive associate and leader feedback.

Ergonomic training is prioritized for all our U.S. factory associates to prevent repetitive motion injuries and musculoskeletal disorders. The importance of early communication and timely reporting is emphasized to ensure workplace safety and prompt issue resolution. Specialized six-week targeted training is conducted for all new hires. We provide annual training on the topic alongside the Industrial Athlete program, which offers one-on-one and small group sessions with licensed physical and occupational therapists. The programs include localized language support to ensure all associates can fully participate and benefit.

MADE in UK

In 2024, self-paced learning was provided for accident investigation and root cause analysis to middle management, team leaders, and safety representatives. The training builds on New Balance's core competencies and strengthens our safety management capabilities.

Clips from the successful associate safety videos — "Safety First" and "Go Home Safe" — were incorporated into our "Welcome to Flimby" presentation, which plays on a loop in the facility. These videos personalize the importance of safety and highlight a culture of safety for site visitors.

Warrior

In Michigan, all new associates undergo safety training during orientation. Annual refresher courses are held and additional training is conducted in response to any safety incidents.

The Warrior Mexico facility holds annual mandated health and safety training for relevant teams. Feedback from regular safety reviews and audits is use to help guide training needs.

Safety audits

Monthly factory safety audits and inspections are conducted at all facilities to evaluate compliance with industry standards, internal policies, and safety regulations.

MADE in USA

The factories hold monthly live audits called Gemba Walks where key members of leadership, site safety coordinators, and EH&S team members walk the floors of our manufacturing locations to engage with associates. They look to identify any potential safety concerns and ensure safety compliance at our U.S. facilities.

The EH&S team conducted chemical audits at our owned factories in the United States with the support of the Product Chemistry team. These audits ensure that chemicals used in manufacturing have met New Balance's rigorous requirements and that they are labeled, handled, and stored correctly. The team also ensures each chemical has been entered into our SDS inventory system and gone through the appropriate approval process. See **Product chemistry** for more information.

MADE in UK

Factory safety representatives conduct bi-weekly 15-minute hazard-spotting audits, as well as annual audits. The safety representatives perform these audits alongside their regular jobs, allowing them to gain additional responsibilities, broaden their exposure to other business areas, and enhance their experience. In this role, they act as an extension of the H&S team, recommending appropriate control measures to address audit findings.

Warrior

At the Warrior Michigan site, there is a monthly site walkthrough to review our compliance with OSHA. Twice a month, a full facility inspection is conducted.

Daily layered process audits (LPA) are conducted in Mexico for leaders and auditors; bi-weekly audits focused specifically on safety issues; weekly audits for managers; and quarterly walkthroughs, which are conducted by the Safety Committee. Random audits are regularly conducted. Data from the audits is fed directly to the EH&S teams, where it is analyzed and then reported to the Operations teams, so they can take appropriate action and drive continuous improvement.

Safety performance

MADE in USA

Several mitigation strategies have been implemented to enhance workplace safety, including targeted training programs for new associates and expanded safety communication channels through health and safety modules. Initiatives like safety talks and increased hazard identification efforts during Gemba Walks further strengthen a proactive approach to minimizing risks.

In 2024 the Lost Time Incident Rate (LTIR) increased to 4.39 from 3.20, while the Total Recordable Incident Rate (TRIR) decreased to 3.9 from 4.0.

Associates are provided with a comprehensive well-being program called Life Balance, which has a permanent on-site clinic at the Maine factory and provides pop-up locations at other New Balance sites. Health resources and biometric indicators help associates keep track of their health. Around 70% of associates participate in the program and benefit from health checks and lower rates for health insurance. In 2025, New Balance aims to extend the on-site clinics to all U.S. manufacturing sites.

U.S. ASSOCIATE HEALTH AND SAFETY

	2022	2023	2024
Work-related injuries	65	98	97
Lost Time Incident Rate (LTIR)[1]	2.09	3.20	4.39
Total Recordable Incident Rate (TRIR)[2]	3.2	4.0	3.9

1 The number of lost time injuries in the period compared to the total number of hours worked during the period.
2 The number of recordable incidents per 100 full-time workers during a one-year period.

Robotics enhance efficiency and safety at NB Methuen

New Balance's Methuen factory is testing robotics capabilities to enhance associate safety and production efficiencies. Benefits of the program include:

- **Quality improvements:** Mobile robots deliver finished goods cartons to a centralized station, where quality associates check the product. The cartons then move to a case inspection station where cameras read shoe box and case labels, verify the contents, and automatically update the Shop Floor Control system. Associates now have more time to examine the product, increasing the volume inspected from 17%–29%. Additionally, the feedback time for detecting quality issues has been reduced from one hour to approximately 10 minutes — meaning fewer products with potential quality concerns are manufactured.
- **Enhanced associate safety:** Robots are more frequently lifting cases of finished goods. The number of lifts associates perform has decreased significantly, eliminating over 100,000 lifts annually and reducing the risk of injury.

Recognizing site safety coordinators

Two U.S. associates achieved health and safety certifications in 2024 and moved into new roles. Previously working as hourly associates, they are now certified H&S specialists and officials. A third associate moved into the EH&S team. Through training and career developments programs such as this, our dedicated associates build their knowledge base and skills, become valuable resources for their colleagues, and help keep our workplaces safe.

Q: How has attaining this certification impacted your work?

"Being in courses a week at a time all day every day with others who work in your field and have your struggles and wins is very humbling. I use my knowledge from all these courses daily.

Teaching others, growing others, and impacting our New Balance culture of safety is my goal. Knowledge is power, and this certification helps give me just that!"

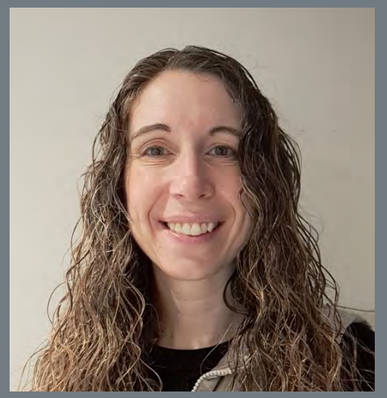
JESSICA MAINS
ENVIRONMENTAL HEALTH AND SAFETY ENGINEER

"Participating in the program has given me the opportunity to network outside of New Balance and built my confidence within the safety realm.

I enjoy training others. When you see someone have the 'ah ha' moment, it is an incredible feeling. They now understand the 'why' and they then also feel empowered to share their experience with other associates."

KERI GILMAN
SITE SAFETY COORDINATOR





Safety performance

MADE in UK

During the year, a special safety initiative was implemented enabling associates to directly report safe and unsafe observations via the safety management system portal. Over 1,000 observations were captured, with a ratio of 80 unsafe to 20 safe. Increasing access to tablets and stands will make it even easier to gather information.

In 2024, zero Reporting of Incidents, Diseases, and Dangerous Occurrences Regulations (RIDDOR) were recorded. A 49% reduction in accidents was recorded in 2024, with 28 incidents reported versus 55 the previous year. Lacerations and cuts were the most reported accident category (see story, right). An ongoing review of actions to drive safety improvements, alongside training protocols and associate-focused communications, has contributed to continued positive performance.

Warrior

In Michigan, safety information is displayed in shared areas, covering topics like avoiding slips and falls and the safe use of ladders. Annual health and safety reporting is submitted as required under OSHA. The most common incidents were related to minor cuts from utility knives.

For over a decade, Warrior Mexico has consistently been below the risk premium (PRT tax)[1] expected by the **IMSS**[2] for a company with Warrior Mexico's characteristics. In 2024, Warrior Mexico recorded one OH&S-based report for the warehouse and zero for manufacturing. Five workplace-related injuries were recorded, a reduction of 55% against 2023. The top three areas of incidents have been bumps, muscle pains, and cuts from tools.

1 PRT is an annual tax employers must pay to insure their employees against workplace accidents. PRT is calculated based on the company's line of business, history of previous accidents, and number of exposed personnel (total workers). The Instituto Mexicano del Seguro Social calculates the PRT.

UK ASSOCIATE HEALTH AND SAFETY

	2022	2023	2024
Work-related injuries	97	55	28
Total Case Incident Rate (LCIR)[3]	113.96	60.36	27.52

Reducing injury rates in the UK

In 2022 and 2023, lacerations and cuts were the most reported accident category with 25% of reported injuries from metal snips and scissors.

During 2024, the Flimby factory explored tooling options that would function as effectively but reduce the risk of cuts to hands and fingers. We identified Slice® ceramic scissors and self-opening snips, featuring a patented edge design which is effectually sharp and prioritizes safety — associates can directly touch the blade without being cut.

Representatives spent several days on-site to understand our requirements and worked alongside our associates to aid in the transition from metal tooling to ceramic tooling. Following a successful trial, Flimby have now introduced the new solution throughout the factory.



WARRIOR U.S ASSOCIATE HEALTH AND SAFETY

	2022	2023	2024
Work-related injuries	2	1	1

WARRIOR MEXICO ASSOCIATE HEALTH AND SAFETY

	2022	2023	2024
Work-related injuries	5	11	5
Disability due to work risk[4]	30	158	75
PRT	0.57	0.91	0.68

2 Mexican Social Security Institute.
3 The number of accidents in the period divided by the hours worked and multiplied by 1M.
4 Days lost due to injury or illness in the year.

A holistic approach to health and safety

Warrior Mexico works closely with the medical service, addressing incidents and preventing workplace accidents and injuries.

Associates can use the medical service to follow up on their health and non-work-related chronic conditions like high blood pressure and diabetes. Throughout the year, Warrior Mexico works with public and private health services and have health campaigns where associates can voluntarily participate and have access to free eye examinations, breast cancer screenings, sugar and blood pressures tests, vaccines, etc.

Supply chain responsibility

Our products are manufactured by suppliers and licensees across the globe. Every day, we focus on building relationships founded on trust and shared values, prioritizing the protection of people, the environment, and the integrity of our brand.

Targets

COLLECT WAGE DATA, MEASURE LIVING WAGE PROGRESS, AND PUBLISH RESULTS FOR ALL STRATEGIC FOOTWEAR SUPPLIERS AND SELECT STRATEGIC APPAREL SUPPLIERS

2026 TARGET	2024 PROGRESS
On target	Data collected and gaps measured

100% OF WORKERS IN OUR TIER 1 SUPPLY CHAIN WILL HAVE ACCESS TO A WORKPLACE ENGAGEMENT PROGRAM

2027 TARGET	2024 PROGRESS
100%	58%

WOMEN WORKERS IN OUR TIER 1 SUPPLY CHAIN WILL PARTICIPATE IN TRAINING AND EDUCATION PROGRAMS FOR PERSONAL AND CAREER DEVELOPMENT

2027 TARGET	2024 PROGRESS
100,000	11,000

TRACE TOTAL MATERIAL VOLUME TO THE TIER 2 SUPPLIER LEVEL

2025 TARGET	2024 PROGRESS
25%	13%



Our commitment to supply chain responsibility aligns with industry standards and best practices. We work closely with our suppliers — providing training, resources, and support — to drive continuous improvement in operations, quality, and productivity while upholding human rights and environmental stewardship.

Advancing supply chain transparency

Transparency in our supply chain is essential for creating safe, fair, and equitable working conditions. To provide visibility into our sourcing and manufacturing, we publish lists of our Tier 1,[1] strategic Tier 2, and licensee suppliers on **our website** and the **Open Supply Hub**, a free and open repository of retail sector supply chain data. In 2024, we worked with 151 Tier 1 direct suppliers in 27 countries, 133 strategic Tier 2 material suppliers, and 95 subcontractors.

Beyond Tier 1

A significant portion of supply chain impacts come from the activities of our suppliers' suppliers. While we do not engage with them directly, they provide essential materials and services for New Balance products.

We are implementing **TrusTrace** as a platform for mapping our supply chain more comprehensively beyond our Tier 1 suppliers, enhancing traceability and improving risk identification. All our Tier 1 footwear and Tier 2 textile suppliers have been trained to use the TrusTrace platform. Our initial pilot focused on tracking recycled polyester. By the end of October, 1,760 New Balance finished footwear purchase orders were successfully traced to the yarn level of recycled polyester fabric.

By 2025, our target is to trace 25% total material volume to the Tier 2 supplier level and 50% by 2026. In 2024 we achieved 13% toward our target.

1 Does not include New Balance-owned and affiliate factories.



New Balance uses a risk-based approach to conducting due diligence at our Tier 2 suppliers. By leveraging data from supplier self-assessments and industry risk mapping tools, we are identifying the most significant risks within our supply chain. We will continue to use risk data to inform targeted on-site assessments and provide suppliers with additional resources to ensure they continue to meet our social and environmental standards.

Holding our suppliers to a high standard

Our **Supplier Code of Conduct** sets our expectations for responsible behavior across key areas, including ethical behavior, regulatory compliance, labor practices, fair wages, and humane treatment of workers. These standards are grounded in international, national, and local laws, the United Nations' **Universal Declaration of Human Rights**, and the **International Labour Organization's** (ILO) Core Conventions. We require all our suppliers to adhere to these principles.

Our Code is available in over 40 languages and must be displayed prominently in local languages at supplier sites. Our **Supplier Standards Manual** helps suppliers effectively implement the Code and ensure alignment with international standards and best practices. We update it regularly to align with changing regulations. The Manual is available in English, Bahasa Indonesian, Chinese, and Vietnamese.

New Balance is a Fair Labor Accredited company. Accreditation by the Fair Labor Association (FLA) verifies that we have systems in place to protect the workers who manufacture our products, based on FLA's internationally recognized labor standards. The rigorous accreditation process involves a multi-year evaluation of our commitment to fair labor standards and the working conditions in our supply chain. We participated in the annual FLA Milestone 5 evaluation in 2024, with FLA verifying our continued alignment with its standards and monitoring a sample of our suppliers. See our latest reaccreditation report on the **FLA website**.

Responsible Leadership scorecard

We issue our Responsible Leadership scorecard (RL scorecard) to Tier 1 suppliers, incentivizing them to invest in three main drivers of impact:

- Management systems
- Respecting human rights
- Protecting the environment

Points are allocated based on meeting specific criteria across these three areas, allowing us to assess year-over-year impact.

Supplier assessments

New Balance and approved third parties audit supplier compliance with our standards. In addition to assessing existing suppliers, we evaluate prospective suppliers against social and environmental criteria.

In 2024, we audited 108 Tier 1 direct suppliers, representing 72% of our total, and 46 sub-contractors, or 48%. Eighty-seven percent of the audits were conducted by a third party and 13% by New Balance. Of the suppliers audited, 92% of our Tier 1 suppliers and 87% of our subcontractors achieved a passing rating. The most common violations identified during audits are related to working hours and wages and benefits (see graphs at right).

As a founding member of **Cascale** (formerly the Sustainable Apparel Coalition), we are committed to promoting the use of standard supplier assessment tools. Cascale's Higg Index suite of tools standardizes social and environmental assessments and data collection, helping brands understand and collectively improve fashion supply chains. Each year, we evaluate our suppliers using the Higg Facility Environmental Module (FEM). In 2024, 213 or 75% of our Tier 1 direct and strategic Tier 2 material suppliers completed an FEM assessment. See the **Environment** section of this report to learn more about how we use supplier data to reduce environmental impacts.

We are increasing the adoption of the **Social & Labor Convergence Program**'s (SLCP) social assessment tool, the **Converged Assessment Framework** (CAF), across all our suppliers to collect social and labor data. The assessment process consists of three stages: data collection, verification, and sharing, and helps us accurately evaluate our suppliers' compliance with our Supplier Code of Conduct.

By completing SLCP assessments, facilities can share detailed and credible data with a wide range of stakeholders, reducing the need for duplicative audits and supporting the industry to use a consistent data set. SLCP assessments start with a facility self-assessment that is then validated by an independent third-party SLCP Verifier. In 2024, around 70% of Tier 1 direct suppliers completed SLCP assessments and shared their data.

Addressing violations

We work closely with our suppliers to enhance their management systems, remedy issues, and reduce recurrences.

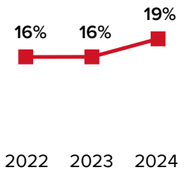
We designate 24 specific zero-tolerance violations, including child labor, locked or blocked doors, and absent or malfunctioning fire alarms. When a supplier fails an audit due to a zero-tolerance violation, we take a hands-on approach to remediation and suspend production until the issue is fully resolved.

While we work closely with our suppliers to solve the systemic problems that cause zero-tolerance violations, we may end our working relationship with any supplier failing to respond to corrective measures. We did not need to terminate any supplier relationships in 2024 due to persistent compliance violations.

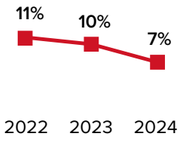
In 2024, two of the 599 total findings were zero-tolerance violations, reflecting a 0.3% priority non-conformance rate. Of these, one has been remediated, a 50% corrective action rate for priority non-conformance issues.

AUDIT FINDINGS BY ISSUE

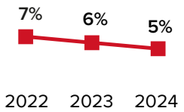
WORKING HOURS



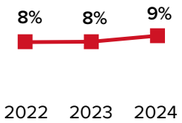
FIRE SAFETY



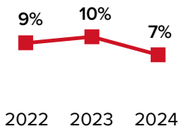
WORKING CONDITIONS



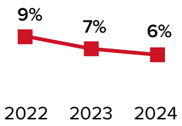
WAGES AND BENEFITS



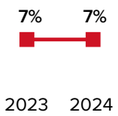
MACHINERY AND ELECTRICAL



CHEMICAL MANAGEMENT



FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING[1]



1 Data not collected in 2022.

SLCP Stakeholder Quality Assurance Program

New Balance actively participates in the Social Labor Convergence Program (SLCP) Stakeholder Quality Assurance (QA) Program, aiming to enhance data quality and integrity through user engagement and feedback. The program facilitates data sharing via ad hoc feedback, report reviews, and onsite QA activities like Shadow Verifications. These direct data inputs from New Balance help expand SLCP QA activities and improve the overall system. The QA Stakeholder Program provides NB with the opportunity to directly raise issues, get transparency on follow-up actions, and join conversations on systemic improvements. Continuous collaboration fosters transparency and accountability, strengthening data integrity and credibility.

As part of this program, New Balance commits to:

- Active Engagement: Designating a main point of contact, participating in calls with SLCP, and notifying SLCP of yearly checks on data quality.
- Ongoing Data Sharing: Sharing relevant data and feedback regularly, conducting at least one shadow verification per year, and ensuring accurate data submission.
- Program Representation: Sharing experiences with peers and acting as Program Ambassadors.

In 2024, New Balance's team undertook several key activities to support the SLCP Stakeholder QA Program:

- Sharing General Observations: The team identified six potential areas for improvement to SLCP/Verification Oversight Organization (VOO), helping to address and enhance data integrity. SLCP/VOO has thoroughly analyzed these cases and taken appropriate action where necessary.
- Shadow Verifications: Participated in three shadow verifications to observe onsite verification processes, evaluate verifier practices, and share reports with VOO.
- Stakeholder QA Program Meetings: Joined three meetings to standardize verification details, ensuring verifiers addressed at least 195 questions and corrected any inaccuracies with the collective efforts of all stakeholders.

New Balance's involvement in 2024 demonstrates our commitment to improving data quality and integrity, benefiting both the company and industry partners.

Promoting fair compensation

Creating positive change in communities worldwide is integral to our purpose. Providing fair compensation for workers in our global supply chain helps improve quality of life and supports local economies. Our Supplier Code of Conduct requires suppliers to pay at least the local minimum wage, or the applicable industry wage if higher, along with all legally mandated benefits. We actively monitor supplier compliance and provide targeted support to strategic footwear and strategic apparel suppliers.

Organizations such as the **Global Living Wage Coalition** (GLWC) calculate region-specific living wage estimates to promote higher standards of living for global supply chain workers. Unlike legal minimum wages, living wages represent compensation that enables workers to meet basic needs while providing a buffer for unforeseen expenses.[1]

Understanding current wages at our supplier facilities is a critical first step in advancing fair compensation across our supply chain. Living wage estimates are dynamic and influenced by evolving economic and social factors. As a corporate sponsor of the **Anker Research Institute**, we support their efforts to develop living wage benchmarks for emerging regions and ensure existing estimates remain current.

New Balance's fair compensation blueprint is an ongoing strategy that prioritizes living wage progress based on wage data analysis. We update it regularly to reflect progress or to address emerging challenges across the industry. The blueprint has three core components:

- ensure minimum legal compliance across the supply chain
- identify countries where workers are at greatest risk for insufficient wages
- leverage relationships with strategic suppliers to impact workers' wages positively

Our target is to collect wage data, measure living wage progress, and publish results for all strategic footwear and selected strategic apparel suppliers by 2026. This target aligns with our blueprint and the standards set by the Fair Labor Association (FLA) and other industry groups, exemplifying the importance of living wages to our internal teams and suppliers. To track progress, we use FLA's Fair Compensation Dashboard, which analyzes self-reported supplier wage data, providing insights into regional trends and guiding our improvement plans.

In 2024, we expanded our data collection efforts to gather wage information from 38 factories across Cambodia, China, Indonesia, Mexico, and Vietnam, an increase from 24 factories the previous year. This number includes all 21 strategic footwear suppliers in China, Indonesia, and Vietnam, representing over 90% of New Balance footwear by product volume. Additionally, we gathered wage data from one equipment factory in Mexico and 16 apparel factories in Cambodia, China, Indonesia, and Vietnam.

The year-over-year wage information collected helps us understand our suppliers' wage systems and progress toward a living wage, and we share our findings directly with them. New Balance works with suppliers to evaluate the steps needed to achieve a living wage. We help them identify how to address gaps relative to GLWC estimates, considering elements such as base pay, incentives, cash, and in-kind benefits.

In addition, we incentivize all suppliers to conduct their own living wage data analysis through our Responsible Leadership scorecard. In 2024, 49 suppliers completed this process.

1 According to the Global Living Wage Coalition.



BETTER BUYING™ PURCHASING PRACTICES INDEX™ SCORECARD 2024 (n=12)

Metric	Stars received	Points	Comparative analysis
Overall	★★★	77	
Planning and forecasting	★★☆	70	
Design and development	★★★☆	82	
Cost and cost negotiation	★★★★	84	
Sourcing and order placement	☆	33	
Payment and terms	★★★★	86	
Management of the purchasing process	★★★★½	95	
Win-win sustainable partnership	★★★★½	90	

◆ New Balance last cycle score ◆ Sporting goods ✛ Apparel, accessories, luxury goods benchmark

Responsible purchasing practices

Recognizing the impact of purchasing decisions on the supply chain, we collaborated with **Better Buying**, now part of Cascale, for the fourth consecutive year, to survey strategic suppliers on our practices in planning, forecasting, sourcing, and payment terms. We also provided additional internal training on responsible purchasing for all New Balance procurement associates.

In 2024, 12 supplier groups — representing approximately 70% of our Tier 1 order volume — rated our overall performance above the footwear and apparel industry averages and in line with our own performance last year.

Encouraging workplace dialogue

Cultivating a safe and secure workplace empowers workers to provide feedback to their employers without fear of retaliation. We have implemented several channels for workers in third-party factories across Cambodia, China, Indonesia, Thailand, and the UK, to safely share their concerns and feedback. This process allows us to address issues more effectively and enhance working conditions.

All factories must establish proper grievance mechanisms to comply with our Supplier Code of Conduct, and suppliers are strictly prohibited from retaliating against workers who file grievances. Workers can report and manage grievances through their company's internal grievance systems and mobile apps, such as **CompanyIQ** and **WOVO**. In parallel, these mobile apps help suppliers communicate with their workers, supporting an improved workforce dialogue. In 2024, 18 additional Tier 1 suppliers across Asia implemented the worker mobile app, bringing the total to 36 suppliers and providing access to over 140,000 workers.

To further support suppliers in strengthening their grievance mechanisms, we centralized all grievance reporting to the Responsible Leadership email **Responsible.Leadership@newbalance.com** in 2024, and phased out regional third-party hotlines. This shift enabled us to capture more concerns and improve oversight.

We enable workers to access programs aimed to improve worker satisfaction and productivity, while reducing turnover. By 2027, our target is for 100% of workers in our Tier 1 supply chain to have access to a workplace engagement program. We are on target, with 58% of workers receiving access as of the end of 2024.

New Balance's supplier assessments are aligned with the approach used by SLCP CAF and Better Work to standardize the evaluation of worker well-being and engagement. Additionally, we incentivize suppliers participating in the Workplace Dialogue (WD) program to conduct impact assessments with industry experts. The WD program teaches suppliers how to create functional workers' committees and establish effective workplace dialogue. Eight suppliers who completed the program conducted an assessment to evaluate its impact on their facilities. The suppliers compared WD objectives against their own programs to identify alignment, areas of improvement, and required actions to achieve their desired outcomes.

Advocating for worker representation

Our Supplier Code of Conduct protects workers' rights to collective bargaining and freedom of association, responsible recruitment practices, and human rights. In 2024, 56% of our Tier 1 suppliers employed workers covered by collective bargaining agreements. New Balance's commitment to fostering fair labor practices and strengthening worker representation across our global supply chain is reflected in the following activities:

- We participate in **The Americas Group**, a multistakeholder forum of brands and labor rights organizations promoting socially responsible apparel and footwear industries in the Americas.
- We provide training in Indonesia through Better Work and support the advancement of local laws through the Freedom of Association Protocol.





- We participated in advocacy meetings with the Taiwan Ministry of Economic Affairs, the Ministry of Labor, local labor organizations, and the Taiwan Textile Federation, supporting responsible recruitment practices. We also joined 49 other brands in a **letter** urging the country to support responsible recruitment of migrant workers and eliminate recruitment fees charged to workers.
- In 2024, we joined industry advocacy efforts to protect human rights in the apparel and footwear industry, led by the AAFA and FLA.
  - In Cambodia, we signed a joint **letter** to the country's government supporting the **Center for Alliance of Labor and Human Rights** (CENTRAL) organization and its leadership, advocating for freedom of association and free speech.

Preventing forced labor

Our Supplier Code of Conduct strictly prohibits forced labor, and our Supplier Standards Manual provides clear guidance on minimizing high-risk behaviors such as recruitment fees paid by workers and restricting free movement within and out of facilities. Additionally, we have reaffirmed our commitment to the **AAFA/FLA Apparel and Footwear Industry Commitment to Responsible Recruitment**.

We recognize that the risks of forced labor are higher in the indirect tiers of our supply chain. Migrant workers face heightened vulnerabilities to forced labor, and we implement additional measures to protect this group. These include supplier training on forced labor risks and indicators and the provision of standardized employment contract templates to raise awareness and prevent unethical practices.

We use the Quizrr® Ethical Employment training program to reach workers within our footwear suppliers in Vietnam and Indonesia. The program covers health and safety; ethical employment; equality; and safety and respect. To date, more than 12,500 workers have been trained, with a focus on responsible recruitment practices and workplace policies and dialogue.

We collaborate with the **Responsible Sourcing Network** and other stakeholders to support the YESS (Yarn Ethically & Sustainably Sourced) initiative. Participating mills will have access to specialized training and YESS assessments aimed at strengthening due diligence operations and sustainable sourcing practices aimed at reducing forced labor.

For more information, please see our **Human Trafficking and Modern Slavery Statement** and our other relevant **policies**.

Evaluating risks against migrant workers

In Taiwan, we identified an elevated risk of Tier 2 suppliers charging recruitment fees to foreign migrant workers. To address this, we conducted supplier self-assessments across all Tier 2 facilities to evaluate potential violations of our standards. Additionally, we joined industry efforts aimed at ensuring that foreign migrant workers in Taiwan are not charged recruitment fees. These efforts include supplier training programs and collaborative assessments with other brands to tackle this issue comprehensively.

Recently, mills producing fabrics for New Balance apparel were the subject of an investigation by a labor organization, which uncovered potential cases of foreign migrant workers paying recruitment fees. In response, we have been actively working with other buyers and human rights organizations to remediate any violations and to uphold our standards at these facilities.

Empowering women workers

Women comprise about 75% of the global garment industry workforce,[1] yet they are often underrepresented in leadership roles at work and in their communities. We remain committed to empowering women and advancing gender equality in our supply chain and the regions where we operate.

In 2024, we completed the migration from Gap Inc.'s **Personal Advancement & Career Enhancement** (P.A.C.E.) program to the **Reimagining Industry to Support Equality** (RISE) program as part of our work to support supply chain workers. RISE brings together the fashion industry's four largest women's empowerment programs — BSR's HERproject, Gap Inc. P.A.C.E, CARE and Better Work — to build a unified approach from proven approaches.

Our target is to have 100,000 women workers in our Tier 1 supply chain participate in training and education programs for personal and career development by 2027. In 2025, we will expand RISE programs in our supply chain. Over the past year, we have onboarded 15 RISE trainers — 13 from the factories and two from New Balance. These trainers have been trained on topics such as financial health, digital literacy, and workplace development among others. During the first half of 2025 we will sponsor or facilitate training to increase the number of RISE trainers at the factories to help them reach the targeted number of trained female workers. Additionally, we will monitor and adjust the program as needed to meet our 2027 goal.

1 According to CARE.org



Facilitating continuous improvement

As we shift our supplier evaluation approach to emphasize impact and supplier ownership over basic compliance, it is important that we design intervention points that support our suppliers through the transition.

Our Supplier Capacity Building (SCB) program helps suppliers enhance their internal systems by organizing sessions with experts in human resources management. We continue to roll out the Workday extended enterprise system to Tier 1 suppliers and licensees so they can use it as a learning management system. This approach enables us to send announcements, policies, and training directly to all suppliers so they can access them digitally and on demand. Learning topics include New Balance's Code of Conduct and Supplier Standards, human resources management, and supplier capacity training.

Additionally, we have developed the Roadmap for Change (RFC), a strategic framework using the Theory of Change, a renowned methodology often employed by NGOs. The RFC process engages leadership and every team member in deep discussions about our mission, strategies, and the impacts we aim to achieve. By fostering collective dialogue, the RFC helps create a unified pathway that aligns our purposes and direction, ensuring that all efforts are focused on maximizing positive influence and driving meaningful, sustainable change.

Creating change in a factory and the surrounding communities is an ambitious goal, and success can be difficult to measure. Defining a pathway or roadmap — starting with identifying the impacts, then the outcomes and outputs, and finally the detailed activities — helps factories unravel the complexity of the change process. Establishing clear goals and outlining the necessary steps ensures that efforts are strategically aligned and effectively implemented, leading to meaningful and sustainable improvements.



Above and Beyond

One of our suppliers in Vietnam, An Giang Samho, implemented an initiative from **VisionSpring** to enhance employee well-being in the workplace. Over 7,000 workers received an eye screening in 2024, with nearly one-third of them identified as requiring glasses. Of these, 79% were first-time glasses wearers. More than 2,000 pairs of glasses were issued to workers through this supplier-funded program. The initiative falls into New Balance's Above and Beyond program, where we recognize suppliers' additional contributions to their workers, in addition to the core requirements of the RL scorecard.

Understanding the impact of our Responsible Leadership scorecard

To understand the impact of our Responsible Leadership scorecard, New Balance is proud to collaborate with the **Abdul Latif Jameel Poverty Action Lab** (J-PAL), a world-renowned global research center focused on reducing poverty by ensuring that policy is informed by scientific evidence.

J-PAL is anchored by a network of over 1,000 economists at leading universities around the world. J-PAL's rigorous research is providing us with valuable insights into the effectiveness of Responsible Leadership interventions in our supply chain, thereby enhancing our Responsible Leadership commitments. We are working with J-PAL to analyze our internal data, enabling a comprehensive evaluation of the impacts of our updated Responsible Leadership scorecard on sustainability and commercial outcomes.

In 2024, J-PAL's preliminary analysis of the scorecard's impact on compliance with our standards revealed patterns of improvement and areas needing further attention, which has aided our engagement with suppliers. We look forward to the final outcomes of this evaluation and to deepening our collaboration in 2025. We are also exploring opportunities for J-PAL's research to measure the effectiveness of our workplace engagement initiatives. By combining scientific insights with our operational data, we aim to identify the most effective and impactful formats for workplace engagement.



Our work supports these **United Nations Sustainable Development Goals (SDGs)**.

Our communities

We are committed to creating positive change in our communities by promoting healthy active living, advancing educational opportunities, and championing the success of young people.

New Balance Foundation

Since its inception in 1981, New Balance Foundation (NBF)[1] has supported proven pathways to help young people achieve their goals through community-led, outcomes-driven initiatives. Our mission is to invest in vibrant communities and bright futures through sport so that we can change a generation. Our grant-making focuses on programs that increase access to sport, educational support, career readiness, and overall well-being and which are grounded in measurable, data-driven strategies that address complex social issues.

For more than two decades, we've been committed to addressing the U.S. childhood obesity epidemic and our approach has evolved toward a focus on sports-based positive youth development. Sport has the power to be a catalyst in working with young people when it includes programming focused on education, career readiness, and overall health and well-being.

To date, we've invested more than $150 million. In 2024 alone, we provided grants totaling over $12 million to 90 trailblazing non-profit organizations in the communities where our associates live and work. Beyond the typical 3–5 years of investments most corporate foundations make, our average length of funding spans 14 years at an average annual gift of $97,000. This allows our portfolio organizations to increase their impact, build capacity, and ensure the longevity and stability of their operations. Initially centered around our heritage communities in the Metro Boston area, Lawrence, MA, and three Maine communities, NBF's grant-making has expanded considerably in response to the company's global growth and reach.

1 The New Balance Foundation is comprised of New Balance Foundation and New Balance Foundation International.

NEW BALANCE FOUNDATION DONATIONS TO NON-PROFITS

ANNUAL TARGET	2024 PROGRESS
$11M	$12.2M[2]

INDIVIDUALS SERVED BY NON-PROFITS FUNDED BY NEW BALANCE FOUNDATION

ANNUAL TARGET	2024 PROGRESS
15M	25M

INDIVIDUALS SERVED DIRECTLY THROUGH PROGRAMS FUNDED BY NEW BALANCE FOUNDATION

ANNUAL TARGET	2024 PROGRESS
3M	4M[3]

INDIVIDUALS SERVED WHO FALL BELOW THE POVERTY LINE

ANNUAL TARGET	2024 PROGRESS
30%[4]	70%[5]

NUMBER OF YOUNG PEOPLE EMPOWERED THROUGH NEW BALANCE FOUNDATION-FUNDED PROGRAMS[6]

ANNUAL TARGET	2024 PROGRESS
1.5M	2.7M

2 Includes New Balance Foundation and New Balance Foundation International.
3 Includes global disaster relief.
4 United States (national average) of individuals who fall below poverty line is **11.1% in 2023**.
5 Data captured every three years.
6 Includes all NBF-funded programs that engage youth in fitness, nutrition, academics, enrichment, leadership, and college and career readiness.



Sportsmen's Tennis and Enrichment Center (Boston, MA)

Our impact in 2024

As part of our strategic plan, we remain committed to expanding our grant-making into new markets in the United States and across Europe and beyond, harnessing the transformative power of sport to enhance health, well-being, and opportunities for young people worldwide.

We do this through meaningful collaboration with organizations addressing some of the most pressing social challenges faced by individuals, families, and communities. We measure the impact of our funded initiatives through outcomes metrics to make sure that we are making a lasting difference. Our approach is rooted in building lasting solutions that empower communities to thrive, with a long-term commitment to fostering positive change and resilience. You can see the full list of organizations we supported in 2024 in our **2024-2025 Grantee Portfolio**.

Tackling the complexities of childhood obesity

For nearly 25 years, NBF has been at the forefront of philanthropic efforts to combat childhood obesity through our work with Boston Children's Hospital. Our commitment to advancing evidence-based childhood obesity prevention research has surpassed nearly $24 million to date. In 2010, we helped create the New Balance Foundation Obesity Prevention Center at Boston Children's Hospital to transform the lives of children struggling with obesity, particularly those from low-income, high-needs communities. The Center supports physicians and researchers in finding ways to equip young people in developing healthier lifelong habits.

Our collaborative approach addresses the issue holistically by funding research, clinical initiatives, and community programs — all with a strong emphasis on data-driven results and measurable outcomes. This investment includes the development of the Boston Children's "**fit kit**," which contains over 300 tools focused on the five critical factors impacting children's health:

NEW BALANCE FOUNDATION: OUR GEOGRAPHIC REACH

Multi-city/country support

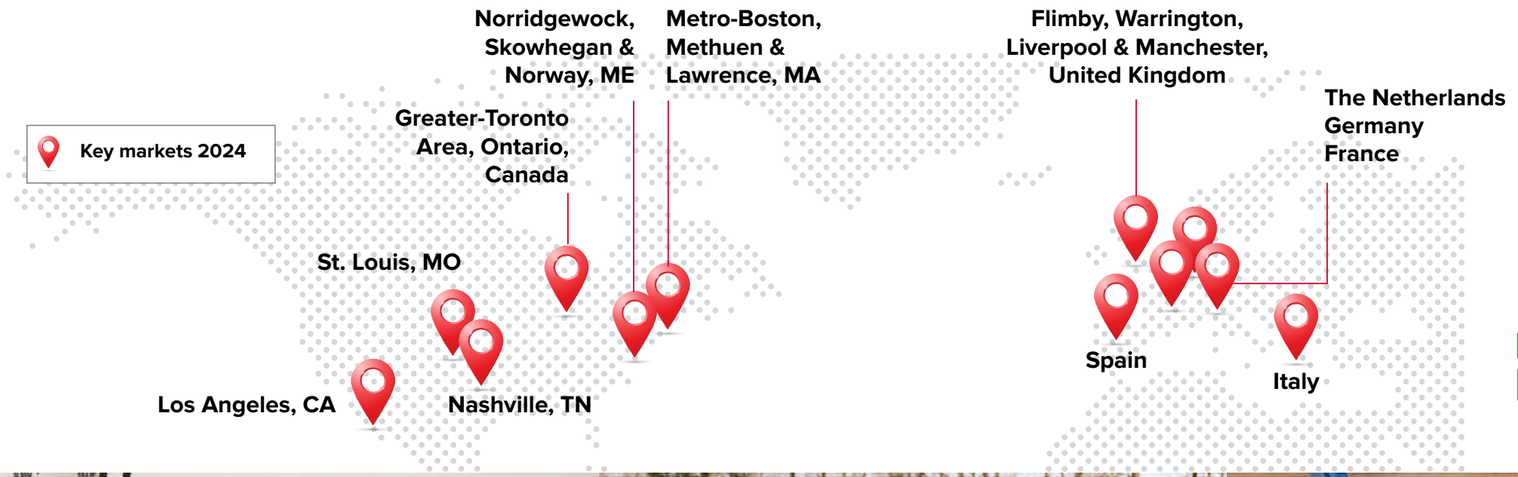
- 100 Mile Club
- Beyond Sport
- Good Sports
- Harlem Lacrosse
- Rising New York Road Runners
- Playworks
- Summer Search
- Two Ten Footwear Foundation

Disaster reponse

- American Red Cross
- World Central Kitchen

Future markets 2025+

- Londonderry, NH
- Poland
- Australia
- Japan



new balance FOUNDATION



Esperanza Academy (Lawrence, MA)


Healthy Oxford Hills (Norway, ME)


Move More Kids (Skowhegan, ME)

nutrition, fitness, sedentary time, sleep, and stress. Available in English and Spanish, these resources were created for youth ages 8–15 but designed with entire families and communities in mind.

In addition to the work being done on-site at the Center, the team has expanded its efforts to more than a dozen non-profit organizations within the NBF portfolio to implement and test the fit kit to ensure its efficacy in both a clinical and community setting.

To that end, **Boys & Girls Club of Lawrence** (BGCL) partnered with the NBF Obesity Prevention Center research team in 2024 to co-author a paper for the journal Childhood Obesity, focused on the evaluation of BGCL's Healthy Living Club. The **published paper** highlights improvements in body mass index (BMI), fitness, and lifestyle behaviors over two cycles of the Healthy Living Club (2021–2022 and 2022–2023). Sharing findings through this peer-reviewed journal is an important step to further advance the reach of the Community-Based Integrated Model for Weight Management. The audience for this journal includes researchers, clinicians, community health professionals, school administrators, and policymakers across all levels of government.

Helping create pathways for positive youth development

FOSTERING THE FUTURE OF GLOBAL FOOTBALL

To date, NBF has invested nearly $2.6 million in non-profit organizations across the globe that leverage the love of football (or soccer in the United States) to deliver youth programming to improve fitness, wellness, and academic outcomes. Some of these organizations include:

- **Futbalo Girls:** the largest girls' soccer initiative outside of organized sports in Germany



Boys & Girls Club of Lawrence (Lawrence, MA)


North Star 4-H Youth Mentoring (Bethel, ME)



The Food Project (Boston, MA)

Right To Play develops vital life skills

In 2024, NBF welcomed **Right To Play** Canada into our grant-making portfolio. For over a decade, Right To Play has partnered with Indigenous communities and organizations to enhance access to community-driven, culturally relevant play-based programs that empower First Nations, Inuit, and Métis children and youth in developing vital life skills.

This past summer, Right To Play Canada held its annual Youth Leadership Symposium. The event helps Indigenous youth, ages 12 and up, to hone their leadership skills, develop planning abilities, and strengthen their capacity to advocate for their well-being and the needs of their peers. Their learnings are then shared with their community.

Eighty-two young leaders attended the symposium, which offered transformative workshops, dynamic discussions, and community-building activities. NBF also introduced Right To Play to Tarrant Cross Child, a First Nations runner and passionate Indigenous youth advocate. Tarrant has been collaborating with the NB Canada performance team for over a decade, primarily through his work with the **Prairie Run Crew**, which helps individuals overcome obstacles to starting their running journey. See **Our culture**.

The symposium complements ongoing weekly programming in each community, playing a crucial role in elevating youth voices and preparing them to be future community leaders.

RIGHT TO PLAY
PROTECT. EDUCATE. EMPOWER.

- **Soccer Without Borders:** creating belonging through soccer, education, and community in Boston
- **Alleen Jij Bepaalt Wie Je Bent:** laying a foundation for a bright future through team sports in The Netherlands

In 2024, **Boston Scores** — an organization that supports the health and well-being of 1,500 K-12 youth through a free team-based soccer, poetry, and service-learning program — celebrated the ribbon cutting of a **new sports pitch and recreation facility** in East Boston, MA, that the Foundation helped to fund. Our engagement with the organization has since led to a national relationship with **America SCORES** across 13 cities in North America.

ENSURING EVERYONE HAS THE OPPORTUNITY TO PLAY

According to a 2024 **Aspen Institute study**, children from the lowest-income homes play sports at up to half the rate of those from the highest-income groups. Cost is the top reason children from lower-income homes don't participate. NBF works closely with organizations such as **Good Sports**, which is focused on driving equitable access to youth sports and physical activity by supporting children in high-need communities to achieve their greatest potential — on the field and in life.

As part of our expansion efforts in this space, NBF added several new organizations to its portfolio that focus on expanding access to young people. **Backfield in Motion**, based in Nashville, TN, serves more than 700 students, bridging the opportunity gap by providing comprehensive educational and athletic programs with a focus on social and emotional learning. **City League**, based in St. Louis, MO, partners with middle schools across the city to reduce the barriers for schools to develop and implement in-school sport programs.


Street League (Manchester, UK)

COMMITMENT TO YOUTH EMPLOYABILITY

Core to our values around the importance of positive youth development, career-readiness, and employability has become an important pillar in our work. NBF has increased its grant-making with organizations focused on helping young people gain the skills they need in early adulthood and beyond.

One such organization in the United Kingdom is **Street League**. Their mission is to use the power of sport to help people aged 16 to 30 who face personal barriers to employment to improve their well-being, secure employment, and have a brighter future. Making the move into adulthood is never easy and Street League supports young people living in poverty that face complex challenges like poor mental health, have low confidence, and have no support network or access to income. With opportunities across Scotland and England, the program integrates sport, fitness, job search support, and personalized mentoring. In 2024, NBF-funded programs in Liverpool, Manchester, and London supported more than 200 young people, helping them increase their confidence, gain essential work skills, and improve their overall physical and mental health through sport.

In 2024, NBF also provided support for **Summer Search** to increase the capacity of their national programming in the United States. Summer Search provides sustained, holistic support for students from high school through their educational and career pursuits including mentoring; summer experiential learning opportunities; career advising and individualized post-secondary pathway exploration; financial aid advising; and financial capability coaching.

NBF also began a new relationship with **Jobs for Maine Graduates** (JMG). JMG partners with public education and private businesses to offer results-driven solutions to ensure all Maine students graduate, attain post-secondary credentials, and pursue meaningful careers.


Valencia, Spain

Responding in a crisis

NBF provides timely aid and support in response to disasters and crises in the United States and around the globe through our work with World Central Kitchen and the American Red Cross.

In 2024, New Balance corporate associates also pitched in during times of crisis, including:

- **Disaster relief following Hurricane Helene:** In September, 100 associates from New Balance's Nashville Distribution Center volunteered with Second Harvest Food Bank, a new grantee of NBF, to prepare food care packages for those affected by Hurricane Helene.
- **Providing aid to flood victims in Valencia, Spain:** New Balance retail associates stepped in to support recovery efforts in many ways, including closing the Valencia store to join local operations to help remove mud and debris. In addition, New Balance committed to the reconstruction of a local athletic track in nearby Guadassuar that was destroyed by the flood.

Corporate charitable giving

New Balance Corporate prioritizes creating a positive and meaningful impact in the local communities where we operate. We support charitable organizations and initiatives through corporate financial contributions and in-kind donations. We also encourage our associates to dedicate their time and talents to causes they are passionate about through volunteering and corporate match opportunities.

Through our corporate giving efforts, New Balance supports community-focused and charitable organizations, including:

- **Annual MR8K Presented by NB:** Benefits the Martin Richard Foundation's mission to help young people learn, grow, and lead by advancing sportsmanship, inclusion, kindness, and peace.
- **Marathon Charity Teams:** Support community and non-profit organizations in the Boston area, including the Boston Police Runners Club, Urban League of Eastern Massachusetts, and Colin's Joy Project.
- **Annual Brian J. Honan 5K Road Race:** Held in Allston-Brighton, Massachusetts, it supports local initiatives in education, recreation, housing, and healthcare.
- **Mid-Maine Technical High School Robotics Team:** Supports and promotes STEM education by engaging students in hands-on robotics competitions and innovative projects.

Colin's Joy Project

The Colin's Joy Project honors the legacy of Colin Thomas McGrath, a young boy who tragically lost his life in 2018. His parents teamed up with The Boston Foundation to create the non-profit Colin's Joy Project to enhance play spaces and fund family-focused programming in the Boston area. Since then, they have provided more than $1.6 million in grants to community partners through donations and fundraising including Team Colin, their annual Boston Marathon charity running team sponsored by New Balance.

In 2024, Colin's mom, Kerri McGrath, M.D., raised more than $40 thousand by running the New York City Marathon for Team Colin.

"Every dollar this team raises, every mile this team runs, every bit of awareness we raise — we are building Colin's legacy and bringing joy to families."

KERRI AND BRENDAN MCGRATH



Creating access and opportunity in sport

New Balance advocates for access and opportunity in sport as a powerful positive catalyst for change. Sport challenges stereotypes, breaks down societal barriers, fosters community, and cultivates collective action. By opening doors and amplifying meaningful voices, we believe we can help shape a positive future of sport within our culture for all.

Nurturing future industry leaders

We support a thriving University of Massachusetts (UMass) Boston program, creating new and diverse career pathways for students pursuing careers in sports management and leadership.

ACADEMIC OPPORTUNITIES

The New Balance Institute for Innovative Leadership in Sport (I2LS) was established in 2023 as a result of a gift to UMass of $10 million. I2LS offers faculty and academic support while enhancing scholarship funding to grow enrollment in the program to 200–300 students annually. It also supports the expansion of the New Balance Sport Leadership and Administration (SLA) Bachelor of Arts program, established by a $5 million gift from New Balance in 2018. In 2024, 153 students were enrolled in the SLA program and 54 have graduated. Sixteen students were awarded a New Balance Scholarship for the 2024–25 academic year. New Balance hosted four SLA student interns over the summer, who worked with our merchandising and lifestyle products and cross-category merchandising teams. Students also create Capstone Projects — initiatives designed to inspire change and make a positive impact through the power of sports.

RESEARCH INITIATIVES

Research is a key focus area for I2LS, and in 2024, the first National Black Sport Participation and Physical Activity Report was completed. The report outlines trends across youth, adolescence, interscholastic, and intercollegiate levels. The findings offer recommendations for national, state, and local efforts to improve Black holistic wellness outcomes through sport and physical activity. A second research initiative, Beacon C.A.R.E.S. (Collaborative Approaches to Reducing Stigma and Enhancing Support), was launched in partnership with the UMass Boston Athletics Department. The program includes mental health workshops with coaches, student-athletes, and athletic staff.

EQUITY IN SPORTS LEADERSHIP CONFERENCE

The third Equity in Sports Leadership Conference took place at UMass Boston in April. The event serves as a vital platform for fostering collaboration, innovation, and transformation within the realm of sports. By bringing together different voices and perspectives, the conference aims to catalyze meaningful progress toward a more equitable future for all.

Supporting UMaine sports and community

Funding support: The University of Maine (UMaine) and University of Maine Foundation broke ground for the state-of-the-art New Balance Track & Field and Soccer Complex, made possible by a $7 million commitment from New Balance.



Along with the gift, New Balance and UMaine will partner for a newly developed “Future Scholars” endowed scholarship of $2,500 annually. The scholarship will be awarded each year to a Skowhegan area high school graduate, with preference, but not limited to, the youth of New Balance associates who plan to attend one of seven universities within the University of Maine System.

UMaine Community Day: In July, UMaine coaches, athletes, and staff joined New Balance for the second annual Community Day at the Skowhegan Community Center. The event, held in collaboration with Move More Kids, a new grantee of NBF, brought together over 200 children from local recreation programs and summer camps for a day of sports and play led by UMaine’s Division 1 coaching staff and athletes. The day combined two hallmarks of NB culture: sport and giving back.



UMaine Community Day (Skowhegan, ME)

Welcoming a World Series champion to SLA

New Balance has a long-standing commitment to advancing opportunities for transformational leadership in the sports industry. In 2024, Boston Red Sox Manager Alex Cora served as the UMass Boston SLA Program's Executive in Residence, providing mentorship, guidance, and advice to program participants both in the classroom and at the iconic Fenway Park.

Beyond his success as a player and coach, Cora has made a meaningful impact off the field through his philanthropic work — raising awareness for mental health and supporting underprivileged youth in his native Puerto Rico.



FOUNDATION AND CORPORATE CHARITABLE CONTRIBUTIONS

	2022	2023	2024
NBF (United States and International)	$8,535,127	$10,397,491	$12,243,995
Corporate contributions	$2,745,983	$6,667,669	$13,978,000
Corporate donations in-kind (wholesale value)	$6,112,808	$4,990,503	$11,885,201
Corporate match	$62,227	$177,386	$87,341
Total	**$17,456,145**	**$22,233,049**	**$38,194,537**

2024 GIVING AT A GLANCE

$13.9M
CORPORATE CASH DONATIONS

$11.8M
WHOLESALE VALUE OF CORPORATE IN-KIND DONATIONS

$87,341
CORPORATE MATCH DONATIONS



Boston vs. Bullies — 250,000 kids and counting

Since 2013, New Balance has proudly sponsored **Boston vs. Bullies**, **The Sports Museum**'s anti-bullying initiative. The program is grounded in the latest anti-bullying research and leverages videos featuring Boston area athletes, school visits, online resources, and support from the Boston sports community to help stop bullying. It provides kids with practical guidance, strategies, and tools to help kids stand strong against bullying.

To celebrate the award-winning program reaching 250,000 students in 2024 — halfway to its goal of 500,000 students by 2030 — The Sports Museum held a memorable field day experience at the Eliot School in Boston's North End. More than 500 students attended, enjoying treats from an ice cream truck, goodie bags, and a visit from the NHL Boston Bruins ice hockey mascot, Blades. That evening, TD Garden glowed orange in honor of Bullying Prevention Month and the program's success.

Our associates in action

Our associates are the heart of New Balance, and their passion for our values shows through their dedication of time and talent spent serving local communities. As part of our people-first culture, we encourage associates worldwide to participate in company-sponsored volunteer activities. In 2024, associates recorded 6,000 hours of volunteer service in their communities across 10+ countries and 25 states.

Full-time associates in the United States and select international locations receive up to eight hours of paid time annually for volunteer activities of their choice. Part-time associates are eligible for four to six hours of paid leave to volunteer. Members of our Associate Resource Groups (ARGs) also contribute significantly by volunteering throughout the year.

Through our Dollars for Doers grant program, associates can support organizations of their choice. Funding is provided to these organizations based on the number of volunteer hours an associate contributes each year.

In the United States, associates can access a Volunteer Toolkit with comprehensive resources, including planning guides to keep events running smoothly. Internationally, dedicated charity leads collaborate with local communities to organize and facilitate engagement opportunities and charitable initiatives tailored to regional needs.

Our associates also underscore New Balance's philanthropic work by directly supporting its local community charitable organizations. Their passion and hands-on involvement bridge the gap between resources and needs and inspire a culture of compassion and responsibility within our organization and beyond. In 2024, New Balance associates from our Warrington, UK, and Paris offices had the opportunity to get familiar with the work carried out by two portfolio grantees, **Warrington Youth Zone** and **Fútbol Más France**. Their extended dedication embodies our commitment to creating meaningful change by adopting the One NB mindset.

Connecting to the community for Design Week

In May, 125 New Balance designers from around the world gathered in Lawrence, MA, for Design Week, an annual multi-day workshop meant to grow, inspire, and connect our global design community. With a theme of "The Craft and Culture of New Balance," this year's program included presentation skills workshops and field research to glean consumer insights.

Participants also gave back to the local community, volunteering at more than a half-dozen non-profit organizations around the Lawrence area. The week's grand finale consisted of a master craftsmen panel, which allowed designers to hear firsthand stories from the makers at the heart of our brand.



Vocational training volunteerism in China

Since 2008, associates from New Balance Guangzhou have volunteered annually at **Huiling**, a charitable organization supporting adults with intellectual disabilities. Volunteers and their families contribute to vocational training efforts at Huiling Farm by assisting with farmhouse repairs, weeding, and harvesting produce. This long-standing partnership reflects New Balance's commitment to promoting social inclusion and uplifting underserved communities.



Eladio's "Saucegiving" Celebration in Puerto Rico

New Balance ambassador and Puerto Rican hip hop artist Eladio Carrión hosted a unique event that brought together 4,500 community members for a day dedicated to sport and wellness. The 4th Annual "Saucegiving" was held in Humacao, Puerto Rico, and featured participation from Major League Baseball players and other stars from the rap and reggaeton scene. More than 250 kids joined in the fun which included baseball clinics, a pet adoption event, and of course, lots of music.



New Balance Ambassadors create safe places for play

Emmy-winning actress and producer Storm Reid and tennis phenomenon Coco Gauff, both New Balance Ambassadors, joined forces to invest in their native hometown. After touring several Atlanta communities, Brownwood Park in East Atlanta was chosen for their first project together. In June, Storm (right), officially dedicated the newly renovated park to the City of Atlanta.

To give the park some upgrades, New Balance teamed up with the City of Atlanta Department of Parks and Recreation and the East Atlanta Kids Club, a non-profit focused on building a promising future for the children of southeast Atlanta. Updates to the park include brand-new playground equipment, a swing set, a community garden, and new tennis courts.

"By creating access to safe spaces for play, we create opportunities for kids to dream, connect, and cultivate community."

STORM REID





Global Sports Mentoring Program

In 2024, New Balance proudly supported the Global Sports Mentoring Program, an international leadership initiative launched in 2012 by the U.S. Department of State and espnW. This immersive five-week development program combines mentorship and cultural exchange to connect changemakers with bold visions for social change. Each delegate crafts a strategic plan with their mentor to put into action upon returning home. As a result, the program creates a unique global network of game-changers working to positively impact their communities through sports.

This year, we were honored to host Saltanat Kazybayeva from Kazakhstan. A leader in sports event management and community initiatives in her country and a formidable athlete in her own right, she is the executive director of the Corporate Foundation Courage to Be the First and the driving force behind Central Asia's largest running event — the Almaty Marathon.

Saltanat was paired with lead mentor Amanda Crowley, International Marketing Manager at New Balance, to work on her plan for Trigada Sports Community for Women. Along with the pair's work on the project, Amanda also connected Saltanat with various people across the company to provide different perspectives and insights on the project, reinforcing how everyone has something valuable to contribute.



U.S. Dept. of State in cooperation with University of Tennesse Center for Sport, Peace & Society. Photographer: Jaron Johns.

Our work supports these United Nations Sustainable Development Goals (SDGs).

Governance and ethics



Governance and ethics

Strong principles and high ethical standards help us build lasting success. As a private, family-owned business, our core values guide us, with honesty and humility at the center of all that we do.

Our governance practices reinforce our commitment to Responsible Leadership and operating with the highest standards of ethics, transparency, and accountability. We expect all company leaders, associates, and suppliers to conduct business responsibly — guided by our **governing policies and disclosures**.

Learn more about our approach and targets in the **Responsible Leadership** section of this report.

Governance structure

Our President and CEO oversees our Senior Leadership team, which is responsible for our internal operations and interactions with suppliers, governmental and regulatory agencies, customers, and other stakeholders.

Risk Committee and ESG oversight

Senior leaders from across the company form our Risk Committee, including the President and CEO, Chief Financial Officer (CFO), General Counsel, Chief Operating Officer (COO), Chief Human Resources Officer (CHRO), and the Senior Director of Global Risk Management (SDGRM). Our Vice President of Responsible Leadership reports to the General Counsel and formally meets with the Risk Committee twice annually.

This Committee oversees all corporate risks in the New Balance Risk Assessment, including those related to ESG strategy, policies, practices, and programs. The risk process identifies and analyzes current and potential impacts that could affect New Balance's business and operations. We focus on priority risks spanning economic, social, and geopolitical issues, such as supply chain, cybersecurity, and shifting regulatory requirements. We assess environmental risks, including climate-related risks, according to the probability of occurrence and the expected level of impact or potential harm. The Committee regularly reviews and updates the Risk Assessment to stay aligned with evolving industry conditions and regional dynamics.

In preparation for compliance with regulatory requirements detailed in the EU's Corporate Sustainability Reporting Directive (CSRD), New Balance began its first double materiality assessment (DMA) in 2024. Completed in 2025, the results will be used to shape our reporting beginning in 2025.

Value Chain Leadership team

Chaired by our COO, the Value Chain Leadership Team (VCLT) is a cross-functional group of over a dozen leaders dedicated to aligning our objectives and activities with our overarching strategic plan. VCLT members oversee many areas, including facilities management, supplier partnerships, operational practices, and other critical aspects of our business.

The VCLT plays a key role in strengthening our responsible purchasing practices by addressing environmental and social issues within the supply chain. This involves evaluating supplier performance and fostering collaborative problem-solving between the Sourcing and Responsible Leadership teams. The Vice President of Responsible Leadership is also a member of the VCLT.



Stakeholder engagement

We continually seek opportunities to collaborate and learn from external stakeholders. These interactions broaden our perspective, help us identify risks, strengthen our accountability, and enable us to stay ahead of emerging issues.

Our **key external stakeholders** include:

- Non-governmental organizations (NGOs) and civil society organizations (CSOs).
- Trade unions and factory worker representatives.
- Consumers, wholesale customers, and retailers.
- National and local governments.
- Inter-governmental organizations and aid agencies.
- Industry associations and industry peers.

We engage with our stakeholders in many ways, including high-level meetings, training sessions, workshops, and on-the-ground investigations.



Ethics at New Balance

At New Balance, we foster a culture of integrity and honesty by making ethical practices a central part of our ongoing dialogue. Our policies and guidelines provide clear direction and set the standard for the behaviors we expect across the business. Our owners and Leadership team lead by example, highlighting the critical role of ethics in building and maintaining trust with our key stakeholders.

Ethics policies

Our **Code of Business Ethics and Conduct**, available in 10 languages, outlines how to prevent conflicts of interest, combat bribery and corruption, uphold free and fair competition, protect confidential information, and maintain integrity. We regularly review the Code and related materials to ensure compliance with applicable laws and our own high standards.

We expect our suppliers to meet similar high standards, as detailed in our **Supplier Code of Conduct**, available in over 40 languages. For more information, see the **Supply chain responsibility** section of this report.

Training

Our mandatory annual training program for New Balance associates covers key areas of ethics and compliance and reinforces responsible business practices. We aim to achieve 100% participation of targeted groups for all trainings. Information security learning is delivered monthly, while anti-corruption and data privacy training are completed annually. Our anti-corruption training achieved 99.5% participation in 2024 for required groups. The training is supplemented by regular associate communications and complemented by a policy library that sets expectations for how we work.



Our growing library of in-person and virtual courses is designed to help our associates navigate ethical issues in their day-to-day work. Courses focus on ethical issues, such as fairness and honesty in competition, avoiding conflicts of interest, cybersecurity, and data privacy for associates and consumers.

These avenues provide an opportunity to consistently reinforce data privacy principles and raise awareness of new legislation or trends.

Reporting ethics concerns

We are committed to the highest possible openness, integrity, and accountability standards. We offer several channels for people inside and outside New Balance to raise ethics concerns or report incidents and follow all requirements of applicable legislation.[1]

SpeakUpNB — an ethics and compliance portal and a telephone hotline — is maintained by New Balance and available 24/7 to our associates and the public. In the United States, concerns can also be raised by text message. Provided in more than 60 languages, SpeakUpNB allows concerns to be shared anonymously.

1 Including the EU Whistleblower Directive (2019/1937).

The company promptly reviews all reports, assigns an impartial investigator, and acknowledges receipt within seven days. Reviews are thorough, timely, and discreet, involving only necessary parties. We ensure a practice of zero retaliation for good faith reporting or cooperation in reviews.

Data privacy and cybersecurity

New Balance trains associates on the critical importance of protecting the privacy and security of consumer and associate data. In 2024, we offered all associates information security and data privacy training. We use a variety of security measures to protect against the loss, misuse, or alteration of our customers' personal information. See our **Privacy Policy**. We also released our AI Acceptable Use Policy internally. This policy ensures that AI tools are used responsibly, lawfully, and productively; do not compromise the security or integrity of New Balance's data, networks, or systems; and do not otherwise have a detrimental effect on New Balance.

We conduct annual information security incident response exercises for technical and executive teams. Based on the results of these exercises, we have updated our policies for handling security incidents, as well as our associate Acceptable Use Policy.

Our third-party information security risk management program reviews the potential risks presented by introducing software-as-a-service, cloud providers, and other technology vendors. The Information Security team recommends appropriate controls to internal stakeholders based on the sensitivity of the data involved or the status of any given vendor's information security programs. We make business decisions based on the outcomes of these responses.

SASB index

SASB index

Our 2024 Sustainability and Impact Report reflects our ongoing commitment to environmental, social, and governance progress at New Balance. Covering the year January 1 to December 31, 2024, it outlines key initiatives, achievements, and progress against our sustainability goals. We report information to align with the Sustainability Accounting Standards Board (SASB) framework to disclose material sustainability information specific to our industry. We welcome feedback on our report via email at **Responsible.Leadership@newbalance.com**.

SASB code	Requested content	Response for 2024
MANAGEMENT OF CHEMICALS IN PRODUCT		
CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	1. The New Balance Restricted Substances (RS) Program protects the health of consumers and workers in the factories that make our products. The program is based on and promotes compliance with our Restricted Substances Manual (RSM), which enables our suppliers to make safer, more sustainable chemistry choices and implement continuous improvement programs around chemical management. Our RS Program applies to all footwear, apparel, accessories, and equipment that New Balance makes directly, at contracted factories, and through our licensees. The RSM must be shared with all suppliers, including Tier 1 factories producing finished products and Tier 2 suppliers of raw materials and components used to produce New Balance products. Each supplier is required to understand, agree to, comply with, and declare that the raw materials, component parts, chemicals, finished products, and sundries used and supplied or otherwise delivered to New Balance comply with the prohibitions, limitations, and other provisions described or referred to in the RSM. The goals of the New Balance Restricted Substances Manual are: ■ To ensure that materials provided and methods used in manufacturing New Balance products comply with the strictest global legislations with regard to the environment, health, and product safety. ■ To prohibit or limit the use of all targeted substances in the RSM in all New Balance products. ■ To encourage suppliers to take a proactive approach to decreasing the environmental impacts of all products supplied to New Balance and to strive to make materials from renewable, organic, or recyclable resources whenever possible. 2. The RSM contains our Restricted Substances List (RSL) for materials, finished products, packaging, and chemical commodities. We require RSL compliance for all material suppliers and manufacturing facilities, both contract and owned. The RSM guides the use of regulated substances, sets limits for other harmful substances, and further outlines testing requirements and methods for substances on the RSL. The RSM also contains the New Balance Manufacturing Restricted Substances List (MRSL). Compared to our RSL, the MRSL addresses a broader set of chemicals relevant to the manufacturing process. New Balance suppliers are required to eliminate any use of MRSL-listed substances during manufacturing. All New Balance suppliers are required to complete, sign, and submit the Certificate of Acknowledgement (COA). A senior executive or manager must complete the COA. 3. Suppliers must ensure all materials, components, and packaging materials used for New Balance products meet the RSL requirements. The materials must be tested according to the RSM to ensure compliance. Suppliers' manufacturing processes must comply with the requirements for substances banned or limited by New Balance in production as defined in the MRSL. New Balance may request testing to be conducted at any stage of manufacturing, including development, production, and/or finished products. The testing may be part of a routine testing schedule or a random selection of samples. To produce compliant products, suppliers test the identified materials, components, or finished products to further understand their production processes, chemistries, and product content. The New Balance RSM outlines classes of suppliers and the general frequency of testing samples. New Balance requires the testing of 30% of all material orders each season for all suppliers with previously failed test records, regardless of the supplier's status. Routine RSL testing includes seasonal testing for footwear materials and seasonal/yearly testing for

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CG-AA-250a.1 (continued)		materials and components used in apparel, accessories, and equipment. Each season, we will identify a list of all production quality materials by color and/or finished products that must be tested at an approved RSL testing third-party laboratory. Suppliers shall promptly provide samples of pre-produced, unfinished, or finished materials/products requested for testing to the laboratories. New Balance only accepts test reports conducted to its RSL standards/methods at a laboratory that has been audited and approved by New Balance. The supplier shall also allow or obtain permission for an authorized representative of New Balance to inspect, at any time during normal business hours, any premises of the factory, supplier, and/or any subcontractor where any New Balance product, material, or components thereof are developed, manufactured, or stored. The authorized representative may request samples of products or materials during such inspection. Standard operating procedures for testing requirements, third-party approved laboratories, material approvals, and corrective actions are all defined in our RSM. A detailed testing matrix by material type can also be found in our RSM. 4. The New Balance RSL requirements reflect global regulations and requirements. Because of New Balance's worldwide footprint, all products must comply with the applicable RSL requirements. The RSL applies to all products, components, materials, and manufacturing processes. Products include footwear, apparel, equipment, and accessories. To date, the RSM restricts or prohibits more than 380 chemicals and chemical classes following the strictest regulations globally and in alignment with industry-accepted RSLs (AFIRM). 5. The RSM is publicly available on our website on our policies page. The document is updated annually and includes the full list of chemicals on the RSL, their restriction limits, and the regulations to which the chemicals are subject. 6. All materials used in New Balance products must be RSL-approved. Tier 1 suppliers and Tier 2 material suppliers must comply with the RSM, sign a COA annually, and are subject to the RSM testing requirements. In the event of an RSL failure, the supplier must complete a Corrective Action Request (CAR). New Balance expects an investigation into the source of the failure. The details of the investigation should be reported in the CAR and sent to the assigned New Balance Product Chemistry team representative for approval. At a minimum, it must contain information on the source of the failure; actions taken to quarantine current inventory and shipped products (if any); action taken to prevent the failure in the future; project manager information; and acknowledgement that these changes will be implemented for all future orders.
CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	1. The New Balance Restricted Substances (RS) Program protects the health of consumers, workers in the factories that make our products, and the environment. Our product chemistry standards apply to all footwear, apparel, accessories, and equipment that New Balance makes directly, at contracted factories, and through our licensees. The RS Program and dedicated Chemistry, Restricted Substances, Safety, and Compliance staff work to promote compliance with our Restricted Substances Manual (RSM) throughout the supply chain. New Balance provides the RSM, training, screening tools, and best practices to enable its suppliers to make safer, more sustainable chemistry choices and implement continuous improvement programs around chemical management. Additionally, NB requires that all suppliers understand, agree to, comply with, and declare that the raw materials, component parts, chemicals, finished products, and sundries used and supplied or otherwise delivered to New Balance comply with the prohibitions, limitations, and other provisions described or referred to in the RSM. This is accessed and managed through third-party laboratory testing against our RSL. 2. New Balance's chemical management policies and practices apply equally to all business units and product categories. Our product chemistry standards apply to all footwear, apparel, accessories, and equipment that New Balance makes directly, at contracted factories, and through our licensees. The program applies globally and restricts or prohibits more than 400 chemicals and chemical classes following the strictest regulations. 3. New Balance uses a hazard-based approach to chemicals management as part of its Product Chemistry Program. As part of the Program (and outlined in the RSM), New Balance restricts or bans chemicals, chemical classes, and materials with inherent human health and environmental toxicological impacts in all product and material categories, indiscriminate of product use or market. 4. New Balance uses hazard-based approaches to chemical management as part of its Product Chemistry Program, including the development, implementation, and monitoring of its RSL and MRSL testing programs. These lists are updated annually and aligned with global bans and hazard-based industry restricted lists and are applied to all New Balance materials, products, and components. 5. New Balance's RSM is used as a guideline throughout the whole product life cycle, including raw materials selection, chemicals purchasing and usage, manufacturing process control, and materials and finished product testing.

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CG-AA-250a.2 (continued)		6. New Balance uses chemical screening tools to identify the hazards of chemicals and formulations. This allows us to continually optimize our products by assessing product chemistries, identifying chemicals of concern, and making appropriate substitutions if needed. The RSM provides suppliers with chemical management best practices, online training, and green chemistry resources, including GreenScreen® For Safer Chemicals. 7. New Balance encourages all suppliers to adopt principles of green chemistry, including the use of inherently safer chemicals, pollution prevention, use of renewable feedstocks, etc. Green chemistry resources are provided within the RSM. 8. New Balance's program does not currently rely on nor require third-party certifications, but they can be used as a reference to demonstrate that the supplier has set up appropriate internal management systems. New Balance audits and certifies suppliers internally. 9. Supplier chemical management audits and certification are based on a set of criteria, including upper management commitment, raw materials and chemical risk management, manufacturing process control, multiple supply chain control, and corrective action and performance improvement plans. "RSL-certified suppliers" are those with good internal chemical management systems aimed at preventing RSL-related issues. Performance is reflected in supplier scorecards, and benefits include continued business relationships with New Balance and less frequent RSL testing for low-risk suppliers who demonstrate good chemical management capabilities. 10. New Balance actively works to identify chemicals and materials for reduction, elimination, and/or additional assessment due to insufficient toxicity data, evolving regulations, and additional factors, including green chemistry principles and environmental stewardship. New Balance is a member of sustainable chemistry associations and groups, including Change Chemistry, ZDHC, and AFIRM, that work to identify chemicals that meet one of the criteria mentioned above. New Balance encourages all its suppliers to adopt principles of green chemistry, including the use of inherently safer chemicals, and provides them with RSL training and screening tools for better identification, reduction, and elimination of chemicals that may have data gaps, may be regulated in the future, or pose a threat to the environment or our consumers. 11. New Balance continues its commitment to ensure that finished products, materials provided, and methods used in manufacturing New Balance products comply with the strictest global legislations with regard to the environment, health, and product safety. As these global requirements evolve, New Balance works with its suppliers to identify where the substance may be present; third-party testing will be conducted; alternatives and substitutions will be screened for hazard toxicological profile and performance; and an elimination strategy will be implemented. The chemical, chemical class, or material will also be incorporated into our RSL, MRSL, or banned materials/substances guidelines.
ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN		
CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	■ 99% of Tier 1 direct suppliers that were assessed in 2024 were compliant with wastewater discharge permits. (Reference: verified FEM assessments.) ■ 100% of strategic Tier 2 material suppliers that were assessed in 2024 were compliant with wastewater permits. (Reference: verified FEM assessments.) See the **Water** section in this report for a description of how we engage suppliers beyond basic permit compliance, including a wastewater testing program based on ZDHC Wastewater Guidelines and extensive IPE Blue Map screenings.
CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Cascale's (formerly the Sustainable Apparel Coalition), Higg Facility Environmental Module (FEM) assessment or an equivalent environmental data assessment	The percentage of New Balance suppliers that have completed the Higg FEM assessment are: ■ 64% of Tier 1 direct suppliers: 97 FEM assessments among 151 Tier 1 Direct supplier facilities. ■ 87% of Tier 2 strategic material suppliers: 116 FEM assessments among 133 strategic Tier 2 material suppliers. In total, 213 FEM assessments were completed across Tier 1 direct suppliers and Tier 2 strategic material suppliers.

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LABOR CONDITIONS IN THE SUPPLY CHAIN		
CG-AA-430b.1	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	The percentage of New Balance suppliers that have been audited are: ■ 108 of the 151 Tier 1 direct supplier facilities received an audit for a 72% audit rate. ■ 46 of the 95 subcontractor suppliers received an audit for a 48% audit rate. The total number of audits conducted for Tier 1 direct and subcontractor facilities was 154. Of those, 87% were conducted by a third-party auditor and 13% by New Balance.
CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Tier 1 Direct and subcontractor facilities had a total of 599 nonconformance findings. Of the 599 total findings, there were two Zero Tolerance findings, for a 0.33% priority nonconformance rate. Of the two Zero Tolerance findings, one has been remediated: a priority nonconformance corrective action rate of 50%.
CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	See Supplier assessments on **page 56** in this report for our most prevalent violations among Tier 1 direct and subcontractors combined.
RAW MATERIALS SOURCING		
CG-AA-440a.3	(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	

Priority Material	Environmental or social factors most likely to threaten sourcing	Business risks or opportunities associated with environmental/social factors	Management strategy for addressing business risks and opportunities
Polyester	Manufacturing energy, microfibers, chemicals and water for dyeing, reliance on fossil fuels as raw material, and restricted substance concerns with recycled content	Traceability of preferred content Price fluctuation Supply disruption Regulatory compliance issues Dual sourcing in different regions Brand perception Regenerative agriculture (leather, cotton, rubber)	Supply chain traceability Yearly Tier 2 material supplier assessments Comprehensive supplier onboarding approval process Ongoing training in environmental and social compliance and regulations Collaboration with industry leaders to develop best practices Public goals set for adopting lower-impact materials across top categories, including polyester, leather, cotton, EVA, and rubber
Leather	Deforestation, animal welfare, labor conditions in deeper tiers, climate impacts		
Cotton	Water and pesticides during growth, forced labor/working hours		
EVA	Manufacturing energy, reliance on fossil fuels, chemical management		
Rubber	Deforestation for natural rubber, manufacturing energy, reliance on fossil fuels		

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CG-AA-440a.4	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	**Priority raw material**	**Unit of measure Metric Tons (MT)**	**Certification/ standard**	**Amount purchased Metric Tons (MT)**	**Amount certified Metric Tons (MT)**	**Amount purchased Metric Tons (MT)**	**Amount certified Metric Tons (MT)**	**Amount purchased Metric Tons (MT)**	**Amount certified Metric Tons (MT)**
					2022	2022	2023	2023	2024	2024
		Polyester	MT finished fabric	GRS RCS	16,462	None	15,906	None	21,670	None
		Leather	MT	LWG Gold Chrome-free Regenerative	6,896	6,271	7,502	LWG Gold: 7,014	9,203	LWG Gold: 8,732
		Cotton	MT finished fabric	Better Cotton Organic	2,462	Better Cotton: 1,546 Organic: 30.2	3,247	Better Cotton: 1,230 Organic: 3.78	3,420	Better Cotton: 3,101 Organic: 0
		Sole foam (EVA and PU)	MT	Bio-based Recycled	18,147	None	19,087	None	25,089	None
		Sole rubber	MT	Recycled	21,040	None	27,664	None	29,036	None
		Note: Excluded from our environmentally preferred material targets (and progress against those targets) are licensed footwear, licensed apparel, licensed accessories, apparel designed and marketed by New Balance's regional design centers (Tokyo Design Center and Manchester Design Studio), New Balance direct to team, promotional products ordered through third-party vendors, and New Balance Japan apparel and footwear.							
ACTIVITY METRIC										
CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	■ Tier 1 direct suppliers — 151. ■ Suppliers beyond Tier 1 — 228. This includes Tier 2 material suppliers for footwear and apparel, including textile mills and leather suppliers. It also includes footwear processing subcontractors and major footwear component suppliers.								