

# FY2023 IMPACT REPORT



**LACING UP  
WITH PURPOSE**



**THE HEART  
OF SNEAKERS**

# FORWARD-LOOKING STATEMENTS

This Impact Report contains forward-looking statements within the meaning of the U.S. securities laws. Other than statements of historical facts, all statements that address activities, events, or developments that the Company anticipates will or may occur in the future, including, but not limited to, future merchandise and vendor mix, real estate opportunities, strategic partnerships, loyalty program, technology investments, capital expenditures, strategic plans, financial objectives, growth of the Company's business and operations, and other such matters, are forward-looking statements. These forward-looking statements are based on many assumptions and factors, which are detailed in the Company's SEC filings.

These forward-looking statements are based largely on our expectations and judgments at the time of this report and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. For additional discussion on risks and uncertainties that may affect forward-looking statements, see "Risk Factors" disclosed in the Annual Report and subsequent SEC filings. Any changes in such assumptions or factors could produce significantly different results. The Company undertakes no obligation to update forward-looking statements, whether as a result of new information, future events, or otherwise. Website references throughout this Impact Report are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this Impact Report.

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### ABOUT THIS IMPACT REPORT

Our annual Impact Report outlines our ESG strategy and highlights the priority ESG issues to our organization and our stakeholders. Throughout this report, we highlight the ways in which we deliver the four pillars of our ESG strategy. Leveraging the Power of Our People and Communities, Strengthening the Sustainability of Our Supply Chain, Managing and Reducing Our Environmental Impacts, and Operating Ethically and Transparently.

This report has been prepared using SASB standards and TCFD framework and covers our global operations for FY23 unless otherwise noted.

Materiality, as used in this report, is different than the definition used in the context of filings with the SEC. Issues deemed material for purposes of this report may not be considered material for SEC reporting purposes.



In addition, we evaluate and align our ESG disclosure against several ESG frameworks and ESG ratings agencies' additional criteria to support industry consistency and transparency.

Reporting is a continuous process, and, therefore, we expect our public disclosures to continue to evolve with increased transparency and rigor as we continue to measure progress against our priority issues. We invite your feedback on the contents of this report, as well as our approach to reporting, at [esg@footlocker.com](mailto:esg@footlocker.com). For additional information, please visit [investors.footlocker-inc.com/impactreport](https://investors.footlocker-inc.com/impactreport) and [investors.footlocker-inc.com/24proxy](https://investors.footlocker-inc.com/24proxy).



# WE ARE FOOT LOCKER, INC.

Foot Locker, Inc. (NYSE: FL) is a leading footwear and apparel retailer that unlocks the “inner sneakerhead” in all of us.

As of FY23, with approximately 2,500 retail stores in 26 countries across North America, Europe, Asia, Australia, and New Zealand, and a licensed store presence in the Middle East and Asia, Foot Locker has a strong history of sneaker authority that sparks discovery and ignites the power of sneaker culture through its portfolio of brands, including Foot Locker, Kids Foot Locker, Champs Sports, WSS, and atmos.

This year, we are celebrating Foot Locker’s 50th anniversary. Reflecting on the past 50 years, we are proud of Foot Locker’s role in influencing and serving the global sneaker community. We are pleased with the positive impact we have made on the world around us, including our diverse team and inclusive culture, our long history of empowering women through leadership roles, and our efforts to reduce our environmental impact. Looking ahead, we are not only excited for Foot Locker’s next 50 years of growth as the digital and omnichannel retailer for “all things sneakers,” we remain committed to contributing to a better and more sustainable world for generations to come.



CELEBRATING  
FIVE DECADES  
OF UNLOCKING  
EVERYONE’S  
INNER  
SNEAKERHEAD

## FOOT LOCKER AT A GLANCE (FYE23)

**\$8.2** BILLION

SALES

**26**

COUNTRIES

**2,523**

OPERATED STORE LOCATIONS

**46,846**

TEAM MEMBERS



Bring the Best of  
Sneaker Culture  
to All

**Kids Foot Locker**

Recruit  
the  
Next Generation



Serve the  
Sport-Style  
Enthusiast



Celebrate  
the Hispanic  
Community

**atmos**

Share Japanese  
Street and Sneaker  
Culture

## LEARN MORE ABOUT OUR COMPANY

You can learn more about the Company by visiting [footlocker.com/corp](https://www.footlocker.com/corp). We also encourage you to read our Annual Report, which is available at [investors.footlocker-inc.com/ar](https://investors.footlocker-inc.com/ar), and our Proxy Statement which is available at [investors.footlocker-inc.com/24proxy](https://investors.footlocker-inc.com/24proxy).



# DEFINED TERMS

|                            |  |                             |  |
|----------------------------|--|-----------------------------|--|
| <b>AI</b>                  | Artificial Intelligence  | <b>GHG</b>                  | Greenhouse gas   |
| <b>Annual Report</b>       | Form 10-K for the fiscal year ended February 3, 2024   | <b>GSG</b>                  | Global Sourcing Guidelines   |
| <b>APAC</b>                | Asia Pacific   | <b>HBCUs</b>                | Historically Black Colleges and Universities   |
| <b>BGCA</b>                | Boys & Girls Clubs of America  | <b>HCC Committee</b>        | Human Capital and Compensation Committee   |
| <b>Board</b>               | Board of Directors   | <b>HVAC</b>                 | Heating, Ventilation, and Air Conditioning   |
| <b>B.U.I.L.D.</b>          | Blacks United in Leadership and Development  | <b>ILO</b>                  | International Labor Organization   |
| <b>CAP</b>                 | Corrective Actions Plans   | <b>KPI</b>                  | Key Performance Indicator  |
| <b>CBP</b>                 | U.S. Customs and Border Protection   | <b>LEED</b>                 | Leading Education and Economic Development   |
| <b>CDP</b>                 | Carbon Disclosure Project  | <b>NBA</b>                  | National Basketball Association  |
| <b>COBC</b>                | Code of Business Conduct   | <b>NCR Committee</b>        | Nominating and Corporate Responsibility Committee  |
| <b>Company</b>             | Foot Locker, Inc.  | <b>NPS</b>                  | Net Promoter Score   |
| <b>Conflict Minerals</b>   | Tin, tantalum, tungsten, and gold  | <b>NYSE</b>                 | New York Stock Exchange  |
| <b>CTPAT</b>               | Customs–Trade Partnership Against Terrorism  | <b>PII</b>                  | Personally Identifiable Information  |
| <b>DC</b>                  | Distribution Center  | <b>PLC</b>                  | Pensole Lewis College of Business and Design   |
| <b>DIB</b>                 | Diversity, Inclusion, and Belonging  | <b>POC</b>                  | People of Color  |
| <b>ELT</b>                 | Executive Leadership Team  | <b>Proxy Statement</b>      | 2024 Proxy Statement   |
| <b>EMEA</b>                | Europe, Middle East, and Africa  | <b>RILA</b>                 | Retail Industry Leaders Association  |
| <b>EPA</b>                 | U.S. Environmental Protection Agency   | <b>SASB</b>                 | Sustainability Accounting Standards Board  |
| <b>ERG</b>                 | Employee Resource Group  | <b>SEC</b>                  | U.S. Securities and Exchange Commission  |
| <b>ERM</b>                 | Enterprise Risk Management   | <b>Stakeholders</b>         | Our customers, team members, business partners, the communities we serve, shareholders, and government |
| <b>ESG</b>                 | Environmental, Social, and Governance  | <b>Striper</b>              | Store team members across all Company banners  |
| <b>ESG Leadership Team</b> | A global cross-functional team with representation from Human Resources, Legal, Finance, Real Estate, Supply Chain, and Internal Audit | <b>TCFD</b>                 | Task Force on Climate-related Financial Disclosures  |
| <b>Foundation</b>          | Foot Locker Foundation, Inc.   | <b>Technology Committee</b> | Technology and Digital Engagement Committee  |
| <b>FY21</b>                | Fiscal year ended January 29, 2022   | <b>TENIS</b>                | The LatinX Empowerment Network in Sneakers   |
| <b>FY22</b>                | Fiscal year ended January 28, 2023   | <b>UNCF</b>                 | United Negro College Fund  |
| <b>FY23</b>                | Fiscal year ended February 3, 2024   | <b>WCA</b>                  | Workplace Conditions Assessment  |
| <b>FY24</b>                | Fiscal year ended February 1, 2025   | <b>WRI</b>                  | World Resources Institute  |
| <b>FYE</b>                 | Fiscal year ended  | <b>WBCSD</b>                | World Business Council for Sustainable Development   |
| <b>GDPR</b>                | General Data Protection Regulation (EU)  | <b>YoY</b>                  | Year-over-Year   |



# MESSAGE FROM OUR CEO

Foot Locker inspires and unites an inclusive global community connected by a love of sneakers.

Our mission is to unlock the inner sneakerhead in all of us. Through our passionate team and our diverse portfolio of brands, we inspire discovery and celebrate the vibrant culture of sneakers. We are committed to serving our customers and enriching the communities we serve.

As we reflect on another year at Foot Locker, I am pleased to share a part of our progress and achievements in our journey towards a more resilient future for all. This Impact Report highlights the progress made during FY23 across the four pillars of our ESG strategy:

- ▶ **Leveraging the Power of Our People and Communities**
- ▶ **Strengthening the Sustainability of Our Supply Chain**
- ▶ **Managing and Reducing Our Environmental Impacts**
- ▶ **Operating Ethically and Transparently**

**Leveraging the Power of Our People and Communities** remains the cornerstone of Foot Locker's success. We are committed to fostering an inclusive and supportive workplace where every individual can thrive and reach their full potential. From investing in team member development programs to promoting diversity, inclusion, and belonging, we are dedicated to empowering all of our team members to make a positive impact both within our Company and in our communities.

**Strengthening the Sustainability of Our Supply Chain** plays a crucial role in our sustainability journey. We recognize the importance of responsible sourcing and ethical business practices. We partner with suppliers and brand partners who share our values and commitment to fair labor practices, we strive to ensure that every step of our supply chain upholds high standards of integrity and accountability.

## **Managing and Reducing Our Environmental Impacts**

is a responsibility we take seriously. We are committed to reduce our environmental footprint. By implementing efficient practices throughout our operations and securing sustainable brands in our portfolio, we are working towards a more sustainable future.

**Operating Ethically and Transparently** is not just a strategy but a key to building trust and accountability. We believe in open communication and are committed to providing our stakeholders with clear and accurate information about our ESG efforts and performance. Through our annual Impact Report and ongoing engagement with our stakeholders, we aim to demonstrate our commitment to transparency and accountability in everything we do.

As President & CEO of Foot Locker, I firmly believe that if you care for your people, everything else will fall into place. We have made significant strides in creating an inclusive workplace and supporting our communities, fostering a culture where everyone feels valued and connected by their love of sneakers. Our efforts in integrating sustainability practices into our operations have paved the way for a more resilient future for all.

Together, we can continue to make a positive impact.



**MARY N. DILLON**  
(she/her/hers)  
President & CEO



**“As leaders, it is our responsibility to drive the company forward with a vision of lasting value for all our stakeholders. By integrating sustainability practices in our operations, we are paving a way for a more resilient future for all.”**





# MESSAGE FROM OUR NON-EXECUTIVE CHAIR

Just as we strive to be at the heart of sneaker culture, we aim to put impact at the forefront of our strategic decisions.



**“Our dedication to responsible business practices creates long-term value for all stakeholders.”**



**THE HEART OF SNEAKERS**

We are proud to present our 2023 Impact Report, *Lacing Up with Purpose*, which highlights the progress of our ESG strategy. This report underscores Foot Locker’s ongoing commitment to measuring our annual ESG performance and prioritizing responsible business practices.

Our Board and its committees provide oversight of our ESG initiatives, ensuring that we address both existing and emerging issues relevant to our industry. We are guided by stakeholder feedback and a strong commitment to transparency, continuously seeking to improve our practices.

Just as we strive to be at the heart of sneaker culture, we aim to put impact at the forefront of our strategic decisions. This year, we focused on implementing good governance practices and creating long-term value for all stakeholders. Our efforts included improving our business practices in response to stakeholder feedback, incorporating ESG risks into our enterprise risk management process, and enhancing our executive compensation plan.

I am grateful for the collaborative efforts of the Board, management, and our more than 45,000 global team members, which have been instrumental in driving meaningful change and sustainable growth.

On behalf of the Board, I extend my deepest gratitude to all our stakeholders for their commitment and support.



*Dona D. Young*

**DONA D. YOUNG**

(she/her/hers)

Non-Executive Chair



FOOT LOCKER, INC.

# INDEPENDENT ACCOUNTANTS' REVIEW REPORT



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## Independent Accountants' Review Report

To the Board of Directors and Management of Foot Locker, Inc.

### Report on Selected Metrics included in the Performance Dashboard

#### *Conclusion*

We have reviewed whether Foot Locker, Inc.'s (the Company's) metrics identified with the symbol “\*\*” and notes (the Selected Metrics) as of and for the fiscal year ended February 3, 2024 included in the Performance Dashboard on page 7 of the Company's FY2023 Impact Report (the Report) have been prepared in accordance with the criteria set forth in the Supplemental Key Metrics and Criteria on page 74 of the Report (the Criteria).

Based on our review, we are not aware of any material modifications that should be made to the Selected Metrics as of and for the fiscal year ended February 3, 2024 in order for them to be prepared in accordance with the Criteria.

Our conclusion on the Selected Metrics does not extend to any other information that accompanies or contains the Selected Metrics and our report.

#### *Basis for conclusion*

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants in the versions of AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements* that are applicable as of the date of our review. We are required to be independent and to meet our other ethical requirements in accordance with relevant ethical requirements related to the engagement. We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

#### *Other matter*

We previously reviewed the comparative Selected Metrics included in the Performance Dashboard as of and for the fiscal years ended January 28, 2023 and January 29, 2022, and our reports dated September 5, 2023 and August 24, 2022, respectively, included unmodified conclusions. Our conclusion is not modified with respect to this matter.

#### *Responsibilities for the Selected Metrics*

The Company's management is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Metrics such that they are free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the Selected Metrics and appropriately referring to or describing the criteria used; and
- preparing the Selected Metrics in accordance with the Criteria.



# INDEPENDENT ACCOUNTANTS' REVIEW REPORT (CONT.)



## *Inherent limitations in preparing the Selected Metrics*

As described on page 65 of the Report ('Estimation Uncertainties'), emissions data presented are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements.

## *Our responsibilities*

The attestation standards established by the American Institute of Certified Public Accountants require us to:

- plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Selected Metrics in order for them to be prepared in accordance with the Criteria; and
- express a conclusion on the Selected Metrics based on our review.

## *Summary of the work we performed as the basis for our conclusion*

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Selected Metrics and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we performed procedures that consisted primarily of:

- inquiring of management to obtain an understanding of the methodologies applied and inputs used in deriving the Selected Metrics;
- evaluating management's application of the methodologies;
- comparing disclosures in the Report about the Selected Metrics to the underlying methodologies, inputs, estimates and assumptions reviewed;
- inspecting a selection of supporting documentation for activity data;
- recalculating a selection of the underlying subject matter based on the methodologies and inputs identified by management;
- considering the appropriateness of emission factors used and estimates; and
- performing analytical procedures.

The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the subject matter information is prepared in accordance with the criteria, in all material respects, in order to express an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed.

*KPMG LLP*

New York, New York  
August 30, 2024





# PERFORMANCE DASHBOARD

These KPIs are drivers for action and transformation against our ESG strategy and priority topics therein. In FY23, we made investments to catalyze continuous improvements, and third-party independent limited assurance was obtained for certain metrics presented below, as identified with the symbol “\*”; See **Notes on GHG Emissions Inventory** beginning on page 62 and **Supplemental Key Metrics and Criteria** on page 74. Metrics presented are for the relevant fiscal years ended, except for the “Gender and racial representation of workforce” metrics, which are as of the end of the relevant fiscal years. To learn more about the third-party independent limited assurance, see **Independent Accountants’ Review Report** beginning on page 5.

| ESG Pillar  | Impact Area   | KPI   | FY21 <sup>(1)</sup>   | FY22 <sup>(2)</sup>   | FY23  |
|---|---|---|---|---|---|
| <b>Leveraging the Power of Our People and Communities</b>   | Attract, retain, and develop diverse talent   | Gender and racial representation of workforce                             | 49% women (global)  | 49% women (global) <sup>(3)</sup>   | 49% women (global)* <sup>(3)</sup>  |
|   |   |   | 86% POC <sup>(4)</sup> (U.S.)   | 88% POC <sup>(4)</sup> (U.S.)   | 89% POC <sup>(4)</sup> (U.S.)*  |
| <b>Strengthening the Sustainability of Our Supply Chain</b> | Manage our environmental impacts and risks across our supply chain                          | Global average shipping miles per package (excluding Asia) <sup>(5)</sup> | 818 miles per package   | 763 miles <sup>(6)</sup> per package                                      | 731 miles* <sup>(6)</sup> per package   |
| <b>Managing and Reducing Our Environmental Impacts</b>      | Manage our GHG footprint  | Scope 1 emissions (tCO <sub>2</sub> e)                                    | 5,775   | 6,745   | 7,186*  |
|   |   | Scope 2 emissions (tCO <sub>2</sub> e) – Location Based <sup>(7)</sup>    | 85,893  | 83,648  | 73,010*   |
|   |   | Scope 2 emissions (tCO <sub>2</sub> e) – Market Based <sup>(8)</sup>      | 69,292  | 65,793  | 53,401*   |
|   |   | Energy usage per gross square foot (kWh/ft <sup>2</sup> ) <sup>(9)</sup>  | 15.3  | 14.5  | 14.2*   |
| <b>Operating Ethically and Transparently</b>                | Integrate ESG risks and opportunities into business practices and enhance public disclosure | ESG strategy and public disclosure  | Obtained third-party Independent Accountants’ Review Report for certain Performance Dashboard metrics beginning in FY21 | Calculated and disclosed additional relevant Scope 3 emissions categories | Updated our global public policies, including our Human Rights Policy to ensure our value chain adheres to ethical and transparent business practices |

\* See **Independent Accountants’ Review Report** beginning on page 5.

<sup>(1)</sup> Limited assurance provided on these metrics in the FY21 prior year Report (see **Independent Accountants’ Review Report** on page 7 of the FY21 Foot Locker, Inc. Impact Report, which is available at [investors.footlocker-inc.com/21impactreport](https://investors.footlocker-inc.com/21impactreport).)

<sup>(2)</sup> Limited assurance provided on these metrics in the prior year Report (see **Independent Accountants’ Review Report** on page 8 of the FY22 Foot Locker, Inc. Impact Report, which is available at [investors.footlocker-inc.com/22impactreport](https://investors.footlocker-inc.com/22impactreport).)

<sup>(3)</sup> Non-U.S. atmos data was included for the first time in FY22, which did not have a significant impact on FY22 or FY23 metric.

<sup>(4)</sup> Includes all team members employed as of the end of the fiscal year who self-identified as POC. Information on team members race and ethnicity is only requested and retained for U.S. workforce.

<sup>(5)</sup> Represents the average sum of miles that a shipment travels from a DC to the customer, a store to the customer, and/or from the DC to a store. Excludes data for shipments in Asia (Hong Kong, Japan, Macau, Malaysia, Singapore, and South Korea) which is not significant and represents less than 3% of the Company’s total global footprint during FY21 through FY23.

<sup>(6)</sup> As part of the Company’s continued efforts to optimize the efficiency of our supply chain, several changes to our DC footprint occurred which impacted the Average Package Mile as package volume was redistributed between facilities upon the opening/closure of locations.

<sup>(7)</sup> The location-based method considers average emission factors for the electricity grids that provide electricity.

<sup>(8)</sup> The market-based method considers the Company’s electricity procurement decisions that include zero emissions power contracts.

<sup>(9)</sup> Includes all stores, offices, storage locations and distribution facilities under Foot Locker’s operational control. To learn more about the Company’s operational boundary see **Notes on GHG Emissions Inventory** beginning on page 62.

# OUR LACE UP PLAN AND ESG STRATEGY

Foot Locker strives to be the “go to” destination for discovering and buying sneakers around the world.

With the right focus, investment, and capabilities, we seek to drive steady, long-term profitable growth as we lace up for the future.

- ▶ Our Lace Up Plan and ESG Strategy
- ▶ ESG Prioritization Matrix
- ▶ Board Oversight and Metrics
- ▶ Stakeholder Engagement

We are continuing to improve the environmental and social impacts of our Company, measure the impacts we are making, and drive transparency with our stakeholders.



## OUR LACE UP PLAN AND ESG STRATEGY ARE INTERCONNECTED

Our ESG strategy is integral to the overall success of our Lace Up Plan and reflects our holistic approach to not only bring together people and communities through the power of “sneaker culture,” but also to operate our business in a manner that continues to increase the positive environmental and social impacts.

Our Lace Up Plan, which continues to be our playbook for driving sustainable growth and value for all stakeholders, is comprised of four strategic imperatives. Each ESG pillar is crucial to achieving our strategy, ensuring that our business practices drive sustainable growth and deliver lasting value to all stakeholders.

### EXPAND SNEAKER CULTURE

Harness our multi-branded leadership position to serve more sneaker occasions, provide more choice, and drive greater distinction.



### STRENGTHENING THE SUSTAINABILITY OF OUR SUPPLY CHAIN

We leverage our retail leadership to partner with brands dedicated to supply chain sustainability, so we can offer innovative products while ensuring the continued growth of sneaker culture.

### POWER UP OUR PORTFOLIO

Create more distinction among banners and transform Company’s real estate footprint through new concepts and footprint optimization.



### MANAGING AND REDUCING OUR ENVIRONMENTAL IMPACTS

is a key component of our footprint optimization. We aspire to create compelling retail locations and incorporate sustainability into our decisions.

### DEEPEN OUR RELATIONSHIP WITH CUSTOMERS

Drive deeper customer engagement and utilize data to better serve our customers.

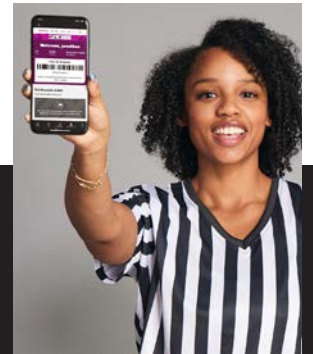


### LEVERAGING THE POWER OF OUR PEOPLE AND COMMUNITIES

By investing in Strippers through training and technology, we not only empower our team members but also equip them to connect with customers in meaningful ways as brand ambassadors. Our commitment extends beyond our stores, as we continue our legacy of supporting the communities that have been instrumental in shaping sneaker culture.

### BE BEST-IN-CLASS OMNI

Deliver a more dynamic, personalized and seamless customer journey across all channels.



### STRENGTHENING THE SUSTAINABILITY OF OUR SUPPLY CHAIN

Through supply chain optimization and improved transportation efficiency, we can offer our customers a better omni experience by focusing on reducing package miles, which in turn reduces associated emissions.

## OPERATING ETHICALLY AND TRANSPARENTLY

As a responsible corporate enterprise, Operating Ethically and Transparently spans across all aspects of our Lace Up Plan and business operations.

## ESG ISSUE PRIORITIZATION ASSESSMENT

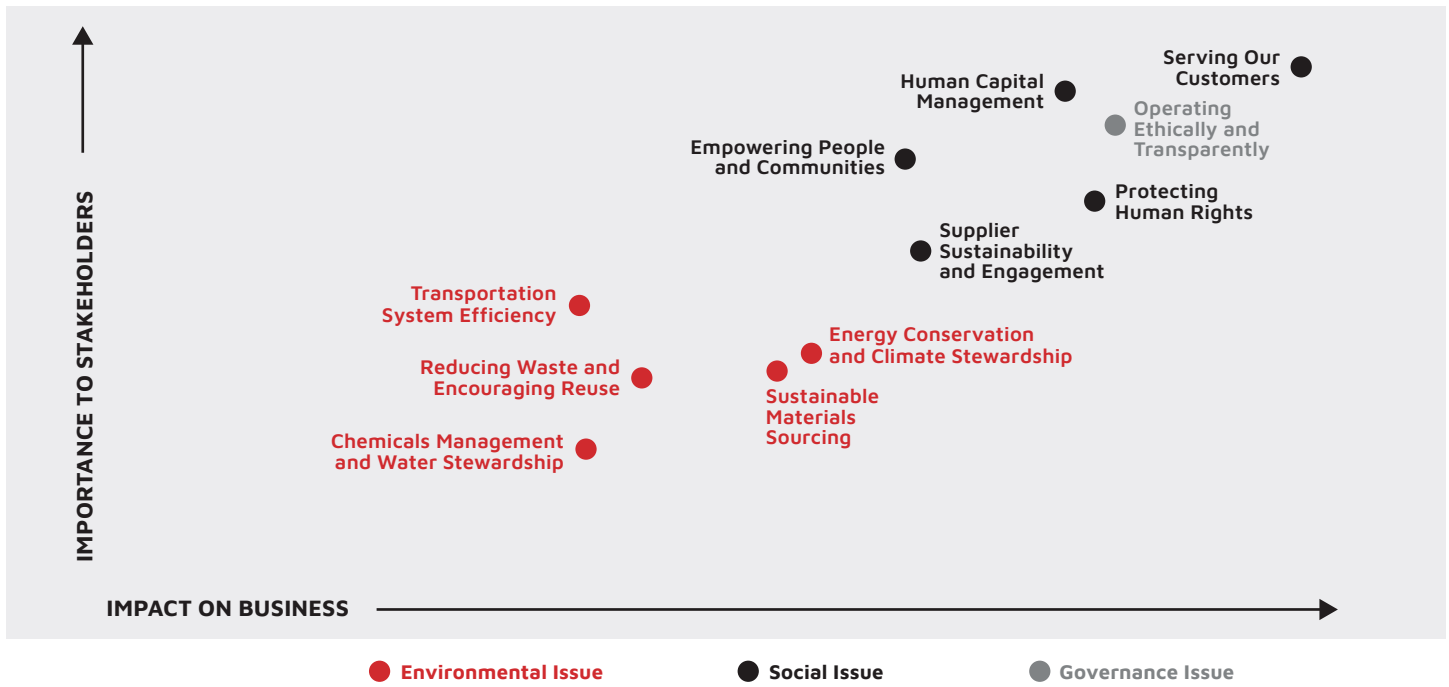
Our ESG strategy is embedded across our organization, aligns with our core values, supports our responsible business practices, and helps drive value for all stakeholders.

In FY20 and FY21, we conducted a ESG issue prioritization assessment to evaluate the most pressing ESG issues for our Company and our stakeholders. The assessment involved engagement with our ELT, benchmarking against industry standards, aligning with global reporting standards and frameworks, such as SASB and TCFD, and taking into account emerging global regulation.

In FY23, we performed a high-level review of our assessment. This involved engagement with our ELT, business partners, and landlords to gather internal and external perspectives of what matters most to our business and stakeholders. The FY23 review affirmed that ESG priorities we identified in the matrix below continue to be relevant for Foot Locker.

Further information about the management of these activities and initiatives is detailed in this report. Next, we will conduct a double materiality assessment by a third-party consultant in accordance with the Corporate Sustainability Reporting Directive.

### ESG Issue Prioritization Matrix





## BOARD OVERSIGHT

Members of the Board are actively engaged in the growth of our ESG strategy and our progress against it. While the NCR Committee has primary oversight for progress against our priority ESG issues, ESG is woven through the responsibilities of all four committees. Please refer to **Operating Ethically and Transparently** beginning on page 46 for further details on the roles of each committee in overseeing ESG-related issues.

## METRICS

Due to the nature of our business, we consider qualitative and quantitative disclosures from two SASB industry standards: *Apparel, Accessories, and Footwear*, and *Multiline and Specialty Retailers and Distributors*. Disclosures from both standards have been included in this report.

In addition to the SASB metrics, we also measure and monitor relevant metrics guided by the TCFD, CDP, and other ESG reporting frameworks, feedback from stakeholders, and our own internal operational and value chain KPIs. Please refer to **Performance Dashboard** on page 7 for a summary of the ESG metrics we consider to be among the most relevant to our business.





# STAKEHOLDER ENGAGEMENT

Stakeholder engagement is core to our ESG strategy. We have garnered and leveraged the input of key groups—including team members, customers, communities, shareholders, government, and business partners—to develop our ESG strategy. Our stakeholder engagement process continues to evolve over time. We include the fiscal year in which the actions occurred. For actions that are ongoing or part of our regular business process, we did not include a fiscal year.

|  | Team Members   | Customers   | Communities  |
|--|--|---|--|
| <b>Channels of engagement</b>  | <ul style="list-style-type: none"> <li>▶ Periodic engagement surveys, which measure the likelihood of a team member recommending the Company as an employer</li> <li>▶ Interactions on internal social networking platform</li> </ul>  | <ul style="list-style-type: none"> <li>▶ Surveys</li> <li>▶ Customer service interactions</li> <li>▶ Focus groups</li> <li>▶ Interactions on social media</li> <li>▶ Interactions through our loyalty program</li> </ul>  | <ul style="list-style-type: none"> <li>▶ Interactions on social media</li> <li>▶ In store events</li> <li>▶ Foundation’s scholarship program</li> </ul>  |
| <b>Key topics</b>  | <ul style="list-style-type: none"> <li>▶ Ethics and compliance</li> <li>▶ Benefits to support team members’ physical, mental, and financial health</li> <li>▶ Talent and development</li> <li>▶ DIB strategy</li> <li>▶ Workplace health and safety</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Opportunities to improve specific product and customer service experiences</li> <li>▶ Ethics and compliance</li> <li>▶ Information security</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Community impact</li> <li>▶ Environmental impacts of products</li> <li>▶ Economic opportunities</li> </ul>  |
| <b>Actions undertaken by Foot Locker based on stakeholder engagement</b> | <ul style="list-style-type: none"> <li>▶ Provide team members with equitable opportunities to develop professionally (ongoing)</li> <li>▶ Enhanced team member benefits by providing parental leave (FY23)</li> <li>▶ Established a new global ERG, the Global Wellness Champions, focused solely on well-being (FY23)</li> <li>▶ Offered opportunities for team member engagement, including the implementation of Striper Soundbites, a formalized approach to gather feedback from Stripers (FY23)</li> </ul> | <ul style="list-style-type: none"> <li>▶ Added additional payment options both in store and online (ongoing)</li> <li>▶ Improved online inventory accuracy (ongoing)</li> <li>▶ Enhanced information security processes (ongoing)</li> <li>▶ Offered additional opportunities for customer engagement, including customer service feedback, inactive shopper and mobile app surveys (FY23)</li> <li>▶ Removed friction points around high velocity sneaker releases (FY23)</li> </ul> | <ul style="list-style-type: none"> <li>▶ Continued engagement with our communities through social media, in-store, and other programs (ongoing)</li> <li>▶ Focused investments and philanthropy within the communities we serve (ongoing)</li> </ul> |



# STAKEHOLDER ENGAGEMENT

|  | Shareholders  | Government   | Suppliers  |
|--|---|--|--|
| <b>Channels of engagement</b>  | <ul style="list-style-type: none"> <li>▶ Non-Executive Chair formal engagement program with shareholders</li> <li>▶ Quarterly earnings conference calls</li> <li>▶ Individual meetings</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Membership in select trade associations in our industry (e.g., RILA, and The Business Council)</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Quarterly, annual, and biannual meetings between management and our largest suppliers</li> </ul>  |
| <b>Key topics</b>  | <ul style="list-style-type: none"> <li>▶ Board and management succession</li> <li>▶ Boardroom and company culture</li> <li>▶ Executive compensation</li> <li>▶ People strategy</li> <li>▶ ESG strategy</li> <li>▶ Supply chain risk assessment</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Information security</li> <li>▶ Ethics and compliance</li> <li>▶ Corporate governance</li> <li>▶ Capital and financial strength</li> <li>▶ ESG risk management</li> </ul> | <ul style="list-style-type: none"> <li>▶ Opportunities for diverse suppliers</li> <li>▶ Human rights</li> <li>▶ Labor practices</li> <li>▶ Setting and measuring science-based targets</li> <li>▶ Transparency and reporting</li> <li>▶ Materials and resource use</li> </ul>  |
| <b>Actions undertaken by Foot Locker based on stakeholder engagement</b> | <ul style="list-style-type: none"> <li>▶ The Board separated the Chair and CEO roles (FY22)</li> <li>▶ Assessed and revised the executive compensation program based on shareholder feedback (e.g., linked the Lace Up Plan scorecard to the Annual Incentive Plan and implemented a three-year performance period for the Performance Stock Units granted in March 2024) (FY24)</li> </ul> | <ul style="list-style-type: none"> <li>▶ Continued participation in select trade associations to serve our industry (ongoing)</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Engaged and partnered with suppliers to understand their supply chains and remediate issues (ongoing)</li> <li>▶ Underwent audits using a multi-segment approach—factory tour, worker interview, and documentation assessment (ongoing)</li> <li>▶ Adopted/updated the <b>Global Sourcing Guidelines</b>, <b>Global Environmental and Climate Change Policy</b>, <b>Global Human Rights Policy</b>, <b>Global Occupational Health and Safety Policy</b>, and <b>Global Water Stewardship Policy</b> (FY22 to FY24)</li> </ul> |

# LEVERAGING THE POWER OF OUR PEOPLE AND COMMUNITIES

To drive positive impact, we lean into our greatest asset—our people.

We are committed to:

- ▶ Expanding sneaker culture
- ▶ Powering up our portfolio
- ▶ Deepening our relationships with customers
- ▶ Be best-in-class omni
- ▶ Empowering people and communities



## EXPANDING SNEAKER CULTURE

We are committed to fueling a shared passion for self-expression, creating unrivaled lifestyle experiences, and being at the heart of the sports and sneaker communities.

Sneaker culture is inclusive, with sneaker mavens, fashion-forward expressionists, active athletes, quality seekers, and deal finders all owning a place within the sneaker ecosystem.

As part of our strategic imperative to expand sneaker culture, we are leveraging our strength as a retailer, while increasing our array of brands. We will continue to serve more sneaker

occasions by broadening the customer base that drives sneaker buying, providing more sneaker choice by strengthening brand relations to provide more options to customers, and driving greater sneaker distinction through exclusive concepts and basketball leadership.

## GLOBAL PARTNERSHIPS

As part of our commitment to being a best-in-class partner, we are reigniting existing relationships, while also creating new relationships with our brand partners. To facilitate this, we held our first global partner summit in early FY24, meeting with key partners to showcase past progress, and garner excitement around what's to come. We believe that by sharing common goals, identifying additional opportunities, and defining actions to serve customers, we can offer customers more products choices, and in turn, expand sneaker culture.

We also entered a multiyear partnership with the NBA in the U.S. in late FY23. The comprehensive collaboration will engage fans throughout the NBA season, including at marquee league events such as NBA All-Star. We will offer our customers an elevated connection to the NBA through a variety of marketing programs that bring basketball fans closer to sneaker culture. This partnership cements our position at the center of basketball and sneaker culture and expands our collaborative journey with the NBA. To further our commitment

to celebrating basketball, we announced "The Clinic," our year-long program with Nike and Jordan Brand that celebrates the performance and culture of basketball bringing the best of the court and culture to basketball fans, sneaker mavens, and local communities. From live events to digital lessons, even paid media during NBA games, The Clinic is a fun and unique way for fans to interact and engage with both Nike, Jordan Brand, and Foot Locker.







## POWERING UP OUR PORTFOLIO

We play an integral role in demand creation and serving customers’ choices. Therefore, we are continuously reshaping our portfolio to deliver a more efficient operating model and provide sharper customer propositions.

In FY23, we made strides to reposition the Champs Sports banner by focusing its store base to serve the head to toe sport-style enthusiast. Overall, each of our banners plays a distinct role at the intersection of targeted customer segments and critical sneaker occasions:

|  |   |
|--|---|
|   | <b>Foot Locker</b> is the heartbeat of sneaker culture, building diverse communities by bringing together a variety of customer segments, including sneaker mavens, fashion-forward expressionists, and active athletes.                                  |
|   | <b>Kids Foot Locker</b> looks to inspire the next generation of sneakerheads through kid-first experiences.   |
|   | <b>Champs Sports</b> serves its customer through head to toe sport style, serving their lifestyle needs with athletic sneakers, apparel, and accessories.   |
|   | <b>WSS</b> operates with one word in its DNA - COMMUNITY. The importance placed on community is demonstrated by the location of WSS stores and WSS CARES social impact efforts. Latino families and communities are at the center of everything WSS does. |
|  | <b>atmos</b> caters to sneaker mavens interested in athletic sneakers and apparel and strives to share Japanese street and sneaker culture with the world.  |

At Foot Locker, the retail store experience is at the heart of sneaker culture. In FY23, we opened 69 new concept stores at our Foot Locker banner, which totaled 242 doors by the end of the year. We made progress against our goal for these formats to comprise at least 20% of our square footage in North America, compared with 16% exiting the year. In 2023, we also began a meaningful store refresh program designed to create a more consistent and elevated brand experience for our Foot Locker and Kids Foot Locker banners. Results from our refreshed stores have been encouraging, and we intend to accelerate this work to bring approximately two-thirds of our global Foot Locker and Kids Foot Locker doors up to brand standard by the end of 2025. Additionally, our off-mall square footage increased to 39% of our footprint in North America in FY23, up from approximately 34% in FY22, allowing us to better serve our customers. New concept stores continue to allow us to deliver

unique experiences by allowing for an elevated expression of the sneaker category across men’s, women’s, and kids. This includes our Foot Locker Reimagined store concept which was informed by customer insights and features a bold storefront, distinct in-store environment, and curated footwear and accessory assortments. The Reimagined store concept includes enhanced storytelling for select products and also elevates our brand partners. It includes an emphasis on sustainability, dynamic store fixtures, and other technological advances. In April 2024, we opened our first Foot Locker Reimagined retail format in Wayne, NJ. This concept delivers an elevated shopping experience and unrivaled customer service. We plan to incorporate learnings from this concept into future Foot Locker stores.

Some of the new and unique features of the Reimagined store concept will be generally applied to future stores:

- ▶ **A modern and streamlined approach to store layout** via an intuitive shopping journey that encourages discovery and easy navigation.
- ▶ **Bright new sections near the store’s entrance** that prominently spotlight the latest sneaker releases and trending products.
- ▶ **A communal sneaker try-on area** enabling socializing with customers of all backgrounds.





- ▶ **Experiences to elevate service** including an omni destination for enhanced omni fulfillment that connects to our FLX program. It also offers unique services including specialized lacing customization, 3D foot scanners for sizing, and more.

At the heart of it all, our Foot Locker Reimagined concept is intended to bring people together, fuels passion, and builds confidence to expand sneaker culture. While redesigning the Foot Locker store with these principles in mind, we kept environmental sustainability top of mind. Below are a few examples:

- ▶ Incorporating design principles that utilize existing finishes to reduce new material production, such as leveraging open ceiling environments and re-using existing concrete slab as final floor finishes.
- ▶ Leveraging 100% recycled materials in our mannequins that can also be recycled at the end of their useful life. These mannequins also use less water and electricity during production and have a lower carbon footprint.
- ▶ Using recycled materials in our clothing hangers.
- ▶ Implementing a new lighting technology that reduces electricity consumption.

- ▶ Installing water bottle refill stations in the break room.
- ▶ Continuing use of smart thermostats and low flow/energy efficient restroom fixtures.

The Foot Locker Reimagined concept also provides our Strippers with an improved working environment and the ability to elevate their customer service through a sharpened high-tech toolkit. Our recent Reimagined store concept enhancements generally include:

- ▶ Improved Stripper lounge quality standards.
- ▶ Designated Stripper recognition space.
- ▶ Enhanced training areas for all Strippers.
- ▶ Improved manager office conditions.
- ▶ Wellness room for a variety of health, religious, or other private uses, where space allows.
- ▶ Improved operational efficiencies, such as stock rooms closer to the selling floor and dedicated receiving, processing, and marketing storage areas.
- ▶ Enhanced in-store technology and Stripper tools.



## DEEPENING OUR RELATIONSHIPS WITH CUSTOMERS

Our customers are at the heart of everything we do. Our customers have choices. We continue to invest in creating experiences for our customers that go beyond simple transactions.

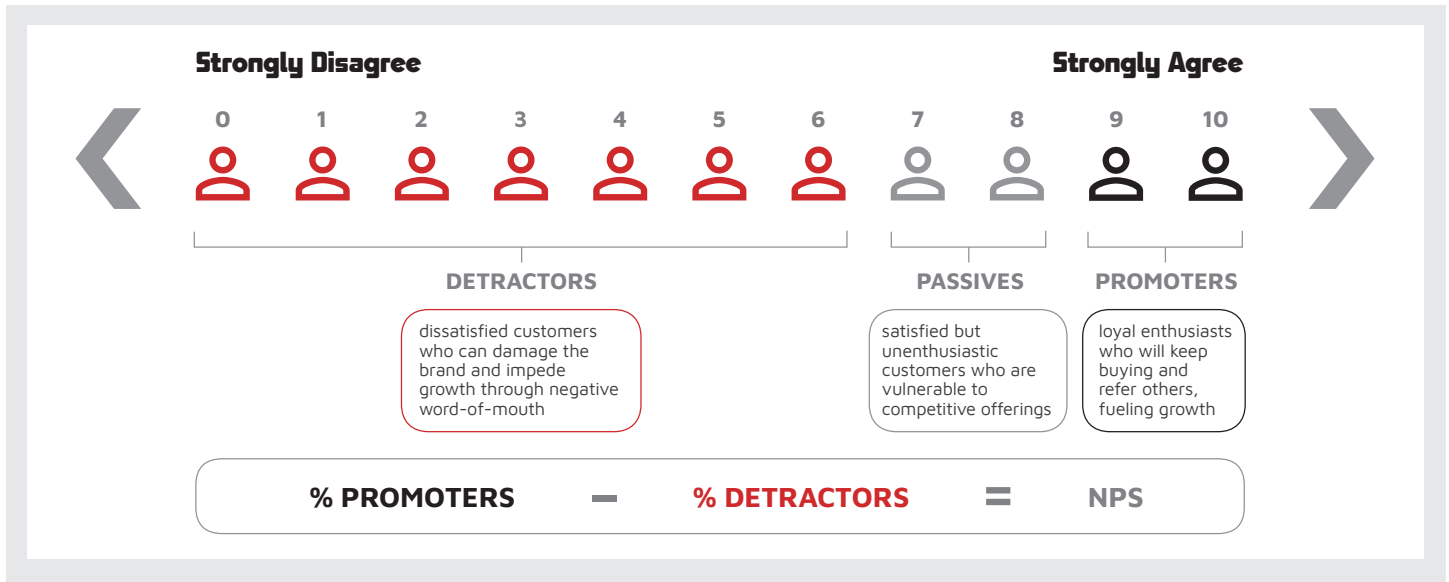
We believe we can leverage our in-store experience, social events, app, and digital channels to capitalize on opportunities to engage different customer segments in new ways, and use our channels to drive greater, more efficient customer acquisition and retention. In FY23, we began to reignite the Foot Locker brand by launching our new global platform “The Heart of Sneakers” and investing in brand-building marketing strategies. We will continue to make strategic marketing investments in FY24 and beyond to drive customer engagement and evolve and elevate the brand experience across channels.

### LOYALTY PROGRAM

Our FLX Program is key to driving customer retention and engagement. Free shipping, exclusive rewards, and exclusive access to products are just some of the ways in which we connect with our customers through this program, which is live across the United States, Canada, and six European markets (UK, France, Netherlands, Germany, Italy, and Spain). To continue to grow our loyalty members and explore new opportunities to attract a broader range of members and deliver more value, we relaunched the FLX Rewards program in North America, and we plan to expand it to other geographies. The FLX Rewards program provides extra access, extra savings, and extra perks, including FLX Cash, which gives members tangible savings in the form of cash back when they shop with us.

### NET PROMOTER SCORE (NPS)

NPS is a metric used to measure customer experience and predict future business growth. The Company leverages NPS results to implement change across the organization and better serve customers and drive future performance. In FY23, over 2.5 million surveys across North America, EMEA and APAC geographies were completed. NPS is calculated using the answers to questions posed to customers scored on a 0-10 scale. Respondents are grouped as follows:



Not only did we measure NPS, but we established rigorous NPS targets for FY23 with three touchpoints for measuring NPS in every region. We also established a strong governance process, including oversight by the HCC Committee for the NPS target performance.

Measuring NPS helped us improve the customer omni-channel journey including the digital checkout experience, especially during the holiday season. Comparing holiday performance for 2022 and 2023, we saw a 42% increase in product display accuracy, among other digital checkout improvements.

Key features of NPS include:

- ▶ **Reputable:** NPS directly influences customers’ sentiments around brand perception, including our ESG strategy.
- ▶ **Long Term:** NPS measures customer attraction and retention to fuel long-term and future growth.
- ▶ **Measurable:** NPS is a directly calculated point measurement system to evaluate customer experience and uses predictive analytics around future business growth.



## BE BEST-IN-CLASS OMNI

As part of our strategic vision, we are investing in our technology and data capabilities to better understand and serve our customers. Our goal is to deliver compelling, relevant, and personalized experiences across all touchpoints. This includes investments in digital search, product display, storytelling, and personalized lifecycle communications.

We are also investing in our omni-channel capabilities to create a seamless purchase experience and drive connectivity among channels with near-real-time inventory, Buy Online, Pick up In-Store (BOPIS) enhancements, and a new mobile app with omni-capabilities launching later this year.

Finally, we are committed to ongoing investments in cutting-edge data and AI technologies to enable personalized experiences at scale, bolster fraud mitigation efforts, and streamline operations in our customer service centers. These initiatives are poised to significantly enhance customer satisfaction and foster long-term loyalty, positioning us for sustained growth and success in the marketplace.



District managers were empowered to engage and partner with Strippers more effectively by using new tools, such as enhanced dashboards, mobile visit technology and an enhanced landing page. We also removed customer friction points by providing our Strippers with assisted selling technology, omni-item lookup, and ensuring in-store Wi-Fi access.

Please refer to **Data Security and Privacy** beginning on page 54 for further details on how we protect our customer data and privacy.

## STRIPER REIMAGINED

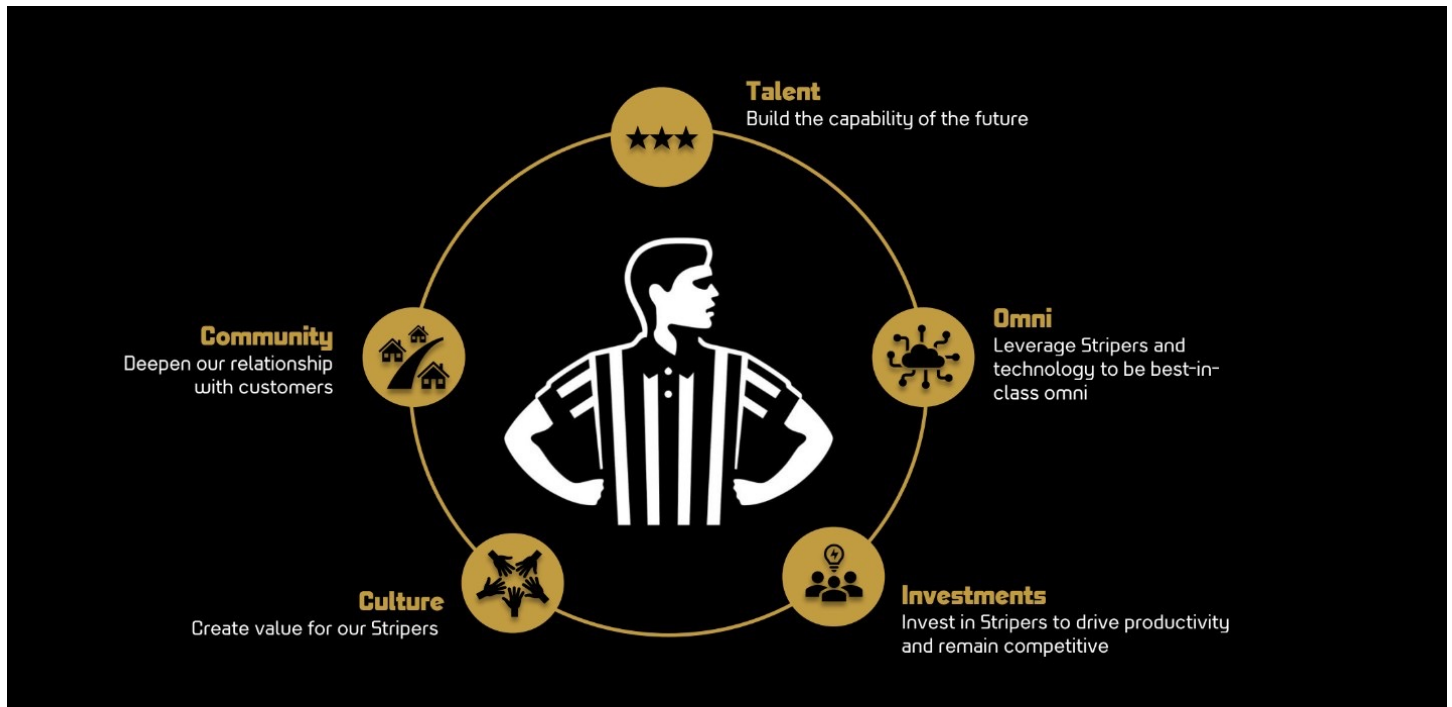
We know that our people are our greatest asset, and we are committed to their continuous growth and development. To help us achieve our strategic imperatives, we have elevated and empowered our in-store Strippers to create more meaningful connections with customers and unique sneaker experiences within the diverse communities we serve. Our Strippers have unrivaled sneaker passion and knowledge. They are solution oriented, and tech enabled. They are brand ambassadors, and content creators. They are members of the communities we serve. There are different types of Strippers, from the part-time team members who are passionate about sneaker culture to the full-time managers who pour their hearts and souls into the Company. Regardless of their positions, the sense of family that exists within each store, district, region, geography, and banner remains consistent, and everyone at the Company is empowered to be a leader.



**THE HEART  
OF SNEAKERS**



## WE ELEVATE THE STRIPER IN FIVE TARGETED AREAS:



In FY23, we continued to invest in our Stripers through a competitive compensation model, incentives, professional development, feedback mechanisms, and personal enrichment programs. These include:

- ▶ Increased the pay of more than 24,000 team members, which accounts for more than 55% of total store team members.
- ▶ Redefined the profile of a Striper focusing on heart, agility, accountability, and community.
- ▶ Enhanced experiences for Stripers around recruitment, onboarding, and development through innovative tools and resources including omni-selling behavior trainings.
- ▶ Launched Sneaker U, a training program through our Locker Learning Academy, which unites our Stripers globally and offers an immersive training journey deeply connected to brand and product education through the delivery of consistent field learning materials.
- ▶ Embraced new ways of collecting Striper feedback by creating the Insight Squad, a Striper-led taskforce tasked with identifying key themes and recommendations through employee engagement. For FY23, the Insight Squad conducted over 80 interviews with a diverse range of customer experience team members covering a broad range of topics. The valuable feedback collected by the Insight Squad led us to simplify the organization, streamline management systems, rebalance the workload of Store Managers and District Managers, and create more opportunities for our best talent.

## CREATING FIRST-TIME EMPLOYMENT FOR YOUTH

We are proud to be a job creator for young people and provide employment opportunities in the communities we serve. For many people, we are their first employer. Many high school students over the age of 16 work part-time in our stores within their own communities. For some, these positions are entry points to longer careers with us, including opportunities to move into store management roles or corporate positions. We have hiring controls, such as E-Verify, to confirm the age of applicants, as well as scheduling tools for compliance and the protection of our younger Stripers.



## EMPOWERING PEOPLE AND COMMUNITIES

At Foot Locker, we put people at the center of everything. We have long believed that our success should be shared, and we remain committed to empowering and inspiring our people—our customers, team members, and the communities we serve.

Please refer to **Striper Reimagined** on page 19 for more information regarding how the role of our Stripers is being enhanced.

## EMPOWERING COMMUNITIES

### LEED Initiative

FOOT LOCKER, INC.



We are deeply committed to enhancing the communities we serve. By way of example, through our **LEED (Leading Education and Economic Development) initiative**, we've committed to investing \$200 million to amplify and empower the communities that have been pivotal in shaping sneaker culture. This includes empowering entrepreneurs and designers, investing in venture capital firms, and providing grants in under-resourced communities, as well as supporting our team members through education and career development opportunities. Since the inception of our LEED initiative, we have contributed more than \$150 million in economic and educational impact, as measured at the end of FY23.

During its third year, the LEED initiative further amplified the pivotal role Historically Black Colleges and Universities (HBCUs) have played in higher education. From our partnership with Pensole Lewis College of Business and Design (PLC), to ongoing support of the United Negro College Fund (UNCF), we've funded nearly 400 educational opportunities through scholarships and design courses focused on careers in the sneaker industry. Through our sponsorship of the Kicks Ball, held in New Orleans during Bayou Classic weekend, we helped fund Grambling State University's GAP scholarship program. We are honored to support HBCUs in their pursuit to prepare students for leadership and life after graduation.

Another highlight of the LEED initiative is the Home Grown program, which connects aspiring brands with the opportunity to showcase their talents in select Foot Locker stores while gaining valuable experience to grow their businesses. Through the LEED initiative, Foot Locker also supports promotional efforts for Home Grown brands. This includes organizing marketing activations at HBCU Homecomings, where several of these brands showcased their HBCU-licensed apparel.

### Pensole Partnership

In 2023, LEED expanded our partnership with PLC, Michigan's only HBCU. In collaboration with Foot Locker's LEED team, PLC introduced "Threaded," a series of educational programs focused on exposing and educating youth from under-resourced communities to careers in the design and footwear industry.

The Threaded "Sneaker Experience" debuted during the Black Footwear Forum, a collective of footwear industry professionals and supporters from around the country, founded by PLC President and former Jordan Brand designer, Dr. D'Wayne Edwards. And in January 2024, the Threaded Brand Accelerator program, created and led by Dr. Edwards, welcomed nine of Foot Locker's Home Grown brands to a bespoke series of workshops (or "Threads") featuring industry and subject matter experts. These workshops provided insights, information and resources to help brands navigate business planning, cash flow, product design, sourcing, marketing and more.

### Community Empowerment Program

The Foot Locker Foundation Community Empowerment Program embodies the mission and spirit of the LEED initiative by providing funding support to non-profit organizations located in key markets in which we operate. We partner with grant administration organizations to manage a competitive grant process aligned with the Foundation's mission "to serve young people and give them tools to forge a brighter future." Through its partners, the Foundation funds grants to community-based organizations that reach youth and provide enrichment through programs that build academic, social-emotional, cultural, and life skills.

To deepen connections to the grantees, the Community Empowerment Program provides each grantee with a designated local point of contact at Foot Locker, who serves as a coordinator to strengthen community engagement. The local leader organizes Striper volunteers who assist with events, mentor participants, provide job skills coaching, and conduct mock interviews to help young people develop and succeed.

Local non-profits have found that the Foot Locker name sparks excitement among youth participants, and enhances their ability to engage youth in community programs.



## Foot Locker Foundation

In addition to our work through the LEED initiative, the Foot Locker Foundation continues to provide philanthropic support in many ways, including funding our scholarship programs, Boys & Girls Clubs of America (BGCA), UNCF, and the Two Ten Footwear Foundation. Our annual "On Our Feet" gala benefits our sponsored educational initiatives, as well as other programs supported by the Foundation to help young people and the communities we serve.

## Boys & Girls Club of America

We expanded our long-standing, national partnership with the BGCA, a non-profit organization with the mission to enable all young people, especially those who need us most, to reach their full potential as productive, caring, responsible citizens. Foot Locker Foundation sponsored a \$500,000 donation to BGCA over a two-year commitment to fund and fuel programs that serve local clubs and communities across the country, with a few programs worth noting:

- ▶ **Annual "Add-a-Buck" Campaign** – During the "back to school" period, our Strippers invite customers to donate \$1, \$3, \$5 or \$10 in Kids Foot Locker stores nationwide. In FY23, we successfully raised \$162,700, and all the proceeds were dedicated to BGCA's mission.
- ▶ **Triple Play Initiative** – Kids Foot Locker provides funding to support local BGCA clubs across seven cities, to facilitate BGCA's comprehensive health and wellness initiatives in safe environments, encouraging kids to be active and live healthier lifestyles.
- ▶ **"Remix Yourself" Community Events** – Celebrating how kids are "remixing" different aspects of their lives, expressing themselves, and ultimately being the best version of themselves through a series of community events hosted at local Kids Foot Locker stores.

## Foot Locker Scholar Athletes Program

The Foundation's mission is to promote a better world for today's youth by providing educational opportunities. In 2011, the Foundation launched its own scholarship, the Foot Locker Scholar Athletes Program, which reflects our Company's core values and embraces our deep commitment to education and excellence. Each year, the Foot Locker Scholar Athletes Program awards college scholarships of \$20,000 each to outstanding student athletes who demonstrate academic excellence and exemplify strong leadership skills both in sports and within their communities. In addition, one of the 20 students selected is awarded the Ken C. Hicks Scholarship in honor of the Company's former Chairman and Chief Executive Officer, which



awards an additional \$5,000 for exemplifying superior academic achievement, personal passion, and a true love of the game. To date, the program has awarded 240 scholarships, totaling over \$4.5 million.

## Partnership with UNCF

We are proud of our long-standing partnership with UNCF and the scholarship program we have created through our annual "On Our Feet" fundraising event. Since 2004, the Foundation has contributed over \$7.8 million in scholarships to more than 1,000 students attending UNCF-member HBCUs.



## International Philanthropic Efforts

We also are the naming rights sponsor for elite national junior tournaments in partnership with Basketball Australia and Basketball New Zealand. These tournaments span U14, U16, U18, U20, Schools, Intellectually Disability and Wheelchair Basketball championships. To help young talent attend these tournaments, Foot Locker co-funds 10 athlete scholarships per year, facilitated through the Sports Excellence Scholarship Fund.

## WSS Cares!

WSS Cares! the philanthropic heart of WSS, hosted a series of events in FY23:

- ▶ Back-To-School Supplies Giveaway Events across 16 stores provided over 5,000 backpacks filled with essential school supplies, directly benefiting students as they prepare for the new academic year.
- ▶ In partnership with a vendor, we hosted six events which offered "Fresh Cuts" – free haircuts for kids, helping over 240 students start school with confidence.
- ▶ WSS Cares! also organized toy giveaway activations in 12 stores, distributing over 7,800 toys and highlighting WSS's role in fostering positive community change. Each event attracted upwards of 1,000 attendees, showcasing the community's strong support and appreciation for WSS's philanthropic efforts.

## Soles4Souls

Soles4Souls turns unwanted footwear and apparel into opportunity by keeping them from going to waste and putting them to good use. With locations across three continents, Soles4Souls has distributed more than 100 million pairs of footwear and articles of clothing since 2006. In FY23, we donated over 7,000 pairs of new shoes to the Soles4Souls 4EVERYKID program, which helps children experiencing homelessness across the U.S. kick off the new school year with increased confidence.



# PEOPLE STRATEGY

Our people strategy focuses on building the organization of the future, delivering service excellence, and uniting our communities of talent.

## BUILDING THE ORGANIZATION OF THE FUTURE

We cultivate critical skills and capabilities that empower our team members to advance our Lace Up Plan. Our commitment to continuous learning nurtures a culture where our workforce continually enhances their skills and adapts to market dynamics. By integrating data-driven decision making into strategic workforce planning, implementing global culture initiatives, and leveraging data to drive decisions, we are shaping Foot Locker as a future-ready organization.

## DELIVERING SERVICE EXCELLENCE

We aim to ensure that our team members enjoy the same level of value that we provide to our customers. Our goal is to enhance the employee experience, deliver exceptional service, and consistently surpass expectations, providing purpose-driven and value-centric experience for our workforce.

## UNITING OUR COMMUNITIES OF TALENT

We strive to foster unity among team members by embracing both their commonalities and individuality. Our DIB strategy is designed to attract, hire, retain, and advance talented team members from diverse backgrounds, bringing forward rich perspectives and experiences. We encourage all team members to embrace their authentic selves and contribute to our work environment.

# 2023 RECOGNITIONS

We don't work hard to achieve awards and recognitions, we work hard to improve our team member experience at Foot Locker every day. Below are a selection of recognitions we received in 2023.



**FORBES**  
WORLD'S  
TOP COMPANIES  
FOR WOMEN



**FORBES**  
WORLD'S  
BEST  
EMPLOYERS



**NEWSWEEK**  
AMERICA'S  
GREATEST  
WORKPLACES  
FOR LGBTQ+



**TALENT BOARD**  
GLOBAL  
CANDIDATE  
EXPERIENCE  
AWARD



**AMERICAN  
OPPORTUNITY  
INDEX**  
TOP 100 COMPANIES



## BUILDING THE ORGANIZATION OF THE FUTURE

We focus on skill building throughout the organization and ensure team members collaborate and connect with their managers on their personal and team goals, performance expectations, and career development through our technology-enabled engagement solutions. In addition to instructor-led training workshops, we continue to leverage technology to ensure all team members have access to ongoing training and education. Here are some examples of our online learning platforms:

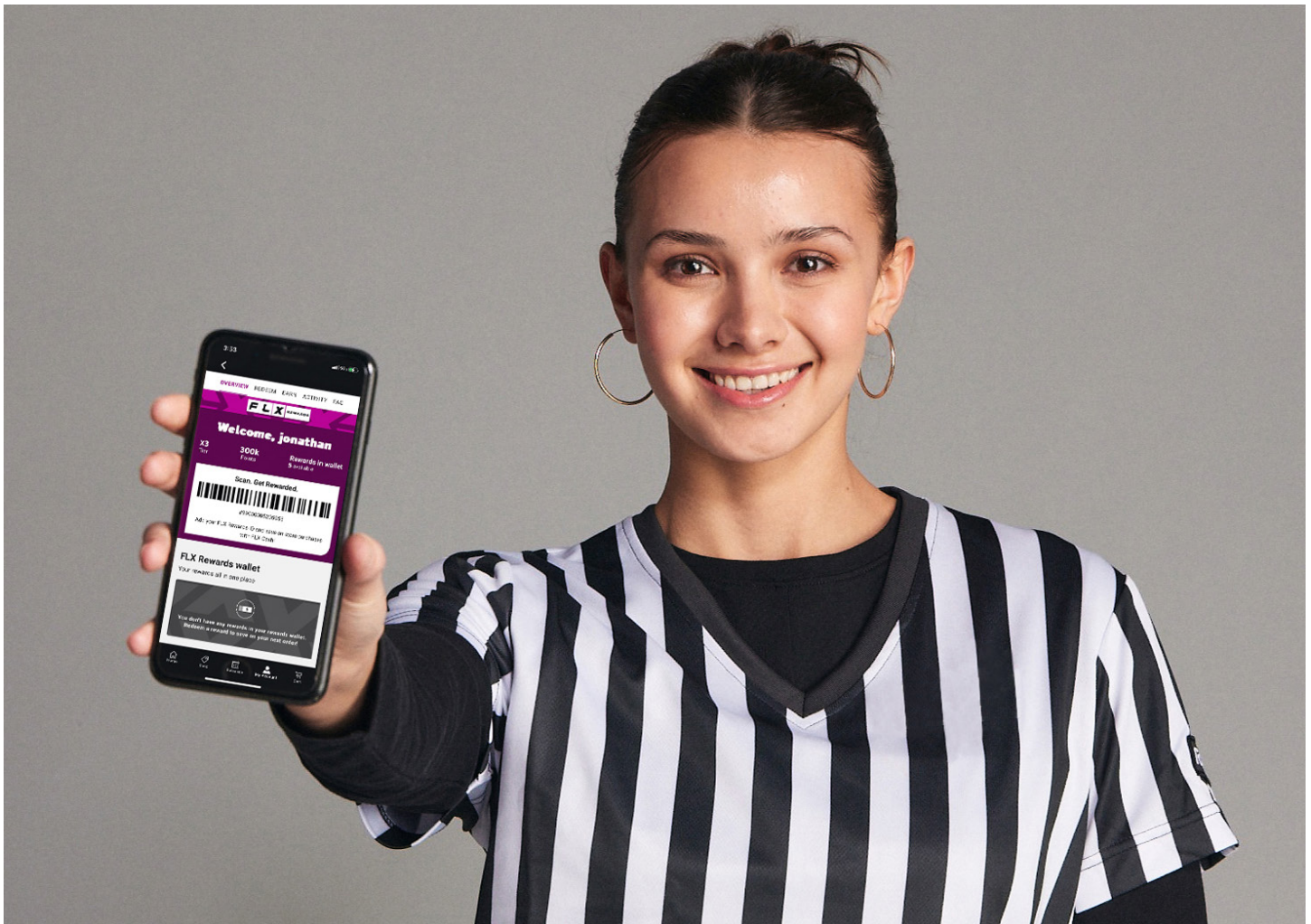
**Locker Learning Academy:** Our online learning platform provides team members with access to three “schools of learning,” including functional and technical, business, and leadership schools. Each of the schools offers courses that provide opportunities for in-depth learning and continuous growth. During FY23, on average, team members generated over 20,000 site views per month.

**On-Demand Learning:** Team members also had access to an on-demand learning platform for education, reinforcement of critical capabilities, and tailored upskilling paths to increase functional expertise. In FY23, over 114,000 videos were

viewed by team members. After sunseting this platform at the end of FY23, we launched a partnership with another AI-driven global learning management system, which provides personalized learning plans based on individual job roles and dynamic content in the form of videos, e-books, podcast, practice labs, and more.

**Lace Up:** All team members, including store-based and operations team members, leverage our micro-learning, communication, and gamification platform, Lace Up, to build core capabilities aligned to their roles. During FY23, over 46,000 team members used the Lace Up platform globally, collectively answering over 20 million questions, and accessing the platform more than 9 days a month on average.

We continue to focus on workforce skills and capabilities to drive our future, whether through external hiring or internal development of team members. To align our workforce with our Lace Up goals, we use data to make informed strategic decisions to ensure we remain a competitive omni-channel retailer able to attract and retain top talent.





## DELIVERING SERVICE EXCELLENCE

### Employee Feedback and Engagement

Completed in FY23, the global Voice of our Team Member survey is a source of insights into how we retain and attract the best talent and a roadmap to how we build love for our iconic brand. The feedback from this survey showed that we have been successful in creating a diverse and inclusive environment, contributing to a positive atmosphere, and a sense of belonging. Team members also expressed overall satisfaction with their managers and teammates. Several areas of opportunity were also highlighted and will be priority areas of focus in FY24.

### Total Rewards

Our team members, including 14,335 full-time and 32,511 part-time team members as of FYE23, form the foundation to deliver an unparalleled customer experience—regardless of where they work, what their roles are, and how they deliver that experience. Whether in offices, stores, or DCs, our promise is to create and sustain an environment where team members can be their authentic and best selves, demonstrating the true power of Stripers globally.

We invest in our team members by offering learning opportunities, ERGs, and a Total Rewards package. This includes competitive compensation and many benefit programs important to their health and well-being. Our Benefits and Human Resources teams work diligently to ensure our programs remain competitive, affordable, and meet the needs of team members and their families.

Among these include:

- ▶ Health care benefits – medical, dental, and vision coverage.
- ▶ Financial benefits – 401(k) Plan with Company matching contribution, life and disability coverage, Employee Stock Purchase Plan at a discount, and commuter benefits.
- ▶ Work-life balance through paid parental leave and lifestyle benefits (including paid time off for full-time team members and an employee discount program).
- ▶ Foot Locker Extras – a program offered to all U.S. team members which includes pet insurance, legal services, identity theft insurance, auto and home insurance, long-term care insurance, as well as discounts on childcare, student loan refinancing, gym memberships, and more.
- ▶ Tuition reimbursement for qualified programs and courses in North America and EMEA.
- ▶ Outside the U.S., we may offer supplemental health and wellness programs, as well as retirement benefits, based on local competitive practices.

Globally, we recognize and show our appreciation for team members through rewards, incentives, and special programs revolving around key moments.

In FY23, we elevated the team member experience through recognition and engagement programs summarized below:

- ▶ We awarded nearly 900 Stripers (Managers and District Managers) a trophy or plaque for their performance across our KPIs and leadership competencies.
- ▶ We awarded more than 3,300 pins to recognize Stripers who personified our core values and leadership competencies. Each recognition pin also included a \$10, \$20, or \$30 discount coupon to use at Foot Locker.
- ▶ We awarded 125 of our top performing team members, with our annual “Big Trip,” an all-inclusive trip for two to a tropical destination.
- ▶ We implemented Striper Soundbites, a formalized approach to gather feedback from Stripers, aiming to enhance future experiences for our team members, customers, and communities.
- ▶ We hosted in-person field meetings during key periods to engage field team members on their role in their company strategy and increase their connection to Foot Locker.



## Well-being

We have always been committed to the well-being of our team members. In the last few years, we have expanded this commitment to underscore what is a critical priority by offering various programs, tools, and resources to team members globally.

At the end of FY23, we established a new global ERG focused solely on well-being. The Global Wellness Champions ERG's mission is to advance a culture of wellness, while also collaborating and partnering with the other six ERGs to understand and embrace their members' wellness needs and interests.

We do this by:

- ▶ Leveraging our company intranet site, MyLockerRoom, to communicate with and educate team members about wellness. We have created specific sections of the site focused on both global and regional wellness programs in an easy-to-access format.
- ▶ Hosting global educational webinars with experts to discuss mental health and wellness.

- ▶ Continually encouraging team members to use their time off, disconnect from the office, and where possible, allow for modifications in work schedules.
- ▶ Launching Enrich, a global financial wellness platform designed to help educate and reduce the effects of financial stress. This is delivered through an individually customizable platform that includes tips on a variety of financial topics and hundreds of articles.
- ▶ Soliciting feedback to help track our progress. This includes an annual survey related to well-being and closely aligned to a RILA benchmark of aggregated responses from multiple retailers.

## Pay Equity

We strive to achieve pay equity through benchmarking and other evaluation tools, including research and market studies. Our commitment is to evaluate pay equity globally—across team member groups—including salary ranges based on experience, knowledge and qualifications while implementing team member promotions, where applicable. Our overarching goal is to ensure we remain market competitive, so team members feel valued for their hard work, dedication, and commitment.





# UNITING OUR COMMUNITIES OF TALENT

We embrace diversity by welcoming all people, encouraging different philosophies, and valuing the ideas and opinions of others. Our comprehensive DIB strategy is woven into how we work—from talent attraction to development and retention. Our seven ERGs play a pivotal role to support our culture, where

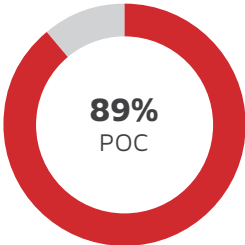
team members with shared interest and passion network, connect and offer “safe space” for team members to exchange knowledge and opinions, raise awareness through education, elevate professional development, and drive business opportunities, while enhancing our workplace culture.

## DIVERSITY, INCLUSION, AND BELONGING

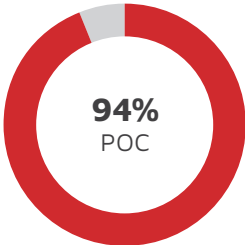
### WE ARE COMMITTED TO DIB AND THE CONSTRUCTIVE EXPRESSION OF DIFFERING IDEAS

We aspire to be a great place to work by cultivating a culture that promotes DIB. Celebrating different perspectives, backgrounds, and experiences helps team members feel valued and more engaged. DIB is a strategic business driver for the Company because our people are at the heart of executing our strategy, and DIB has proven to be an important asset in making better strategic decisions.

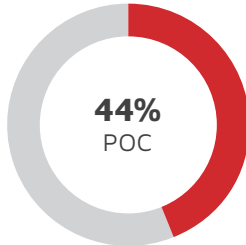
## OUR TEAM MEMBERS REFLECT THE DIVERSITY OF THE COMMUNITIES WE SERVE



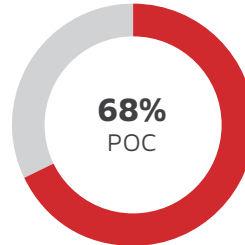
Total U.S. Team Members



U.S. Retail Store Team Members

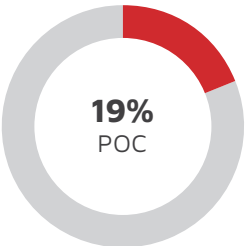


U.S. Office Team Members

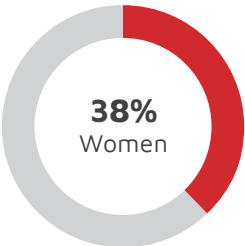


U.S. DC Team Members

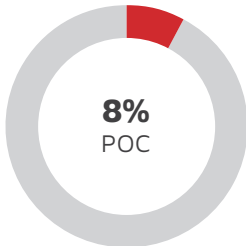
## OUR HIRING PRACTICES SEEK TO ENHANCE DIVERSITY AT ALL LEVELS



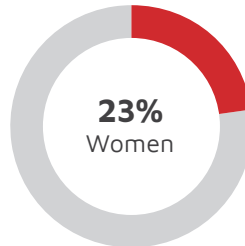
U.S.-Based New Hires for Vice President and Higher Positions in FY23



38% Women



U.S.-Based Promotions for Vice President and Higher Positions in FY23





23% Women



## ERGS

Our seven ERGs play a pivotal role to support our culture, where team members with shared interest and passion can connect. Our ERGs are open to any and all team members who wish to participate.

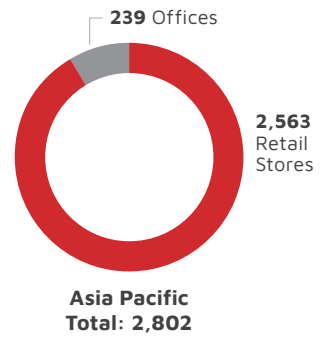
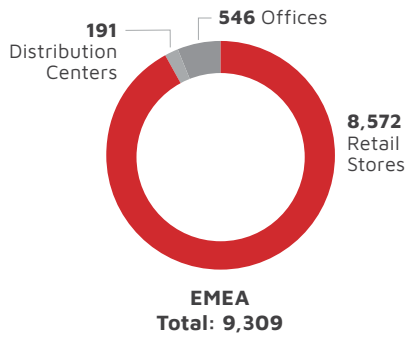
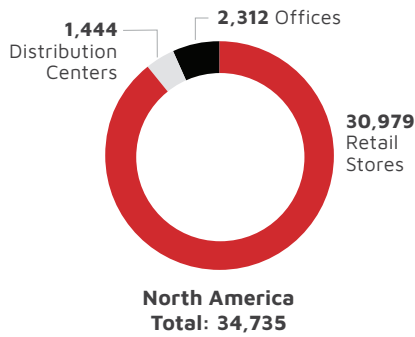
|   |   |  |
|---|---|--|
|    | <ul style="list-style-type: none"> <li>▶ Brings together African-American, Black, African, and Caribbean team members and their allies.</li> </ul>  | <p><b>FY23 Initiative:</b></p> <p>Celebrated cultural moments including Black History Month (U.S. and EMEA), Black Business Month, and the 50th Anniversary of Hip-Hop music. Most notably, during Black History Month, held a panel session with more than 500 participants centered around career development and networking to raise awareness about the importance of Black representation in the workforce.</p>   |
|    | <ul style="list-style-type: none"> <li>▶ Makes it their mission to unlock, empower and embrace the full potential of all women and their allies.</li> </ul>   | <p><b>FY23 Initiative:</b></p> <p>Hosted a 4-Part Learning Series featuring the authors of "Kick Some Glass." These sessions were inclusive of networking, awareness, and development.</p>   |
|    | <ul style="list-style-type: none"> <li>▶ Provides a forum for education and awareness supporting the professional growth of LGBTQ+ individuals and their allies.</li> </ul>   | <p><b>FY23 Initiative:</b></p> <p>Celebrated June Pride Month with weekly educational events, professional networking, and panel discussions with fellow retail leaders and The Trevor Project, the leading suicide prevention and crisis intervention organization for LGBTQ+ young people.</p>   |
|  | <ul style="list-style-type: none"> <li>▶ Champions and empowers the LatinX community and their allies.</li> </ul>   | <p><b>FY23 Initiative:</b></p> <p>To celebrate LatinX Heritage Month, the Tennis ERG hosted four virtual sessions featuring LatinX artists from various industries, highlighting their heritage, achievements, and community contributions, as well as conversations about LatinX presence in the footwear industry and resources for entrepreneurs. The series concluded with a meet-and-greet with Foot Locker senior leadership, who shared insights into bringing balance into family dynamics and corporate life.</p> |
|  | <ul style="list-style-type: none"> <li>▶ Creates visibility, raises awareness, and strives to empower persons with disabilities (physical, mental, and learning) and their allies.</li> </ul>   | <p><b>FY23 Initiative:</b></p> <p>Hosted a "Be Seen" autism awareness campaign along with various product collaborations and partnerships to raise awareness, understanding, and acceptance.</p>   |
|  | <ul style="list-style-type: none"> <li>▶ Educates and creates meaningful dialogue, provides an opportunity for personal and professional development, and aligns with Company objectives while celebrating Asian heritage.</li> </ul>           | <p><b>FY23 Initiative:</b></p> <p>Explored the Asian American experience in the professional workplace by hosting a book review and author discussion as well as other events focused on the power of gratitude and breaking down barriers.</p>  |
|  | <ul style="list-style-type: none"> <li>▶ Established at the end of FY23, with the mission to create a community where wellness matters in partnership with all ERGs by providing education and inspiration to team members globally.</li> </ul> | <p><b>Goals for FY24 and Beyond:</b></p> <ul style="list-style-type: none"> <li>▶ Support a diverse and inclusive work culture through collaboration with other ERGs</li> <li>▶ Raise awareness of wellness globally</li> </ul>  |



# OUR TEAM IN NUMBERS AS OF FYE23

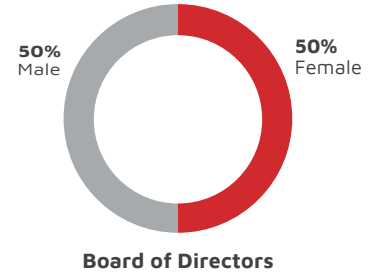
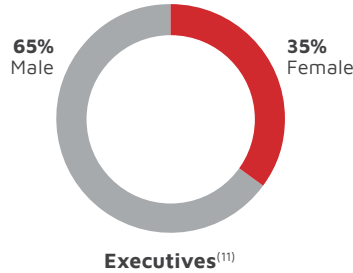
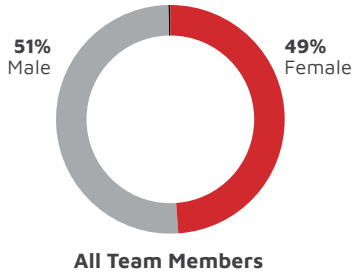
Our team member headcount includes personnel across our directly operated stores, offices, and DCs.

## TOTAL TEAM MEMBERS

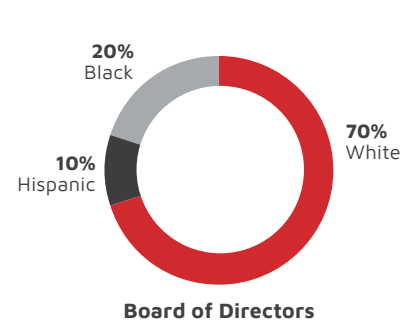
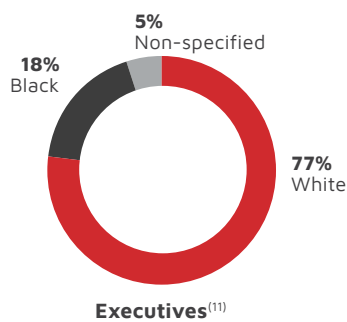
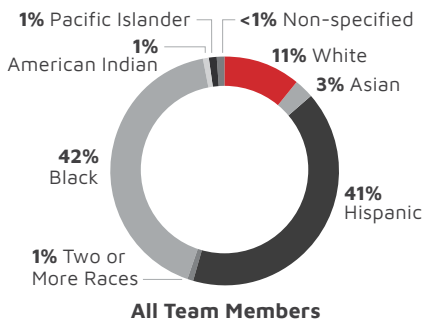


## GENDER REPRESENTATION<sup>(10)</sup>

<1% Non-Binary/Not Available/Not Disclosed



## ETHNIC DIVERSITY REPRESENTATION<sup>(12)</sup>



<sup>(10)</sup> We ask our team members to self-identify their gender upon commencement of their employment. However, team members may elect not to provide this information. While not believed to be significant, there may be cases where the gender identified upon commencement of employment may no longer accurately reflect the team member's current gender identification.

<sup>(11)</sup> "Executives" are defined as the CEO, Executive Vice Presidents, Senior Vice Presidents, General Managers, and Corporate Vice Presidents.

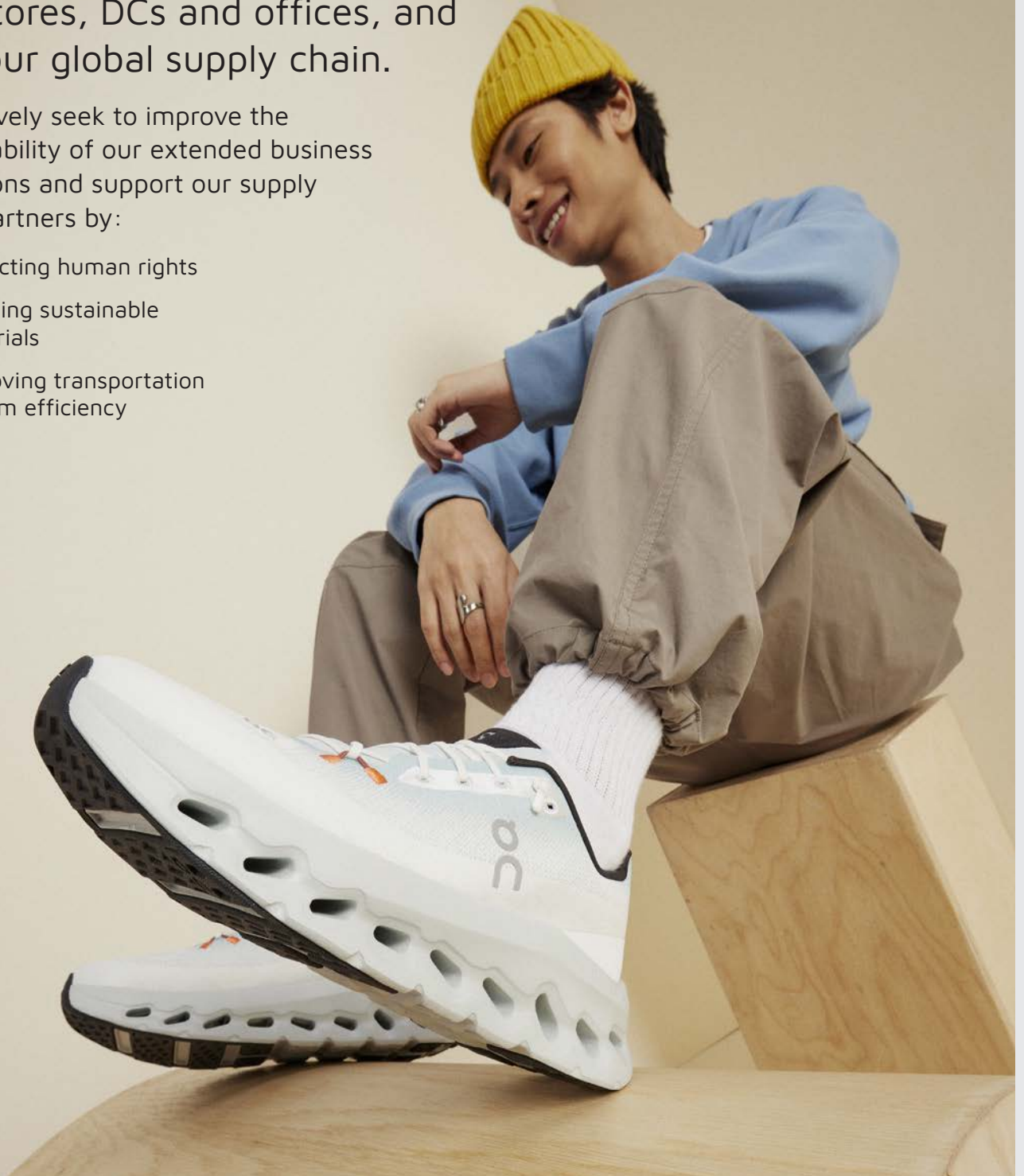
<sup>(12)</sup> We ask our U.S. team members to disclose their ethnicity upon commencement of their employment. However, team members may elect not to provide this information. Information for team members outside the U.S. is not captured.

# STRENGTHENING THE SUSTAINABILITY OF OUR SUPPLY CHAIN

We recognize that ESG risk management extends beyond our stores, DCs and offices, and into our global supply chain.

We actively seek to improve the sustainability of our extended business operations and support our supply chain partners by:

- ▶ Protecting human rights
- ▶ Sourcing sustainable materials
- ▶ Improving transportation system efficiency





## PROTECTING HUMAN RIGHTS

Protecting human rights is an integral aspect of the way we conduct our business, treat our team members, and support the communities we serve.

We respect and protect human rights in every aspect of our business and supply chain. We are aligned with international laws and principles, including those contained in the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the United Nations Universal Declaration of Human Rights. We are proud to create safe and fair jobs and secure livelihoods for our team members, offer products and engagement for our customers, support community development, and provide tax revenue for governments around the world to invest in the well-being of their people. Our policies ensure that we and our partners maintain work environments that respect and protect human rights for everyone in our value chain around the world.

### OUR GUIDING PRINCIPLES

In addition to our [Global Sourcing Guidelines](#), our [Global Human Rights Policy](#) reinforces our core values as an organization: leadership, service, teamwork, innovation, and integrity. Adherence to the standards in these Guidelines by those who seek to do business with us, and by their business partners, contractors, sub-contractors, or suppliers (including suppliers' suppliers), is a pre-requisite to establish or continue a relationship with Foot Locker.

Our Global Human Rights Policy supports team members in creating and maintaining a work culture that prohibits unhealthy or unsafe work conditions, forced labor, or child labor, as well as supporting the provision of equal human rights to all persons. Our Global Human Rights Policy applies to all team members, and we expect all agents, entities, and individuals who do business on our behalf to also conduct their business in ways that uphold these principles. Our Global Human Rights Policy establishes our commitment to maintaining a work environment that respects and supports the provision of basic human rights to all employees around the world, and, in particular, members of at-risk groups, including women, young workers, and foreign contract workers. To this end, we strictly prohibit all forms of labor in the workplace that are detrimental to the health or safety of any employee; prohibit forced or compulsory labor for any employee; and promote, protect, and help ensure the full and equal enjoyment of human rights by all persons, including those with disabilities. We will not tolerate any behavior or actions prohibited by these requirements. Foot Locker provides human rights training to employees who are engaged in the entity's supply chain compliance to identify and address any potential instances of forced and or child labor.

In FY23, we have made several additions and updates to our Global Human Rights Policy based on stakeholder feedback and an assessment of our business practices. The NCR Committee maintains ESG oversight, including our human rights governance framework, and our Chief Supply Chain Officer and General Counsel provide senior management oversight of human rights matters. We also strengthened our stakeholder engagement process to enable us to learn of, and respond to, concerns raised by stakeholders. These processes are fully aligned with our Global Human Rights Policy and discussed in detail in [Supplier Sustainability and Engagement](#) on page 32 and [Supplier Verification Program](#) beginning on page 34. Our Conflict Minerals Policy reaffirms our commitment to work with suppliers that conduct business responsibly and ethically.

### KEEPING TEAM MEMBERS SAFE

The safety of our team members and customers is always our highest priority. We are dedicated to providing a secure and safe shopping experience for our customers, team members, and the communities we serve. An unfortunate reality is that there has been a noticeable increase in incidents of violent shoplifting and organized retail crime in the U.S. that pose a threat to everyone involved. This includes shoplifting and may also extend into sophisticated criminal rings that facilitate the theft and reselling of products. Despite this, we remain optimistic and are taking proactive steps to address these challenges. Our primary concern is assuring the safety of our store team members, security contractors, and customers who may observe such theft in action. As part of the RILA Crimes Against Business committee, we continue to collaborate with other retailers to address these crimes. Our Learning and Development team, in partnership with the Loss Prevention team, has created training content for all team members to provide continued learning on a non-violent approach to addressing shoplifters. We have also implemented policies and communication strategies that teach situational de-escalation practices to mitigate the risk of disruption and potential violence. To help keep our team members safe, we have comprehensive safety processes in place covering stores, offices and DCs in the U.S. and globally. Here are some examples of the safety processes:

- ▶ We utilize electronic security access cards to limit access to facilities and offices across the globe.
- ▶ We complete incident reporting through our risk management system with prompt investigation and review by the Risk Management team as well as follow-up action.
- ▶ We have designated teams who provide safety tips and reviews of store fixtures, backroom, and floor plan for potential safety issues.

## HEALTH AND SAFETY

We provide robust safety training programs covering a wide range of subjects and are catered towards different functions.

- ▶ For our store team members, we provide trainings such as hazardous substance, manual handling, slips, trips and falls, and handling of shoplifters or violence in the workplace.
- ▶ For our DC team members, the training also covers topics such as correct ergonomic movements for proper lifting and reaching, proper equipment guards, and injury and illness prevention.
- ▶ We continue to leverage omni-technology whenever possible to improve team member and customer safety. For example, we utilize a modern, intuitive emergency communication tool, which allows us to identify threats and communicate faster during emergencies, such as extreme weather, social unrest and other safety-related events. This tool allows us to effectively communicate with team members in real time, offering resources and assistance.
- ▶ Our WSS team uses a telematic solution placed on our delivery trucks that allows us to analyze all aspects of our drivers and fleet resulting from utilizing AI with driver and forward-facing cameras. The system detects distracted driving and drowsy driving behaviors, as well as harsh driving events, such as speeding, harsh turns, and alerts managers real time via an email while maintaining the time and video support. This enables the WSS team to provide real-time feedback to the drivers, helping them improve their skills, while keeping driver and public safety a priority.
- ▶ We are constantly evaluating and evolving our safety program. Since fall of 2023, we have started two pilot programs focusing on preventing work-related injuries in our Junction City DC in Kansas. We equip our DC team members with wearable, cutting-edge devices that help identify high-risk postures at work, such as improper bending, overreaching, and twisting. By keeping track of each high-risk posture, the devices not only help team members understand proper lifting techniques, but also enable supervisors to monitor and coach team members on safe and unsafe behaviors. We also partner with medical specialists specialized in active release techniques to provide free on-site soft tissue treatment to our DC team members. We are improving and expanding these two pilot programs based on the experiences learned and the feedback from our team members.

To learn more about our safety process for chemicals management, see [Chemicals Management and Water Stewardship](#) on page 45.

## SUPPLIER SUSTAINABILITY AND ENGAGEMENT

Our Global Sourcing Guidelines (GSG) embodies our commitment to the workers who manufacture our products and at a minimum, requires our suppliers to comply with all applicable laws, codes, and regulations, including without limitation health codes, employment and discrimination laws, human rights standards, trade laws, including laws targeting forced labor in global supply chains, anti-bribery and anti-corruption laws, environmental regulations, safety codes, and building ordinances for each location in which they do business. Suppliers are expected to inform their workers of these laws, codes, and regulations in the language in which they speak.

Suppliers are required to monitor any third-party entity, which assists them in recruiting or hiring employees to ensure that people seeking employment at their facilities are not compelled to work through force, deception, intimidation, or coercion. In addition, they are expected to use reasonable procedures for disciplining or terminating workers to maintain work environments that respect and support basic human rights.

Our GSG requires all our suppliers to respect certain employment, sourcing, and business conduct standards that we believe should be universal, notwithstanding more relaxed standards (if any) imposed by law. We conduct due diligence in our supplier selection process to choose reputable business partners, who are committed to our ethical standards and business practices. The GSG are distributed annually to each of our suppliers, and they each agree that, by accepting orders from us, they will abide by the GSG, and require the same from each of their suppliers and subcontractors. They are also expected to share our GSG with their suppliers and business partners, choosing partners of good standing, who are committed to our standards and practices. The GSG are an integral part of our purchase arrangements with suppliers, and to ensure conformity with the GSG, we reserve the right to make periodic, unannounced inspections of their facilities, and suppliers agree to maintain and provide, upon request, all documentation necessary to demonstrate compliance. Day-to-day responsibilities of the GSG are managed by members of the Supply Chain and Law Department.

Our Conflict Minerals Policy reaffirms our commitment to work with suppliers that conduct business responsibly and ethically. Our Conflict Minerals Report for the year ended December 31, 2023 is available on [footlocker-inc.com](https://www.footlocker-inc.com).



## ENSURING WORKER DIGNITY

We ensure compliance with our GSG by performing factory audits of our private label vendors and suppliers. We source our merchandise from two types of suppliers: (1) brand partners, which produce the branded footwear and apparel that account for more than 95% of our global sales, and (2) proprietary brand vendors from which we source to manufacture merchandise, apparel, and accessories under our LCKR, Champs Sports, Cozi, WSS Athletic, Eurostar, Celia & Leor, atmos Men's Collection, atmos Pink, Tokyo23, and Home Grown brands. Please refer to [Understanding Our Value Chain](#) below for further details about our suppliers.

The GSG set out the standards applicable to all suppliers who manufacture products sold in our stores. As stated in the GSG, we only work with suppliers whose workers are present voluntarily, compensated fairly, allowed the right of free association, are provided grievance systems, and are not put in physical harm, discriminated against, or exploited in any way. These are the values we uphold as a company and the expectations we set for all our suppliers globally.

We also share a letter outlining our GSG with both our branded and proprietary brand vendors. As part of our holistic approach to vendor engagement, we distribute the GSG annually to all vendors. Our branded vendors must ensure that their manufacturing practices are conducted in alignment with our GSG. In the United States, we also share additional requirements concerning the Foreign Corrupt Practices Act of 1977, the U.S. Consumer Product Safety Commission, and Conflict Minerals reporting under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which are publicly available.

We form deep strategic relationships with our proprietary brand vendors to ensure high product quality, and to build a supply chain that is resilient and respectful of the environment and working conditions of their team members. All Tier 1 suppliers must adhere to our GSG, and all factories are subject to site verifications against these standards on an annual basis. If Tier 1 suppliers utilize subcontractors, they must be identified and approved prior to use. If approved, Tier 1 suppliers are required to share the GSG with suppliers with whom they subcontract (Tier 2), and such subcontractors are required to adhere to the GSG.

## UNDERSTANDING OUR VALUE CHAIN

### BRAND PARTNERS

We have a streamlined supplier profile. Our top 20 brands generate more than 95% of our sales, and our top 10 brands alone account for approximately 90% of our sales.

**Primary Brands:** Represent major global sportswear brands, including Nike, Jordan, adidas, Puma, and New Balance. Our buyers work with these partners to curate special product assortments and marketing content. In addition, we collaborate on co-creating new products for customers, launching products, and developing immersive brand connections through our stores.

**Strategic Brands:** Represent other brands in the athletic or lifestyle space.

### PROPRIETARY BRANDS<sup>(13)</sup>

**Tier 1 Suppliers:** Represent our primary vendors and their contracted factories. Approximately 90% of our proprietary brand merchandise, apparel, and accessories are sourced from 10 suppliers located across Bangladesh, Cambodia, China, India, Indonesia, Pakistan, and Vietnam.

**Tier 2 Suppliers:** Represent the raw material suppliers that directly subcontract with our main suppliers, which may include fabric mills or fabric suppliers.

Our Global Human Rights Policy, Global Occupational Health and Safety Policy, and Modern Slavery Report are available on [footlocker-inc.com](http://footlocker-inc.com).

<sup>(13)</sup> Our definitions for Tier 1 and Tier 2 suppliers are based on parameters defined by the SASB Apparel, Accessories, and Footwear standard. Tier 1 suppliers are defined as suppliers that transact directly with the entity, such as finished goods manufacturers (e.g., cut and sew facilities). Suppliers beyond Tier 1 (referred to as Tier 2) are the key suppliers to the entity's Tier 1 suppliers, including manufacturers, processing plants, and raw materials providers.



## SUPPLIER VERIFICATION PROGRAM

### Audits

The GSG set standards applicable to the manufacture of all products sold by the Company. We expect that the products we sell will, without exception, be manufactured in compliance with local labor and employment laws, under working conditions that meet certain standards, and without the use of forced or child labor. Our internal teams work closely with and encourage our private label suppliers to make improvements in their facilities. We have transcribed the GSG into seven different languages, depending on the local language spoken in the facility, in an effort to increase compliance and understanding. Our audit program is focused on our private label business and the directly sourced supplier factories that produce our proprietary brands. Each of these factories is required to undergo audits every one to two years, depending on the risk in the country of production and previous compliance records, to ensure adherence to the criteria set forth in the GSG and local law.

In FY23, supplier compliance monitoring and audits were conducted by our nominated provider Intertek, a leading quality assurance solutions provider to industries worldwide. Intertek's Workplace Conditions Assessment (WCA) program is an on-site assessment of suppliers, covering the following factors:

- ▶ transparency and business integrity
- ▶ child labor and forced/slave labor indicators
- ▶ wages and benefits
- ▶ health and safety
- ▶ harassment and discrimination policies
- ▶ hours of work
- ▶ hiring, disciplinary, and termination practices
- ▶ freedom of association and grievance mechanisms

Category questions are assigned ratings of minor, moderate, major, critical, or zero tolerance, depending on severity of noncompliance. These standard ratings support our baseline reporting and corrective action timeframes, which were implemented in FY23. The baseline ratings will help identify risk areas as well as improve compliance in the commonly identified categories. Supplier ratings are also benchmarked against WCA Industry and country average scores to allow for continual improvement and best practice identification. Foot Locker maintains a heightened focus and due diligence on working hours, particularly overtime hours and mandatory days off. Excessive working hours is an increased risk of forced labor, so we are working closely with suppliers to help them monitor their targeted reductions.

Factories are expected to cooperate with the Company and its auditor partners, providing full access to their facilities and

documents. Each audit, whether on-site or a desk review, includes one to three full working days at each applicable factory. As needed, the Company will utilize additional follow-up audits to validate corrective action implementation or for a more detailed review of compliance factories. For products designed and produced by a branded supplier for which we are the Importer of Record, we obtain the branded supplier's third-party audits and their respective Corrective Action Plan (CAP). These branded suppliers are required to adhere to our GSG, and in areas in which remediation is required, we partner with the branded supplier to ensure the CAP-recommended improvements are implemented.

In FY23, we audited 100% of our Tier 1 proprietary brand suppliers, and reviewed 69 audits, in 7 countries. Countries of production include the following: Bangladesh, Cambodia, China, India, Indonesia, Pakistan, and Vietnam.

### Traceability

Because our proprietary brand supply chain extends through various tiers beyond Tier 1—from primary manufacturing supplier partners (and their owned or contracted factories) to raw material sourcing—we continued our commitment to mapping our supply chain in an effort to ensure that our suppliers produce the products sold in our stores in a socially-responsible way.

In FY23, we commenced an ongoing supply chain mapping exercise for Tier 1 and Tier 2 suppliers. This information was screened against several risk exposure databases. This information was further researched for additional risk and supply chain exposure using external subject matter experts in the area of supply chain and human rights risks. Although evidence of forced labor was not identified, this screening resulted in our proactive disengagement of one supplier relationship due to elevated forced labor risk.

As we are more removed from the Tier 3 and Tier 4 suppliers and do not have direct relationships with those suppliers, we rely on the information provided by our Tier 1 and Tier 2 suppliers, and the results of our screening process, to focus on additional screening and traceability reviews. In instances where supply chain mapping identified a potential elevation of risk, we requested Tier 3 and Tier 4 data from our Tier 1 suppliers to conduct a chain of custody/traceability documentation review. This process initiated in late FY23 and will continue to be an area of heightened focus in FY24. In addition, the Company will maintain supplier screening and due diligence concerning products and countries identified in the United States Department of Labor International Child Labor and Forced Labor reports and with products containing increased risk fibers, such as cotton products.





## Corrective Action and Remediation

We generally favor long-term relationships with our suppliers, and, indeed, many of our suppliers have been long-term partners. Long-term relationships build trust and transparency, which are key to permanent improvements and compliance. We require, however, that our third-party auditors of directly sourced supplier factories remain vigilant in identifying potential critical issues, such as child or forced labor, and, if a critical issue is identified and verified, we require the factory to take immediate corrective action. Should the factory fail to do so, we will take further action, up to and including terminating our relationship.

The supplier verification program is managed and monitored by our global supply chain compliance team, with individuals experienced in corporate sustainability responsibility located in our U.S. and Hong Kong offices. A primary responsibility of the global supply chain compliance team is to monitor the Supplier Verification Program and the associated corrective action and remediation of our suppliers.

In FY23, we improved our audit and remediation process creating more transparency with audit findings and supplier expectations with noncompliant findings. In FY24, we are planning to develop a noncompliant decision tree escalation process, including team members from global supply chain compliance, sourcing, legal, logistics, and the merchant teams, to standardize and address violations to our GSG. The escalation process will include members of senior management and will address instances of continued noncompliance and where critical or zero tolerance findings are identified and allow the business to make holistic decisions on the go-forward plan with these suppliers. This newly developed practice will help ensure consistency when resolving potential areas of noncompliance, increase awareness of areas of higher risk, and remedy repeated occurrences.

When factory deficiencies are noted, we engage with the supplier and factory management and instruct the factory to create a CAP. We partner with the supplier to remediate the issue(s) at the factory and to address and resolve issues identified during audits. The guideline for remedial action implementation is 120 days, but some violations may take longer for improvement actions to be completed. Our goal is that noncompliance areas are corrected within six months of the audit completion date. To ensure the recommended remedial action has been completed, factories are required to provide evidence to support their CAP within six months of the audit. For suppliers who fail to engage, we may pause and terminate the relationship. For more serious violations that have been identified, follow-up audits, either desk reviews or on-site visits by a third-party auditor, may occur.

We understand that improving working conditions within factories is an ongoing effort, and we continue to encourage positive change at our directly sourced supplier factories. Our goal is that for each re-audit, measurable improvement will be demonstrated. Although our preference is continual

improvement, if contracted factories do not show acceptable progress, or a particular factory receives several consecutive noncompliant grades, we may terminate the relationship.

## SUPPLIER EDUCATION AND AWARENESS

We are invested in partnering with our suppliers to build a more compliant and sustainable supply chain, and supplier education is an important element in this partnership. Our cross-functional teams play a key role in educating suppliers on our supplier standards, policies, and compliance requirements. We continually partner with our suppliers to understand their supply chains, provide assistance with audit findings, and identify solutions to achieve long-term success. We encourage our suppliers to make improvements in their facilities by providing additional resource material contained in our Vendor Standards Manual and other resource guidance.

## GLOBAL SECURITY AND COMPLIANCE PROGRAMS

We are an active member of several voluntary global security and compliance government programs.

In the United States, since 2023, we have been a member of the Customs-Trade Partnership Against Terrorism (CTPAT) program, a voluntary supply chain security program led by the U.S. Customs and Border Protection (CBP). This program is focused on improving and strengthening security processes globally. As a member, we are required to update our supply chain security profile annually, as well as undergo a foreign and domestic site visit every four years with CBP. We have also been a member of the CTPAT Trade Compliance Program, a voluntary self-auditing compliance program in cooperation with CBP, since 2014. As a member, we have demonstrated our commitment to ensuring compliance with import activities and managing and monitoring through self-assessment. In FY23, because of our Trusted Trader status with CBP and our valued long-term partnership of CTPAT and Trade Compliance, we fulfilled the requirement to provide our Forced Labor monitoring program, controls, and risk assessment and mediation process.

In Europe, we have been an active member of the Authorized Economic Operation Program, a voluntary supply chain security and customs simplification program, in partnership with Dutch Customs (Belastingdienst/Douane), since 2013. The program is focused on mutual transparency, security and financial responsibility, and safe, secure trading partnership. In FY23, we successfully passed our Authorized Economic Operator audit, both economic operators authorized for customs simplification and security and safety.

## SUSTAINABLE MATERIALS

Understanding and improving the social and environmental impacts associated with raw materials sourced through our suppliers is a priority for us.

We are evaluating numerous initiatives to prioritize the procurement of sustainable material and educating our customers on product options with socially and environmentally-preferred attributes. We are continuing to expand our network of sustainable suppliers. For example, we continue to explore the use of more sustainable cotton for our proprietary brand apparel, such as organic, recycled, and certified producers. We are also establishing a process to consider the use of sustainable fabric and trims in the development of our proprietary brand products.

Our branded partners are also increasing the number of sustainable footwear and apparel products they offer, including vegan products, recycled content (rubber, polyester, and plastics), organic cotton and yarns, and including cotton that is certified by the Better Cotton Initiative.

Starting in 2021, we incorporated questionnaires regarding sustainability practices into our European procurement process. For larger store procurements (e.g., fixtures, mannequins, and other items), we require vendors to respond to approximately 30 questions concerning various sustainability topics.

Questions include:

- ▶ Do you use any sustainable or eco-friendly materials?
- ▶ Do you measure Scope 1 and 2 emissions? How much are they?
- ▶ Are raw materials used in the product or production sourced from legal and sustainably managed sources?
- ▶ How does your company ensure it complies with ethical workplace, labor, and human rights standards? Do you have a policy?

We began piloting a reusable bag program in the summer of 2023, using bags made from non-woven polypropylene in three locations (San Francisco, Vancouver, and Connecticut). In these locations, the customer has the option to purchase a reusable bag, instead of paying the fee for a single-use bag. By the end of FY23, we expanded this program to approximately 145 stores across the U.S. and Canada to reduce our plastic use.





## IMPROVING TRANSPORTATION SYSTEM EFFICIENCY

We are enabling our supply chain with enhanced technology to deliver significant improvements in our fulfillment capabilities.

We are also driving store replenishment speed and quantity in our end-to-end product flow, and through supply chain technology, such as robotics, automation, inventory management, real-time operational data, and platform resiliency and scalability. We are investing further in our omni-acceleration to create a more agile and modern platform.

In our target state, our technology will enable us to have:

- ▶ a modern, lightweight, and modular cloud-first solution architecture, future-proofed for growth
- ▶ a product-platform operating model with agile ways of working, aligned to the digital strategy
- ▶ improved digital, data, and analytics capabilities to power decision making and highly-personalized customer journeys
- ▶ a strong technology core with resilient operations and reduced technical debt, increasing our buy versus build approach

Our global supply chain team seeks solutions to increase the efficiency of our transportation operations. We are implementing measures that seek to improve our fuel efficiency and reduce our GHG emissions.

For example, we are:

- ▶ using modeling software to improve the efficiency of our store delivery network utilizing trailer space more efficiently and shipping trucks and containers when full
- ▶ prioritizing cleaner modes of transportation (e.g., ocean ships using liquified natural gas)
- ▶ encouraging the use of fuel-saving strategies and technologies (e.g., running trucks overnight to reduce pollution caused by idling time)
- ▶ seeking carrier partners that are SmartWay certified and prioritize sustainability (95% of the outbound loads in FY23)
- ▶ shipping intermodal when available

We are also enhancing our data collection capabilities to better measure results.



## UPGRADING OUR GLOBAL TECHNOLOGY SOLUTIONS INFRASTRUCTURE

With our Best-in-Class Omni strategic initiative, we are enabling our supply chain with new technology to deliver significant improvements in our fulfillment capabilities. In FY23, we furthered our omni-channel retail and e-commerce strategy by utilizing three regional DCs in North America serving local territory. This allowed 95% of North American orders to be fulfilled within two days or less. As we look to the future, we are investing in building a state-of-the-art DC in the Netherlands with a target opening in early 2025. This facility will not only incorporate the latest supply chain technology, it will be an all-electric facility that uses on site solar. We are also using sustainable materials in the design and building stages.

## LOCALIZING DISTRIBUTION AND MINIMIZING IMPACT OF VENDOR FLEETS

In FY23, we continued to focus on optimizing the flow of products within our own network to reduce the miles traveled and increase delivery speeds. Initiatives implemented include the following:

- ▶ Optimized the frequency of store replenishments making reductions in several geographies, including continuing the reductions implemented in Canada during our FY22 Delivery Reduction Impact pilot, as well as further reducing deliveries for 102 stores in the U.S. and 7 stores in South Korea by 50%.
- ▶ Shifted initial receipt locations within WSS allowing for a 66% reduction in DC-to-DC transfers.
- ▶ Regionalized Direct-to-Customer returns within our North American banners, meaning online returns are now routed to the closest DC, rather than all returns being routed to our Kansas DC, resulting in approximately 77% of North American Direct-to-Customer returns travelling shorter distances.
- ▶ Changed our fulfillment hierarchy for Direct-to-Customer orders in New Zealand, fulfilling orders from the DC rather than individual stores, resulting in increased delivery speed to customers and reducing miles travelled.
- ▶ Rather than shipping partial truckloads, we partnered with a carrier that specializes in multi-stop partial truckload movements. This enables Foot Locker to leverage the empty space in other shipper's trucks that are going in similar directions. They combine multiple shippers' volume to better utilize the capacity within a trailer and reduce overall emissions. This resulted in over 90 metric tons of CO<sub>2</sub>e being avoided.

## MEASURING EFFICIENCY

We monitor our average shipping miles per package metric to help us measure the efficiency of our global supply chain network.

During FY23, we continued to assess the carbon footprint of our outbound transportation network within the U.S.—from our DCs, to stores, and direct to our customers' homes. Leveraging the transactions that underpin our average shipping miles per package calculations, we overlaid fuel consumption estimates based on the transport mode type and the estimated efficiency of that transportation mode. This is just one example of how we are using transportation data to reduce our carbon footprint.





# MANAGING AND REDUCING OUR ENVIRONMENTAL IMPACTS

As members of the global community, we are responsible for preserving natural resources for future generations.

We are committed to advancing operational sustainability and reducing the impacts of our operations across the value chain on the environment through:

- ▶ Energy conservation and climate stewardship
- ▶ Reducing waste and encouraging a circular economy
- ▶ Chemicals management and water stewardship



## ENERGY CONSERVATION AND CLIMATE STEWARDSHIP

At Foot Locker, we are focused on managing and reducing our environmental impact, with a strong focus on climate action through GHG emissions reductions. In FY23, we reduced our global GHG emissions through energy reductions across our footprint, efforts to localize distribution, and supplier engagement across multiple categories.

We previously announced that we had committed to setting science-based GHG emissions reduction targets in line with the criteria established by the Science Based Targets initiative (SBTi). However, following the launch of our Lace Up Plan, we think it is important to reassess the company's GHG emissions reduction

strategies. As a result, the company will not seek SBTi validation or pursue a net zero target at this time. We plan to continue to evaluate GHG emission reduction strategies and provide updates to our stakeholders as progress is made.

### Understanding and Reducing Our Emissions<sup>(14)</sup>

The GHG Protocol classifies emissions into three categories. Our GHG emissions are included in our annual impact reports and in our CDP Climate Change Responses.

#### SCOPE 1

Direct GHG emissions from company-owned and controlled resources. These include our emissions from stationary and mobile sources using gasoline, propane, diesel, and natural gas.

#### SCOPE 2

Indirect GHG emissions from consumption of purchased electricity, heat, or steam. These include our purchased electricity for retail stores, offices, warehouses, and DCs.

#### SCOPE 3

Other indirect emissions from the organization's operations, including:

- ▶ Purchased goods and services
- ▶ Capital goods
- ▶ Fuel- and energy-related activities (not included in Scope 1 or 2)
- ▶ Upstream transportation and distribution
- ▶ Waste generated in operations
- ▶ Business travel
- ▶ Employee commuting
- ▶ Upstream leased assets
- ▶ Downstream transportation and distribution
- ▶ Processing of sold products
- ▶ Use of sold products
- ▶ End-of-life treatment of sold products
- ▶ Downstream leased assets
- ▶ Franchises
- ▶ Investments

<sup>(14)</sup> Please refer to [Notes on GHG Emissions Inventory](#) beginning on page 62 for more details regarding GHG emissions.



# GLOBAL GHG EMISSIONS AND ENERGY PROFILE

## SCOPE 1

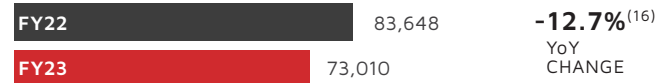
tCO<sub>2</sub>e (Metric tonnes of carbon dioxide equivalent)



## SCOPE 2

tCO<sub>2</sub>e (Metric tonnes of carbon dioxide equivalent)

### LOCATION-BASED METHOD

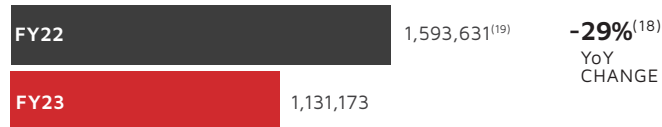


### MARKET-BASED METHOD

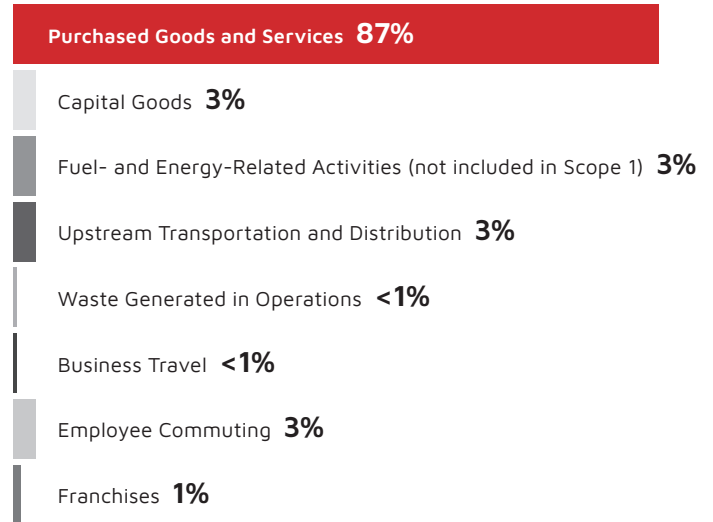


## SCOPE 3

tCO<sub>2</sub>e (Metric tonnes of carbon dioxide equivalent)



## FY23 REPORTED SCOPE 3 EMISSIONS BY CATEGORY<sup>(20)</sup>



<sup>(15)</sup> The overall increase in Scope 1 emissions is driven by the increase in coverage of gasoline and diesel fuel mobile fleet vehicles and equipment.

<sup>(16)</sup> The overall decrease in Scope 2 emissions (LBM) is driven by the decrease in the number of Foot Locker sites and corresponding electricity consumption, as well as a reduction in average energy consumption per facility across the fleet.

<sup>(17)</sup> The overall decrease in Scope 2 emissions (MBM) is driven by the increase in renewable energy combined with the decrease in the number of Foot Locker sites and corresponding electricity consumption. Additionally, residual mix emissions factors were applied to sites in the U.S. and Europe.

<sup>(18)</sup> For Scope 3, the largest changes occurred in Purchases Goods and Services and Capital Goods. The decreases in these two categories are driven by the use of updated EEIO EPA Supply Chain Commodity Factors. In addition to the use of updated emissions factors, in Purchased Goods and Services, total merchandise spend and non-merchandise spend decreased compared to the prior year.

<sup>(19)</sup> Based on the availability of new information and the refinement of our data collection process, several Scope 3 categories were recalculated, resulting in total FY22 Scope 3 emission changing from 1,980,882 to 1,593,631. Please refer to the **Notes on GHG Emissions Inventory** beginning on page 62 for more details regarding these recalculations.

<sup>(20)</sup> Additional relevant Scope 3 emission categories will be considered for inclusion in future reporting.

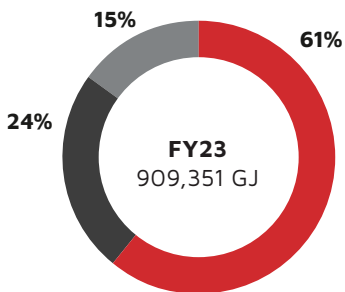
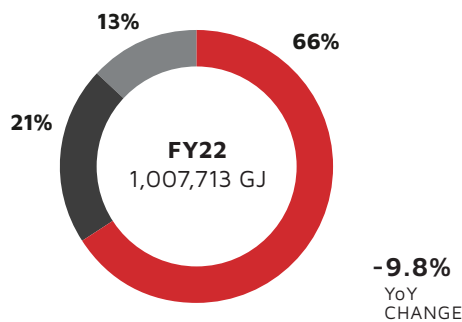


## ENERGY USAGE AND RENEWABLE ELECTRICITY

Foot Locker’s energy mix primarily consists of grid electricity. Therefore, we purchase renewable electricity using zero emissions power contracts. In FY23, we had 28% of our total electricity use (in MWh) from zero emissions sources compared to 23.8% in FY22.

### ENERGY

#### TOTAL ENERGY CONSUMPTION



- Electricity from grid (% of total energy)
- Energy from grid from zero emissions power contracts (% of total energy)
- Energy from natural gas, diesel, and other sources (% of total energy)

## ENERGY EFFICIENCY INITIATIVES

In addition to the focus on the overall greening of our grid, we have regional energy management teams that are responsible for managing our energy consumption and costs, analyzing and improving current operational performance, and testing, prioritizing, and implementing energy efficiency technologies and products. We continuously seek opportunities to decrease our energy use across both our owned and leased premises globally, including conducting energy audits.

In FY23, we have continued to drive energy efficiency through on-going historical initiatives and execution on new ideas and opportunities. Some examples include the following:

- ▶ **HVAC Unit Replacement** - Replaced 12 HVAC units in 9 stores in North America and 3 HVAC units in 2 stores in EMEA, saving a total of 251,278 kWh of electricity. **LED Lighting** - LED lighting was installed in 35 stores in North America and 41 stores in EMEA, saving an estimated 517,464 kWh.
- ▶ **Thermostats** - As replacement occurred across the North American fleet, the heating set point was lowered by two degrees. This initiative impacted over 85 locations and more than 125 thermostats in FY23, reducing kWh electricity usage in these locations by 4% on average. The goal is to update all thermostats within the next three years.

## SUPPLIER ENGAGEMENT

During FY23, we began formalizing our approach to partnering with some key stakeholders on ESG initiatives, by holding ESG discussion sessions. Our partners are working on many exciting sustainability initiatives, such as on-site renewable energy, circular economy pilot projects, and incorporating recycled materials. Our focus in FY24 will be to partner with our stakeholders on key sustainability initiatives that require collective action into select products.





## UNDERSTANDING OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES

Global climate change may result in natural disasters occurring more frequently or with more intense effects, which could have adverse effects on our business, financial condition, and operations. In mitigating and adapting to climate change, we seek to understand the associated risks and opportunities.

The Board is actively involved in the oversight of our global ESG strategy and associated risks and opportunities, including climate-related risks and opportunities. The Audit Committee has established procedures for reviewing the Company's risks, including climate-related and supply chain-related risks. These procedures include regular risk monitoring by management to update current risks and identify potential new and emerging risks, quarterly risk reviews by management with the Audit Committee, and an annual risk report to the Board. In addition, the Audit Committee receives regular briefings from our Chief Financial Officer, Chief Accounting Officer, General Counsel, and Vice President of Internal Audit. During these meetings, the Audit Committee and management discuss these risks, risk management activities and efforts, best practices, lessons learned from incidents at other companies, the effectiveness of our controls, and other related matters. The Audit Committee Chair reports on the committee's meetings, considerations, and actions to the Board at the next Board meeting following each Audit Committee meeting. The NCR Committee oversees our global ESG strategy and associated risks and opportunities, including the climate-related risk and opportunities. The Board receives updates from the NCR Committee Chair throughout the year.

Our property insurers combine climate change data, their portfolio claim loss history, our global exposures to catastrophic events, and our physical property location data to identify the regions and sites where we may be most exposed to climate hazards and risks. Once they identify these critical locations, they analyze the hazards in depth and assess the potential impact. On a periodic basis, they perform physical on-site risk assessments for certain high-value locations, including DCs, and provide recommendations for improvements, if any, to ensure we have taken all reasonable steps to mitigate the risks at these locations.

Each year, internal audit facilitates an annual risk assessment in which we assess the enterprise risks to the organization. Climate risks continue to be a focus each year. We have identified the following climate risks:

- ▶ Global climate change could result in certain types of natural disasters occurring more frequently or with more intense effects. Such events could make it difficult to deliver products to our customers, create delays, and inefficiencies in our supply chain.
- ▶ Following an interruption to our business, we could require substantial recovery time, experience significant expenditures to resume operations, and lose significant sales.
- ▶ Concern over climate change may result in new or additional legal, legislative, regulatory, and compliance requirements to reduce or mitigate the effects of climate change on the environment, which could result in future tax, transportation, and utility increases, which could adversely affect our business.
- ▶ There is also increased focus, including by investors, customers, and other stakeholders, on these and other sustainability matters, such as worker safety, the use of plastic, energy consumption, and waste.

We utilize market planning tools to select physical store locations, and DCs are then strategically located in areas that facilitate speedy delivery services to customers and stores. Flooding risks and other natural hazards, along with customer proximity, play a role in site selection, and we believe these risks will continue to play a greater role in the analysis over time as climate risk and related modeling become more sophisticated. We will continue to monitor the physical risk exposure associated with our stores and consider mitigations actions as necessary.

## REDUCING WASTE AND ENCOURAGING A CIRCULAR ECONOMY

We strive to manage our Company in ways that are socially responsible and environmentally sustainable.

Our waste reduction efforts to date involve identifying improvements across our global offices, DCs, and private label manufacturing facilities. Many of our branded partners have improved their waste management process and implemented sustainable packaging programs. Our efforts to date include extending the end-of-life of our products by donating unwanted footwear to Soles4Souls, reducing single use plastics in our stores, incorporating recycled content into plastic hangers and plastic carrier bags, lightweighting our shipping packages using direct-to-consumer envelopes instead of boxes, and recycling and reusing corrugated boxes at our DCs. We also encourage our customers to adopt sustainable behaviors and so we piloted reusable bag program across approximately 145 stores in the U.S. and Canada. This year, our total waste reduced in correlation with the reduction in product shipped. We are focused on reducing waste to landfill when feasible and recycling and reusing our corrugated boxes.

As legislation regarding single-use plastics continues to evolve around the world, we are actively working with suppliers to transition the composition of our merchandise bags.

Globally, our plastic carrier bags are made of at least 85% post-consumer recycled material.

We also continued to embrace the use of sustainable hangers, which are made from a thermoplastic material containing 100% recycled post-consumer plastic.

Reducing packaging, even when recyclable materials are used, was another priority for us in FY23. We implemented several changes to our direct-to-consumer packaging, including switching from a corrugate box to a recyclable paper envelope for certain apparel shipments, as well as adjusting corrugate box sizes up and down to reduce empty box space whenever possible.

We proactively address the ways in which we handle the waste generated by our business operations and are working to divert less waste to landfills across our global footprint. We track our solid waste recycled, reused, and disposed within our DCs, with the intent to invoke more sustainable practices in the future. For example, our DCs are reusing corrugated boxes. What we are not able to reuse, we recycle.

### TOTAL DC WASTE MANAGEMENT<sup>(21)</sup>

#### TOTAL WASTE RECYCLED (U.S. SHORT TONS)



#### TOTAL WASTE INCINERATED/SENT TO LANDFILL (U.S. SHORT TONS)



<sup>(21)</sup> Includes data for all DC locations other than atmos.



## CHEMICALS MANAGEMENT AND WATER STEWARDSHIP

Chemicals management is a complex and important part of our process to protect the environment and team member and customer health.

For every chemical product present in our own facilities or Tier 1 vendor sites, we require a Safety Data Sheet as part of the Globally Harmonized System of Classification and Labeling of Chemicals standard, which provides information about potential hazards and necessary safety precautions.

As part of our management processes, we:

- ▶ manage site health and safety policies and strategic plans;
- ▶ coordinate safety training for all team members who handle chemicals;
- ▶ maintain a chemical inventory;
- ▶ conduct regular site audits to test storage, labelling, and usage conditions of hazardous chemicals;
- ▶ provide recommendations to factory owners at Tier 1 vendor sites to ensure proper training is provided to their workers;
- ▶ ensure appropriate personal protective equipment is available at our own facilities and is provided by factory owners at Tier 1 vendor sites; and
- ▶ confirm proper storage and disposal methods are followed at our own facilities and at Tier 1 vendor sites.

Additionally, in compliance with the air permit requirements of certain U.S. facilities, we conduct air quality testing annually based on the Occupational Safety and Health Administration's Permissible Exposure Limits. To date, the results of air quality tests have been significantly below the permitted thresholds under our permits.

## EMBELLISHMENT AND SCREEN-PRINTING

We screen-print graphics onto certain apparel products. This process uses water and results in wastewater discharge as inks are cleaned from screens and are prepared for reuse. A Health and Safety Policy and Strategic Plan and Waste Disposal Program are in place to oversee these screen-printing practices.

We test our embellishment processes annually for compliance with the Consumer Product Safety Improvement Act regulations and Nike's Restricted Substance List. Testing is conducted by Intertek Testing Services and includes an evaluation of our ink systems and heat seal embellishments for safety, sustainability, and performance standards.

As part of our continuous improvement efforts to minimize our environmental impacts, we continue to actively evaluate best practices and digital printing technologies for dyeing and screen-printing to identify opportunities to reduce energy, water, and chemical usage, while simultaneously reducing costs.

During FY23, Team Edition shifted away from the use of plastisol inks to primarily using water-based ink systems. Water-based inks help reduce the environmental impact of screen printing and promote a more sustainable printing process. Some of the positive environmental impacts of water-based inks versus plastisol inks include:

- ▶ **Reduced Volatile Organic Compound Emissions:** Water-based inks generally have lower volatile organic compound emissions compared to plastisol inks, which helps reduce air pollution.
- ▶ **Less Waste:** Water-based inks can be easier to clean up and dispose of, as they do not contain as many toxic chemicals as plastisol inks. This can reduce the amount of waste generated in the printing process.
- ▶ **Health and Safety:** Water-based inks do not contain harmful chemicals and solvents, which can be present in plastisol inks.

## WATER STEWARDSHIP

While our operations are not considered water-intensive, we recognize our responsibility to conserve water where we can. Our **Global Water Stewardship Policy** articulates our commitment to a long-term sustainable approach to safeguarding the human right to water and sanitation.

In our direct operations, we assess water use, wastewater management, and compliance. This includes providing a safe and healthy work environment, including safe water for drinking and hygiene in our stores, DCs, and offices, as well as appropriately managing wastewater discharge in compliance with applicable environmental laws and regulations.

During FY23, there were no known incidents of non-compliance with water quality or quantity permits, standards, or regulations. We have also begun tracking our water withdrawal across our store, office, and DC fleet, with the intent to manage and improve our water footprint. Our FY23 water withdrawals were 86,660,453 gallons<sup>(22)</sup>. For more information, please see our 2023 CDP Water Security Response, which is available at <https://www.cdp.net/en/responses/40283>.

<sup>(22)</sup> Water withdrawal was calculated using actual water data where available (through utility bills) and estimated for locations where full actual data was not available. For sites where only partial actual data was available, gaps were filled using each site's average actual monthly withdrawal. To estimate withdrawal for active sites where Foot Locker does not pay for utilities directly, water withdrawal intensities were developed (kGal/sqft/year) based on actual data for similar sites.

# OPERATING ETHICALLY AND TRANSPARENTLY

Our values drive all decisions we make. We operate with integrity to strengthen the trust, and earn the respect of our stakeholders.

We consider the following to operate ethically and transparently:

- ▶ ESG governance framework
- ▶ Internal audit and risk management
- ▶ Ethics and compliance
- ▶ Data security and privacy
- ▶ Political contributions and public advocacy





## **PURPOSE** is woven into the fabric that makes Foot Locker

**PURPOSE** has shaped how Foot Locker operates its business, delivers sustainable growth, and creates value for stakeholders.

Our Board has designated the NCR Committee to oversee the Company’s ESG initiatives. This is the Company’s fourth annual Impact Report, reaffirming Foot Locker’s commitment to transparency and accountability.

Our Board actively oversees the Company’s **PURPOSE** because it supports and enhances Foot Locker’s capacity to make progress. As a Committee, we have been proud to monitor the continued development of Foot Locker’s ESG strategy and the Company’s performance against its ESG KPIs. We are pleased to share Foot Locker’s progress in this FY23 Impact Report.

**ULICE PAYNE, JR.**  
(he/him/his)

Chair  
NCR Committee



We are guided by corporate governance best practices and the highest ethical standards to maintain the trust of our stakeholders. We comply with all applicable requirements under the laws of the jurisdictions where we operate and the NYSE Corporate Governance Listing Standards.

Our corporate authority resides in our Board as the representatives of our shareholders. Our Board has adopted Corporate Governance Guidelines, and charters for each of its standing committees, Audit, HCC, NCR, and Technology, as well as other policies to lead our governance practices.

Our Board uses its business judgment and due care in its oversight of management to ensure appropriate procedures are in place to identify and mitigate risks.

We have a long-standing history of recognizing the importance of DIB in conducting our business. Our Board elected its first female director, Patricia Carry Stewart, and its first African American director, Jarobin Gilbert, Jr., in 1974 and 1981, respectively. At the time, these movers were considered groundbreaking. Today, we have directors from a diverse range of backgrounds, who bring a variety of experiences and perspectives that contribute to an effective decision-making process and strong business judgment. Our Board is diverse:

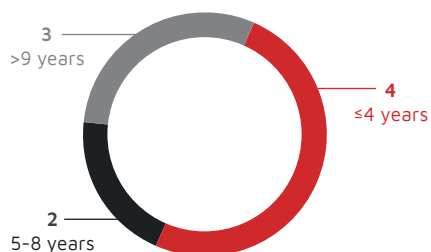
- ▶ 89% of our directors are women or POC.
- ▶ 80% of our committees are chaired by women or POC.
- ▶ Median tenure of directors is 8 years. We have a balanced mix of new and longer-tenured directors, ensuring a range of perspectives are represented and that knowledge and experience from longer-serving members is transitioned to those newer to our Board.

To learn more about our corporate governance practices, policies, and procedures, visit [footlocker.com/corp](https://www.footlocker.com/corp).

# DIRECTORS AT A GLANCE<sup>(23)</sup>

## TENURE

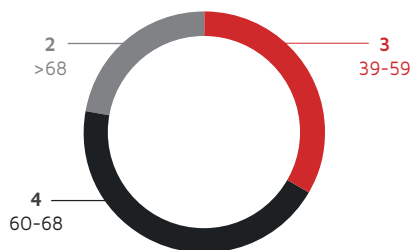
8



Directors with varied tenure contribute to a range of perspectives and ensure we transition knowledge and experience from longer-serving directors to those newer to our Board. We have a balanced mix of newer and longer-tenured directors.

## AGE

62 Median



**Mary N. Dillon**  
(she/her/hers) **E**  
President and Chief Executive Officer of Foot Locker, Inc.

**Director Since:** 2022  
**Other Public Company Board:** KKR & Co. Inc.



**Virginia C. Drosos**  
(she/her/hers) **A T**

**Independent**  
Chief Executive Officer of Signet Jewelers Limited

**Director Since:** 2022  
**Other Public Company Board:** Signet Jewelers Limited



**Guillermo G. Marmol**  
(he/him/his) **A E H**

**Independent**  
President and Chief Executive Officer of Porosome Therapeutics, Inc.;  
President of Marmol & Associates

**Director Since:** 2011



**Darlene Nicosia**  
(she/her/hers) **A H**

**Independent**  
**Audit Committee Financial Expert**  
Chief Executive Officer of Hearthside Food Solutions LLC

**Director Since:** 2020



**Steven Oakland**  
(he/him/his) **E H T**

**Independent**  
Chairman, Chief Executive Officer and President of TreeHouse Foods, Inc.

**Director Since:** 2014  
**Other Public Company Board:** TreeHouse Foods, Inc.

## INDEPENDENCE

All directors are **independent**, except the CEO

<sup>(23)</sup> The information shown is as of May 21, 2024.



COMMITTEES

A Audit   E Executive   H HCC   N NCR   T Technology   ● Committee Chair   ○ Ex Officio Member

**Dona D. Young**  
(she/her/hers)

A ● E ● H ● N ● T



**Non-Executive Chair  
Independent**

Independent executive and board consultant;  
Retired Chair, President and Chief Executive  
Officer of The Phoenix Companies, Inc.

**Director Since:** 2001

**Other Public Company Board:** Aegon Ltd.

**Ulice Payne, Jr.**  
(he/him/his)

E ● N ● T



**Independent**

President of Cyber-Athletix, LLC;  
President and Managing Member  
of Addison-Clifton, LLC

**Director Since:** 2016

**Other Public Company Boards:**

ManpowerGroup Inc.  
WEC Energy Group, Inc.

**Kimberly Underhill**  
(she/her/hers)

E ● H ● N



**Independent**

Senior Advisor of Boston Consulting  
Group

**Director Since:** 2016

**Other Public Company Board:**

Glanbia PLC

**Tristan Walker**  
(he/him/his)

N ● T



**Independent**

Managing Member of Heirloom  
Management Company, LLC

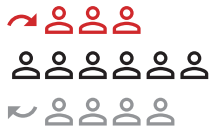
**Director Since:** 2020

**Other Public Company Board:**

Shake Shack Inc.

REFRESHMENT

Over past 5 years,  
3 new independent  
directors added

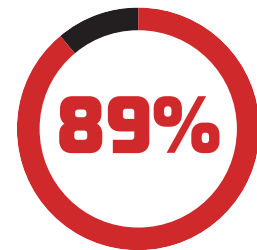


and 4 independent  
directors retired

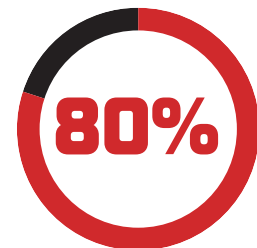
Director Refreshment  
Policy: Age 72 and  
**Periodic Individual  
Assessment  
Process**

DIVERSITY

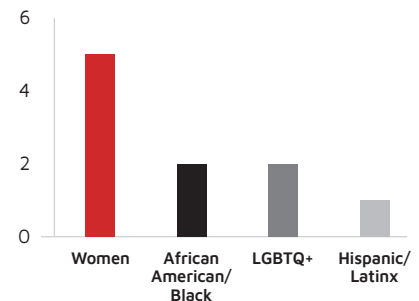
Our directors represent a diverse range of backgrounds—in terms of gender, age, ethnicity, skills, and business and board experience—with an equally diverse range of perspectives. What we share is a common desire to support and oversee management in executing our Lace Up Plan.



of the directors are women or  
persons of color



of committees are chaired by women or  
persons of color



Our NCR Committee is focused on ensuring continued diversity on the Board during refreshment activities by requiring that candidate pools include diverse individuals meeting the recruitment criteria.

# ESG GOVERNANCE FRAMEWORK

We recognize the need for a strong governance framework to oversee individuals and teams across the Company.

## BOARD

Our Board is a trusted fiduciary of our shareholders' interests. Our Board seeks to promote the interests and continued high performance of the Company by monitoring and approving our corporate strategy, providing advice and counsel to senior management, overseeing risk management responsibilities, and always observing the highest ethical standards.

Our Board exercises many of its responsibilities through its committees, each of which has certain ESG oversight responsibilities in its charter.

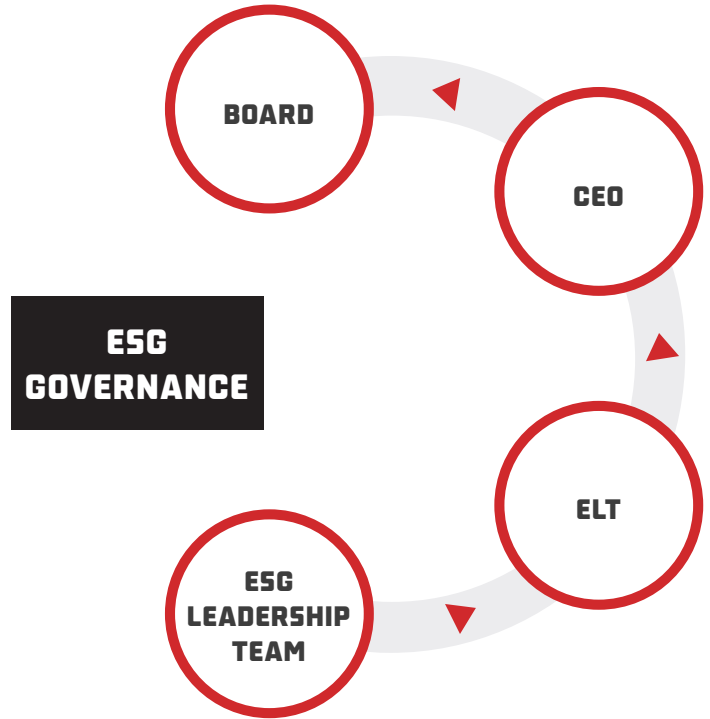
The Board is actively engaged in the oversight of the Company's global ESG strategy. In exercising its authority, the Board recognizes that the long-term interests of the Company are best advanced when considering all stakeholders. The NCR Committee oversees our global ESG strategy and public reporting, and the Board receives updates from the NCR Committee Chair throughout the year. In addition, the Audit Committee, HCC Committee, and Technology Committee each has certain ESG oversight responsibilities relevant to its committees.

### Audit Committee

- ▶ Reviews risk assessments regarding ESG-related risks, including climate-related risks and supply chain-related risks
- ▶ Reviews ESG metrics and attestations
- ▶ Reviews ESG reporting and disclosures

### HCC Committee

- ▶ Considers ESG implications in review of compensation, benefits, and employment arrangements
- ▶ Oversees the Company's strategies and initiatives on diversity and inclusion, employee well-being, compensation and benefits, and engagement.



### NCR Committee

- ▶ Oversees ESG initiatives including the Impact Report
- ▶ Receives regular updates from ESG Leadership Team regarding our four ESG strategy pillars, reviewing risks and opportunities (including climate-related and supply-chain risks and opportunities), legislative and regulatory developments, as well as progress made around relevant initiatives including environmental and social matters.

### Technology Committee

- ▶ Considers ESG implications of the Company's utilization of technology and digital engagement

Our Non-Executive Chair, General Counsel, and Deputy General Counsel and Corporate Secretary engage directly with shareholders on ESG matters to understand their priorities and gather feedback. Over the past year, they have engaged individually with shareholders representing approximately 46% of our total shares outstanding, as well as proxy advisory firms, to discuss ESG matters.





## CEO

Our CEO is ultimately responsible for developing and executing our ESG strategy. In doing so, she ensures our Board receives complete and transparent information regarding our ESG practices, so they may exercise their oversight responsibility to the fullest. She also ensures our ESG Leadership Team has the appropriate composition and resources to make effective progress.

## ELT

Our ELT, which is comprised of our CEO, her direct reports, and certain other senior executives, provides oversight for our ESG strategy. This ensures that the overall ESG strategy aligns with longer-term initiatives. The ELT also helps ensure our ESG strategy is appropriately prioritized within the Company.

## ESG LEADERSHIP TEAM

A cross-functional group that provides day-to-day leadership of our ESG strategy to ensure we make continued progress and remain current with evolving rules, guidance, and best practices, particularly as they relate to our four ESG pillars:

- ▶ **Leveraging the Power of Our People and Communities**
- ▶ **Strengthening the Sustainability of Our Supply Chain**
- ▶ **Managing and Reducing Our Environmental Impacts**
- ▶ **Operating Ethically and Transparently**

The ESG Leadership Team meets regularly for communication and collaboration across our global functions and leverages various functional areas across the business, as well as subject matter experts to ensure accurate metrics are reported.

## GOVERNANCE POLICIES

We convey our guiding principles and expectations for those supporting our operations through policies that are publicly available. We regularly review and continue to refine these policies. Please refer to **Helpful Resources** on page 75 for information regarding accessing the following policies:

- ▶ Anti-Corruption Policy
- ▶ Bylaws
- ▶ Certificate of Incorporation
- ▶ Code of Business Conduct
- ▶ Conflict Minerals Policy
- ▶ Corporate Governance Guidelines
- ▶ Global Environmental and Climate Change Policy
- ▶ Global Human Rights Policy
- ▶ Global Occupational Health and Safety Policy
- ▶ Global Sourcing Guidelines
- ▶ Global Water Stewardship Policy
- ▶ Incentive Compensation Recoupment Policy
- ▶ Policy Prohibiting Insider Trading
- ▶ Procedures for Communicating with the Board of Directors
- ▶ Stock Ownership Guidelines

# INTERNAL AUDIT AND RISK MANAGEMENT

Internal Audit serves an important role in our ESG reporting by reviewing processes, controls and providing testing over specific controls.

Our Internal Audit team reports to the Audit Committee. As disclosure requirements on climate-related risks and the availability of data around ESG issues continues to evolve, so has the role of Internal Audit within the Company’s ESG strategy. We continue to integrate the role of our Internal Audit team within our ESG strategy through:

- ▶ **Cross-functional Collaboration:** As part of the ESG Leadership Team, the Vice President of Internal Audit collaborates with many internal and external stakeholders.
- ▶ **Assessment of Risk:** Internal Audit serves as an independent resource to management, providing objective evaluations of data collection and reporting processes, the design and implementation of key and mitigating controls, and independent limited assurance over priority ESG metrics and KPIs for reporting.
- ▶ **Monitoring Regulations:** Internal Audit partners with the Law Department to support management with compliance concerning the rapidly evolving ESG regulatory landscape.

## Internal Audit Plays a Role Across Several Dimensions of Our ESG Strategy

| PURPOSE   | GOVERNANCE  | PERFORMANCE   | RISK MANAGEMENT   | DATA   | REPORTING   |
|---|---|---|---|--|---|
| <ul style="list-style-type: none"> <li>▶ Assesses whether ESG strategy addresses key stakeholder expectations and is aligned to corporate purpose and strategy</li> </ul> | <ul style="list-style-type: none"> <li>▶ Assesses the effectiveness of ESG governance, such as through leadership and Board commitment</li> </ul> | <ul style="list-style-type: none"> <li>▶ Reviews the availability, consistency, reliability, and trends of ESG to measure the effectiveness of ESG initiatives across the organization</li> </ul> | <ul style="list-style-type: none"> <li>▶ Assesses and advises on the integration of ESG issues into ERM framework to identify, assess and prioritize ESG risks</li> <li>▶ Assesses the effectiveness of implemented risk interventions</li> </ul> | <ul style="list-style-type: none"> <li>▶ Evaluates data framework, internal controls, and processes to collect, aggregate, and analyze ESG data</li> <li>▶ Evaluates internal controls over technology platforms used for ESG data collection and reporting</li> </ul> | <ul style="list-style-type: none"> <li>▶ Assesses whether ESG reporting is reliable, timely, consistent, and aligned to relevant regulations</li> <li>▶ Advises on developing internal controls over ESG reporting</li> <li>▶ Assesses preparedness to obtain external assurance</li> </ul> |

On an annual basis, Internal Audit leads an enterprise-wide risk assessment with the Enterprise Risk Management (ERM) Committee comprised of executive leaders. The ERM Committee evaluates enterprise risks to determine risk prioritization, which are discussed with the Audit Committee and shared with the Board of Directors. Procedures are established for regular risk monitoring and review of mitigation actions by the ERM Committee.

The FY23 enterprise-wide risk assessment continued to identify ESG as a risk, particularly due to shifts in customer preferences in favor of more sustainable products and increasing requests from stakeholders for greater transparency concerning ESG disclosures. This risk continues to be monitored by the Enterprise Risk Management Committee and ranked on an annual basis.



## ETHICS AND COMPLIANCE

The **Code of Business Conduct** (COBC) serves as our ethical compass to guide the commitments we make to our stakeholders and one another.

We distribute the COBC to our team members annually, and provide ongoing compliance training throughout the year, both online and in-person. We also offer online courses on a variety of topics, including workplace safety; non-discrimination and harassment, including sexual harassment; unconscious bias; DIB; and data protection/privacy, including GDPR and California Consumer Privacy Act. The COBC is periodically reviewed and revised, as appropriate.

The COBC is available to all of our team members as well as on [footlocker-inc.com](https://www.footlocker-inc.com).

We encourage all team members to feel comfortable raising concerns without fear of retaliation if violations of Company policies are suspected. Team members can submit concerns via the COBC Hotline, which is managed by an independent third party, and is available 24 hours a day, 7 days a week in multiple languages, or online. Concerns can be submitted anonymously, where permitted by local law.





## DATA SECURITY AND PRIVACY

The safety of customer and team member data is a priority, and we have multiple systems in place to help ensure they are protected.

Our data security program is aligned to ISO/IEC 27001 Information Security Management Systems standards and leverages best practices from other frameworks, such as the National Institute of Standards and Technology. Additionally, we evaluate vendors using a vendor technical questionnaire to help ensure that they can meet technical and security guidelines, and we generally require that certain protective clauses are included, as appropriate, in vendor contracts. We routinely test our systems and disaster recovery processes for anomalies, reduce false positives, and to help ensure efficient reaction to potential vulnerabilities.

We also conduct a data privacy and protection survey of our customers to better understand their priorities. We recognize that our customers value their data privacy, and care how companies use their personal data. Customers want transparency in their ability to personalize their preferences and decide what information to share.

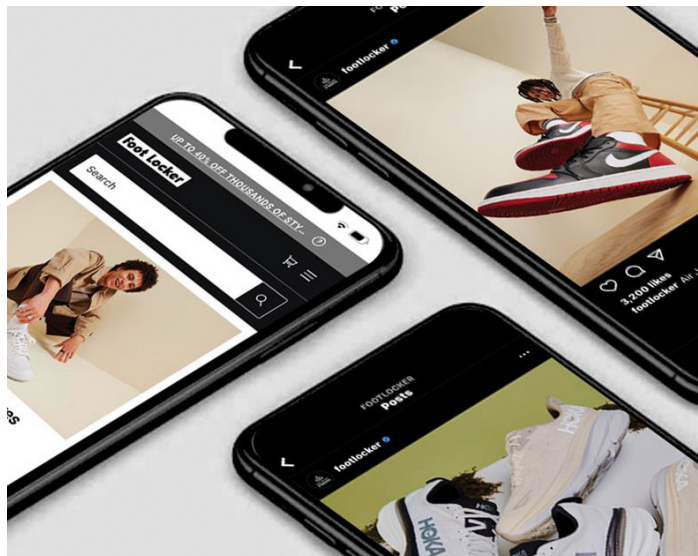
## CYBERSECURITY

To mitigate against certain technology risks, including failures, security breaches, and cybersecurity risks that could harm our business, damage our reputation, and increase our costs, our cybersecurity program includes the following elements:

- ▶ **Technology** – We employ a layered “defense, detect, and respond” strategy.
- ▶ **Third-Party Assessments** – We engage a range of outside experts to regularly assess our organizational security programs, processes, and capabilities.
- ▶ **Internal Assessments** – We regularly test and improve our information systems through security risk and compliance review, user access campaigns, and other strategies.

We take cybersecurity seriously, and our cybersecurity program is aligned to well-known and established standard cybersecurity frameworks. We use and continue to improve our cyber defense-in-depth strategy that uses multiple layers of security for holistic protection.

For example, we use a Role-Based Access (RBA) architecture, which is designed to only permit team members to have the access they need to fulfill their job responsibilities. RBA also provides for operational efficiencies by automating the provisioning/deprovisioning process, reduces risk, and enhances our compliance readiness. Also, we conduct an annual tabletop exercise in which various internal and external stakeholders, including our CEO, Non-Executive Chair, and Audit Committee Chair, participate in a simulated cyber scenario. The purpose of the exercise is to review the cyber incident response plan, identify weaknesses or gaps, and help



ensure that all participants are aware of, and familiar with, their roles and responsibilities.

Annual cybersecurity training is mandatory for both corporate and field team members based on job function. In addition, individuals with privileged access, such as system administrators and developers, are also required to complete an additional annual training that is specifically designed for their roles. We also conduct bi-weekly phishing campaigns to train users to better identify, report, and avoid malicious content.

To actively monitor this changing landscape, our Chief Information Security Officer and external cybersecurity experts provide regular briefings to the Technology Committee.

## PRIVACY

We recognize the importance of privacy to our stakeholders and are committed to protecting the personal information that customers and team members entrust with us.

To better meet this commitment, we further expanded our Data Governance team in FY23, adding one additional full-time team member. The team continues to use various strategies and tools to track and secure data. In general, we minimize risk by understanding where data is stored and who may access it, as well as continuing to utilize role-based access across our organization.

Our privacy policies and statements, which are available on our global direct-to-consumer websites, govern our treatment of customer data and outline the types of personal information we collect, how we use and share the information, and the measures we take to help protect the security of the information. Multiple points of contact are available for





customers to initiate inquiries, make requests, and raise concerns to us regarding our collection, sharing, and use of their personal data. Our privacy policies and practices in the European Union were updated in response to the GDPR requirements, and are subject to further updates from time to time in response to EU developments. Similarly, our privacy statements and practices in the United States and other countries are periodically reviewed and updated in response to local privacy laws and developments.

When working with third parties, our privacy, security, and legal experts help ensure that reasonable measures are in place to secure personal data and that our policies are compliant with applicable law. We utilize Data Privacy Impact Assessments to help identify and mitigate privacy risk. We employ privacy by design measures, such as masking personal data to reduce

risk to customers, in certain circumstances. Third-party arrangements, including data privacy agreements, help allocate risks related to processing data. In FY23, we also partnered with a third party to conduct our first privacy maturity assessment to identify additional opportunities to continue to evolve our overall privacy program.

In FY23, we again required that our corporate team members complete privacy training on PII fundamentals, including interactive modules to recognize which kinds of information can be used to identify someone, categorize different types of personal data, and implement personal safeguards. The training also helped team members identify best practices for handling and sharing personal data. Field team members also participated in privacy training, including during store onboarding.

## POLITICAL CONTRIBUTIONS AND PUBLIC ADVOCACY

Our COBC prohibits individual team members from making contributions on behalf of the Company to political parties, Political Action Committees, political candidates, or holders of public office.

The Company is a member of certain trade associations that support their member companies by offering educational forums, public policy advocacy, networking, and advancement of issues important to the retail and footwear industries, as well as the general business community. Given the diversity of interests, viewpoints, and broad membership represented by these trade associations, the positions they take may not always reflect the Company's values.

The Company is a member of, and during FY23 paid membership fees to, RILA, and The Business Council, which, as part of their overall activities, may engage in advocacy activities concerning issues important to the retail or footwear industries or the business community, as applicable.

We periodically review our membership in, and membership dues paid to, these trade associations, and the positions they support, to evaluate whether they align with our values and business objectives on public policy matters we consider material to our efforts to serve our stakeholders. In instances where we identify a significant inconsistency on a material

policy issue, we will discuss and review our options with respect to such organization, including the benefits and challenges associated with our continued membership. If our interests are materially misaligned, we may engage with the trade association or consider terminating our membership.

## POLITICAL AND PUBLIC ADVOCACY OVERSIGHT

Our Board has political and public advocacy oversight responsibility, including ensuring that management's political and lobbying expenditures are aligned with the Company's strategy. As part of its ESG oversight responsibility, the NCR Committee reviews annually our Board's policies and procedures regarding politics and public advocacy to ensure that the Company's publicly stated positions and its related activities and spending are congruent.



We are a member of RILA, the U.S. trade association for retailers that have earned leadership status by virtue of their sales volume, innovation, or aspiration. RILA convenes decision-makers to collaborate and gain from each other's experiences, and advances the industry through public-policy advocacy and promotion of operational excellence and innovation. Through research and thought leadership, RILA propels developments that foster both economic

growth and sustainability. We participate in many RILA committees and councils, which allow us to benchmark and collaborate with peer companies on issues essential to long-term preparedness and resilience to withstand critical events.



# REFERENCE TABLES

## A. SASB-APPAREL, ACCESSORIES, AND FOOTWEAR

| Activity Metrics  | Category                | Unit of Measure | Code         | Data and/or Reference   |
|---|-------------------------|-----------------|--------------|---|
| Number of (1) Tier 1 suppliers, and (2) suppliers beyond Tier 1   | Quantitative            | Number          | CG-AA-000.A  | Data: As of January 2024, we sourced from approximately 30 Tier 1 vendor partners. Tier 2 information is not disclosed at this time.<br><br>Reference: Understanding Our Value Chain (page 33)              |
| <b>Management of Chemicals in Products</b>  |                         |                 |              |   |
| Discussion of processes to maintain compliance with restricted substances regulations   | Discussion and Analysis | n/a             | CG-AA-250a.1 | Reference: Chemicals Management and Water Stewardship (page 45)   |
| Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products   | Discussion and Analysis | n/a             | CG-AA-250a.2 | Reference: Chemicals Management and Water Stewardship (page 45)   |
| <b>Environmental Impacts in the Supply Chain</b>  |                         |                 |              |   |
| Percentage of (1) Tier 1 supplier facilities, and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement  | Quantitative            | Percentage      | CG-AA-430a.1 | Data: 100% of Tier 1 suppliers and factories met legal compliance requirements in FY23. Tier 2 information is not disclosed at this time.<br><br>Reference: Supplier Verification Program (pages 34 and 35) |
| Percentage of (1) Tier 1 supplier facilities, and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition’s Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment | Quantitative            | Percentage      | CG-AA-430a.2 | Data: This information is not currently disclosed but will be considered for future reporting.  |



REFERENCE TABLES

| Activity Metrics   | Category                | Unit of Measure      | Code         | Data and/or Reference   |
|--|-------------------------|----------------------|--------------|---|
| <b>Labor Conditions in the Supply Chain</b>  |                         |                      |              |   |
| Percentage of (1) Tier 1 supplier facilities, (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, and (3) percentage of total audits conducted by a third-party auditor | Quantitative            | Percentage           | CG-AA-430b.1 | Data: In FY23, 100% of Tier 1 supplier facilities were audited to GSG by an independent third-party auditor. Tier 2 information is not disclosed at this time.<br><br>Reference: Supplier Verification Program (pages 34 and 35)  |
| Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits  | Quantitative            | Rate                 | CG-AA-430b.2 | Data: In FY23, we did not identify any critical or zero tolerance labor non-compliance findings in our FY23 supplier chain audits. However, through the course of our supply chain mapping process, we identified one Tier 1 factory with an elevated risk of non-conformity to labor standards. The relationship with that factory was terminated. During the audit process, if issues are found, Tier 1 suppliers are given the opportunity to remediate any findings after the audit. Our Trade Compliance and Sourcing teams communicate deficiencies identified then partner with our suppliers on a timeline to implement corrective actions.<br><br>Reference: Supplier Verification Program (pages 34 and 35) |
| Description of the greatest (1) labor, and (2) environmental, health, and safety risks in the supply chain   | Discussion and Analysis | n/a                  | CG-AA-430b.3 | Reference: Supplier Verification Program (pages 34 and 35)  |
| <b>Raw Materials Sourcing</b>  |                         |                      |              |   |
| Description of environmental and social risks associated with sourcing priority raw materials  | Discussion and Analysis | n/a                  | CG-AA-440a.1 | Reference: Sustainable Materials (page 36)  |
| Percentage of raw materials third-party certified to an environmental and/or social  | Quantitative            | Percentage by weight | CG-AA-440a.2 | Data: This information is not currently disclosed but will be considered for future reporting. At this time, we are working with our internal teams to explore sustainable fabric and trims in our proprietary brand product development.   |





## B. SASB-MULTILINE AND SPECIALTY RETAILERS, AND DISTRIBUTORS

| Activity Metrics  | Category                | Unit of Measure                 | Code         | Data and/or Reference  |
|---|-------------------------|---------------------------------|--------------|--|
| Number of (1) retail locations, and (2) distribution centers                                    | Quantitative            | Number                          | CG-MR-000.A  | <p>Data: As of February 3, 2024, the Company operated 2,523 stores located in the United States and its territories, Canada, various European countries, Asia, Australia, and New Zealand. We had an additional 202 licensed stores located in the Middle East and Asia.</p> <p>As of February 3, 2024, we operated eight distribution centers, of which two are owned and six are leased. Six of these distribution centers are in the United States, one in Canada, and one in the Netherlands.</p> <p>Reference: FY23 Annual Report, 2023 Form 10-K</p> |
| Total area of (1) retail space, and (2) distribution centers                                    | Quantitative            | Square meters (m <sup>2</sup> ) | CG-MR-000.B  | <p>Gross square footage and total selling area for our store locations at the end of FY23 were approximately 12.98 and 7.97 million square feet, respectively. Additionally, our operated distribution centers occupied an aggregate of 3.42 million square feet.</p> <p>Reference: FY23 Annual Report, 2023 Form 10-K</p>   |
| <b>Energy Management in Retail and Distribution</b>   |                         |                                 |              |  |
| (1) Total energy consumed, (2) percentage electricity, and (3) percentage renewable             | Quantitative            | Gigajoules (GJ), Percentage     | CG-MR-130a.1 | <p>Data:</p> <p>2023 total energy consumed = 909,351 GJ</p> <p>2023 percentage grid electricity of total energy: 61%</p> <p>2023 percentage renewable electricity of total energy: 24%</p> <p>Reference: Energy Conservation and Climate Stewardship (pages 40 through 42)</p>   |
| <b>Data Security</b>  |                         |                                 |              |  |
| Description of approach to identifying and addressing data security risks                       | Discussion and Analysis | n/a                             | CG-MR-230a.1 | Reference: Data Security and Privacy (pages 54 and 55)   |
| (1) Number of data breaches, (2) percentage involving PII, and (3) number of customers affected | Quantitative            | Number, Percentage              | CG-MR-230a.2 | <p>Data: No material data breaches occurred during FY23.</p> <p>Reference: Data Security and Privacy (pages 54 and 55)</p>   |

## REFERENCE TABLES

| Activity Metrics   | Category                | Unit of Measure                | Code         | Data and/or Reference   |
|--|-------------------------|--------------------------------|--------------|---|
| <b>Labor Practices</b>   |                         |                                |              |   |
| (1) Average hourly wage, and (2) percentage of in-store team members earning minimum wage, by region           | Discussion and Analysis | Reporting currency, Percentage | CG-MR-310a.1 | Data: 100% of our team members are paid minimum wage or above. Additional details around these metrics are not currently disclosed but will be considered for future reporting. |
| (1) Voluntary, and (2) involuntary turnover rate   | Quantitative            | Rate                           | CG-MR-310a.2 | Data: This information is not currently disclosed but will be considered for future reporting.  |
| Total amount of monetary losses as a result of legal proceedings associated with labor law violations          | Quantitative            | Reporting currency             | CG-MR-310a.3 | Data: The Company discloses all material legal proceedings in its SEC reports.<br>Reference: SEC Filings  |
| <b>Workforce Diversity and Global Inclusion Data Security</b>  |                         |                                |              |   |
| Percentage of gender and racial/ethnic group representation for (1) management, and (2) all other team members | Quantitative            | Percentage                     | CG-MR-330a.1 | Data: For detailed information, see People Strategy section.<br>Reference: People Strategy (pages 23 through 29)  |
| Total amount of monetary losses as a result of legal proceedings associated with employment discrimination     | Quantitative            | Reporting currency             | CG-MR-330a.2 | Data: The Company discloses all material legal proceedings in its SEC reports.<br>Reference: SEC Filings  |
| <b>Product Sourcing, Packaging and Marketing</b>   |                         |                                |              |   |
| Revenue from products third-party certified to environmental and/or social sustainability standards            | Quantitative            | Percentage                     | CG-MR-410a.1 | Data: This information is not currently disclosed but will be considered for future reporting.  |
| Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products        | Discussion and Analysis | n/a                            | CG-MR-410a.2 | Reference: Chemicals Management and Water Stewardship (page 45)   |
| Discussion of strategies to reduce the environmental impact of packaging                                       | Discussion and Analysis | n/a                            | CG-MR-410a.3 | Reference: Reducing Waste and Encouraging a Circular Economy (page 44)  |



## TCFD FRAMEWORK

| Category                   | Recommended Disclosure Topic   | Report Reference  | Additional Comments or Sources                            |
|----------------------------|--|---|---|
| <b>Governance</b>          | Describe the Board’s oversight of climate-related risks and opportunities  | Operating Ethically and Transparently (pages 46 through 55)         | 2023 CDP Climate Change Response                          |
|                            | Describe management’s role in assessing and managing climate-related risks and opportunities   |   |   |
| <b>Strategy</b>            | Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term                               | Understanding Our Climate-Related Risks and Opportunities (page 43) | 2023 CDP Climate Change Response                          |
|                            | Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning                        |   |   |
|                            | Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario |   |   |
| <b>Risk Management</b>     | Describe the organization’s process for identifying and assessing climate-related risks  | Understanding Our Climate-Related Risks and Opportunities (page 43) | 2023 CDP Climate Change Response<br>2023 Proxy Statement  |
|                            | Describe the organization’s processes for managing climate-related risks   |   |   |
|                            | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management     |   |   |
| <b>Metrics and Targets</b> | Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process    | Energy Conservation and Climate Stewardship (pages 40 through 42)   | Global GHG Emissions and Energy Profile (pages 41 and 42) |
|                            | Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks  |   |   |
|                            | Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets                          |   |   |



# NOTES ON GHG EMISSIONS INVENTORY

Scope 1 and Scope 2 emissions were subject to third-party independent limited assurance as indicated in the **Performance Dashboard** on page 7. Scope 3 emissions, including the related notes that follow, have not been subject to assurance.

## GHG REPORTING ORGANIZATIONAL AND OPERATIONAL BOUNDARIES

The Company presents its emissions under the control approach and has selected operational control as the operational boundary. The Company includes emissions from operations across its global operating units (which includes subsidiaries that are 100% owned, directly or indirectly, by the Company).

Activities with the following brands are included in the organization boundaries: Foot Locker, Kids Foot Locker, Champs Sports, Team Edition Apparel, WSS, and atmos. Additionally, activities with the following brands are included during the time they were active in 2023: Sidestep and Eastbay. WSS and atmos were acquired by the Company in the fourth quarter of 2021. Emissions for these entities were included in FY22 and FY23, where data was available. Direct equity investments in other companies (e.g., GOAT Group) are outside the organizational boundary, as the Company does not have operational control over these entities and their activities.

Licensee stores in the Middle East and Asia regions are also deemed to be outside of the organizational boundary for Scope 1 and 2 emissions, as the Company does not have operational control of these entities and their activities; however, emissions associated with these stores have been estimated under Scope 3, Category 14 (Franchises).

## OPERATIONAL BOUNDARIES

The Company's operational facilities are comprised primarily of offices, distribution centers, and retail stores through a combination of ownership and leases across North America, EMEA, and APAC.

**Scope 1 and 2 Operational Boundaries:** The Company includes Scope 1 emissions from the combustion of stationary and transport fuels on-site at its facilities, including natural gas, diesel, and petroleum. There is no direct purchase of refrigerants for HVAC systems (contracted maintenance suppliers procure these). Given the Company's core business does not require significant refrigeration systems, emissions from refrigeration, air conditioning, and fire suppression equipment at the Company-owned facilities are considered immaterial. Scope 2 includes emissions from the purchase of renewable and non-renewable electricity used on-site across its global facility portfolio. For both Scope 1 and 2, the Company includes both owned and leased facilities, and owned vehicles and equipment. Emissions associated with Company-leased vehicles for business and private usage are included under Scope 3, Category 6, Business Travel, except leased vehicles specifically designated for other uses outside business and personal travel.

**Scope 3 Operational Boundaries:** GHG emissions have been prepared using the identification and calculation criteria within WRI/WBCSD (GHG Protocol) Corporate Value Chain Accounting and Reporting Standard. Management evaluates the impact and significance of emissions on a case by case basis when deciding if to recalculate base or prior year emissions. Scope 3 includes indirect GHG emissions that occur in the Company's value chain, including both upstream and downstream emissions categories listed below:

**Category 1:** Purchased goods and services

**Category 2:** Capital goods

**Category 3:** Fuel- and Energy-related activities (not included in Scope 1 or 2)

**Category 4:** Upstream transportation and distribution

**Category 5:** Waste generated in operations

**Category 6:** Business travel

**Category 7:** Employee commuting

**Category 14:** Franchises

Additional relevant Scope 3 categories will be considered for future reporting.





## GHG COVERED

Emissions data is provided in metric tons of carbon dioxide equivalent (CO<sub>2</sub>e). Individual emissions sources may measure the relevant GHG separately (e.g., carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O)) prior to conversion to CO<sub>2</sub>e.

## LOCATION-BASED EMISSION APPROACH

The Company's Scope 2 location-based emissions approach reflects the average emissions intensity of the grids on which energy consumption occurs. This approach uses mostly grid-average emissions factor data.

## MARKET-BASED EMISSIONS APPROACH

The Company's Scope 2 market-based emissions calculation approach incorporates the carbon emission reductions associated with the Company's electricity procurement decisions that include the sourcing of 100% renewables and zero-emissions energy sources, such as nuclear. Details from energy supplier contracts are used to determine appropriate emission factors for these products that are applied to the part-year or full-year electricity consumption of each site under the relevant contract. Residual mix factors from the 2023 Green-E<sup>®</sup> Residual Mix Emission Rates (2021) and Association of Issuing Bodies (AIB) are applied to U.S. sites and European sites, respectively. Locations outside of the United States and Europe that do not have renewable energy contracts reflect the average emissions intensity of the grids on which energy consumption occurs.

## GLOBAL WARMING POTENTIALS

In accordance with the guidance of the GHG reporting standards under the United Nations Framework Convention on Climate Change (UNFCCC), the Company has opted to calculate GHG emissions using the Global Warming Potentials (GWP) from the International Panel on Climate Change (IPCC) Sixth Assessment Report (AR6 – 100 year), published in 2021.



# ACCOUNTING GUIDANCE AND SCOPE DEFINITIONS

## BASIS OF PRESENTATION

The Company presents its GHG emissions for the year ended February 3, 2024 as follows:

- ▶ Other than explained in bullet five below, Scope 1 and 2 emissions have been prepared using guidance in the WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard (revised edition).
- ▶ Other than explained in bullet five below, Scope 2 emissions have been prepared using the guidance in the WRI/WBCSD GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard.
- ▶ The WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard (revised edition) and the WRI/WBCSD GHG Protocol Scope 2 Guidance: An Amendment to the GHG Protocol Corporate Standard are collectively defined as the GHG Protocol.
- ▶ The Company considers FY22 as its emissions base year due to the inclusion of WSS and atmos brands for the first time.
- ▶ Management evaluates the impact and significance of emissions on a case by case basis when deciding if to recalculate base or prior year emissions due to acquisitions, divestitures, or other relevant events. A recalculation policy will be considered for future reporting.

## SCOPE 1

Scope 1 represents direct GHG emissions that occur from sources that are owned or controlled by the Company. See [Global GHG Emissions and Energy Profile](#) on page 41 (not subject to assurance) for emission volumes and explanations for Scope 1 YoY changes. See [Calculation Methodologies](#) on pages 66 and 67 for details regarding calculation methodology, data used, and emission factors.

## SCOPE 2

Scope 2 accounts for all GHG emissions from the generation of purchased electricity consumed by the Company. See [Global GHG Emissions and Energy Profile](#) on page 41 (not subject to assurance) for Scope 2 emission volumes and explanations for YoY changes. See [Calculation Methodologies](#) on pages 66 and 67 for details regarding calculation methodology, data used, and emission factors.

## SCOPE 3

Scope 3 includes indirect GHG emissions (not included in Scope 2) that occur in the Company's value chain, including both upstream and downstream emissions categories. See [Calculation Methodologies](#) on pages 68 through 73 for details regarding calculation methodology, data used, and emission factors. Emission volumes are as follows:

| Scope 3 Emissions - tCO <sub>2</sub> e (Metric tonnes of carbon dioxide equivalent) | FY22      | FY23      | YoY Change |
|---|-----------|-----------|------------|
| <b>Purchased Goods and Services</b>   | 1,414,969 | 983,635   | -30.5%     |
| <b>Capital Goods</b>  | 44,577    | 36,359    | -18.4%     |
| <b>Fuel- and Energy- Related Activities<br/>(not included in Scope 1 or 2)</b>      | 34,234    | 28,565    | -16.6%     |
| <b>Upstream Transportation and Distribution</b>                                     | 27,533    | 28,418    | 3.2%       |
| <b>Waste Generated in Operations</b>  | 5,344     | 4,361     | -18.4%     |
| <b>Business Travel</b>  | 3,869     | 3,979     | 2.8%       |
| <b>Employee Commuting</b>   | 35,441    | 35,274    | -0.5%      |
| <b>Downstream Transportation and Distribution</b>                                   | 23,467    | N/A       | N/A        |
| <b>Franchises</b>   | 4,199     | 10,582    | 152.0%     |
| <b>Reported Scope 3 Emissions</b>   | 1,593,631 | 1,131,173 | -29.0%     |

The Company continues to focus on refining Scope 3 data and calculations, and will consider disclosing additional relevant categories in future reporting.



**Category 1: Purchased Goods and Services**

- ▶ Emissions reductions from FY22 to FY23 are driven by a change in the “Sporting and Athletic Goods Manufacturing” emission factor from the USEEIO EPA Supply Chain Factors Dataset. The emission factor used in FY22 was .28 (kg CO<sub>2</sub>/2018 USD, purchaser price) compared to an updated .20 (kg CO<sub>2</sub>/2021 USD, purchaser price) in FY23.

**Category 3: Fuel- and Energy-related Activities (not included in Scope 1 or 2)**

- ▶ In FY23, the decrease in fuel-and energy-related emissions was driven by a decrease in electricity consumption from FY22.
- ▶ The FY23 methodology improves upon the FY22 methodology by:
  - ▶ Use of country-specific emission factors to calculate upstream well-to-tank emissions of purchased electricity and upstream well-to-tank emissions of transmission and distribution losses.
  - ▶ Updated emission factors calculate emissions from purchased fuels.
  - ▶ Addition of upstream well-to-tank (WTT) emissions from purchased gasoline and diesel, in addition to purchased natural gas.

**Category 4: Upstream Transportation and Distribution**

- ▶ In FY23, the methodology for upstream transportation and distribution was updated to correct for an overstatement in emissions calculated in FY22. FY22 emissions were recalculated due to an overstatement of calculated ton-miles (distance x weight). The increase in recalculated emissions from FY22 to FY23 is driven by an increase in truck mileage and the inclusion of emissions previously categorized as Category 9.
- ▶ In FY23, based on Foot Locker’s operations, emissions from Category 9, Downstream Transportation and Distribution have been recategorized to Category 4, Upstream Transportation and Distribution aligned with the Greenhouse Gas Protocol Value Chain (Scope 3) Standard.

**Category 7: Employee Commuting**

- ▶ In FY23, the methodology for employee commuting was updated to correct for an overstatement from the number of roundtrip commutes per employee. The updated methodology reflects an assumption of two commutes per day for employees traveling to a corporate office, store or distribution center. FY22 emissions were recalculated to account for the updated methodology.

**Category 9: Downstream Transportation and Distribution**

- ▶ In FY23, emissions from Category 9, Downstream Transportation and Distribution were recategorized to Category 4, Upstream Transportation and Distribution to better align with the Greenhouse Gas Protocol. See note on Category 4, Upstream Transportation and Distribution above.
- ▶ FY22 emissions in this category were recalculated for an adjustment in the weight associated with some shipments, resulting in the reduction of the weight per package in the U.S. and EMEA, and in turn, reduced emissions.

**Category 14: Franchises**

- ▶ An increased number of licensee stores is responsible for an increase in emissions in FY23 compared to FY22, primarily driven by atmos licensee stores being included for the first time.

**ESTIMATION UNCERTAINTIES**

The Company bases its estimates and methodologies on historical experience, available information and various other assumptions that it believes to be reasonable. Emissions data presented are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

# CALCULATION METHODOLOGIES

| Emissions Scope | Category                    | Source                  | Calculation Methodology  |
|-----------------|-----------------------------|-------------------------|--|
| Scope 1         | Facilities                  | Natural gas             | <p>Average-data methodology based on actual and estimated consumption for each facility where onsite natural gas usage is expected.</p> <p>Emissions = therms/year x EPA emission factor.</p> <p>In cases where natural gas usage data is unavailable for a facility, estimation methodology is based on average usage per square foot of other locations within the same state/country, applying a calculated cap and floor to address outliers. In cases where data gaps exist for a specific location, the estimation methodology uses an average data methodology based on that location's actual usage to address the missing data.</p>   |
|                 | Equipment                   | Diesel and gasoline     | <p>Average-data methodology based on actual and estimated consumption for each facility where onsite diesel usage is expected.</p> <p>Emissions = gallons/year x EPA emission factor.</p> <p>In instances in which diesel and heating oil fuel quantity is known, stationary combustion source methodology is used based on actual purchases during the year, or actual consumption in instances in which fuel was not purchased. In instances in which fuel quantity is unknown, estimates were based on equipment operating hours and an average hourly consumption (e.g., running of on-site generators).</p>   |
|                 | Vehicle                     | Diesel, gasoline/petrol | <p>Average-data methodology based on actual and estimated consumption for vehicles at each facility where transport fuels usage is expected.</p> <p>Emissions = gallons/year x EPA emission factor.</p> <p>In instances in which diesel and petroleum fuel quantity is known, mobile combustion source methodology is used based on actual purchases during the year, or actual consumption in instances in which fuel was not purchased. In instances in which vehicle fuel quantity is unknown, estimation methodology is based on similar vehicles with known fuel usage.</p>   |
| Scope 2         | Facilities (Location Based) | Electricity             | <p>Location-based method based on actual and estimated purchased electricity consumption for all facilities in the reporting boundary.</p> <p>Estimations are calculated intensity factor kWh/ft<sup>2</sup> based on actual consumption of the Company stores, distribution centers, and offices.</p> <p>Emissions = kWh/year x regional (state, province, or country-level) electricity grid emission factor.</p> <p>In cases where electricity usage data is unavailable for a location, the estimation methodology is based on the average usage per square foot of other locations within the same state/country, applying a calculated cap and floor to address outliers. In cases where data gaps exist for a specific location, the estimation methodology uses an average data methodology based on that location's actual usage to address the missing data.</p> |
|                 | Facilities (Market Based)   |                         | <p>Market-based method based on actual and estimated purchased electricity consumption (per location-based method calculations) and grid emission factor associated with renewable energy contracts in place for a facility.</p> <p>Emissions = kWh/year x regional (state, province, or country-level) electricity grid emission factor.</p>  |





| Data Used  | Emissions Factors   | Notes  |
|--|---|--|
| <p>Activity data – Natural gas measured in (or converted to) therms as billed by utility providers.</p> <p>Emissions factors data – Stationary combustion emissions factors were used for all facilities.</p>                                  | <p>United States – EPA Emission for GHG Inventories (Table 1), February 13, 2024.</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p>   | <p>Natural gas is used in certain facilities/stores in North America and EMEA for heating, but it is not used in the APAC region. Therefore, sites with no reported natural gas usage are excluded from the inventory as natural gas usage is not expected. For North America and EMEA, natural gas consumption related to HVAC use is included; however, communal area usage is not.</p> <p>There is no onsite co-generation at any Company facilities.</p>   |
| <p>Activity data – Diesel and gasoline measured by actual usage or estimated based on annual equipment usage.</p> <p>Emissions factors data – Stationary combustion emissions factors used for distillate fuel oil used for all equipment.</p> | <p>United States – EPA Emission for GHG Inventories (Table 1), February 13, 2024.</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p>   | <p>Diesel and gasoline usage primarily occurred in backup generators used at distribution centers.</p>   |
| <p>Activity data – Gallons purchased or estimated based on annual vehicle usage.</p> <p>Emissions factors data – Mobile combustion emissions factors used for distillate fuel oil used for all equipment.</p>                                  | <p>United States – EPA Emission for GHG Inventories (Table 2 and 3), February 13, 2024.</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p>   | <p>For FY23, vehicle data, including year, make and model, was collected for vehicles consuming diesel and gasoline. In some instances, total fuel usage of each site was collected. For those sites, fuel usage was distributed evenly across the vehicles associated with the site. In FY22, all vehicles were assumed to be in the EPA categorized range of 2007–18 manufacture year for application of CH<sub>4</sub> and N<sub>2</sub>O emission factors.</p> <p>Foot Locker does not own or operate any corporate jets, and forklifts used in Distribution Centers are electric.</p> |
| <p>Activity data – Purchased or estimated kWh/year consumption per facility.</p> <p>Emission factors data – State, province, or country-level electricity grid emission factors used to calculate emissions for all facilities.</p>            | <p>Emission factors – State, province, or country-level electricity grid emission factors obtained from EPA eGRID2022, dated January 2024</p> <p>Canada National Inventory Report, The Climate Registry, European Investment Bank (EIB), and Climate Transparency (2021).</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p> | <p>Foot Locker does not have purchased heat, steam, or cooling.</p>  |
| <p>Activity data – Purchased or estimated kWh/year consumption per facility.</p> <p>Emission factors – Supplier-specific emission rates associated with procured renewable energy products according to best available information.</p>        | <p>Green-e® Residual Mix Emissions, 2021.</p> <p>European Residual Mix   AIB (AIB)</p>  | <p>Energy attribute certificates are obtained and reviewed for quality using the WRI/WBCSD (GHG Protocol) Scope 2 Guidance.</p> <p>The amount of energy on each certificate is summed by market (i.e., country) and applied to Foot Locker operated sites within the same market. Residual electrical energy that does not have energy attribute certificates applied uses the residual mix emission factors where available (United States and Europe). Locations outside of the United States and Europe use location-based emission factors.</p>  |

| Emissions Scope | Category | Source   | Calculation Methodology   |
|-----------------|----------|--|---|
| Scope 3         | 1        | Purchased goods and services                                       | <p>Spend-based Environmentally Extended Input-Output (EEIO) methodology. Direct spend on the Company purchased merchandise, purchased regular goods, and services is mapped to an EPA Commodity Name. Purchase price is adjusted for inflation to match the year of the EPA supply chain emission factors (with margins).</p> <p>Emissions = (spend by Commodity Name) x inflation adjustment factor x (mapped Commodity emission factor).</p>  |
|                 | 2        | Capital goods  | <p>Spend-based Environmentally Extended Input-Output (EEIO) methodology. Direct spend on capital expenditures is mapped to an EPA Commodity Name and adjusted for inflation to the base year (2018) of the EPA supply chain emission factors (with margins).</p> <p>Emissions = (spend by Commodity Name) x inflation adjustment factor x (mapped Commodity emission factor).</p>   |
|                 | 3        | Fuel- and Energy-related activities (not included in Scope 1 or 2) | <p>Average-data methodology, calculated using the consumption of purchased fuels and purchased electricity (Scope 1 and 2) and the percentage of upstream electricity lost from transmission and distribution grid loss.</p> <p>Emissions = ((total electricity consumption by country) x (country-level upstream emissions factor for electricity transmission and distribution losses)) + ((electricity transmission and distribution losses by country) x (country-level electricity output emissions factor)) + ((electricity consumption by country) x (country-level upstream emissions factors for electricity generation)) + (total fuel consumption) x ((upstream fuel emissions factor)).</p> |



| Data Used  | Emissions Factors   | Notes  |
|--|---|--|
| <p>Activity data – Direct purchasing activity in the reporting year for merchandise, goods, and services.</p> <p>Inflation adjustment factor – U.S. Bureau of Labor Statistics Consumer Price Index (CPI) inflation calculations from reporting year to base year.</p> <p>Emissions factors data – Cradle- to-gate emission factors for specific categories of purchased goods and services were used to calculate emissions.</p>  | <p>United States – EPA Supply Chain GHG Emission Factors for U.S. Industries and Commodities, V1.2, 2023.</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p>   | <p>Emissions associated with purchased goods and services include total spend on merchandise broken down by apparel, footwear, and accessories, as well as total spend on services.</p> <p>Total merchandise spend for atmos was disaggregated based on the breakdown of footwear, apparel, and accessories for all other banners (excluding WSS).</p> |
| <p>Activity data – Direct purchasing activity in the reporting year for capital expenditures.</p> <p>Inflation adjustment factor – U.S. Bureau of Labor Statistics Consumer Price Index (CPI) inflation calculations from reporting year to base year.</p> <p>Emissions factors data – Cradle-to-gate emission factors for specific categories of purchased goods and services were used to calculate emissions.</p>   | <p>United States – EPA Supply Chain GHG Emission Factors for U.S. Industries and Commodities, V1.2, 2023.</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p>   |  |
| <p>Activity data – Total natural gas, diesel, and gasoline consumption in FY23 and electricity consumption by country in FY23.</p> <p>Grid loss rates – Country-level grid loss rates were obtained from The World Bank.</p> <p>Emission factors data – Well-to-tank emissions for natural gas, diesel, and gasoline, well-to-tank emission factors for electricity generation and transmission and distribution losses from UK Government Department of Environment, Food, Rural Affairs (DEFRA).</p> | <p>EPA eGRID Emission Factor Data, dated January 2024.</p> <p>DEFRA fuel and electricity WTT Emission factor, 2022.</p> <p>The World Bank, Electric power transmission and distribution losses (% of output), OECD/IEA 2018.</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p> <p>The Climate Registry, 2024.</p> | <p>For Guam, Hong Kong, and the Canary Islands, emissions factors for nearby countries were used as a proxy given country-specific WTT emissions factors for these locations were not available.</p>   |

| Emissions Scope | Category | Source                                   | Calculation Methodology   |
|-----------------|----------|--|---|
| Scope 3         | 4        | Upstream transportation and distribution | <p>Distance-based method, which involves determining the mass, distance traveled, and mode of each shipment, then applying the appropriate mass-distance emission factor for the vehicle used.</p> <p>Emissions = (weight of the shipment) x (distance the shipment is transported) x (mass-distance emissions factor by mode of transportation) x (GWP).</p>   |
|                 | 5        | Waste generated in operations            | <p>Waste-Type-Specific methodology based on actual and estimated waste volumes across all facilities. Where data is unavailable, activity data is extrapolated considering facility type, size, and regional end-of-life disposal practices.</p> <p>Emissions = (emission factor by waste type and disposal method) x (amount of waste by type and regional disposal methods).</p>  |
|                 | 6        | Business travel                          | <p>Distance-based methodology for all air, rail, and rental car business travel, and spend-based methodology for out-of-pocket business travel reimbursement expenses.</p> <p>Mileage reimbursement emissions = (Total annual value of reimbursements) x (EPA emission factor).</p> <p>Emissions = (distance traveled by vehicle type) x (vehicle specific emission factor (kg CO<sub>2</sub>e/vehicle-mile)) + (annual hotel nights) x (hotel emissions factor).</p> |





| Data Used   | Emissions Factors   | Notes   |
|---|---|---|
| <p>Activity data – Origin location, waypoint location, destination location, mode of transportation from each point, distance between locations (miles), and total weight of each shipment.</p> <p>Emissions factors data – For all transportation emission factors from Table 8 of the EPA Emission Factors for Greenhouse Gas Inventories Transport fuel combustions were used.</p>   | <p>United States – EPA Emission for GHG Inventories (Table 8), April 3, 2023.</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p>   | <p>For shipments transported by truck and rail, distances between the starting location and the final destination were calculated by mathematically approximating the distance between two points on Earth.</p> <p>For shipments categorized as transported by rail, it was assumed 90% of the distance travelled by the shipment is by rail, and the remaining 10% is by truck.</p> <p>Based on Foot Locker’s operations, emissions previously included in Category 9 emissions have been re-categorized to Category 4 aligned with the GHG Protocol Corporate Value Chain (Scope 3) Standard.</p>   |
| <p>Activity data – Quantities of dangerous, nonhazardous, recycled, and e-waste generated during operations were obtained from waste management partner for U.S. facilities.</p> <p>Emissions factors data – For the waste categories, U.S. EPA’s emission factors were identified and applied from the Emission Factors for Greenhouse Gas Inventories.</p>  | <p>United States – EPA Emission for GHG Inventories (Table 9), April 3, 2023.</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p>   | <p>Waste treatment methods (e.g., recycled, combusted, or landfilled) and waste composition (e.g., metal-scrap, paper and cardboard, mixed plastics, organics, glass, lumber and general waste) were gathered based on North American waste management supplier information, and used to estimate waste consumption for all other retail locations globally. Treatment of electronics in North America was also obtained from recycling partners and used to estimate the total waste from electronics for all regions. Dangerous waste includes screen printing ink and forklift batteries. It is not regulated hazardous waste, but the Company uses a certified waste hauler to remove and dispose of per federal regulations.</p> |
| <p>Activity data – Distance per mode of transportation, total mileage reimbursements, and number of hotel stays all collected by the Company and provided by global travel management partner and preferred rental car providers. Data from the Company’s 2021 EMEA waste management project was used to estimate total waste by type for EMEA facilities.</p> <p>Emissions factors data – For air travel and train travel, emission factors from Table 10 of the EPA Emission Factors for Greenhouse Gas Inventories Transport fuel combustions were used. For hotel stays, the Cornell Hotel Sustainability Benchmarking Index (CHSB) tool is used to assign applicable emission factors.</p> | <p>United States – EPA Emission for GHG Inventories (Table 10), April 3, 2023.</p> <p>The Cornell Hotel Sustainability Benchmarking Index (CHSB) used for hotel stay emissions.</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p> | <p>Business travel activities includes travel via air, train, bus, rental cars, leased vehicles, reimbursed mileage from use of a personal vehicle, ride sharing, and hotel stays.</p>  |

NOTES ON GHG EMISSIONS INVENTORY

| Emissions Scope | Category | Source             | Calculation Methodology   |
|-----------------|----------|--------------------|---|
| Scope 3         | 7        | Employee commuting | <p>Average-data methodology, calculated emissions by breaking down the Company employees based on full-time employees, part-time employees, remote, and hybrid employees and determined their commuting patterns based on sub-national, national, and regional average data.</p> <p>Emissions = (total number of employees by work type) x (average two-way commutes/year).</p>   |
|                 | 14       | Franchises         | <p>Average-data methodology, calculating emissions for each franchise by estimating electricity usage for each franchise store, determining the percentage of the year the store remained open during FY23, and using an emission factor for electricity usage based on the country the franchise store is located in. Electricity usage for each franchise store was estimated using the store's square footage and by determining the building type and its corresponding average energy intensity, provided by the Commercial Building Energy Consumption Survey (CBECS).</p> <p>Emissions = (building square footage) x (energy intensity) x (% of the year the store is open) x (emission factor) x (GWP).</p> |



| Data Used  | Emissions Factors   | Notes   |
|--|---|---|
| <p>Activity data – Total number of employees who work in distribution centers, corporate, and stores broken down by location and whether or not they are full-time, part-time, remote, or hybrid.</p> <p>Commuting data – Average commuting type and time determined based on available country specific transportation records.</p> <p>Emissions factors data – Emission factors by commuting method determined using the EPA Emission Factors for Greenhouse Gas Inventories. Emission factors for remote working determined using a teleworking factor.</p> | <p>United States – EPA Emission for GHG Inventories (Table 10), April 3, 2023.</p> <p>Athesis white paper, Estimating Energy Consumption and GHG Emissions for Remote Workers, 2021.</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p>  | <p>Employee commuting was calculated by the total number of the Company team members categorized as in person, remote, and hybrid. All remote and hybrid employees were categorized as full-time employees.</p>   |
| <p>Activity data – Total square footage, location, and building type of each franchise.</p> <p>Intensity factor –2018 Commercial Buildings Energy Consumption Survey (CBECS), for Retail (other than mall) and Enclosed and Strip malls.</p> <p>Emissions factors data – State, province, or country-level emission factors used to calculate emissions for all facilities.</p>  | <p>State, province, or country-level electricity grid emission factors obtained from EPA eGRID2021, January 2023, 2023 Canada National Inventory Report, The Climate Registry, European Investment Bank (EIB), and Climate Transparency (2021).</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p> | <p>The Company stores included in this category are considered licensees in alignment with the GHG protocol’s definition of franchises: “companies that grant licenses to other entities to sell or distribute its goods or services in return for payments, such as royalties for the use of trademarks and other services.”</p> <p>Emissions for this category were calculated using site inventory data for licensed stores in the Middle East and Asia. As electricity and natural gas bills are not available, estimations from publicly available sources were used to estimate the consumption of electricity from the grid.</p> |



# SUPPLEMENTAL KEY METRICS AND CRITERIA

The following KPIs are presented for the FY23, unless otherwise noted:

| Impact Area  | KPI  | Management's Criteria  |
|--|--|--|
| Attract, retain, and develop diverse talent                        | Gender and racial representation of workforce as of the end of FY23: |  |
|  | - women (global)   | Represents total number of women in the workforce, divided by the total population of team members (workforce).  |
|  | - POC (U.S.)   | Represents total number of POC in the workforce, divided by the total population of team members (workforce). (Includes all persons who have self-identified as a POC. Information on team member race and ethnicity is only requested and retained for the Company's U.S. workforce).   |
| Manage our environmental impacts and risks across our supply chain | Global average shipping miles per package (excluding Asia)           | The distance-package methodology involves tracking shipments from Company's distribution centers, stores, or vendors to their destinations. The data is collected using the Company's transportation management system, order management system, or warehouse management system. Key information includes the origin, destination of each shipment and the package count. As mode of transport is unable to be determined at this time, all shipments were considered medium/heavy duty. A 17% mileage adjustment factor, provided by a third-party industry leader in supply chain modeling, was used to account for differences in straight line miles versus actual road miles. Total package-miles are divided by total number of shipments to determine the average shipping miles per package. |
| GHG emissions reductions   | Scope 1 emissions (tCO <sub>2</sub> e)                               | See <b>Notes on GHG Emissions Inventory</b> beginning on page 62 and the <b>Basis of Presentation</b> on page 64.  |
|  | Scope 2 emissions (tCO <sub>2</sub> e) – Location Based              | See <b>Notes on GHG Emissions Inventory</b> beginning on page 62 and the <b>Basis of Presentation</b> on page 64.  |
|  | Scope 2 emissions (tCO <sub>2</sub> e) – Market Based                |  |
|  | Energy usage per gross square foot (kWh/ft <sup>2</sup> )            | Includes total annual energy consumed (converted to MWh) for all Scope 1 and 2 energy sources, divided by the total square footage of all facilities in the operational boundary for the reporting year. To learn more about the Company's operational boundary see <b>Notes on GHG Emissions Inventory</b> beginning on page 62.  |





# HELPFUL RESOURCES

## Board of Directors

|                      |   |
|----------------------|---|
| Board                | <a href="https://investors.footlocker-inc.com/board">investors.footlocker-inc.com/board</a>             |
| Committees           | <a href="https://investors.footlocker-inc.com/bcommittees">investors.footlocker-inc.com/bcommittees</a> |
| Committee Charters   |   |
| Audit Committee      | <a href="https://investors.footlocker-inc.com/audit">investors.footlocker-inc.com/audit</a>             |
| HCC Committee        | <a href="https://investors.footlocker-inc.com/comp">investors.footlocker-inc.com/comp</a>               |
| NCR Committee        | <a href="https://investors.footlocker-inc.com/gov">investors.footlocker-inc.com/gov</a>                 |
| Technology Committee | <a href="https://investors.footlocker-inc.com/tech">investors.footlocker-inc.com/tech</a>               |

## ESG

|                |   |
|----------------|---|
| Impact Reports | <a href="https://investors.footlocker-inc.com/impactreport">investors.footlocker-inc.com/impactreport</a> |
|----------------|---|

## SEC Reporting

|                  |   |
|------------------|---|
| Annual Reports   | <a href="https://investors.footlocker-inc.com/ar">investors.footlocker-inc.com/ar</a> |
| Proxy Statements | <a href="https://investors.footlocker-inc.com/ar">investors.footlocker-inc.com/ar</a> |

## Governance Documents

|   |   |
|---|---|
| Anti-Corruption Policy                                    | <a href="https://investors.footlocker-inc.com/acp">investors.footlocker-inc.com/acp</a>                           |
| Bylaws  | <a href="https://investors.footlocker-inc.com/by-laws">investors.footlocker-inc.com/by-laws</a>                   |
| Certificate of Incorporation                              | <a href="https://investors.footlocker-inc.com/coi">investors.footlocker-inc.com/coi</a>                           |
| Code of Business Conduct                                  | <a href="https://investors.footlocker-inc.com/cobc">investors.footlocker-inc.com/cobc</a>                         |
| Conflict Minerals Policy                                  | <a href="https://investors.footlocker-inc.com/conflictminerals">investors.footlocker-inc.com/conflictminerals</a> |
| Corporate Governance Guidelines                           | <a href="https://investors.footlocker-inc.com/cgg">investors.footlocker-inc.com/cgg</a>                           |
| Global Environmental and Climate Change Policy            | <a href="https://investors.footlocker-inc.com/climate">investors.footlocker-inc.com/climate</a>                   |
| Global Human Rights Policy                                | <a href="https://investors.footlocker-inc.com/humanrights">investors.footlocker-inc.com/humanrights</a>           |
| Global Occupational Health and Safety Policy              | <a href="https://investors.footlocker-inc.com/safety">investors.footlocker-inc.com/safety</a>                     |
| Global Sourcing Guidelines                                | <a href="https://investors.footlocker-inc.com/gsg">investors.footlocker-inc.com/gsg</a>                           |
| Global Water Stewardship Policy                           | <a href="https://investors.footlocker-inc.com/water">investors.footlocker-inc.com/water</a>                       |
| Incentive Compensation Recoupment Policy                  | <a href="https://investors.footlocker-inc.com/clawback">investors.footlocker-inc.com/clawback</a>                 |
| Policy Prohibiting Insider Trading                        | <a href="https://investors.footlocker-inc.com/trading">investors.footlocker-inc.com/trading</a>                   |
| Procedures for Communications with the Board of Directors | <a href="https://investors.footlocker-inc.com/boardcomms">investors.footlocker-inc.com/boardcomms</a>             |
| Stock Ownership Guidelines                                | <a href="https://investors.footlocker-inc.com/stock">investors.footlocker-inc.com/stock</a>                       |

## Company Contacts

|                              |  |
|------------------------------|--|
| Board or Corporate Secretary | Board of Directors,<br>c/o Corporate Secretary,<br>Foot Locker, Inc.,<br>330 West 34th Street,<br>New York, New York 10001 |
| Corporate Communications     | <a href="mailto:mediarelations@footlocker.com">mediarelations@footlocker.com</a>   |
| ESG Leadership Team          | <a href="mailto:esg@footlocker.com">esg@footlocker.com</a>   |
| Investor Relations           | <a href="mailto:ir@footlocker.com">ir@footlocker.com</a>   |

THE HEART  
OF SNEAKERS

FOOT LOCKER, INC.

[footlocker-inc.com](http://footlocker-inc.com)