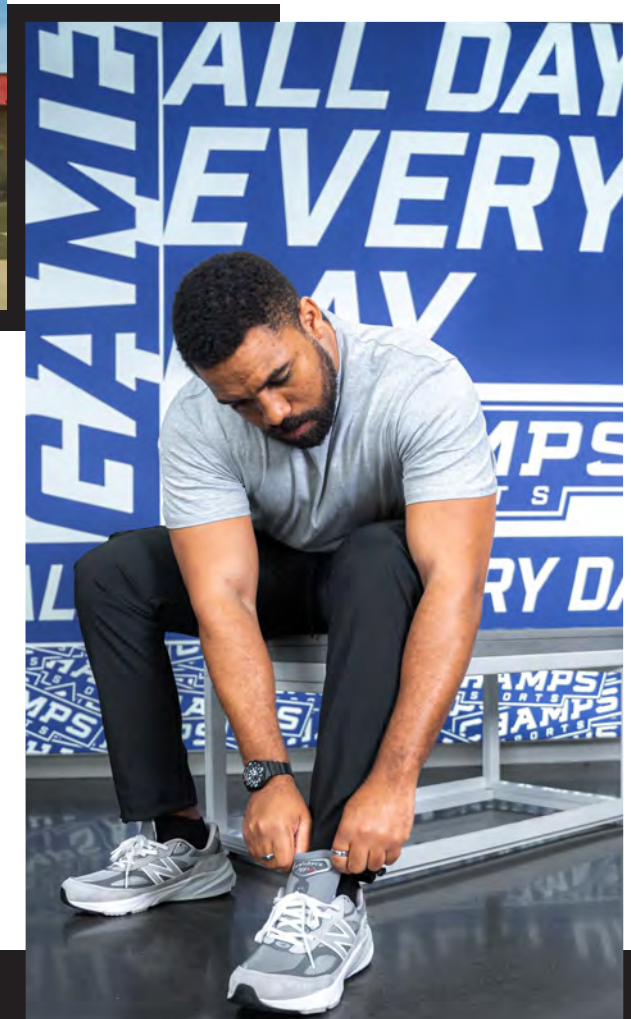


# Foot Locker, Inc.



## FY2022 IMPACT REPORT

DELIVERING ON OUR  
PURPOSE RESPONSIBLY



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## 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, capital expenditures, strategic plans, financial objectives, growth of the Company's business and operations, and other 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 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 report.

### 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 four ways in which we deliver on our purpose responsibly: 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 in alignment with SASB and TCFD reporting standards and covers our global operations for FY22.



In addition, we also evaluate and align our ESG disclosure against a number of 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 scope and transparency 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/23proxy](https://investors.footlocker-inc.com/23proxy).



# 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 FY22, with approximately 2,700 retail stores in 29 countries across North America, Europe, Asia, Australia, and New Zealand, and a franchised store presence in the Middle East and Asia, Foot Locker, Inc. 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.



**Foot Locker**

Bring the Best of Sneaker Culture to All

**Kids Foot Locker**

Recruit the Next Generation



Serve the Modern Athlete



Celebrate the Hispanic Community

**atmos**

Share and Celebrate Japanese Street and Sneaker Culture

## FOOT LOCKER, INC. AT A GLANCE (FY22)

**\$8.7BN** **29**

Sales Countries

**2,714** **46,880**

Operated Store Locations Team Members

### 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/23proxy](https://investors.footlocker-inc.com/23proxy).



## AROUND THE GLOBE

### NORTH AMERICA

Canada, United States (including Guam, Puerto Rico, and U.S. Virgin Islands)

### EMEA

Austria, Bahrain<sup>(1)</sup>, Belgium, Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Israel<sup>(1)</sup>, Italy, Jordan<sup>(1)</sup>, Kuwait<sup>(1)</sup>, Luxembourg, Netherlands, Norway, Oman<sup>(1)</sup>, Poland, Portugal, Romania, Qatar<sup>(1)</sup>, Saudi Arabia<sup>(1)</sup>, Spain and Canary Islands, Sweden, Switzerland, United Arab Emirates<sup>(1)</sup>, and the United Kingdom

### APAC

Australia, Hong Kong, Indonesia<sup>(1)</sup>, Japan, Macau, Malaysia, New Zealand, Philippines<sup>(1)</sup>, Singapore, and South Korea

<sup>(1)</sup> Operated by franchise/license partners.

# DEFINED TERMS

<b>AI</b>	Artificial Intelligence	<b>Glass Lewis</b>	Glass, Lewis & Co.
<b>Annual Report</b>	Form 10-K for the fiscal year ended January 28, 2023	<b>GDPR</b>	General Data Protection Regulation (EU)
<b>APAC</b>	Asia Pacific	<b>GHG</b>	Greenhouse Gas
<b>Board</b>	Board of Directors	<b>GSG</b>	Global Sourcing Guidelines
<b>BOPIS</b>	Buy Online, Pick up In-Store	<b>GTS</b>	Global Technology Solutions
<b>B.U.I.L.D.</b>	Blacks United in Leadership and Development	<b>HBCUs</b>	Historically Black Colleges and Universities
<b>CANDE</b>	Candidate Experience	<b>HCC Committee</b>	Human Capital and Compensation Committee
<b>CAP</b>	Corrective Actions Plans	<b>HVAC</b>	Heating, Ventilation, and Air Conditioning
<b>CBP</b>	U.S. Customs and Border Protection	<b>ISS</b>	Institutional Shareholder Services
<b>CCPA</b>	California Consumer Privacy Act	<b>KPI</b>	Key Performance Indicator
<b>CDP</b>	Carbon Disclosure Project	<b>LEED</b>	Leading in Education and Economic Development
<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>CPSC</b>	U. S. Consumer Product Safety Commission	<b>NYSE</b>	New York Stock Exchange
<b>Conflict Minerals</b>	Tin, tantalum, tungsten, and gold	<b>ORC</b>	Organized Retail Crime
<b>CPSIA</b>	Consumer Product Safety Improvement Act	<b>OSHA</b>	Occupational Safety and Health Administration
<b>CTPAT</b>	Customs-Trade Partnership Against Terrorism Program	<b>PACs</b>	Political Action Committees
<b>DC</b>	Distribution Center	<b>POC</b>	People of Color
<b>DEI</b>	Diversity, Equity, and Inclusion	<b>PPE</b>	Personal protective equipment
<b>DIBs</b>	Diversity, Inclusion, and Belonging strategy	<b>PII</b>	Personally Identifiable Information
<b>ELT</b>	Executive Leadership Team	<b>Proxy Statement</b>	2023 Proxy Statement
<b>EMEA</b>	Europe, Middle East, and Africa	<b>PSU</b>	Performance Stock Unit
<b>EPA</b>	U.S. Environmental Protection Agency	<b>RILA</b>	Retail Industry Leaders Association
<b>ERG</b>	Employee Resource Group	<b>SASB</b>	Sustainability Accounting Standards Board
<b>ERM</b>	Enterprise Risk Management	<b>SBTi</b>	Science-Based Target initiative
<b>ESG</b>	Environmental, Social, and Governance	<b>SEC</b>	U.S. Securities and Exchange Commission
<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>Stakeholders</b>	Our customers, team members, business partners, the communities we serve, shareholders, and government
<b>FCPA</b>	Foreign Corrupt Practices Act of 1977	<b>Striper</b>	Store team members across all Company banners
<b>FDRA</b>	Footwear Distributors and Retailers of America	<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>FEM</b>	Facility Environmental Module	<b>Technology Committee</b>	Technology and Digital Engagement Committee
<b>Foundation</b>	Foot Locker Foundation, Inc.	<b>TENIS</b>	Latinx Empowerment Network in Sneakers
<b>FSC</b>	Forest Stewardship Council	<b>TSR</b>	Total Shareholder Return
<b>FY20</b>	Fiscal year ended January 30, 2021	<b>UNCF</b>	United Negro College Fund
<b>FY21</b>	Fiscal year ended January 29, 2022	<b>WRI</b>	World Resources Institute
<b>FY22</b>	Fiscal year ended January 28, 2023	<b>WBCSD</b>	World Business Council for Sustainable Development
<b>FY23</b>	Fiscal year ending February 3, 2024	<b>YoY</b>	Year-over-Year
<b>FYE</b>	Fiscal year ended		



# MESSAGE FROM OUR CEO



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

We are on a mission to unlock the inner sneakerhead in all of us—sparking discovery and igniting the power of sneaker culture through our people and portfolio of brands for our diverse customers and the communities we serve.

This Impact Report highlights the progress made during FY22 across the four pillars of our ESG strategy:

► **People.** Diversity and inclusion are inherently core to who we are at Foot Locker, Inc. and how we show up in the world. I am proud that 88% of our U.S. team members are POC, and 49% of our global team members are women. Furthermore, 67% of the members of my ELT are diverse. Our passionate and dynamic team members and customers are at the center of everything that we do to deliver diverse perspectives and

experiences. In FY22, we focused on elevating our team member experience and launched our roadmap to deliver a premium pay investment, increasing pay for more than 8,000 store team members, as well as providing competitive benefits. In addition to our other community building work, we remain committed to LEED, our \$200 million promise to invest in, amplify, and empower the Black community that has been pivotal in shaping sneaker culture. As of FY22, LEED has achieved \$97 million in economic and educational impact.

► **Supply Chain.** Given our strong commitment to human rights, we initiated the process of tracing all our directly-sourced Tier 1 and Tier 2 suppliers in order to document that products sold in our stores are produced in a socially-responsible way.

- **Environment.** We are working to implement and monitor our roadmap to achieve our Net Zero GHG emissions ambition by 2050, or sooner, aligned with the SBTi to limit the global temperature rise to 1.5°C.
- **Transparency.** We have continued our focus on communicating transparently with stakeholders by enhancing this Impact Report to include additional relevant Scope 3 GHG disclosures around Purchased Services, Capital Goods, Upstream Transportation and Distribution, and Employee Commuting, as well as increased disclosure around water usage and waste disposal details.

We're proud of what we accomplished in FY22, but we also recognize that we are on a journey and must continue to assess our progress and identify additional opportunities to make positive impacts for the benefit of all stakeholders.

Let's go!

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

“  
Together, our leadership team brings a renewed energy and focus to drive our business forward and create long-term, sustainable value for all stakeholders.”



# MESSAGE FROM OUR NON-EXECUTIVE CHAIR



Foot Locker, Inc. is an iconic company that has shaped sneaker culture for nearly fifty years.

Over the course of my time on the Board, I have seen the industry evolve, and the Company continue to adapt to address ongoing ESG challenges and opportunities.

I am pleased to share with you some highlights regarding the recent work the Board has done to create long-term, consistent value for all stakeholders:

- ▶ **ESG Strategy Oversight.** Our Board is actively engaged in overseeing the Company's ESG strategy, accountable to create stakeholder value, and aligned with Mary Dillon and her leadership team. In exercising its authority, the Board recognizes that the long-term interests of our shareholders are best advanced when considering all stakeholders. As the business and industry continue to evolve, the Board remains engaged and committed to accelerating certain initiatives as a part of our ESG strategy, which are embedded in our **"Lace Up" Plan** to expand sneaker culture, power up our portfolio, deepen our relationship with customers, and be best-in-class omni.
- ▶ **ESG Governance.** The Board believes deeply that it must be fit for its purpose and provide strategic value to the Company's ESG strategy. The Board exercises many of its ESG oversight responsibilities through its committees, each of which has ESG governance responsibilities relevant to the committee, as outlined in its charter:

- ▶ The NCR Committee oversees the Company's ESG metrics, initiatives, and public disclosures, including the Company's Net Zero ambition.
- ▶ The HCC Committee is tasked with ensuring that key ESG performance metrics, including NPS, are actively managed by management and incorporated into executives' compensation programs.
- ▶ The Audit Committee oversees the Company's compliance with legal and regulatory requirements, including ESG risk assessments and attestations.
- ▶ The Technology Committee, which was recently formed given the Company's significant GTS investments included in the **"Lace Up" Plan**, has cybersecurity oversight responsibilities, in addition to considering the Company's utilization of technology and digital engagement in support of the Company's business strategy and objectives. These changes reflect the Board's agility and alignment with the Company's strategy.

All Committee Chairs provide reports and feedback to the Board for its review and discussion throughout the year.

- ▶ **ESG Stakeholder Engagement.** Our Executive Vice President and General Counsel, Senior Vice President, Deputy General Counsel and Corporate Secretary, and I engage directly with shareholders on ESG matters each year to understand their priorities and gather feedback. Over the past year, we have engaged individually with shareholders representing over 52% of our total shares outstanding, as well as proxy advisory firms, to discuss matters relating to our priority ESG issues.

True sustainability is a journey, and our sense of urgency could not be higher as we continue moving down this path, being accountable as we move forward. I look forward to continuing to partner with the rest of the Board, management, and our nearly 47,000 team members around the world to build on the Company's strong foundation and help shape its future. On behalf of the Board, I am incredibly grateful to all our stakeholders for their continued commitment to supporting the Company, and I thank you for your interest in this journey.

**DONA D. YOUNG**  
(she/her/hers)  
Non-Executive Chair

**“ ESG is embedded in the Company's ability to achieve its strategic imperatives. Our Board is actively engaged in overseeing the Company's ESG strategy, accountable to increase stakeholder value, and adaptable to help management meet ongoing ESG challenges and opportunities.”**



# INDEPENDENT ACCOUNTANTS' REVIEW REPORT



## Board of Directors and Management Foot Locker, Inc.:

We have reviewed the FY22 metrics identified with the symbol “\*\*” as of and for the year ended January 28, 2023 (the Selected Metrics) included in the accompanying **Performance Dashboard** on page 9 of the Foot Locker, Inc. 2022 Impact Report (Impact Report). Foot Locker, Inc.’s management is responsible for presenting the Selected Metrics in accordance with the criteria set forth in the **Supplemental Key Metrics and Criteria** (the Criteria) on page 98 of the Impact Report. Our responsibility is to express a conclusion on the Selected Metrics based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we 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 in accordance with the criteria. 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 Selected Metrics are in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such 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. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment and consisted primarily of inquiries of management to obtain an understanding of the methodologies applied and inputs used in deriving the Selected Metrics, recalculating the Selected Metrics based on the methodologies and inputs identified by management, and performing analytical procedures.

As described in the Criteria, energy use data used in greenhouse gas (GHG) emissions calculations include estimation uncertainties resulting from the limitations inherent in the methodologies used to calculate energy and emissions for the subset of facilities and activities in which actual use data is not available. The selection by the Company of different but acceptable measurement techniques could have resulted in materially different measurements.

Our review was limited to the Selected Metrics identified with the symbol “\*\*”. The Impact Report includes other information and metrics that were not subject to our review procedures, including the FY20 comparative information in the **Performance Dashboard**. Accordingly, we do not express a conclusion or any other form of assurance other than on the Selected Metrics identified with the symbol “\*\*”. The FY21 comparative information in the **Performance Dashboard**, as denoted in footnote 2, was reviewed by us and our report dated August 24, 2022 expressed an unmodified conclusion on such information.

Based on our review, we are not aware of any material modifications that should be made to the Selected Metrics in order for them to be in accordance with the Criteria.

KPMG LLP  
New York, New York  
September 5, 2023

# PERFORMANCE DASHBOARD

These KPIs are drivers for action and transformation against our ESG strategy and priority topics therein. In FY22, 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 **Management’s Criteria** on page 98. Metrics presented are for the fiscal years ended, except for the “Gender and racial representation of workforce” metrics, which are as of the end of the fiscal years. To learn more about the third-party independent limited assurance, see **Independent Accountants’ Review Report** on page 8.

ESG Pillar	Impact Area	KPI	FY20	FY21 <sup>(2)</sup>	FY22
<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)	49% women (global) <sup>(3)</sup>
			85% POC <sup>(4)</sup> (U.S.)	86% POC <sup>(4)</sup> (U.S.)	88% POC <sup>(4)</sup> (U.S.)*
	Create unrivaled lifestyle experiences for our customers	Net Promoter Score <sup>(5)</sup>	36.7%	106.7%	97.7% <sup>(6)</sup>
<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>(7)</sup>	826 miles	818 miles	763 miles <sup>(8)</sup>
<b>Managing and Reducing Our Environmental Impacts</b>	Achieve Net Zero emissions by 2050 or sooner <sup>(9)</sup>	Scope 1 emissions (tCO <sub>2</sub> e)	6,588	5,775	6,745*
		Scope 2 emissions (tCO <sub>2</sub> e) – Location Based <sup>(10)</sup>	76,471	85,893	83,648*
		Scope 2 emissions (tCO <sub>2</sub> e) – Market Based <sup>(10)</sup>	65,839	69,292	65,793*
		Energy usage per gross square foot (kWh/ft <sup>2</sup> ) <sup>(11)</sup>	19.2	15.3	14.5*
<b>Operating Ethically and Transparently</b>	Integrate ESG risks and opportunities into business practices and enhance public disclosure	ESG strategy and public disclosure	Published inaugural Impact Report	Obtained third-party Independent Accountants’ Review Report for certain Performance Dashboard metrics beginning in FY21	Calculated and disclosed additional relevant Scope 3 emissions categories

\* See **Independent Accountants’ Review Report** on page 8.

<sup>(2)</sup> Limited assurance provided on these metrics in the prior year (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>(3)</sup> Calculation methodology changed in FY22. Non-U.S. atmos data was included for the first time, which did not have a significant impact on the FY22 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 member race and ethnicity is only requested and retained for U.S. workforce.

<sup>(5)</sup> Represents our average performance payout percentage against our NPS target for the fiscal year across three channels approved by the Board: store post-purchase, digital post-purchase, and post-fulfillment. NPS is an ESG metric because it measures customer satisfaction and brand perception, which are dependent on factors that include ESG.

<sup>(6)</sup> Calculation methodology changed in FY22. The global performance management rating scale, which is used to evaluate the full-year NPS results, was reduced to a performance range of 25% to 150% in FY22, compared to 25% to 200% in FY21. This change in the performance target resulted in the NPS performance to target appearing to decline when customer satisfaction or brand perception improved.

<sup>(7)</sup> Represents the average sum of miles that a shipment travels from a distribution center to the customer, a store to the customer, and/or from the distribution center to a store. Excludes data for shipments in Asia (Hong Kong, Japan, Macau, Malaysia, Singapore, and South Korea).

<sup>(8)</sup> Calculation methodology changed in FY22, data for WSS, New Zealand, and store-to-store transfers in North America were included for the first time, which did not have a significant impact on the FY22 metric. Additionally, data related to the new Reno distribution center was included beginning in the fourth quarter of FY22, which did not have a significant impact on the FY22 metric.

<sup>(9)</sup> To learn more about GHG emissions, see **Notes on GHG Emissions Inventory** beginning on page 85 for more details.

<sup>(10)</sup> The location-based method considers average emission factors for the electricity grids that provide electricity. The market-based method considers contractual arrangements under which we procure power from specific sources, such as renewable energy.

<sup>(11)</sup> Includes all stores, offices, and distribution facilities.





# OUR “LACE UP” PLAN AND ESG STRATEGY

**Foot Locker, Inc. is a leader and originator of sneaker culture.**

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

- ▶ Strong assets to leverage
- ▶ Operate in an exciting and growing market
- ▶ New insights and opportunities to grow

As a purpose-led organization, we are continuing to improve the environmental and social impacts of our business, measure the impacts we are making, and communicate with, and drive transparency and accessibility to, our stakeholders.

## OUR "LACE UP" PLAN

Our "Lace Up" Plan is comprised of four strategic imperatives to drive sustainable growth and value for our stakeholders:

<b>Expand Sneaker Culture</b>	<b>Power Up Our Portfolio</b>	<b>Deepen Our Relationship with Customers</b>	<b>Be Best-in-Class Omni</b>
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Serve more sneaker occasions, provide more choice, and drive greater distinction.

Create more distinction among banners, including re-launching the Company's banners, and transforming the Company's real estate footprint by opening new formats, shifting off-mall, and closing underperforming stores.

Reset the Company's loyalty program and elevate the customer relationship through enhanced analytical capabilities.

Improve the customer experience online through the full shopping journey.

## OUR ESG STRATEGY

We are very intentional about our mission to bring together people and communities through the power of "sneaker culture." Our management and the Board understand that how we operate our business is key to the success of our business.

We are continuing to increase the positive environmental and social impacts, and minimize the negative impacts, of our business, measure the changes we are making, and communicate with, and drive transparency and accountability to, our stakeholders.

As a purpose-led organization, our core values serve as the foundation for how we operate our business, and our "Lace Up" Plan informs our ESG strategy, which is focused on four pillars:

<b>Leveraging the Power of Our People and Communities</b>	<b>Strengthening the Sustainability of Our Supply Chain</b>	<b>Managing and Reducing Our Environmental Impacts</b>	<b>Operating Ethically and Transparently</b>
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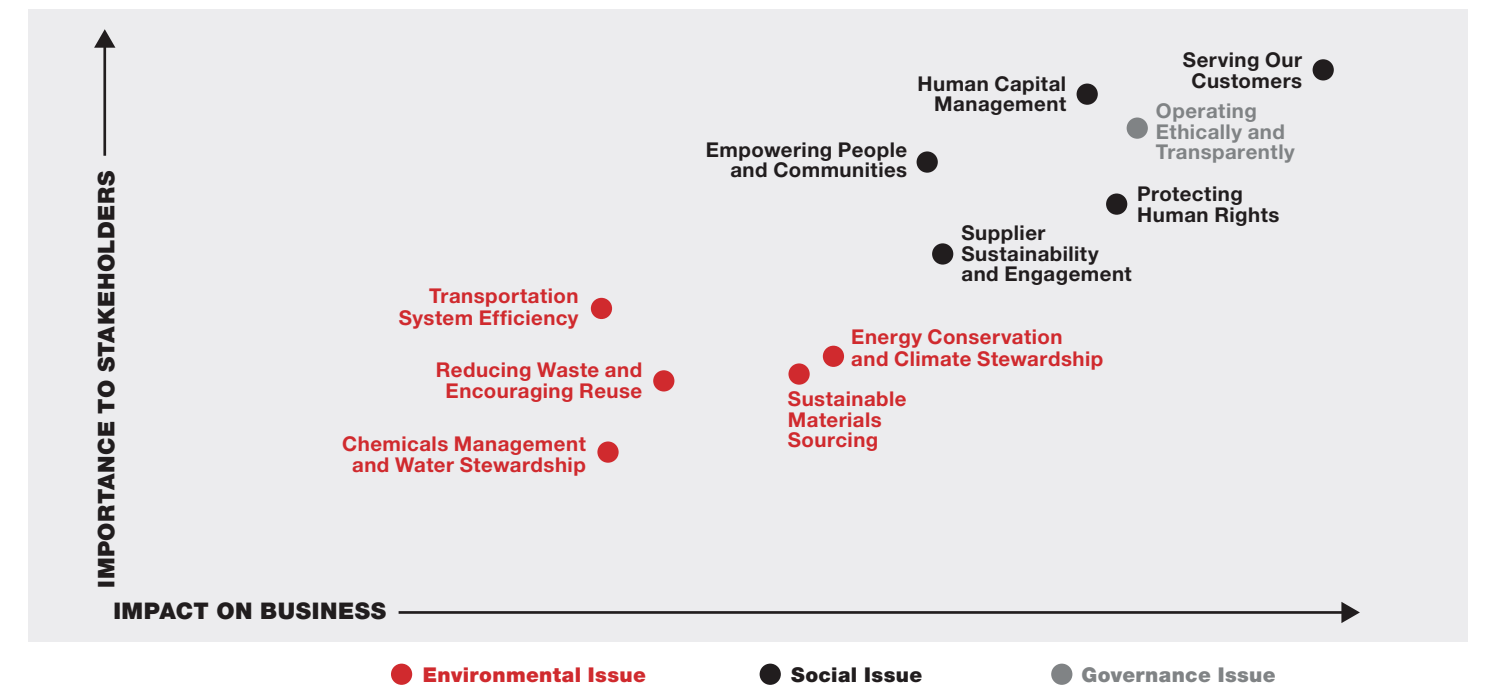
### MATERIALITY ASSESSMENT

We refreshed our ESG issue prioritization assessment in 2021 to reconsider the highest priority issues for our Company and our stakeholders, as reflected in the matrix below.

The assessment included extensive engagement with our ELT, industry benchmarking, alignment with universal reporting standards and frameworks, such as SASB and TCFD, and consideration of emerging global regulations.

Additional detail on each of our activities and initiatives towards management of these aspects is presented in this report. We intend to re-evaluate our priority ESG issues every few years to ensure that all material issues are integrated into organizational decision-making, and governance and disclosures are reflective of industry changes, the evolving regulatory environment, and current stakeholder priorities. In our next materiality assessment set to take place during the 2023-24 cycle, we intend to include external perspectives and will evaluate our ESG strategy and report against the prioritization of topics.

### ESG Issue Prioritization Matrix<sup>(12)</sup>



<sup>(12)</sup> The matrix reflects the results of our FY21 ESG prioritization assessment. Since the assessment, we have revised the language around the following priority topics to better align with our ESG strategy: "Serving Our Customers" is reflected in this report as "Deepen Our Relationship with Customers;" and "Human Capital Management" is reflected in this report as "People Strategy." Further, we have identified the following topics as priority areas following the 2021 assessment: Data Security and Privacy, Political Contributions and Public Advocacy, and Internal Audit and Risk Management.





**CORE VALUES**



**STRATEGIC IMPERATIVES**



Our four strategic imperatives of the "Lace Up" Plan are interconnected with our ESG strategy, and together they drive stakeholder value.

**ESG STRATEGY PILLARS**



Each ESG initiative is aligned under one of these four pillars and is actively monitored and tracked by the ESG Leadership Team. Keeping with our vision to embed ESG considerations into everything we do, we consistently explore further action opportunities for enhancement globally.

**DRIVE VALUE FOR ALL STAKEHOLDERS**



**BOARD OVERSIGHT**

Our Board is diverse in terms of gender, age, and ethnicity, as well as skills, expertise, and perspectives. 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 over our 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 64 for further details on the roles and influence 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 based on (1) sector-specific guidance provided by SASB's Sustainable Industry Classification System (SICS), and (2) an assessment of our business and ESG issues.

In addition to the SASB metrics, we also measure and monitor relevant metrics guided by the TCFD, CDP, and other ESG reporting frameworks, as well as relevant rating agencies and proxy advisory firms, such as ISS and Glass Lewis, feedback from stakeholders, and our own internal operational and value chain KPIs. Please refer to **Performance Dashboard** on page 9 for a summary of the metrics we consider to be among the most important to our business.

We have established goals against strategic priority topic areas and continue to evaluate opportunities to set ambitious targets and commitments to drive increased positive impact for all stakeholders. For example, we are currently developing short-term and long-term GHG emission reduction targets in line with our ambition to achieve Net Zero GHG emissions by 2050 or sooner.

**We believe that our goals and progress across priority ESG topics will not only drive positive impact for our stakeholders, but for our business through increasing innovative solutions and reducing potential risks.**



## 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.

	Team Members	Customers	Communities	Shareholders	Government	Business Partners
<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>	<ul style="list-style-type: none"> <li>▶ Non-Executive Chair formal engagement program with shareholders</li> <li>▶ Investor Day</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., FDRA, 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>▶ Ethics and compliance</li> <li>▶ Total Rewards philosophy that provides pay and benefits to support team members' physical, mental, and financial health</li> <li>▶ Talent and development</li> <li>▶ DIBs</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>	<ul style="list-style-type: none"> <li>▶ CEO search process</li> <li>▶ Separation of Chair and CEO roles</li> <li>▶ Board and management succession</li> <li>▶ Boardroom and company culture</li> <li>▶ People strategy</li> <li>▶ Executive compensation</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>Responses</b>	<ul style="list-style-type: none"> <li>▶ Provided team members with equitable opportunities to develop professionally</li> <li>▶ Offered opportunities for team member engagement</li> </ul>	<ul style="list-style-type: none"> <li>▶ Removed friction points around high velocity sneaker releases</li> <li>▶ Added additional payment options both in store and online</li> <li>▶ Improved online inventory accuracy</li> <li>▶ Created a more seamless digital checkout</li> <li>▶ Enhanced shipping procedures to ensure products were delivered in good condition</li> <li>▶ Enhanced information security processes</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continued engagement</li> <li>▶ Focused investments and philanthropy within the communities we serve</li> </ul>	<ul style="list-style-type: none"> <li>▶ Separated the Chair and CEO roles</li> <li>▶ Adopted proxy access</li> <li>▶ Amended By-Laws to implement a majority voting standard in uncontested director elections</li> <li>▶ Added a Director Nominees' Skillset Matrix to the proxy statement to describe each director's qualifications</li> <li>▶ Enhanced ESG disclosure by publishing an Impact Report</li> <li>▶ Assessed and revised executive compensation program based on shareholder feedback (e.g., aligning PSU awards to TSR)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continued partnership with select trade associations to serve our industry</li> </ul>	<ul style="list-style-type: none"> <li>▶ Engaged and partnered with suppliers to understand their supply chains and remediate issues</li> <li>▶ Underwent audits using a triangulation approach (i.e., factory tour, worker interview, and documentation assessment)</li> <li>▶ Adopted the GSG, Global Environmental and Climate Change Policy, Global Human Rights Policy, Global Occupational Health and Safety Policy, and Global Water Stewardship Policy</li> <li>▶ Screened potential business partners to select those who are committed to our ethical standards and business practices</li> </ul>

### COMMUNICATIONS WITH OUR BOARD

Stakeholders and other interested parties who wish to communicate directly with the independent directors of the Board should send a letter to the Board. The Procedures for Communications with the Board are available at [investors.footlocker-inc.com/boardcomms](https://investors.footlocker-inc.com/boardcomms). Our Corporate Secretary will promptly send a copy of the communication to the Non-Executive Chair, who may direct our Corporate Secretary to send a copy of the communication to the other independent directors and may determine whether a meeting of the independent directors should be called to review the communication.



**One of our highest priorities is hearing from stakeholders. For this reason, over the past several years, I have led, on behalf of our Board, a structured engagement program designed to hear *you* speak and then share this feedback with the Board."** **DONA D. YOUNG** (she/her/hers) Non-Executive Chair





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
- ▶ Empowering people and communities

# LEVERAGING THE POWER OF OUR 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.

## LEVERAGING THE POWER OF OUR PEOPLE AND 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 key equities 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.

## ENHANCING CUSTOMER EXPERIENCE THROUGH TECHNOLOGY

We are investing in our technology and data capabilities to better understand and serve our customers. Our goal is to deliver compelling, relevant experiences across all touchpoints. This includes investments in digital search, product recommendations, product display, storytelling, and personalized lifecycle communications. We are also investing in our omnichannel capabilities to create a seamless purchase experience and drive

connectivity among channels with near-real-time inventory, BOPIS enhancements, and a mobile app relaunch in 2024. Investments in our core data and analytics infrastructure, including machine learning and AI capabilities, will help us power these personalized experiences. As a result, we will deliver more personalized communications, driving product discovery, engagement, and brand loyalty across all our banners.



## SERVING HER

We have created an elevated experience and inclusive atmosphere for our female customers in our stores with tailored spaces just for her. Across our banners in North America, we showcase nearly 180 unique women's experiences in our stores. We also expanded our

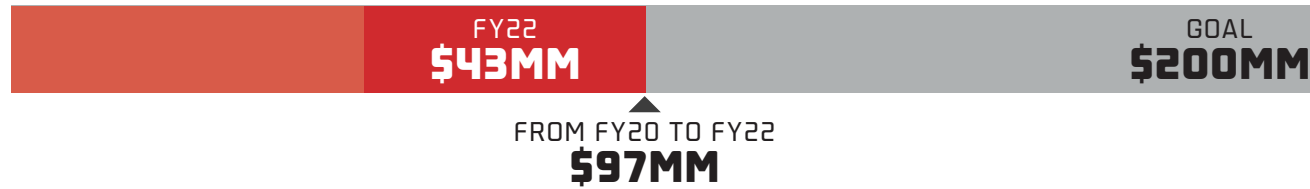
presence for her across our websites and social media channels. As our women's spaces continue to grow, we continue to evolve how we serve her as a customer.

## LEED INITIATIVE

FOOT LOCKER, INC. 88% of our U.S. team members are POC, and 42% of our U.S. team members are Black. 45% of our customers in North America are Black. Sneaker culture—shaped in large part by the Black community—is central to our brand. Investing in our talent, team members, and brand is a crucial part of Foot Locker, Inc.’s business approach. We are committed to fighting racial inequality and injustice in the communities we serve. We have committed



\$200 million over five years (2020–25) toward enhancing the lives of our team members and customers in the Black community through our LEED initiative. Our goals address both economic development and education initiatives. As of FY22, our cumulative spend on these goals totals approximately \$97 million. We aspire not only to contribute to the fight against social injustice, but to also enhance our ability to broaden our product mix and reach more members of the sneaker community.



### Significant strides have been made through our LEED initiative during FY22. Here are some highlights:

- ▶ Invested more than \$43 million to date in Black-owned brands, from Home Grown brands designing curated products in our community stores to emerging brands in the global market across North America and EMEA.
- ▶ Invested more than \$20 million to date in partnership with Black-owned vendors for key services and supplies, including marketing and public relations, GTS, construction, architecture, site engineering, and store supplies and fixtures.
- ▶ Offered corporate internships through the Dick Johnson Bridge Program to store team members across North America and EMEA in 2022, leading to approximately 35% of interns in North America and 33% of interns in EMEA accepting full-time roles.
- ▶ Organized the following initiatives through LEED funding by B.U.I.L.D.:
  - ▶ Celebrated Black History Month and other Black cultural moments with allies across the global Foot Locker, Inc. community.
  - ▶ Powered the Culture Experience, a five-part live event series with Omek. Omek is a community-centric platform dedicated to the social and professional advancement of African diaspora talent. The workshops were designed to help our team members become more informed, empathetic, and equipped team members, colleagues, and decision makers by facilitating authentic cross-cultural connections through education, engagement, and imagination.
  - ▶ Hosted “Money Talks,” a six-part live personal financial management series delivered by experts from the Society for Financial Education and Professional Development, a global leader in financial education. The events were open to all store team members and B.U.I.L.D. members. “Money Talks” acknowledged the historical factors impacting generational wealth-building in the Black community, while instilling financial education and budgeting tools.

## HOME GROWN

Our Home Grown program provides local and emerging brands a platform online and within our stores to connect to our communities and showcase designers across the nation. To do this, our marketplace merchants identify brands that are shaping sneaker culture and have a strong connection to the communities we serve. We partner closely with these brands by offering production resources, business onboarding, and development support. We then integrate their assortments locally in-store and, when appropriate, identify broader opportunities that may exist for scaling across markets. Through this work, Home Grown is

creating opportunities for the local brands that are driving sneaker culture to share their stories and designs with a wider audience. We’ve invested in diverse brands from our Black, Latino, and Asian communities, and our recent growth success stories include partnerships with Campus Remix, Grady Baby, SDN Brand, AWARE, Y.A.N.G., Famous Nobody’s, Love Affair LA, and Success Clothing.

Please refer to **Community Giving** on page 33 for more information regarding our commitment to the communities we serve.



**For me, this experience in partnering with Foot Locker, Inc. has been life changing. Black creativity is important, and I know the Foot Locker, Inc. actions and conversations regarding representation will continue to empower and motivate the next generation.”**

**Terrance Hosley** (he/his/him) Founder, The SDN Brand



# 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.



Each of our banners plays a distinct role at the intersection of targeted customer segments and critical sneaker occasions:



**Foot Locker** is the OG and 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.



**Kids Foot Locker** is looking to recruit the next generation of sneakerheads through kid-first experiences.



**Champs Sports** serves a broader customer group grounded in sport and fitness by offering athletic sneakers and apparel, and engaging these customers to evaluate opportunities for quality improvement.



**WSS** interacts with our quality seekers and deal-finding customers, and celebrates the Hispanic community through sneakers and self-expression.



**atmos** caters to sneaker mavens interested in athletic sneakers and apparel and strives to share Japanese street and sneaker culture with the world.

We currently operate 173 Power, Community, Power X, and House of Play stores across the geographies in which we operate. These locations provide pinnacle retail experiences that deliver connected customer interactions through service, experience, product, and a sense of community.

- ▶ **Power Stores** deliver an elevated experience in centers, high streets, and malls with a broad set of customers.
- ▶ **Community Stores** deliver unique and authentic off-mall stores that focus on creating trust with local customers. They provide elevated shopping experiences within known community spaces and a seamless and convenient shopping journey for the full family.
- ▶ **Power X Stores** deliver off-mall expression in an expansive product assortment with broadened sport and sportswear categories centered around core athletic and lifestyle offerings. The immersive experience is brought to life through elevated brand storytelling, anchored by the power of our Stripers.
- ▶ **House of Play Stores** deliver a full-family experience rooted in play by offering a kids-first storytelling experience, including interactive playscapes, engaging activity areas, and styles for kids of all ages.

Through 2026, we will continue to transform our real estate portfolio. This allows us not only to better serve our customers, but also increase our sustainability by ensuring our stores are located in close proximity to our customers and reducing our footprint.

# 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.

## ELEVATING THE STRIPERS

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 evolved the role of our in-store team members, referred to as “Stripers,” to establish more meaningful connections with customers. Our Stripers 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 many different types of Stripers, 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, geo, and banner remains consistent. Although the experiences of each team member may vary, everyone at the Company is empowered to be a leader.

Because Stripers are our biggest point of distinction and our true brand ambassadors, in 2022, we significantly elevated their presence through our digital and social channels.



**Collaboration and cooperation will beat competition every time. Think abundantly. Speak authentically. Serve willingly. You have enough. You are enough.”**

**HAYZER ROSARIO**  
(she/her/hers)  
Merchandiser,  
Women’s Footwear,  
Foot Locker  
(previously a  
Foot Locker Store  
Co-Manager)



## WE ELEVATE THE STRIPER IN FIVE TARGETED AREAS:

### TALENT

Attract, develop, and retain high-quality Stripers with advanced capabilities who can understand and connect with a diverse customer base, and leverage product intelligence across a wider assortment.

### CULTURE

Build an enhanced work environment that supports better work-life harmony and team well-being.

### INVESTMENTS

Attract and retain an industry-leading team through a competitive compensation model, team member incentives, and other career opportunities.

### OMNI

Elevate the customer experience through enhanced Striper behaviors, technology experiences, and digital and in-store connections.

### COMMUNITY

Create an authentic connection with the community, and build local partnerships to strengthen our community engagement.

In FY22, we continued to invest in our Strippers through a competitive compensation model, incentives, and professional development and personal enrichment programs:

- ▶ Invested in premium store wages, increasing the pay of more than 8,000 team members
- ▶ Rolled-out the Leadership Excellence Program, accelerating the development of our 150+ next-level leaders among our store managers
- ▶ Launched the “Money Talks” Financial Literacy Program, and the Dick Johnson Bridge Program, and enhanced the Foot Locker Associate Scholarship Program
- ▶ Offered coursework concerning conscious leadership, resume writing, and personal branding
- ▶ Elevated the performance review process to enhance the culture of ongoing development
- ▶ Partnered with strategic vendors to organize team member education and engagement sessions and in-store clinics



We have a proud history as an organization of developing and promoting from within. For example, 91% of our field leadership team started their journey with us at the store level.

### 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 an applicant, as well as scheduling tools for compliance and the protection of the safety of our younger Strippers.



“

**I am excited to lead the Champs Sports team into the future, recognizing my career started as a part-time Champs Sports team member while attending college over 25 years ago. Throughout my tenure, I have worked in many leadership roles across our Company, and will continue to focus on the career paths of our team members, as others have done for me.”**

**ANTHONY AVERSA** (he/him/his) Senior Vice President and General Manager, Champs Sports





## LOYALTY PROGRAM

FLX is key to rewarding and driving customer engagement. New benefits, exclusive rewards, and head starts on new product launches 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). We continue to grow our loyalty members, seeing a 50% increase in loyalty members in FY22. As part of our **“Lace Up” Plan**, we are relaunching FLX to resonate with a broader range of customers.

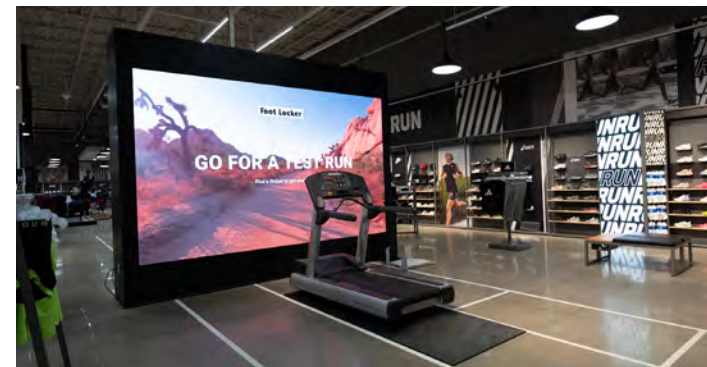
We also continue to look for opportunities to weave ESG initiatives into FLX. In FY22, we partnered with FastFeedGrinded, a footwear recycling company, to pilot a shoe recycling program in thirteen stores within the Netherlands that incentivized customers to recycle shoes by offering 1,000 XPoints for each donation.

## NPS

NPS measures customer satisfaction and brand perception. Customer survey responses are gathered for each region across three equally-weighted touchpoints, including Store (in-store purchases), Digital (on-line purchases), and Fulfillment (receipt of product after online purchases), and are aggregated globally.

Key features of NPS are:

- ▶ **Linked to ESG Strategy:** NPS ensures that our customers enjoy world-class engagement and an environment that encourages the pursuit of excellence every day.
- ▶ **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 sustainable future growth.
- ▶ **Measurable:** NPS is a directly-calculated point measurement system to evaluate customer experience and uses predictive analytics around future business growth.

Since FY20, we have incorporated customer satisfaction into our executive compensation program through inclusion of NPS into our Annual Incentive Plan.

In FY22, we expanded the geographies that NPS covers with over 2.7 million surveys across geographies, and, in FY23, we are looking to include our licensed stores in the Middle East.

NPS utilizes our global performance management rating scale, in which performance ranges from 25% to 150% (down from 200% in FY21) of target based on the relative achievement of the metrics. In FY22, the Company’s NPS score was 97.7%<sup>(13)</sup> of target.

The Company leverages NPS results to inform change across the organization, as well as better serve customers, and drive future performance. In FY22, based on learnings gleaned from NPS, the Company removed friction points around high impact sneaker releases, added additional payment options both in store and online, improved online inventory accuracy, created a more seamless digital checkout, and enhanced shipping procedures to ensure products were delivered in good condition. In the future, we plan on focusing on improving our post-purchase experience by providing flexible fulfillment options, scaling up seamless return capabilities, and providing easy-to-use messaging and self-service support.

<sup>(13)</sup> This represents the relative result of NPS compared to the baseline and not an absolute measure of customer satisfaction or brand perception.



## DIVERSITY EQUITY AND INCLUSION

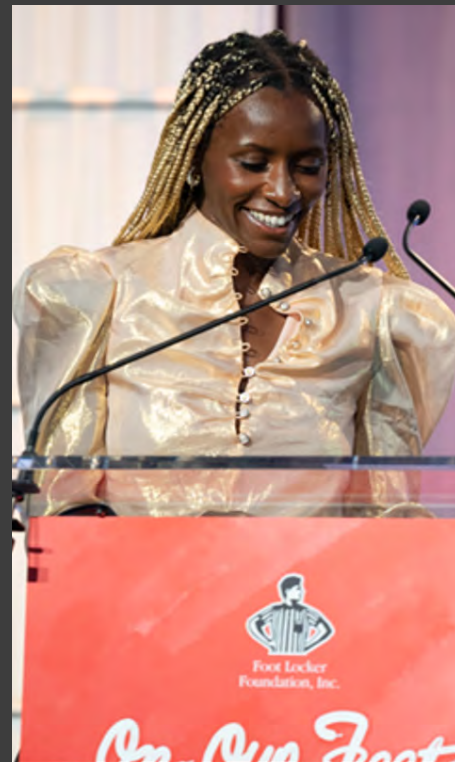
### WE ARE COMMITTED TO DEI AND THE CONSTRUCTIVE EXPRESSION OF DIFFERING IDEAS

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



# EMPOWERING PEOPLE AND COMMUNITIES

At Foot Locker, Inc., 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 **Powering Up Our Portfolio** beginning on page 24 for further insight into the impact of our community stores on the communities we serve, and **Elevating the Strippers** beginning on page 27 for more information regarding how the role of our Strippers is being enhanced.

## COMMUNITY GIVING

We are deeply committed to enhancing the communities we serve. In addition to our work through LEED, the Foot Locker Foundation continues to provide philanthropic support in many ways, including funding our scholarship programs, Boys & Girls Club, UNCF, and the Two Ten Footwear Foundation.

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, and receives an additional \$5,000 for exemplifying superior academic achievement, personal passion, and a true love of the game. To date, the program has awarded 220 scholarships, totaling over \$4 million.

In addition, we are proud of our long-standing partnership with the UNCF and the scholarship program we've created through our annual "On Our Feet" fundraising event. Over the years, the Foundation has contributed over \$7.5 million in scholarships to more than 950 students attending UNCF-member colleges or HBCUs. The "On Our Feet" event benefits our sponsored educational initiatives, as well as other programs supported by the Foundation to help young people and the communities we serve.

We also support other important organizations outside the United States, including the Pluyn Foundation (The Netherlands), the Johan Cruyff Foundation (The Netherlands), Kika Foundation (The Netherlands), Make a Wish (Europe), the Starlight Children's Foundation (Australia), and the Special Olympics (Canada).

In partnership with Charity Bounce, an organization that uses basketball as a vehicle for positive change among disadvantaged youth, we invested over \$100,000 to sponsor Seth Curry of the Brooklyn Nets to run clinics with newly-arrived refugees, indigenous, and culturally diverse groups in Sydney and Melbourne.

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 been able to distribute more than 83 million pairs of footwear and articles of clothing since 2006. In FY22, we collected 1,590 pairs of gently worn shoes, and donated 13,617 pairs of new shoes, for the Soles4Souls 4EVERYKID program, which helps children experiencing homelessness across the U.S. kick off the new school year in confidence.

“

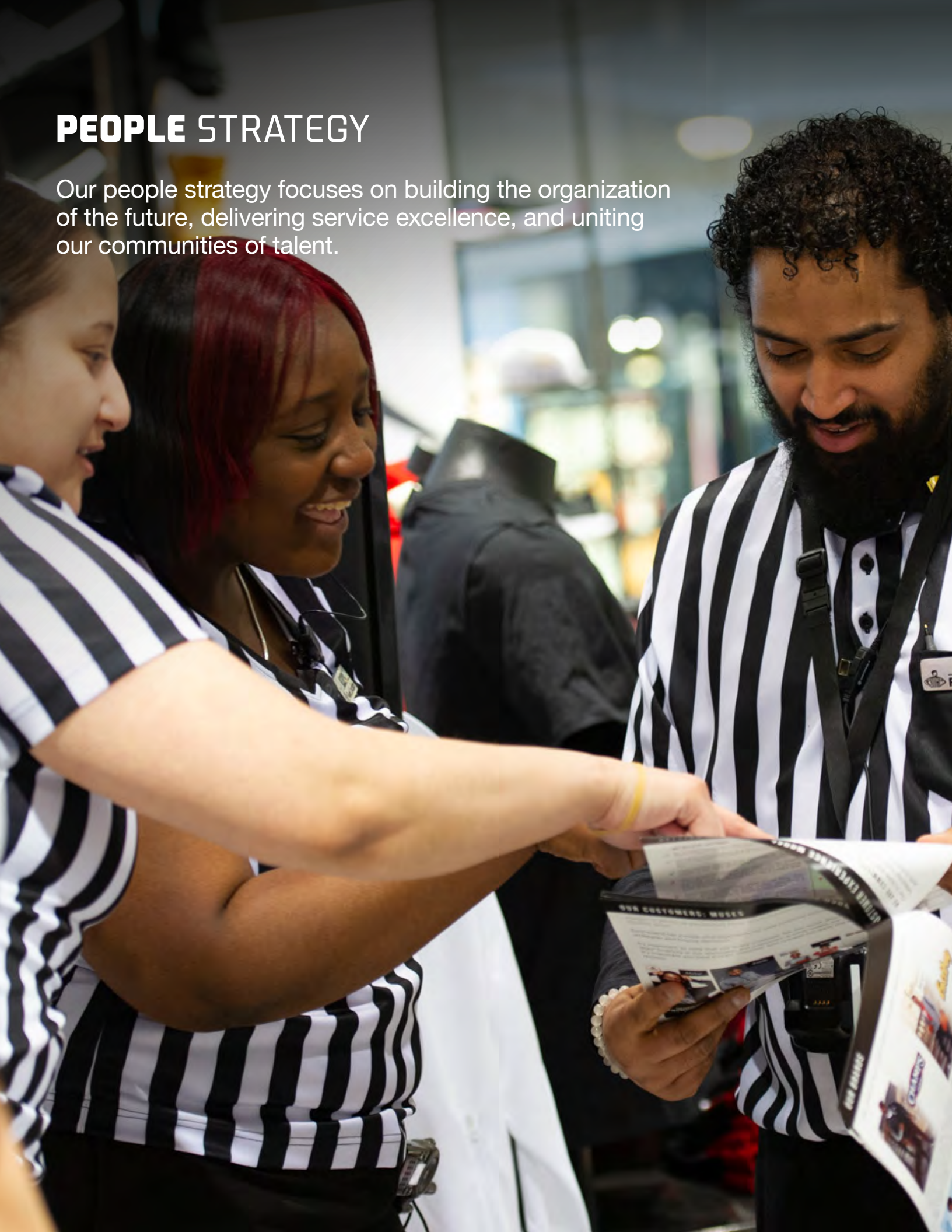
**As I celebrate the 10-year anniversary of becoming a Foot Locker Scholar Athlete, I am incredibly honored to work for the company that originally supported my dream of attending college. It's truly a full-circle journey that becomes more meaningful by the day as this Company continues to support my personal and professional growth.”**

**MYLES JOHNSON** (he/his/him) Assistant Counsel, Law Department, Corporate



# 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 build critical skills and competencies in our team members to enable the business to deliver against our strategic imperatives. We foster a culture of continuous learning that upskills our team members and helps them adapt to the dynamic needs of the rapidly-changing marketplace. Through strategic workforce planning, which includes cultural initiatives and data driven decision making, we are building the organization of the future.

## DELIVERING SERVICE EXCELLENCE

We want to ensure that our team members also deliver value for our customers. Elevating our team member experience also helps us deliver excellence in service. Our goal is to consistently exceed expectations and deliver a purpose and value-driven experience for our workforce.

## UNITING OUR COMMUNITIES OF TALENT

We strive to unite team members through their similarities while celebrating what makes them unique. Through our DIBs, we attract, hire, retain, and promote valued team members with diverse backgrounds, perspectives, and experiences. All team members are encouraged to bring their full authentic selves to work.

## BUILDING THE ORGANIZATION OF THE FUTURE

We believe that a positive work experience is critical to both personal and team success. These experiences can come from multiple aspects of a team member's role. 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.

We continue to invest in Locker Learning Academy, our online learning platform that 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 additional learning and continuous growth. Team members also have access to LinkedIn Learning for on-demand education, reinforcement of critical capabilities, and tailored upskilling paths to increase functional expertise. During FY22, over 168,000 videos were viewed in LinkedIn Learning, a 12% YoY increase. Store-based and operations team members leverage our micro-learning, communication, and gamification platform to build core capabilities aligned to their roles.

Developing and growing our bench of future leaders through development, on-the-job experiences, and mentorship is a key priority. In FY22, 51% of non-store positions at grade levels 6 and above (grade levels include 1-12 and executive) were filled internally. Additionally, our global Level Up program provides targeted coaching and development experiences for high-potential leaders, a program to strengthen our talent bench and build succession for key leadership roles. In FY22, 66% of Level Up participants were promoted or took on expanded roles or special assignments.

## DELIVERING SERVICE EXCELLENCE

### Total Rewards

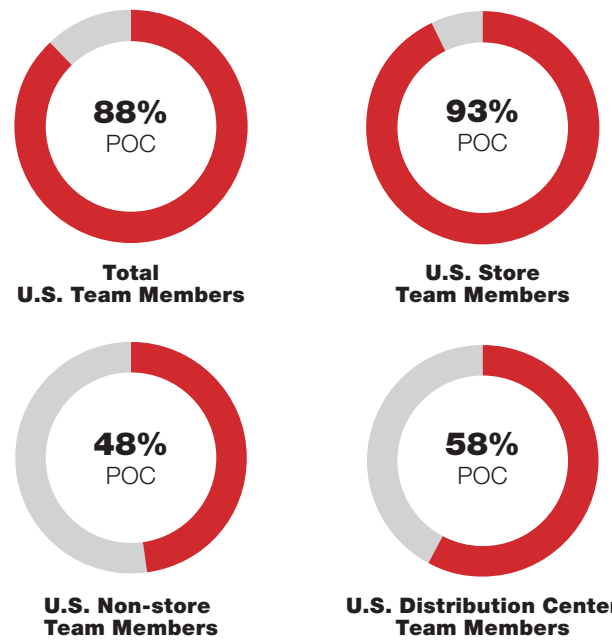
Our 15,200 full time and 31,680 part-time team members across our offices, stores, and distribution centers are all critical to ensure that we provide an unparalleled customer experience. We invest in our team members in many ways, such as by offering competitive compensation and benefits, including:

- ▶ Health and wellness 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 15% discount, and commuter benefits);
- ▶ Work-life balance and lifestyle benefits (including paid time off for full-time team members and employee discount program);
- ▶ Tuition reimbursement in the United States and EMEA; and
- ▶ Outside the United States, we may offer supplemental health and wellness, as well as retirement benefits, based on local competitive practices.

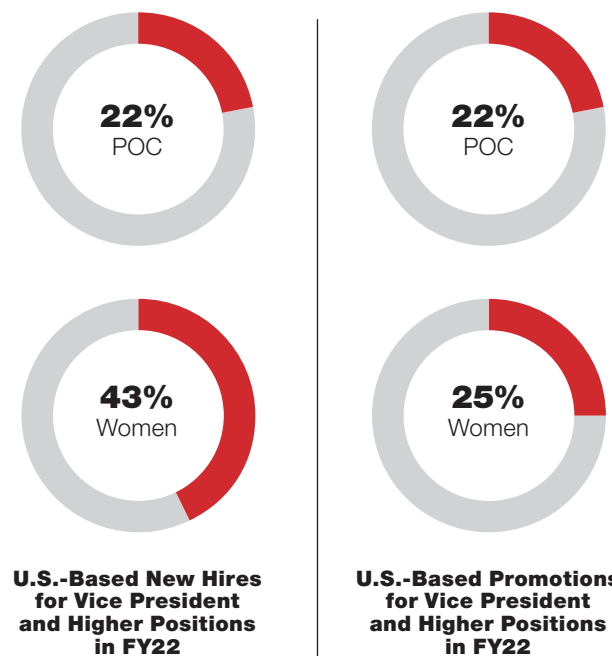
We have many ways of recognizing team members, including rewards, incentives, and activations around key moments. Through our Recognition and Engagement Hub, we utilize a collection of programs, tools, and resources to empower leaders to celebrate team members for both personal and professional achievements. In FY22, we elevated the team member experience through various recognition and engagement programs:

- ▶ We piloted the Redemption Center, in which team members can earn and redeem points for prizes;
- ▶ We awarded over 7,000 Team Member of the Quarter pins to team members who best exemplified our **"Lace-Up" Plan**;
- ▶ We celebrated over 400 Team of the Quarter victories for top-performing stores with traveling sneaker trophies; and
- ▶ We awarded hundreds of Elite and Super Sneaker pins to recognize team members who embodied our core values and leadership competencies.

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



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



**Well-being**

We have always been committed to the well-being of our team members, but the last few years have underscored this priority and shined an even brighter light on the need to build awareness and access to the many programs and services we offer to promote our team members' well-being.

In FY22, we expanded what "wellness" means to our organization. Developing a holistic perspective by gathering input from our global ERGs, wellness champions and other surveyed team members led to several key actions to help bring this focus to life:

- ▶ Utilizing the wellness section within our Company's internal platform, myLockerRoom, to provide wellness tips and resources
- ▶ Hosting three global educational sessions with experts to discuss mental health and wellness
- ▶ Continuously encouraging team members to use their time off, disconnect from the office, and where possible, allow for modifications in work schedules
- ▶ Piloted a financial education program to help reduce the effects of financial stress through a customizable platform that offers helpful tips about budgeting, banking, insurance, investing, debt management, and more

To help track our progress, we conduct an annual survey related to well-being, closely aligned to a RILA benchmark of aggregated responses from multiple retailers.

**Pay Equity**

We evaluate pay equity annually across team member groups, including team member promotions, as we strive to achieve pay equity.

**UNITING OUR COMMUNITIES OF TALENT**

We embrace diversity by welcoming all people, encouraging different philosophies, and valuing the ideas and opinions of others. Our six ERGs, which represent over 500 global team members, were each founded on shared interest and passion, with company sponsorship. ERGs foster "safe space" communities for team members to exchange knowledge and opinions, raise awareness through education, elevate professional development, and drive business opportunities, while enhancing our workplace culture.

In partnership with LEED, we continue to evolve and grow our Dick Johnson Bridge Program to create development opportunities and career support for Stripers interested in learning about corporate functions. In FY22, we converted 36% of our interns into full-time corporate roles within planning, buying, and marketing. In FY23, we are offering additional educational opportunities to over 400 Stripers to hear "day in the life" stories of working in numerous corporate roles, and offering Stripers stretch assignments to build additional capabilities relevant for corporate functions.

**ERGs**



Brings together African American, Black, African, and Caribbean team members and their allies.

**FY22 Initiative:**

Held a virtual career day for field team members—with over 500 participants—to learn about corporate careers through the lens of select Black leaders.



Champions and empowers the Latino community and its allies.

**FY22 Initiative:**

Participated in Latino Heritage Month by highlighting Home Grown brands, including Viva La Bonita, Mel De Paz, and JJ Grant, along with our Stripers.



Makes it their mission to unlock, empower, and embrace the full potential of all women and their allies.

**FY22 Initiative:**

Hosted a personal branding workshop and community celebration of women empowerment and entrepreneurship with Melody Ehsani.



Creates visibility, raises awareness, and strives to empower persons with disabilities (physical, mental, and learning) and their allies.

**FY22 Initiative:**

Hosted a "Be Seen" autism awareness campaign along with various product collaborations and partnerships to raise awareness, understanding, and acceptance.



Provides a forum for education and awareness supporting the professional growth of LGBTQ+ individuals and their allies.

**FY22 Initiative:**

Participated in Amsterdam pride, which elevated customers' view of the Company within the LGBTQ+ community.



Educates and creates meaningful dialogue, provides an opportunity for personal and professional development, and aligns with Company objectives while celebrating Asian heritage.

**FY22 Initiative:**

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.

## WORKPLACE RECOGNITION



Named **Best Workplaces in Chicago 2020**



Named **Best Workplaces in Texas 2021**



Winner of **CANDE Award in APAC 2019-20, 2022**



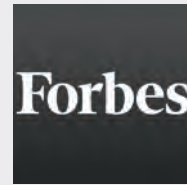
Winner of **CANDE Award in EMEA 2020, 2022**



Winner of **CANDE Award in North America 2019-22**



Scored **90 of 100 Human Rights Campaign Corporate Equality Index 2022**



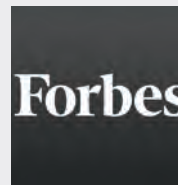
Ranked **No. 4 Forbes' 50 Most Engaged Customer List 2018**



Named **Best Employers for Women in Canada 2021**



Named **America's Best Employers in Canada 2021**



Named **World's Best Employers 2022**

## FORTUNE



Named **100 Best Workplaces for Diversity 2016-19**



Named **Best Workplaces in Retail 2017-19**



Named **Best Workplaces in New York 2017, 2019**



Certified **Great Place to Work 2021-22**



Ranked **Top-Rated Workplace 2019**



Winner of **NACD NXT Recognition Award for Board Diversity 2018**



Named **America's Best Customer Service 2023**



Named **America's Greatest Workplaces for Diversity 2023**

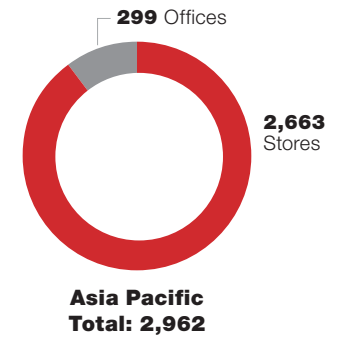
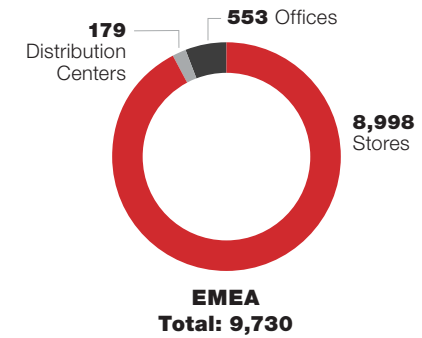
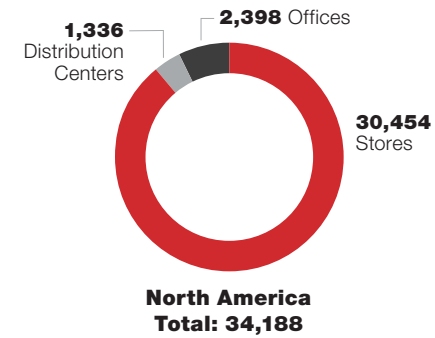


Named **100 Companies that Care 2022**

## OUR TEAM IN NUMBERS AS OF FYE22

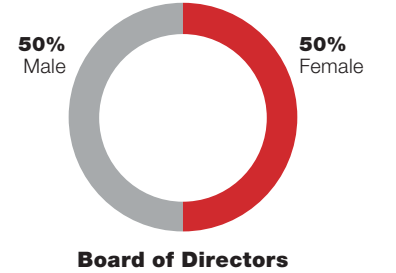
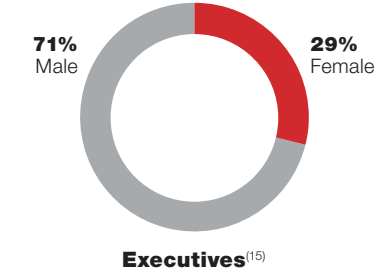
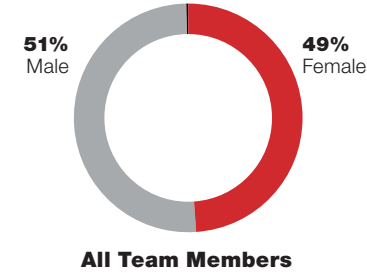
Our team member headcount includes personnel across our directly-operated stores, offices, and distribution centers.

### TOTAL TEAM MEMBERS<sup>(14)</sup>



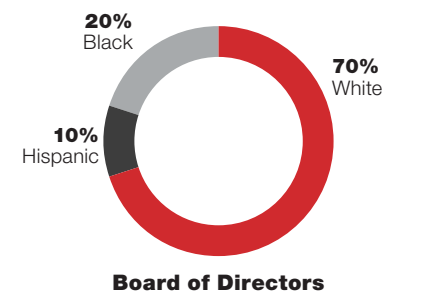
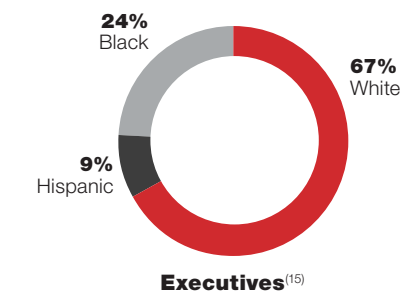
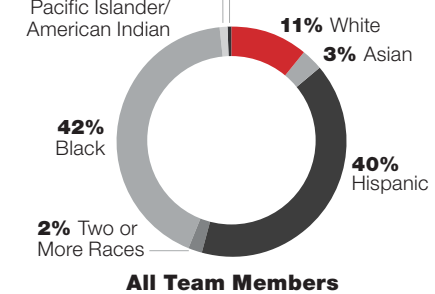
### GENDER REPRESENTATION

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



### ETHNIC DIVERSITY REPRESENTATION<sup>(16)</sup>

<1% Not Available/Not Disclosed



### MINIMUM WAGE

	North America	EMEA	Asia Pacific
Percentage of in-store team members earning minimum wage	100% at or above	100% at or above	100% at or above
Percentage of distribution center team members earning minimum wage	100% at or above	100% at or above	N/A <sup>(17)</sup>

<sup>(14)</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.

<sup>(15)</sup> "Executives" are defined as the CEO, Executive Vice Presidents, Senior Vice Presidents, General Managers, and Corporate Vice Presidents.

<sup>(16)</sup> Represents POC in the U.S. only.

<sup>(17)</sup> There are no Company-operated distribution centers in the APAC region, as they are operated by third parties.



# STRENGTHENING THE SUSTAINABILITY OF OUR SUPPLY CHAIN

We recognize that our impact does not end with our operations, but extends across our entire 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 seek to respect and protect human rights in every aspect of our business and supply chain. We are aligned with international laws, principles, and norms, including those contained in the International Labor Organization's 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: integrity, leadership, service, innovation, teamwork, community, and excellence. Our Global Human Rights Policy applies to all team members, and we expect all parties 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, regardless of the country in which they work, to the full extent permitted by law. To this end, we:

- ▶ strictly prohibit all forms of labor in the workplace that are detrimental to the health or safety of any employees;
- ▶ strictly prohibit forced or compulsory labor for any employees; 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.

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 more fully detailed in our Global Human Rights Policy.

## SAFETY FOR OUR TEAM MEMBERS

The safety of our team members is paramount to their trust in us as an employer. We are equally involved in the safety of our customers who continue to see retail stores as their preferred shopping method. An unfortunate development, however, that we have seen in recent years, which threatens the safety of our team members, customers, and the communities we serve is an increase in ORC, which includes personal shoplifting, but may also extend into sophisticated criminal rings that facilitate the theft and reselling of products. We are not immune to these societal challenges, and while the economic impact to our business is concerning, our primary concern is assuring the safety of our store team members, security contractors, and customers who may observe such theft in action. We strive to protect our store team members, security contractors, and customers through policies and communication, which teach situational de-escalation practices to reduce the risk of disruption and potential violence. Our participation in the RILA Crimes Against Business Committee allows us to collaborate with other retail industry leaders.

## SUPPLIER SUSTAINABILITY AND ENGAGEMENT

Our GSG require 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 subcontractors. Each of our suppliers acknowledges that their failure to honor the GSG will compel us to reevaluate, and possibly terminate, our business relationship with them. 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 the Supply Chain Department and Law Department.

## 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, who produce the branded footwear and apparel that account for approximately 97% of our global sales, and (2) proprietary brand vendors who we source to manufacture merchandise, apparel, and accessories under our LCKR, Champs Sports, Eastbay, Foot Locker Women (Melody and Sami), 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 of 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 acknowledge annually that their manufacturing practices are conducted in alignment with our GSG. In the United States, we also share additional requirements concerning the FCPA, the CPSC, 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.

Tier 1 suppliers are required to share the GSG with suppliers with whom they subcontract (Tier 2) if they enter our value chain, 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 approximately 97% of our sales, and our top 10 brands alone account for approximately 80% 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>(18)</sup>

**Tier 1 Suppliers:** Represent our primary vendors and their contracted factories. Approximately 80% of our proprietary brand merchandise, apparel, and accessories are sourced from 10 suppliers located across China, Pakistan, Vietnam, Thailand, Turkey, Portugal, and the United States.

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

<sup>(18)</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.

Our Global Human Rights Policy, Global Occupational Health and Safety Policy, and 2022 Modern Slavery Report are available on [footlocker-inc.com](https://www.footlocker-inc.com).



## 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 improvement in their facilities. In order for these factories to better understand the GSG, we have transcribed them into seven different languages, depending on the local language spoken in the facility.

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 FY22, audits were conducted by Intertek, a business risk and sustainability solutions provider, and other accredited third-party sources, including amfori's Business Social Compliance Initiative, Worldwide Responsible Accredited Production, and Sedex Members Ethical Trade Audit. Factories are expected to cooperate with the Company and its auditor partners, providing full access to their facilities and documents. Beginning

in FY23, each directly-sourced supplier factory is assessed and provided an overall rating to measure the factory's improvement based on a standardized scoring methodology for all directly-sourced supplier factories.

Each audit, whether on-site or a desk review, includes one to three full working days at each applicable factory, and covers 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

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 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.



**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 are committed 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. We are currently working toward mapping our Tier 1 and Tier 2 suppliers and their subsidiary partners. The information gathered from our Tier 1 and Tier 2 supplier partners will be screened against several risk exposure flagging databases, including Sayari, Kharon, and Altana to identify any risk exposure in our supply chain.

In FY23 and beyond, we will continue to map further upstream into our supply chains, with a focus on higher risk areas, such as China, and higher risk commodities, such as cotton. As part of this roadmap, we are also conducting chain of custody-traceability documentation reviews of higher risk areas. As the risk profile of our supply chain evolves, we are committed to adapting and modifying our risk profile.

**Corrective Action and Remediation**

We generally favor long-term relationships with our suppliers. 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, including terminating our relationship.

The results of each audit are shared and reviewed by a cross-functional team, including Trade Compliance, Sourcing, and Legal, and assigned ratings based on the audit results. When deficiencies in the factory 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 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 non-compliance 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 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 non-compliant 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.

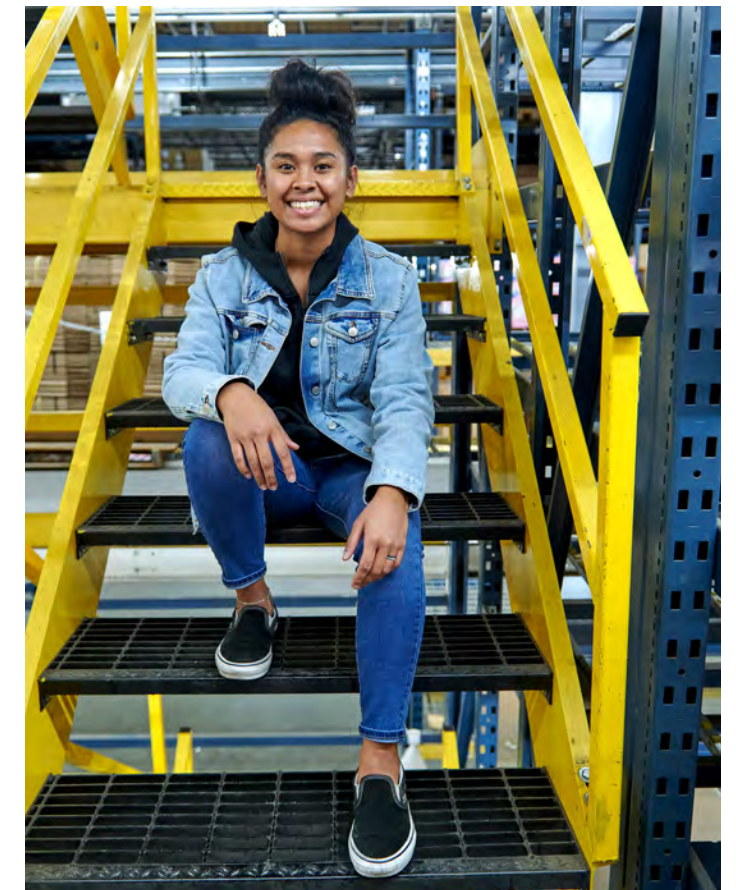
**GLOBAL SECURITY AND COMPLIANCE PROGRAMS**

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

In the United States, we have been a member of the CTPAT Trade Compliance Program, a voluntary supply chain security program led by CBP, since 2003. 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 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 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 and secure trading partnership. As a member, we are required to undergo an audit every three years with Dutch Customs.

In FY22, we audited 100% of our Tier 1 proprietary brand suppliers, and reviewed more than 35 audits of our directly-sourced supplier factories.



# SUSTAINABLE MATERIALS

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

## STRENGTHENING THE SUSTAINABILITY OF OUR SUPPLY CHAIN

We are evaluating numerous initiatives to prioritize the procurement of less impactful material options and educating our customers on product options with socially and environmentally-preferred attributes. 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. For example, we are currently working with a zipper supplier that is a Bluesign-certified company, and we are continuing to expand our network of sustainable suppliers.

We have printed window banner graphics for all U.S. stores on Hop-Syn XTE0 since 2021 (replacing vinyl). Hop-Syn is synthetic paper recognized by CONEG, RoHS, and REACH as an environmentally-friendly plastic that is 100% recyclable. We continue to use this substrate as a mandatory material for any window graphic jobs we produce for Foot Locker, Kids Foot Locker, and Champs Sports.

To better understand the sustainability performance of our value chain suppliers, in 2021, we introduced a new questionnaire 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. A condensed version of these questions is also required for service providers, such as architects, project managers, and general contractors.

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?

Our Conflict Minerals Policy reaffirms our commitment to sourcing components and materials free of Conflict Minerals. Our Conflict Minerals Report for the year ended December 31, 2022 is available on [footlocker-inc.com](https://www.footlocker-inc.com).

Our branded partners are also increasing the number of sustainable footwear and apparel products they offer, including vegan products, recycled content (e.g., rubber, polyester, and ocean plastics), organic and sustainably-sourced cotton and yarns, and products certified through sustainable supply chains (e.g., Better Cotton Initiative).

From FY21 to FY22, with the transition out of plastic bags in Canada, we increased our paper bag distribution by approximately 2.4 million bags. In FY21, we distributed approximately 830,000 paper bags, so we were able to make a large leap forward in FY22. We began piloting a reusable bag program in FY23, using bags made from non-woven poly-propylene in three areas (i.e., San Francisco, Vancouver, and Connecticut). In these locations, the customer has the option to purchase a reusable bag. However, if the customer does not want to purchase the bag, the customer is given a single-use bag, but charged a fee. The goal is to remove all plastic from these stores over the timeframe of the pilot program. This pilot program is designed to remove plastic bags from our stores without interfering with customer sentiment before rolling it out across our stores more broadly beyond locations where an alternative to plastic bags is required by local law.

We are committed to upholding the welfare of animals. We do not permit the use of animal or animal by-products in adhesives.

### NIKE TERRASCAPE

Following the FY21 introduction of the Nike Terrascape, which is crafted with at least 20% recycled content by weight, sales increased by 2,250% in FY22 (8,000 pairs in FY21, compared to 188,000 pairs sold in FY22).



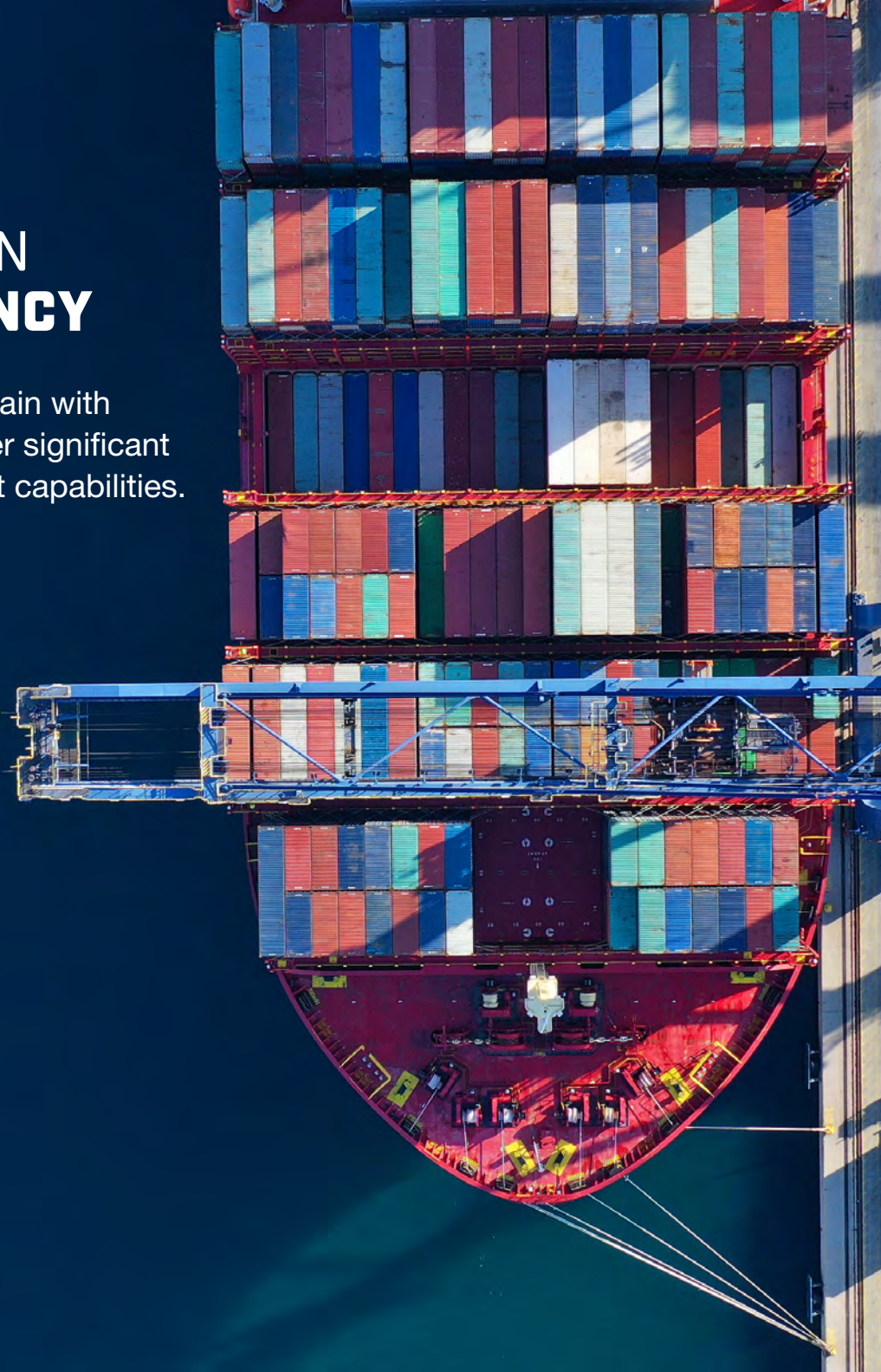
### ENABLING SUSTAINABLE PURCHASING DECISIONS

Launched on Earth Day in FY21, our online Sustainability Hub is designed to support the customer to make sustainable choices across the full shopping journey and product life cycle. Featuring the trending brands in sustainable streetwear, the Hub is available

in the U.K., France, Germany, Netherlands, Spain, and Italy. As we look toward the future, we plan to expand the Hub into additional markets.

# 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; and
- ▶ a strong technology core with resilient operations and reduced technical debt, increasing our buy versus build approach.

## STRENGTHENING THE SUSTAINABILITY OF OUR SUPPLY CHAIN

Our global supply chain team seeks strategies and technology 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 (96% of the outbound loads in FY22); and
- ▶ shipping intermodal when available.

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

### UPGRADING OUR GTS INFRASTRUCTURE

Against our Best-in-Class Omni strategic initiative, we are enabling our supply chain with new technology to deliver significant improvements in our fulfillment capabilities. Within FY23, we will move toward omnichannel retail and e-commerce DCs, which have three regional DCs to serve local territory. This will allow 95% of customers/stores to be fulfilled within two days or less. We will continue to leverage our supply chain to drive growth through expanding transportation partnerships and offerings in our distribution network, and improving and expanding fulfillment options through omni convenience. Store replenishment speed and quantity in our end-to-end product flow will be driven by supply chain technology, including robotics, automation, inventory management, real-time operational data, and platform resiliency and scalability.

### LOCALIZING DISTRIBUTION AND MINIMIZING IMPACT OF VENDOR FLEETS

In FY22, we opened our first West Coast distribution center, which is our second largest facility by volume. Located in Spanish Springs, just outside of Reno, Nevada, the new facility employs 200 team members, and provides closer access to our major shipping ports in California, while serving our Western, Southwest, and Northwest U.S. markets. Ultimately, this investment in infrastructure and warehouse equipment optimizes our shipping network, and reduces delivery times, GHG emissions, and the distance that each of our packages travels.

As we look to identify options for continuing to lower the environmental impacts of our supply chain, we're partnering with our transportation providers to understand the composition of their current fleets, and any planned investments they may have in low carbon vehicles.

Less Than Truckload (LTL) and Parcel carriers traditionally deliver as soon as shipments are ready, even if that is a daily delivery. We have partnered with our LTL and Parcel providers to hold deliveries until a full truckload is available for delivery. This eliminates 6 deliveries per week, thereby reducing our GHG emissions. Through this partnership, we can save up to 26,000 miles for just one standard route.

In Canada, we began piloting a delivery reduction impact project in FY22 to reduce the frequency of our store deliveries to ultimately reduce our carbon footprint. Since the pilot's launch, we have reduced store deliveries from three to five times a week to two times a week in 59 stores, reducing our store deliveries by 40% since the pilot was launched.

### MEASURING EFFICIENCY

We monitor our average shipping miles per package metric to help us measure the efficiency of our global supply chain network. As we work to develop a roadmap, this metric will become increasingly important as we execute against our Net Zero ambition by 2050 or sooner.

During FY22, we continued to assess the carbon footprint of our outbound transportation network within the U.S. — from our distribution centers, 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. In FY22, we estimated these emissions to be 83,314 tonnes CO<sub>2</sub>e<sup>(19)</sup>. We will continue to refine this calculation in future years through the inclusion of actual vendor emission factors, and to expand the calculations to include additional geographies.

We encourage our suppliers to share our commitment to sustainability and working towards reducing carbon emissions. As we execute on our Net Zero ambition by 2050 or sooner, we will continue to partner closely with our suppliers to take environmental factors into consideration.

<sup>(19)</sup> Metric tonnes of carbon dioxide equivalent.



**As members of the global community, we are responsible for preserving the planet we share to sustain its 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



# MANAGING AND REDUCING OUR ENVIRONMENTAL IMPACTS

# ENERGY CONSERVATION AND CLIMATE STEWARDSHIP

There is a critical and urgent call to action to address the growing concerns around climate, and we are continuously evaluating opportunities to do our part in driving positive impact.

We are actively assessing our climate-related risks and opportunities, monitoring our global energy consumption, implementing energy-reduction solutions, and seeking innovative and green partnerships.

## OUR NET ZERO AMBITION

We are committed to sustaining the planet for current and future generations. In addition to announcing our ambition to achieve Net Zero GHG emissions by 2050 or sooner in alignment with

climate scientists' recommendations to transition toward a Net Zero state to avoid the worst impacts of climate change, we also committed to setting a science-based target in line with the criteria established by the SBTi. We are currently working toward setting near-term and long-term targets for our operational and value chain emissions in line with the criteria established by the SBTi, and developing a Net Zero transition plan in alignment with a 1.5° world, which will outline our plan to achieve these targets.

## Understanding and Reducing Our Emissions<sup>(20)</sup>

The GHG Protocol classifies emissions into three categories:

### 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 the consumption of purchased electricity, heat, or steam. These include our purchased electricity for retail stores, offices, warehouses, and distribution centers.

### SCOPE 3

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

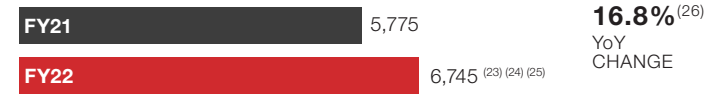
- ▶ Purchased goods and services
- ▶ Capital goods
- ▶ Fuel- and energy-related activities (not included in Scope 1 or 2)
- ▶ Upstream transportation and distribution
- ▶ Waste generated in operations
- ▶ Business travel
- ▶ Employee commuting
- ▶ Upstream leased assets
- ▶ Downstream transportation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

<sup>(20)</sup> Please refer to **Notes on GHG Emissions Inventory** beginning on page 85 for more details regarding GHG emissions.

## GLOBAL GHG EMISSIONS AND ENERGY PROFILE

### SCOPE 1 <sup>(21)</sup>

tCO<sub>2</sub>e<sup>(22)</sup>



### SCOPE 2

tCO<sub>2</sub>e

#### LOCATION-BASED METHOD



#### MARKET-BASED METHOD <sup>(27)</sup>



### SCOPE 3

tCO<sub>2</sub>e

#### PURCHASED GOODS AND SERVICES



#### CAPITAL GOODS



#### FUEL- AND ENERGY-RELATED ACTIVITIES (NOT INCLUDED IN SCOPE 1 OR 2)



#### UPSTREAM TRANSPORTATION AND DISTRIBUTION <sup>(34)</sup>



#### WASTE GENERATED IN OPERATIONS <sup>(35) (36)</sup>



#### BUSINESS TRAVEL <sup>(37)</sup>



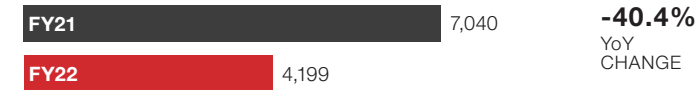
#### EMPLOYEE COMMUTING <sup>(40)</sup>



#### DOWNSTREAM TRANSPORTATION AND DISTRIBUTION <sup>(41) (42) (43)</sup>



#### FRANCHISES <sup>(44)</sup>

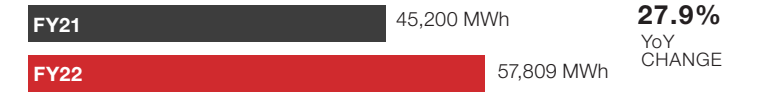


### ENERGY

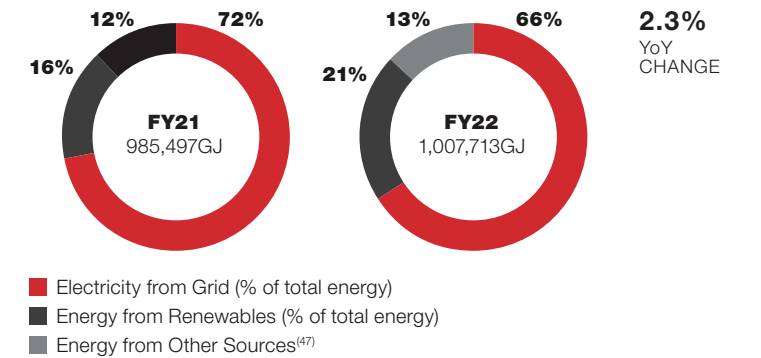
#### ELECTRICITY CONSUMPTION - GRID



#### ELECTRICITY CONSUMPTION - RENEWABLES <sup>(45)</sup>



#### TOTAL ENERGY CONSUMPTION <sup>(46)</sup>



<sup>(21)</sup> 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 Company-owned facilities are considered to be immaterial.

<sup>(22)</sup> Metric tonnes of carbon dioxide equivalent.

<sup>(23)</sup> Scope 1, Transport Fuels: For FY22, all vehicles consuming gasoline are assumed to be manufactured in the year 2018 for application of CH<sub>4</sub> and N<sub>2</sub>O emission factors. All vehicles consuming diesel are 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.

<sup>(24)</sup> Scope 1, Transport Fuels: The Company does not own nor operate any corporate jets, and forklifts used in distribution centers are electric.

<sup>(25)</sup> Scope 1, Facility Heating and Cooling: Sites with no recorded natural gas data were excluded from the inventory as natural gas usage is not expected in these locations.

<sup>(26)</sup> In FY22, the increase in Scope 1 emissions was driven by the addition of WSS stores to the emissions inventory as well as improved estimation of HVAC data reporting from stores in EMEA that did not report natural gas data in FY21. Due to these additions, total emissions increased while intensity decreased.

<sup>(27)</sup> Scope 2, Facilities: The Company calculated market-based emissions using the supplier specific method based on renewable electricity procurement contracts for selected locations in North America, EMEA, and APAC.

<sup>(28)</sup> In FY22, 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.

<sup>(29)</sup> Total merchandise spend for WSS and atmos was included for the first time in FY22. Merchandise spend for WSS was broken down by purchases of apparel, footwear, and accessories; the breakdown of these categories were estimated for atmos as only total spend was provided.

<sup>(30)</sup> Emissions reductions from FY21 to FY22 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 FY21 was .602 (kg CO<sub>2</sub>/2018 USD, purchaser price) compared to an updated .28 (kg CO<sub>2</sub>/2018 USD, purchaser price) in FY22.

<sup>(31)</sup> Calculated for the first time in FY22 using capital expenditures broken down by EPA Supply Chain categories.

<sup>(32)</sup> Emissions from the capital goods for atmos have not been included.

<sup>(33)</sup> In FY22, the increase in fuel and energy related emissions is driven by the inclusion of upstream emissions of purchased fuels and purchased electricity for the first time.

<sup>(34)</sup> Emissions related to upstream transportation and distribution were calculated for the first time in FY22. Includes data for shipments originating from North America, EMEA, and APAC managed by the Company and/or WSS. atmos shipments were not included for FY22.

<sup>(35)</sup> In FY22, emissions related to the disposal of metal scrap, paper and cardboard, mixed plastics, electronics, and general waste are included in this category.

<sup>(36)</sup> Waste related data for new store construction and fitout projects is not included, but will be considered for future reporting.

<sup>(37)</sup> Includes business travel in North America and EMEA via air, hotel stays, train, rental cars, leased vehicle, and reimbursed mileage from use of a personal vehicle and air travel in APAC. In FY22, WSS business travel, as well as additional business travel components for the APAC region (hotel stays, leased vehicles, rental cars, and reimbursable mileage), were included for the first time.

<sup>(38)</sup> In FY22, the increase in emissions was driven by the inclusion of WSS business travel and additional APAC business travel components, as well as a return of semi-regular travel post-COVID.

<sup>(39)</sup> In FY22, the total spend on travel expenditures for atmos was not included.

<sup>(40)</sup> Calculated for the first time in FY22 using the total number of Company team members categorized as in person, remote, and hybrid. WSS and atmos team members were categorized as in person only.

<sup>(41)</sup> In FY22, data for WSS, New Zealand, and store-to-store transfers within North America was included for the first time. Transportation data for the Reno distribution center was included as of the fourth quarter of FY22.

<sup>(42)</sup> In FY22, all shipments were considered medium/heavy duty. Actual mode of transport will be considered for future reporting.

<sup>(43)</sup> Based on the availability of new information and the refinement of our data collection processes, FY21 emissions were restated from 132,460 to 79,153 subsequent to the publication of the FY21 Impact Report.

<sup>(44)</sup> In FY22, emissions associated with our licensed stores in the Middle East region are included in Scope 3, Category 14 as the Company does not have operational control of these entities and their activities.

<sup>(45)</sup> Represents renewable sources present in the grid, including renewable consumption from green power contracts.

<sup>(46)</sup> Includes all energy consumed, primarily resulting from the usage of natural gas, diesel, and purchased electricity.

<sup>(47)</sup> Includes all energy consumed, primarily resulting from the usage of natural gas and diesel in stationary and mobile combustion.

**In connection with this Impact Report, we considered additional relevant Scope 3 categories, resulting in us calculating and disclosing three additional Scope 3 emissions categories (i.e., Capital Goods, Upstream Transportation and Distribution, and Employee Commuting), and expanded our calculation of Purchased Goods and Services to include all merchandising and services, in order to improve our understanding of our value chain impacts.**

## ENERGY EFFICIENCY INITIATIVES

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 from lighting, heating, ventilation, and air conditioning systems across both our owned and leased premises globally.

In FY22, we have continued to drive energy efficiency through HVAC replacements at our Camp Hill facility, in addition to ongoing LED lighting upgrades across store fronts and stockrooms:

- ▶ We replaced 13 HVAC units at our Camp Hill facility with water-sourced heat pumps, PTAC through-wall units, and split systems, saving a total of 74,965 kWh of electricity and ultimately reducing a calculated 59 tonnes of CO<sub>2</sub>e.
- ▶ We installed LED lighting in 69 stores across North America and EMEA, saving an estimated 426,209 kWh and reducing a calculated 332 tonnes of CO<sub>2</sub>e.
- ▶ We performed LED retrofits for 4,788 light fixtures at our 258,960 square foot Milton warehouse, which resulted in an overall reduction of 856,005 kWh (43%) and 113.8 KW (33%).



## RENEWABLE AND LOW CARBON ENERGY PROCUREMENT

We are delivering on our environmental sustainability strategy by actively increasing our use of renewable energy through new regional green power contracts. We now have 938 sites (stores/stockrooms) across 13 countries within our portfolio having 100% renewable energy contracts in place, representing 21% of our total electricity use (in MWh). We are continuously assessing opportunities to convert additional sites to renewable energy and engage with regulated utility partners.

## UNDERSTANDING OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES

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 protect against 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. Risks and mitigation actions are re-evaluated by management throughout the year and reviewed with the Audit Committee quarterly and the full Board annually.

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. Currently, our property insurer has classified 16% of our property portfolio in the high-risk flood determination, and an additional 20% of our locations are in the medium-risk flood determination. The balance of our global property portfolio is in low-risk flood determination areas. Our average remaining store lease life is approximately 3.7 years, such that as climate risk increases, we can mitigate this risk by relocating physical stores.



## REDUCING WASTE AND ENCOURAGING A CIRCULAR ECONOMY

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

### MANAGING AND REDUCING OUR ENVIRONMENTAL IMPACTS

As legislation regarding single-use plastics continues to evolve around the world, we're 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. This uses 80% less fossil fuels, corresponding to a 40% reduction in CO<sub>2</sub> emissions during manufacture over virgin material carrier bags. We also launched a sustainable reusable bag in EMEA in FY22.

Plastic hangers are another way in which we are focusing on the positive impact that we can make. BLUEWAVE hangers are made from a sustainable thermoplastic material containing 100% recycled ocean-bound plastic, marine plastic, and recycled post-consumer plastic. Given the success of this initiative, we purchased more

than 750,000 BLUEWAVE hangers, size cubes, and connectors in FY22 for our stores in EMEA and APAC, which equates to the recycling of 53 tonnes of marine-bound plastic.

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. For example, our DCs are focused on increasing onsite reuse of corrugated boxes. We are proud to share that across our six DCs, we increased the number of boxes we reuse by 92% in FY22 (43% excluding new geographies). What we are not able to reuse, we recycle. We have also begun tracking our solid waste recycled, reused, and disposed within our DCs, with the intent to invoke more sustainable practices in the future.

#### TOTAL DC WASTE MANAGEMENT (FY22)<sup>(48)</sup>

TOTAL WASTE RECYCLED (U.S. SHORT TONS)

7,521

TOTAL WASTE SENT TO LANDFILL

658

TOTAL WASTE SENT TO INCINERATION

102

#### RECYCLING OF CORRUGATED BOXES

TOTAL RECYCLED (U.S. SHORT TONS)

FY22

7,209<sup>(49)</sup> <sup>(50)</sup>

14%  
YoY CHANGE

FY21

6,321<sup>(51)</sup>

FY20

5,191

TOTAL REUSED (BOXES)

FY22

3,952,498<sup>(52)</sup>

92%  
YoY CHANGE

FY21

2,059,903<sup>(53)</sup>

FY20

1,734,091

<sup>(48)</sup> Includes data for all DC locations other than atmos.

<sup>(49)</sup> Data for WSS first became available in FY22. Its total recycling figure comprises 16% of the total.

<sup>(50)</sup> Data related to our new Reno distribution center first became available in the fourth quarter of FY22. Its total recycling figure comprises 1% of the total.

<sup>(51)</sup> Our Milton facility first began tracking this data in FY21. Its total recycling figure comprises 1% of the total.

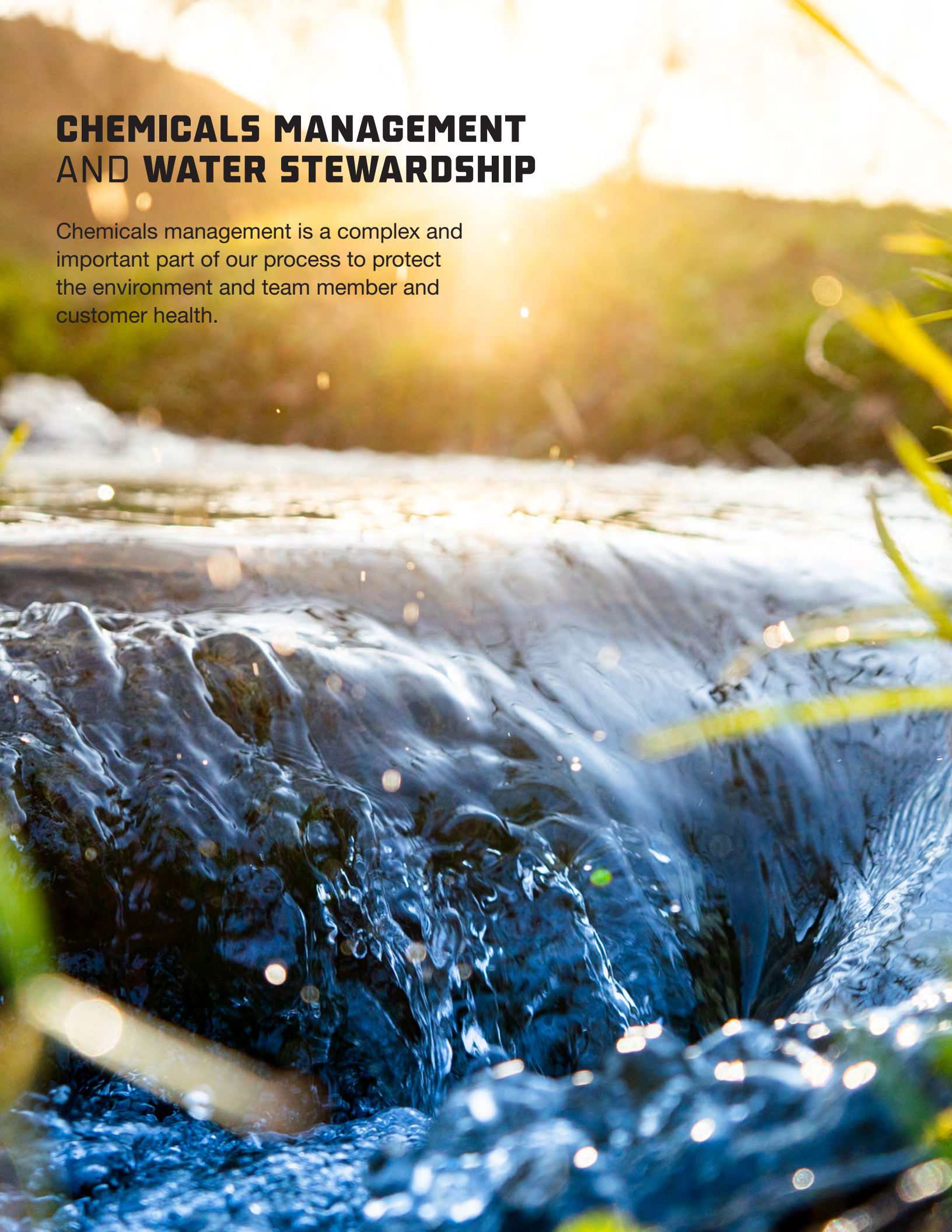
<sup>(52)</sup> Data for WSS first became available in FY22. Its total reuse figure comprises 26% of the total.

<sup>(53)</sup> Data for Eastbay first became available in FY21. Its total reused boxes figure comprises 2% of the total.

In FY22, we continued to partner with the Mind Your Waste B.V. to expand our store waste recycling efforts in Europe. With one large fixture rollout across 390 stores in 12 countries, we collected

121 tons of waste, including old fixtures and other waste streams, such as metal, wood, cardboard, and plastic from packaging materials.





# 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 site, 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 PPE 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.

In addition, in compliance with the air permit requirements of certain U.S. facilities, we conduct air quality testing annually based on OSHA 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 CPSIA regulations and Nike, Inc.'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. With the closure of our Eastbay facility and the elimination of our Team Sales business, both in FY22, we have significantly reduced the amount of water used through our inks and screen-printing.

In FY22, Team Edition again self-completed the Higg Facility Environmental Module (FEM) assessment, which was independently verified. Overall results were positive, with zero instances of the facility being out of compliance.

## CPSIA COMPLIANCE

Because we value the safety of our vendors, team members, and customers, we conduct regular chemicals testing on embellished products in our facilities and in our vendor factories.

Our FY22 testing results, completed by Intertek, indicate 100% compliance with lead and phthalates levels established in the CPSIA.

In FY22, Team Edition underwent air quality testing to evaluate any real and/or potential team member exposure to the airborne contaminants generated during the screen printing operations. Sampling is designed to measure total hydrocarbons in the production area. Once collected, the samples are sealed and sent to Analytics Corporation, an American Industrial Hygiene Association accredited laboratory. Reports of the results from the analysis are provided, indicating the concentration level of any air contaminant present. The results are compared to the Permissible Exposure Limit established by OSHA.

## WATER STEWARDSHIP

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 seek to operate our business in a manner that does not encroach on the human right to water and sanitation in the communities we serve. 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 FY22, there were no known incidents of non-compliance with water quality or quantity permits, standards, or regulations.

## WATER MANAGEMENT

We have also begun tracking our water consumption across our store and office fleet, with the intent to invoke more sustainable practices in the future. Amounts for FY22 were as follows:

<b>3,335</b>	<b>111,863,512</b>	<b>5.14</b>
Total number of global sites assessed	Total water consumption (gallons)	Water use intensity (gallons/sq. ft.)



# 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 remain transparent in the market:

- ▶ 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, Inc.

**PURPOSE** has shaped how Foot Locker, Inc. 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 and public reporting. This is the Company's third annual Impact Report, reaffirming Foot Locker, Inc.'s commitment to transparency and accountability.

Our Board actively oversees the Company's **PURPOSE** because it supports and enhances Foot Locker, Inc.'s capacity to make progress.

As a Committee, we have been proud to monitor the development of Foot Locker, Inc.'s Net Zero ambition and the Company's performance against its ESG KPIs. We are pleased to share Foot Locker, Inc.'s progress in this FY22 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 (i.e., 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.

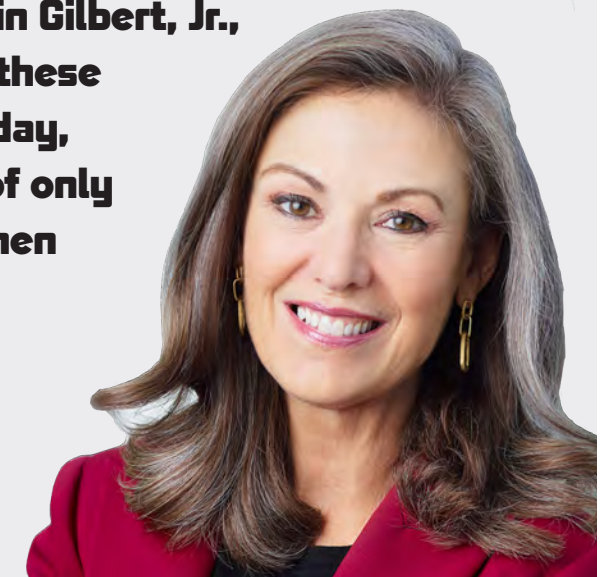
We recognize the importance of DIBs in conducting our business, and we extend these values by nominating directors from diverse backgrounds. This ensures that directors have a variety of experiences, business judgment, and perspectives that contribute to an effective decision-making process. Our Board is diverse: 80% are women or POC, the median tenure of directors is 7 years, and the median age is 62.

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

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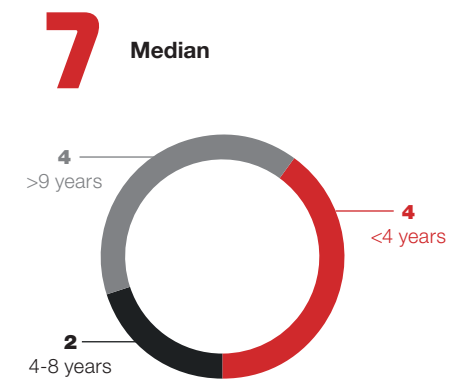
**Our Board elected its first female director, Patricia Carry Stewart, and its first African American director, Jarobin Gilbert, Jr., in 1974 and 1981, respectively. At the time, these moves were considered groundbreaking. Today, 80% of our Board is diverse, and we're one of only a handful of U.S. public companies with women serving both the CEO and Board Chair roles. Diversity is a strategic business driver for Foot Locker, Inc., which has led us to make better strategic decisions.”**

**MARY N. DILLON** (she/her/hers) President and Chief Executive Officer



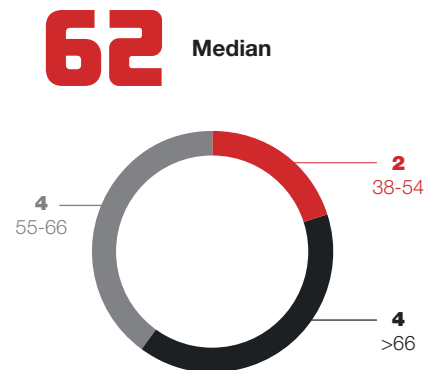
# DIRECTORS AT A GLANCE

## TENURE



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 good mix of new and longer-tenured directors.

## AGE



## COMMITTEES

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



**Mary N. Dillon**  
(she/her/hers) **E**  
President and Chief Executive Officer of Foot Locker, Inc.  
**Age:** 62  
**Director Since:** 2022

**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.  
**Age:** 69  
**Director Since:** 2001



**Virginia C. Drosos**  
(she/her/hers) **A T**  
**Independent**  
Chief Executive Officer of Signet Jewelers Limited  
**Age:** 60  
**Director Since:** 2022

**Steven Oakland**  
(he/him/his) **E N T**  
**Independent**  
Chairman, Chief Executive Officer, and President of TreeHouse Foods, Inc.  
**Age:** 62  
**Director Since:** 2014



**Alan D. Feldman**  
(he/him/his) **H T**  
**Independent**  
Retired Chairman, President and Chief Executive Officer of Midas, Inc.  
**Age:** 71  
**Director Since:** 2005

## REFRESHMENT

Over the past **5** years, **4** new directors added  
 and **5** directors retired

**Ulice Payne, Jr.**  
(he/him/his) **A E N**  
**Independent**  
President of Cyber-Athletix, LLC  
President and Managing Member of Addison-Clifton, LLC  
**Age:** 67  
**Director Since:** 2016



## INDEPENDENCE

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

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



**Guillermo G. Marmol**  
(he/him/his) **A E H**  
**Independent**  
President and Chief Executive Officer of Viron Therapeutics Holdings, Inc.  
**Age:** 69  
**Director Since:** 2011

**Kimberly Underhill**  
(she/her/hers) **E H N**  
**Independent**  
Senior Advisor of Boston Consulting Group  
**Age:** 59  
**Director Since:** 2016



**Darlene Nicosia**  
(she/her/hers) **A H**  
**Independent Audit Committee Financial Expert**  
Chief Executive Officer of Hearthside Food Solutions LLC  
**Age:** 54  
**Director Since:** 2020

**Tristan Walker**  
(he/him/his) **N T**  
**Independent**  
Managing Member of Heirloom Management Company, LLC  
**Age:** 39  
**Director Since:** 2020

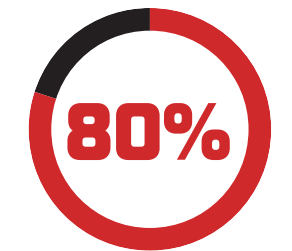


## DIVERSITY

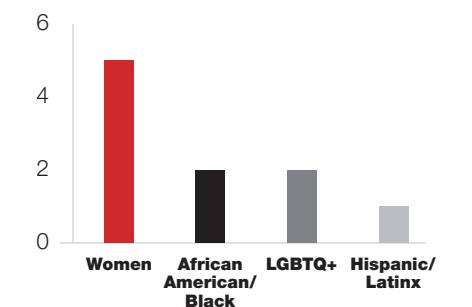
Our directors represent a diverse range of backgrounds—in terms of gender, age, ethnicity, skills, and business and board experience—with an equally diverse range of perspectives. What we share is a common desire to support and oversee management in executing our **“Lace Up” Plan**.



of the directors are women or POC



of committees are chaired by women or POC



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 observing the highest ethical standards at all times.

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, each of the Audit Committee, HCC Committee, and Technology Committee have certain ESG oversight responsibilities relevant to their committees.

### Audit Committee

- ▶ Reviews risk assessments regarding ESG-related risks
- ▶ Reviews ESG metrics and attestations

### HCC Committee

- ▶ Considers ESG implications in review of compensation, benefits, and employment arrangements

### NCR Committee

- ▶ Oversees ESG initiatives and public reporting, including Impact Report

### Technology Committee

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

Our Non-Executive Chair, Executive Vice President and General Counsel, and Senior Vice President, 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 52% 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.

## EXECUTIVE SPONSOR

Our Senior Vice President, Deputy General Counsel and Corporate Secretary serves as the Executive Sponsor of our ESG Leadership Team. In this role, he ensures the Company's ESG strategy receives the necessary attention at all levels of the Company. Our Senior Vice President, Deputy General Counsel and Corporate Secretary also presents the activities of the ESG Leadership Team to our Board (primarily through the NCR Committee), on a quarterly basis.

## 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 is convened at least monthly to support regular communication and collaboration across our global functions.

## GOVERNANCE POLICIES

We convey our guiding principles and expectations for those supporting our operations through policies that are publicly available. We have an annual review process and continue to refine these policies. Please refer to [Helpful Resources](#) on page 99 for information regarding accessing the following policies:

- ▶ Anti-Corruption Policy
- ▶ By-Laws
- ▶ 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
- ▶ Policy Prohibiting Insider Trading
- ▶ Procedures for Communicating with the Board of Directors
- ▶ Stock Ownership Guidelines

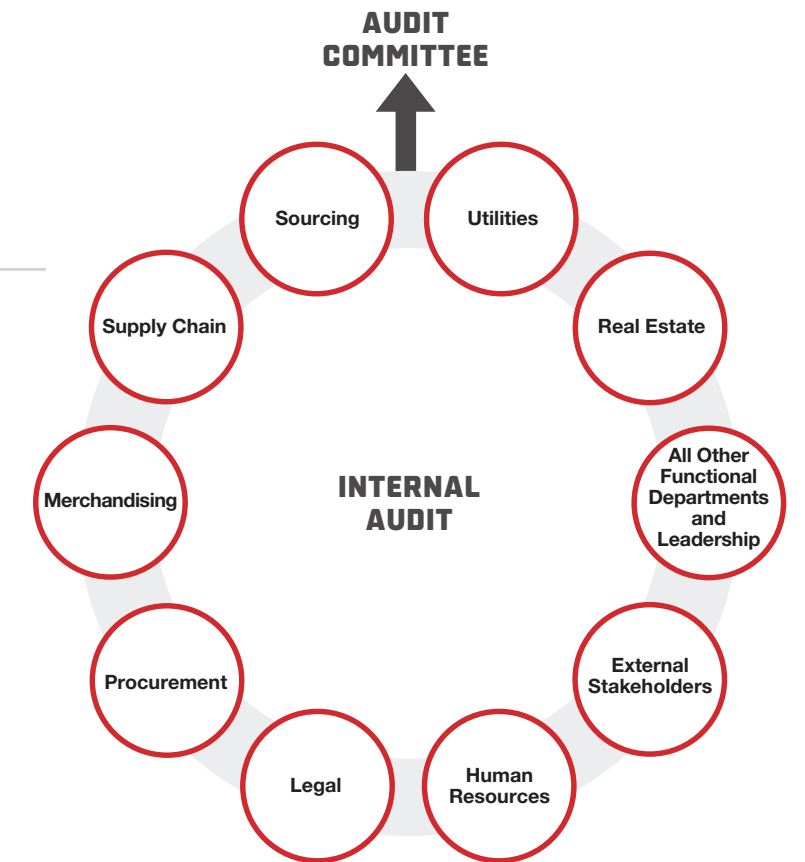


# INTERNAL AUDIT AND RISK MANAGEMENT

Internal Audit serves an important role in our ESG reporting by providing processes and controls.

Our Internal Audit team reports to the Audit Committee. As disclosure requirements on climate-related risks, as well as 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 mitigating controls, and 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
Assesses whether ESG strategy addresses key stakeholder expectations and is aligned to corporate purpose and strategy	Assesses the effectiveness of ESG governance, such as through leadership and Board oversight	Reviews the availability, consistency, reliability, and trends of ESG to measure the effectiveness of ESG initiatives across the organization	Assesses and advises on the integration of ESG issues into ERM framework to identify, assess, and prioritize ESG risks  Assesses the effectiveness of implemented risk interventions	Evaluates data framework, internal controls, and processes to collect, aggregate, calculate, and analyze ESG data  Evaluates internal controls over technology platforms used for ESG data collection and reporting	Assesses whether ESG reporting is reliable, timely, consistent, and aligned to relevant regulations  Advises on developing internal controls over ESG reporting  Assesses preparedness to obtain external assurance

In coordination with the Executive Vice President and General Counsel, the Internal Audit team leads an enterprise-wide risk identification, assessment, and management process. Procedures are well established for regular risk monitoring by management, quarterly risk reporting to the Audit Committee (including ESG-related risks, if applicable), and the submission of an annual risk report to the Board.

The FY22 enterprise-wide risk assessment identified 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 Board and ranked on an annual basis.

## ETHICS AND COMPLIANCE

The 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 trainings 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; DIBs; and data protection/privacy, including GDPR and CCPA. The COBC is periodically reviewed and revised, as appropriate.

The COBC, or a summary, is available in all our offices, stores, and DCs, as well as on [footlocker-inc.com](https://www.footlocker-inc.com).

Team members are also required to comply with our Anti-Corruption Policy, which supplements the COBC and underscores our commitment against corruption and bribery.

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 either 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

We are committed to implementing measures to keep our customers' and team members' data safe and secure, and have multiple systems in place to help ensure customers' and team members' data and privacy are protected.

Our data security program is aligned to ISO/IEC 27000 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 are able to 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 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.

### BENCHMARKING AND EXTERNAL ENGAGEMENT

We benchmark our security practices against other organizations and are active in the information security community.

### 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 very 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 only permits 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 different 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 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.

implemented, has significantly automated and enabled our team to access the data they need to perform their jobs and to adapt that access as their roles change.

We have made strides in process improvement and due diligence. 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. Third-party arrangements, including data privacy agreements, help allocate risks related to processing data.

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 protect their security. Multiple points of contact are available for customers to initiate inquiries and raise concerns to us regarding our collection, sharing, and use of their personal data. Our privacy policies and statements continue to be updated to comply with ongoing legislation and rule making, as well as to improve internal navigation and clarity.

In FY22, we required that our corporate teams 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 concerning safeguarding against malicious actors and credit card skimmers.

## PRIVACY

Customer data privacy has continued to garner attention as our customers continue to increase the amount of personal information they share with us.

Our Data Governance team employs a variety of strategies and tools to track and secure data. By understanding where data is stored and who may access it, we can minimize risk. We utilize role-based access across our organization, which, since



## POLITICAL CONTRIBUTIONS AND PUBLIC ADVOCACY

Our COBC prohibits individual team members from making contributions on behalf of the Company to political parties, PACs, 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 business community generally. 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 FY22 paid membership fees to, the FDRA, RILA, and The Business Council, which, as part of their overall activities, may engage in advocacy activities concerning issues important to their member companies and industry.

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 in which 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. Our Board has adopted policies and procedures to oversee political and lobbying expenditures. 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.



**RETAIL INDUSTRY LEADERS ASSOCIATION**

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 2023, we sourced from approximately 10 Tier 1 vendor partners. Tier 2 information is not disclosed at this time.  Reference: Understanding Our Value Chain (page 44)
<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 (pages 62 and 63)
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 (pages 62 and 63)
<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 FY22. Tier 2 information is not disclosed at this time.  Reference: Supplier Verification Program (pages 45 and 46)
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.

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	CG-AA-430b.1	CG-AA-000.A	Data: In FY22, 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.  Reference: Supplier Verification Program (pages 45 and 46)
Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	CG-AA-430b.2	Data: In FY22, we did not identify any serious labor violations to our GSG in the audits of Tier 1 factories. When 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 and then partners with our suppliers on a timeline to implement corrective actions.  Reference: Supplier Verification Program (pages 45 and 46)
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 45 and 46)
<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 (pages 48 and 49)
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	Data: As of January 28, 2023, the Company operated 2,714 stores in 29 countries across North America, Europe, Australia, New Zealand, and Asia. We had an additional 159 franchised/licensed stores located in the Middle East and Asia.  We operated 9 distribution centers directly and contracted 8 through third-party logistics providers.  Reference: FY22 Annual Report, 2022 Form 10-K
Total area of (1) retail space, and (2) distribution centers	Quantitative	Square meters (m <sup>2</sup> )	CG-MR-000.B	Data: Our stores have an average of 5,060 gross square feet per store, and distribution centers have an average of 408,824 square feet.  Reference: FY22 Annual Report, 2022 Form 10-K
<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	Data:  2022 total energy consumed = 1,007,713GJ  2022 percentage grid electricity of total energy: 66%  2022 percentage renewable electricity of total energy: 21%  Reference: Energy Conservation and Climate Stewardship (pages 54 through 59)
<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 76 and 77)
(1) Number of data breaches, (2) percentage involving PII, and (3) number of customers affected	Quantitative	Number, Percentage	CG-MR-230a.2	Data: No material data breaches occurred during FY22.  Reference: Data Security and Privacy (pages 76 and 77)

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: This information is not currently disclosed, but will be considered for future reporting. For information on minimum wage by region, see People Strategy section.  Reference: People Strategy (pages 34 through 39)
(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. For information on minimum wage by region, see People Strategy section.  Reference: People Strategy (pages 34 through 39)
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.  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.  Reference: People Strategy (pages 34 through 39)
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.  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 (pages 62 and 63)
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 (pages 60 and 61)

**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 64 through 79)	2022 CDP Report
	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 59)	2022 CDP Report
	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 59)	2022 CDP Report; 2022 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 54 through 59)	2022 CDP Report; 2023 Proxy Statement
	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**

**ACCOUNTING GUIDANCE AND SCOPE DEFINITIONS**

**ALL GHG EMISSIONS**

- ▶ The Company has selected the control approach and operational control as the organizational 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 within North America, EMEA, and APAC, are included in the organizational boundary.
- ▶ Activities with the following brands are included in the organization boundaries: Foot Locker, Kids Foot Locker, Champs Sports, WSS, Eastbay, and atmos.
- ▶ Management does not recast or recalculate prior period information due to acquisitions, changes in scope of emissions measured (operational boundary), or changes in the group (organizational boundary). Emissions from WSS and atmos are included for the first time in the FY22 emissions inventory, which did not have a significant impact on FY22 metrics. Direct equity investments in other companies (e.g., GOAT Group, Pensole, NTRWK) 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 region are deemed to be outside of the organizational boundary for Scope 1 and 2 emissions, as the Company does not have operational control over these entities and their activities. However, emissions associated with these stores are included in Scope 3, Category 14, in line with the Company’s operational control boundary.
- ▶ In future years, the Company will use FY22 as its emissions base year due to the inclusion of WSS and atmos brands for the first time.

**SCOPE 1**

GHG emissions have been prepared using the identification and calculation criteria within *WRI/WBCSD (GHG Protocol)*. Scope 1 represents direct GHG emissions that occur from sources that are owned or controlled by the Company. In FY22, the increase in Scope 1 emissions is driven by the addition of WSS and atmos stores to the emissions inventory, as well as improved estimation of HVAC data reporting from stores in EMEA that did not report natural gas data in FY21.

Scope 1 represents direct GHG emissions that occur from sources that are owned or controlled by the Company.

- ▶ **Scope 1, Facility Heating and Cooling:** Natural gas is used in certain facilities/stores in North America and EMEA for heating, but it is not used in the APAC region. For North America and EMEA, natural gas consumption related to HVAC use is included; however, common area usage is not.
- ▶ **Scope 1, Facility Heating and Cooling:** In instances in which natural gas fuel quantity is known, stationary combustion source methodology is used based on actual consumption during the year. Estimation techniques, in line with the GHG Protocol, are done for any months in which data may be unavailable. This estimation is done by averaging monthly consumption based on the available data for the facility.
- ▶ **Scope 1, Facility Heating and Cooling:** There is no onsite co-generation at any Company facilities.
- ▶ **Scope 1, Stationary Fuels:** 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, it is estimated using equipment operating hours and an average hourly consumption (e.g., running of on-site generators).
- ▶ **Scope 1, Transport Fuels:** 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.
- ▶ **Scope 1, Transport Fuels:** For FY22, all vehicles consuming gasoline are assumed to be manufactured in the year 2018 for application of CH<sub>4</sub> and N<sub>2</sub>O emission factors. All vehicles consuming diesel are 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.
- ▶ **Scope 1, Transport Fuels:** The Company does not own nor operate any corporate jets, and forklifts used in distribution centers are electric.
- ▶ **Scope 1, Facility Heating and Cooling:** Sites in North America, EMEA, and APAC with no recorded natural gas data are excluded from the inventory as natural gas usage is not expected in these locations.

- ▶ **Scope 1, Refrigerants:** 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 immaterial.

## SCOPE 2

GHG emissions have been prepared using the identification and calculation criteria within *WRI/WBCSD (GHG Protocol)*. Scope 2 accounts for all GHG emissions from the generation of purchased electricity consumed by the Company.

- ▶ **Scope 2, Facilities:** The location-based method considers average emission factors for the electricity grids that provide electricity. The market-based method considers contractual arrangements under which the Company procures power from specific sources, such as renewable energy. The Company calculated market-based emissions using the supplier specific method based on renewable electricity procurement contracts for selected locations in North America, EMEA, and APAC. Those locations that do not have renewable energy contracts reflect the average emissions intensity of the grids on which energy consumption occurs.
- ▶ **Scope 2, Facilities:** Emissions from actual electricity consumption are calculated based on 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).
- ▶ **Scope 2, Facilities:** Where electricity use data is unknown for facilities, estimations are based on a calculated intensity factor kWh/ft<sup>2</sup> using actual consumption of the Company stores, distribution centers, and offices. This intensity factor was only used if the Company had at least 3 similarly-sized locations in the same state or city in a specific country (in EMEA or APAC) with 12 months' worth of reported electricity data. Sites not meeting this criteria were estimated using the Commercial Buildings Energy Consumption Survey (CBECS) 2018 data according to climate zone and Carbon Risk Real Estate Monitor (CRREM) data for non-U.S. sites.

## SCOPE 3

GHG emissions have been prepared using the identification and calculation criteria within *WRI/WBCSD (GHG Protocol)*. 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 listed below:

### Category 1: Purchased Goods and Services

- ▶ In FY22, 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.
- ▶ Total merchandise spend for WSS and atmos was included for the first time in FY22. WSS was disaggregated based on the breakdown of their footwear, apparel, and accessories, while atmos was disaggregated based on the breakdown of footwear, apparel, and accessories for all other banners (excluding WSS).
- ▶ In FY22, the total spend on services for atmos was not included.
- ▶ Emissions reductions from FY21 to FY22 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 FY21 was .602 (kg CO<sub>2</sub>/2018 USD, purchaser price) compared to an updated .28 (kg CO<sub>2</sub>/2018 USD, purchaser price) in FY22.

### Category 2: Capital Goods

- ▶ Calculated for the first time in FY22 using capital expenditures broken down by EPA Supply Chain categories. Emissions from the capital goods for the atmos brand have not been included.

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

- ▶ In FY22, the increase in fuel- and energy-related emissions is driven by the inclusion of upstream emissions of purchased fuels and purchased electricity for the first time.

### Category 4: Upstream Transportation and Distribution

- ▶ Emissions related to upstream transportation and distribution are calculated for the first time in FY22. Includes data for shipments originating from North America, EMEA, and APAC managed by the Company and/or WSS. atmos shipments were not included for FY22.

### Category 5: Waste Generated in Operations

- ▶ In FY22, only emissions related to the disposal of metal scrap, paper and cardboard, mixed plastics, electronics, and general waste are included in this category.
- ▶ Waste related data for new store construction and fitout projects is not included, but will be considered for future reporting.

### Category 6: Business Travel

- ▶ In FY22, this includes business travel in North America and EMEA via air, hotel stays, train, rental cars, leased vehicle, and reimbursed mileage from use of a personal vehicle, as well as air travel in APAC. In FY22, WSS business travel, as well as additional business travel components for the APAC region (hotel stays, leased vehicles, rental cars, and reimbursable mileage), were included for the first time.
- ▶ In FY22, the increase in emissions was driven by the inclusion of WSS business travel and additional APAC business travel components, as well as a return of semi-regular travel post-COVID.

### Category 7: Employee Commuting

- ▶ Calculated for the first time in FY22 using the total number of the Company team members categorized as in person, remote, and hybrid. WSS and atmos team members were categorized as in person only.

### Category 9: Downstream Transportation and Distribution

- ▶ In FY22, transportation data from WSS, New Zealand, and store-to-store transfers in North America were included for the first time. Transportation data for the Reno distribution center was included as of the fourth quarter of FY22.
- ▶ In FY22, all shipments were considered medium/heavy duty. Actual mode of transport will be considered for future reporting.

### Category 14: Franchises

- ▶ In FY22, emissions associated with our licensed stores in the Middle East region are included in Scope 3, Category 14, as the Company does not have operational control of these entities and their activities.

Collectively, the *WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard, Revised Edition*, the GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard and the GHG Protocol: Corporate Value Chain (Scope 3), Accounting and Reporting Standard are referred to as the "GHG Protocol" in this document.

## ESTIMATION UNCERTAINTIES

The Company obtains energy use data from across its global operations for the calculation of its GHG inventory in accordance with the GHG Protocol. There are estimation uncertainties resulting from the limitations inherent in the methodologies used to calculate energy and emissions for the subset of facilities and activities in which actual use data is not available. Please refer to **Accounting Guidance and Scope Definitions** beginning on page 85 for further details regarding these methodologies.

## GHG REPORTING ORGANIZATIONAL BOUNDARIES

The Company has selected the control approach, and operational control as the organizational 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).

Two new operating entities (WSS and atmos) were acquired by the Company in the fourth quarter of 2021; in most cases, emissions for these entities are incorporated in the FY22's GHG emissions inventories. Direct equity investments in other companies (e.g., GOAT Group, Pensole, NTRWK) 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 region 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. 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.

**Scope 3 Operational Boundaries:** GHG emissions have been prepared using the identification and calculation criteria within *WRI/WBCSD (GHG Protocol)*. Management does not recast or recalculate prior period information due to an acquisition. 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 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 9:** Downstream transportation and distribution

**Category 14:** Franchises

The Company's Scope 3 operational boundary has been expanded from the prior year. For FY22, the Company also calculated emissions associated with Category 1-Purchase goods and services, Category 2-Capital goods, Category 4-Upstream transportation and distribution, and Category 7-Employee commuting. Additional 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) in accordance with the GHG Protocol. 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. Those locations 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 2007.

# CALCULATION METHODOLOGIES

Emissions Scope	Category	Source	Calculation Methodology	Data Used	Emissions Factors	Exclusions	Notes
Scope 1	Facilities	Natural gas	Average-data methodology based on actual and estimated consumption for each facility where onsite natural gas usage is expected.  Emissions = therms/year x EPA emission factor.	Activity data – Natural gas measured in (or converted to) therms as billed by utility providers.  Emissions factors data – Stationary combustion emissions factors were used for all facilities.	United States – EPA Emission for GHG Inventories (Table 1), April 3, 2023.  Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.	Natural gas is used in certain facilities/stores in North America and EMEA for heating, and not APAC. Stores in North America and EMEA without reported usage were excluded from the inventory, as natural gas usage is not expected in these specific locations.	Includes NA, EMEA, and WSS stores, distribution centers, and offices where actual consumption has been recorded. There is no reported natural gas usage from atmos stores. For 2022, all natural gas-related consumption and emissions are included in Scope 1, in line with the Company's operational control boundary. In FY22, natural gas usage related to HVAC equipment in EMEA was estimated and included.
	Equipment	Diesel, propane	Average-data methodology based on actual and estimated consumption for each facility where onsite diesel usage is expected.  Emissions = gallons/year x EPA emission factor.	Activity data – Diesel and gasoline measured by actual usage or estimated based on annual equipment usage.  Emissions factors data – Stationary combustion emissions factors used for distillate fuel oil used for all equipment.	United States – EPA Emission for GHG Inventories (Table 1), April 3, 2023.  Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.	Given the Company's core business does not require significant refrigeration systems, emissions from refrigeration, air conditioning, and fire suppression equipment, Company-owned facilities are considered to be immaterial.	Diesel and gasoline usage primarily occurred in backup generators used at distribution centers.
	Vehicle	Diesel, gasoline/petrol	Average-data methodology based on actual and estimated consumption for vehicles at each facility where transport fuels usage is expected.  Emissions = gallons/year x EPA emission factor.	Activity data – Gallons purchased or estimated based on annual vehicle usage.  Emissions factors data – Mobile combustion emissions factors used for distillate fuel oil used for all equipment.	United States – EPA Emission for GHG Inventories (Table 2 and 3), April 3, 2023.  Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.	The Company does not own or operate any corporate jets, and forklifts used in distribution centers are electric.	For FY22, all vehicles consuming gasoline are assumed to be manufactured in the year 2018 for application of CH <sub>4</sub> and N <sub>2</sub> O emission factors.  For FY22, all vehicles consuming diesel are 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.
Scope 2	Facilities (Location Based)	Electricity	Location-based method based on actual and estimated purchased electricity consumption for all facilities in the reporting boundary.  Estimations are based on a calculated intensity factor kWh/ft <sup>2</sup> using actual consumption of the Company stores, distribution centers, and offices. This intensity factor was only used if the Company has at least 3 similar sized locations in the same state, or city in a specific country (in EMEA or APAC) with 12 months' worth of report electricity data.  Sites not meeting this criteria were estimated using the Commercial Buildings Energy Consumption Survey (CBECS) 2018 data according to climate zone, and Carbon Risk Real Estate Monitor (CRREM) data for non-U.S. sites.  Emissions = kWh/year x regional (state, province, or country-level) electricity grid emission factor.	Activity data – Purchased or estimated kWh/year consumption per facility.  Emission factors data – State, province, or country-level electricity grid emission factors used to calculate emissions for all facilities.	Emission factors – 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).  Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.	No facilities/stores use purchased heat/steam.	For FY22, electricity consumption for WSS stores were included.
	Facilities (Market Based)		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.  Emissions = kWh/year x regional (state, province, or country-level) electricity grid emission factor.	Activity data – Purchased or estimated kWh/year consumption per facility.  Emission factors – Supplier-specific emission rates associated with procured renewable energy products according to best available information.		Stores with renewable energy contracts were assumed to procure energy through 100% renewable sources.	Facilities with 100% of energy procured through renewable or nuclear sources have an assumed generation emission factor of zero. Stores that started renewable energy contracts mid-year were only given credit for the months the contract was active.

Emissions Scope	Category	Source	Calculation Methodology	Data Used	Emissions Factors	Exclusions	Notes
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 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>	<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>	None.	<p>Spend related to sourcing of finished merchandise products was broken down by footwear, apparel, and accessories. Total merchandise spend for WSS and atmos was included for the first time in FY22. Merchandise spend for WSS was broken down by purchases of apparel, footwear, and accessories; the breakdown of these categories were estimated for atmos as only total spend was provided.</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>	<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>	Does not include capital expenditures from atmos, which will be considered for future reporting.	<p>Category was calculated for the first time in FY22. Spend related to capital expenditures was included and broken-down by EPA categories.</p>
	3	Fuel- and Energy-related activities (not included in Scope 1 or 2)	<p>Average-data methodology, calculated using the upstream emissions of purchased fuels and purchased electricity (Scope 1 and 2) and the percentage of upstream energy loss from transmission and distribution grid loss.</p> <p>Emissions = (total Scope 2 location-based emissions by country) x (country-level grid gross loss rate) + (sum of fuel consumed) x (upstream fuel emission factor) + (sum of electricity consumed) x (upstream electricity emission factor).</p>	<p>Activity data – Total calculated Scope 1 and 2 location-based emissions for the reporting year, by country.</p> <p>Grid loss rates – Country-level grid loss rates were obtained from the EPA eGRID and The World Bank.</p> <p>Emissions factors data – Well to tank emissions for heat, electricity, fuels, obtained from UK Government GHG Conversion Factors for Company Reporting.</p>	<p>EPA eGRID Emission Factor Data, 2023.</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>	None.	<p>Includes upstream emissions of purchased fuels and purchased electricity for the first time in FY22.</p>



Emissions Scope	Category	Source	Calculation Methodology	Data Used	Emissions Factors	Exclusions	Notes
Scope 3	4	Upstream transportation and distribution	<p>Distance-based method, which involves determining the mass, distance, and mode of each shipment, then applying the appropriate mass-distance emission factor for the vehicle used.</p> <p>Emissions = (mass of goods purchased) x (distance traveled in each transport leg) x (emissions factor of transport mode).</p>	<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 10 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>	Shipments not managed by the Company and/or WSS, as well as all atmos shipments, were not included.	<p>Category was calculated for the first time in FY22.</p> <p>For import transportation and distribution where transportation from the port of arrival in the U.S. to the final distribution center includes rail and truck transportation, it was assumed that 90% of the traveled distance was via rail and 10% via truck. For import transportation and distribution where the port of arrival and the final distribution center locations are the same, an assumption of 20 truck miles between the two locations was made.</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>	<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>	Waste related data for new store construction and fitout projects is not included, but will be considered for future reporting.	<p>End-of-life methods (e.g., recycled, combusted, or landfilled) and waste composition (e.g., metal-scrap, paper and cardboard, mixed plastics and general waste) were gathered based on North American waste management supplier information, and used to estimate waste consumption for all other geographies. End of life 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>
	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>	<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>	Travel expenditures related to atmos were not included at this time, but will be considered for future inclusion.	<p>In FY22, WSS business travel, as well as additional business travel components for the APAC region (hotel stays, leased vehicles, rental cars, and reimbursable mileage), were included for the first time.</p> <p>All mileage recorded through company-leased vehicles is included, resulting in an assumed overestimate, as some personal usage will also be included in the calculations.</p>

Emissions Scope	Category	Source	Calculation Methodology	Data Used	Emissions Factors	Exclusions	Notes
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>	<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>	None.	<p>Category was calculated for the first time in FY22 using the total number of the Company team members categorized as in person, remote, and hybrid. WSS and atmos team members were categorized as in person only.</p> <p>Average commuting data for countries outside the U.S. was calculated using a proxy of available data from countries in a similar region.</p>
	9	Downstream transportation and distribution	<p>Distance-weight methodology, based on shipments from Foot Locker, Inc.'s distribution centers from the Company's transportation management system, including the origin and destination of the shipment, and weight of shipments.</p> <p>Emissions = (distance of movement x weight of shipment by mode) x (emission factor by ton-mile).</p>	<p>Activity data – Details from the Company's transportation management system, including the origin and destination of the shipment, and weight of shipments.</p> <p>Emissions factors data – Factor for medium- and heavy-duty truck transportation by ton-mile obtained from the EPA.</p>	<p>United States – EPA Emission for GHG Inventories (Table 2 and 10), April 3, 2023.</p> <p>Global Warming Potential (GWP) from Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (AR6), 2021.</p>	Does not include downstream transportation and distribution for atmos, which will be considered for future reporting.	<p>In FY22, transportation data from WSS, New Zealand, and store-to-store transfers in North America were included for the first time. At this time, mode of transport is unable to be determined, so all shipments were considered medium/heavy duty. Actual mode of transport will be considered for future reporting. 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. Because a small percentage of shipments may also be transported by air travel, these are accounted for as road travel at this time, and will be considered for future reporting.</p>
	14	Franchises	<p>Average-data methodology, calculating emissions for each franchise, by estimating electricity usage by determining on square footage and building type and assigning an emission factor.</p> <p>Emissions = (total floor space) x (electricity intensity factor) x (emission factor for building type).</p>	<p>Activity data – Total square footage, location, and building type of each franchise.</p> <p>Intensity factor – State, province, or country-level electricity grid emission factors used to calculate emissions for all facilities.</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>	Emissions for this category were calculated using site inventory data for licensed stores in the Middle East and Indonesia. As electricity and natural gas bills are not available, emission factors were used to estimate the consumption of electricity from the grid and natural gas.	<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." Emissions related to licensee stores in the Middle East region are included in Category 14, as they are outside of the organizational boundary for Scope 1 and 2 emissions, because the Company does not have operational control of these entities and their activities.</p>

# SUPPLEMENTAL KEY METRICS AND CRITERIA

The following KPIs are presented for the FY22, 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 FY22:	
	– women (global)	Represents total number of women in the workforce, divided by the total population of the workforce.
	– POC (U.S.)	Represents total number of POC in the workforce, divided by the total population of the 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).
Create unrivaled lifestyle experiences for our customers	NPS	NPS is an ESG metric because it measures customer satisfaction and brand perception, which are dependent on factors that include ESG. Every customer who makes a purchase has an opportunity to take a survey. Each customer survey is measured on a scale from 0 to 10. NPS is calculated by aggregating the number of promoters (i.e., scores of 9 or 10) less detractors (i.e., scores of 0 to 6) on a 200-point scale (i.e., -100 to 100) compared to the target score as approved by the Board for the three-channels (i.e., store post-purchase, digital post-purchase, and post-fulfillment), and then averaging those three scores.
Manage our environmental impacts and risks across our supply chain	Global average shipping miles per package (excluding Asia)	Distance-weight methodology based on shipments from the Company's distribution centers (primarily to stores and customers) from the Company's transportation management system, including the origin and destination of the shipment, and weight of shipments. As mode of transport is unable to be determined at this time, all shipments were considered medium/heavy duty. Actual mode of transport will be considered for future reporting. 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 ton-miles are divided by total number of shipments to determine the average shipping miles per package.
Achieve Net Zero emissions by 2050 or sooner	Scope 1 emissions (tCO <sub>2</sub> e) <sup>(54)</sup>	GHG emissions have been prepared using the identification and calculation criteria within WRI/WSCSD GHG Protocol: A Corporate Accounting and Reporting Standard, Revised Edition. Management does not recast or recalculate prior period information due to acquisitions or for changes in the scope of emissions that are measured (operational boundary) or changes in the group (organizational boundary).
	Scope 2 emissions (tCO <sub>2</sub> e) – Location Based <sup>(54)</sup>	GHG emissions have been prepared using the identification and calculation criteria within WRI/WSCSD GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard. Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the Company. Management does not recast or recalculate prior period information due to acquisitions or for changes in the scope of emissions that are measured (operational boundary) or changes in the group (organizational boundary).
	Scope 2 emissions (tCO <sub>2</sub> e) – Market Based <sup>(54)</sup>	
	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.

<sup>(54)</sup> There are estimation uncertainties resulting from the limitations inherent in the methodologies used to calculate energy and emissions for the subset of facilities and activities in which actual use data is not available.

# HELPFUL RESOURCES

## Board of Directors

Board	<a href="https://investors.footlocker-inc.com/board">investors.footlocker-inc.com/board</a>
Committees	
Committee Charters	<a href="https://investors.footlocker-inc.com/bcommittees">investors.footlocker-inc.com/bcommittees</a>
– 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>
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## 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>
By-Laws	<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>
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

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Investor Relations	<a href="mailto:ir@footlocker.com">ir@footlocker.com</a>



## BOARD OF DIRECTORS

**Mary N. Dillon**<sup>1</sup> (she/her/hers)  
President and  
Chief Executive Officer

**Dona D. Young**<sup>1, 2, 5</sup> (she/her/hers)  
Non-Executive Chair  
Retired Chair,  
President and Chief Executive Officer  
The Phoenix Companies, Inc.

**Virginia C. Drosos**<sup>2, 5</sup> (she/her/hers)  
Chief Executive Officer  
Signet Jewelers Limited

**Alan D. Feldman**<sup>3, 5</sup> (he/him/his)  
Retired Chairman,  
President and Chief Executive Officer  
Midas, Inc.

**Guillermo G. Marmol**<sup>1, 2, 3</sup>  
(he/him/his)  
President  
Marmol & Associates;  
President and Chief Executive Officer  
Viron Therapeutics Holdings, Inc.

**Darlene Nicosia**<sup>2, 3</sup> (she/her/hers)  
Chief Executive Officer  
Hearthside Foot Solutions LLC

**Steven Oakland**<sup>1, 4, 5</sup> (he/him/his)  
Chairman, Chief Executive Officer, and  
President  
TreeHouse Foods, Inc.

**Ulice Payne, Jr.**<sup>1, 2, 4</sup> (he/him/his)  
President and Managing Member  
Addison-Clifton, LLC;  
President  
Cyber-Athletix, LLC

**Kimberly K. Underhill**<sup>1, 3, 4</sup>  
(she/her/hers)  
Senior Advisor  
Boston Consulting Group

**Tristan Walker**<sup>4, 5</sup> (he/him/his)  
Managing Member  
Heirloom Management Company, LLC

## EXECUTIVE LEADERSHIP

**Mary N. Dillon** (she/her/hers)  
President and  
Chief Executive Officer

**Michael Baughn** (he/him/his)  
Executive Vice President and  
Chief Financial Officer

**Franklin R. Bracken** (he/him/his)  
Executive Vice President and  
Chief Commercial Officer

**Jennifer L. Kraft** (she/her/hers)  
Executive Vice President and  
General Counsel

**Rosalind Reeves** (she/her/hers)  
Executive Vice President and  
Chief Human Resources Officer

**Elliott D. Rodgers** (he/him/his)  
Executive Vice President and  
Chief Operations Officer

**Giovanna Cipriano** (she/her/hers)  
Senior Vice President and  
Chief Accounting Officer

## CORPORATE LEADERSHIP

**Kristin Bauer** (she/her/hers)  
Senior Vice President and  
Chief Supply Chain Officer

**Adrian Butler** (he/him/his)  
Senior Vice President and  
Chief Technology Officer

**Anthony D. Foti** (he/him/his)  
Senior Vice President,  
Deputy General Counsel and  
Corporate Secretary

**Robert Higginbotham** (he/him/his)  
Senior Vice President,  
Investor Relations and Financial  
Planning and Analysis, Treasurer

**Peter Scaturro** (he/him/his)  
Senior Vice President,  
Strategic Planning and Growth

**Kim Waldmann** (she/her/hers)  
Senior Vice President and  
Chief Customer Officer

## DIVISIONAL LEADERSHIP

**Anthony Aversa** (he/him/his)  
Senior Vice President and  
General Manager,  
Champs Sports

**Jill Feldman** (she/her/hers)  
Senior Vice President,  
General Manager,  
Foot Locker North America

**Blanca Gonzalez** (she/her/hers)  
Senior Vice President,  
General Manager,  
WSS

**Bryon Milburn** (he/him/his)  
Senior Vice President and  
Chief Merchandising Officer

**Tomas Petersson** (he/him/his)  
Senior Vice President,  
General Manager,  
Foot Locker Europe

**Patrick Walsh** (he/him/his)  
Senior Vice President and  
General Manager,  
atmos

**Natalie Ellis** (she/her/hers)  
Vice President,  
General Manager,  
Foot Locker Asia Pacific

## CORPORATE COMMUNICATIONS

**Olivia Mata** (she/her/hers)  
Vice President,  
Corporate Communications

<sup>1</sup> Member of Executive Committee

<sup>2</sup> Member of Audit Committee

<sup>3</sup> Member of Human Capital and  
Compensation Committee

<sup>4</sup> Member of Nominating and  
Corporate Responsibility Committee

<sup>5</sup> Member of Technology and Digital  
Engagement Committee

### CONTINUING ON OUR JOURNEY

As we reflect on our ESG efforts to date, we feel a sense of accomplishment and excitement for the future, as well as humility. We are on a purposeful journey, and we are laying the foundation upon which we will accomplish our ESG ambitions today, tomorrow, and in the future. We're committed to delivering a better world for our stakeholders.

Because our ESG strategy is core to our business, we know that these efforts go hand in hand with delivering high-quality products and experiences to our customers. In the years ahead, we hope to continue growing a company that is more diverse at all levels, fuels an inclusive culture, and stands on uncompromising and equitable practices. We hope to see our communities and our planet thrive, fueled in part by our ESG strategy.

# LACING UP FOR **THE FUTURE**

FOOT LOCKER, INC.

[footlocker.com/corp](http://footlocker.com/corp)

