

Information on Sustainalytics Corporate ESG Assessment for Allbirds, Inc.

Allbirds, Inc. has been provided with an indicative Corporate ESG Assessment by Sustainalytics, a Morningstar company and a globally recognized provider of ESG research, ratings and data, who provides research based on its independent methodology, and publicly available information from issuers.

The Corporate ESG Assessment provided for Allbirds, Inc., and enclosed herein, is a one off point in time, valid at the time of its delivery and follows the same research framework and **methodology** as for Sustainalytics ESG Risk Rating, however this shall not be read nor construed as an ESG Risk Rating.

This Corporate ESG Assessment has been produced based on the information made available by Allbirds, Inc., and is delivered to Allbirds, Inc. and published on Sustainalytics website upon receipt of written confirmation from Allbirds, Inc. that (1) Allbirds, Inc. understands it is its sole responsibility to ensure that the information provided is complete, accurate or up to date; (2) Allbirds, Inc. has provided Sustainalytics with all relevant information and (3) no material nonpublic information has been disclosed to Sustainalytics to inform the Corporate ESG Assessment; (4) the information or material it made available to Sustainalytics to inform the Corporate ESG Assessment is duly disclosed, unaltered and publicly available.

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To learn more about Sustainalytics ESG Risk Rating framework, please visit: <https://www.sustainalytics.com/esg-data#framework>

<https://connect.sustainalytics.com/esg-risk-ratings-methodology>

Allbirds, Inc.

Footwear United States

ESG Risk Rating

14.7

Updated Aug 20, 2021

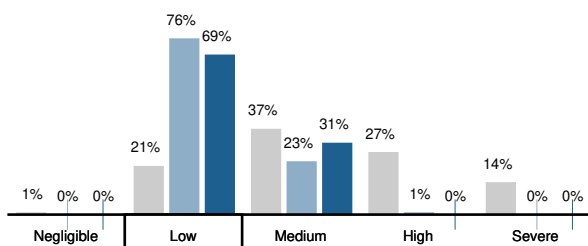
Not available

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	997/13593	8th
Textiles & Apparel INDUSTRY	37/174	21st
Footwear SUBINDUSTRY	3/25	9th

Peers Table

Peers (Market cap \$0.2 - \$0.4bn)

Peers (Market cap \$0.2 - \$0.4bn)	Exposure	Management	ESG Risk Rating
1. Allbirds, Inc.	28.1 Low	52.7 Strong	14.7 Low
2. Geox SpA	29.4 Low	52.0 Strong	15.3 Low
3. Kewal Kiran Clothing Ltd.	24.7 Low	18.9 Weak	20.4 Medium
4. Rocky Brands, Inc.	28.4 Low	28.9 Average	20.8 Medium
5. Forus SA	24.7 Low	12.7 Weak	21.8 Medium

Allbirds, Inc.

Footwear United States

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

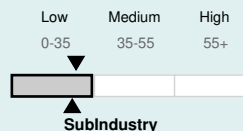
28.1

Not available

Low

Momentum

Beta = 1.04



Allbirds' full reliance on suppliers to manufacture its products makes the company particularly vulnerable to supply chain risks. Its suppliers, for both footwear and apparel products are present in labour markets such as China, Vietnam, and Indonesia which have been associated with poor working conditions. Furthermore, Allbirds acknowledges that its products depend on materials, and that continued production depends on innovation to reduce the environmental footprint of its products. Finally, since product innovation is essential to remaining competitive and continuing to capture customer demand, Allbirds acknowledges the important of a supportive employee culture that promotes diversity and talent development, particularly as it needs employees in the creative departments, IT and sales.

The company's overall exposure is low and is similar to subindustry average. Human Capital, Human Rights -Supply Chain and E&S Impact of Products and Services are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

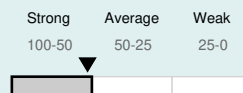
ESG Risk Management

52.7

Not available

Strong

Momentum



Allbirds' Nominating and Corporate Governance Committee of the Board of Directors is responsible for overseeing environmental, social and governance activities. The company's 2030 and 2050 goals are part of its strategy to reverse climate change. In line with this, the company received a B Corp certification in 2016, attesting that it takes into account environment, employees, communities, consumers, and investors as part of its overarching business strategy. Its strategy is focused on topics like regenerative agriculture, renewable materials, fair labour (wages, working conditions and gender equity) and transparency and traceability. Its goals are mapped against the Sustainable Development Goals (SDGs) underlining its sustainability commitment across all business segments. Furthermore, executive compensation is explicitly tied to an annual carbon emissions reduction target.

The company's overall management of material ESG issues is strong.

Allbirds, Inc.

Footwear United States

Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure	ESG Risk Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score Category	Score Category	Score Category	
Corporate Governance	9.0 High	44.5 Average	5.0 Medium	34.1%
Human Rights -Supply Chain	5.2 Medium	65.5 Strong	2.5 Low	16.9%
Human Capital	4.0 Medium	45.5 Average	2.3 Low	15.5%
Emissions, Effluents and Waste	2.0 Low	31.9 Average	1.4 Negligible	9.7%
E&S Impact of Products and Services	1.9 Low	32.7 Average	1.4 Negligible	9.6%
Business Ethics	3.0 Low	62.5 Strong	1.2 Negligible	8.3%
Resource Use -Supply Chain	3.0 Low	88.7 Strong	0.9 Negligible	5.9%
Overall	28.1 Low	52.7 Strong	14.7 Low	100.0%

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

5 Severe (0)

4 High (0)

3 Significant (0)

2 Moderate (0)

1 Low (1)

Marketing Practices

Allbirds, Inc.

Footwear United States

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

⚠ None (20)

Accounting and Taxation

Animal Welfare

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Emissions, Effluents and Waste

Employees - Human Rights

Employees - Human Rights - SC

Environmental Impact of Products

Intellectual Property

Labour Relations

Labour Relations - SC

Lobbying and Public Policy

Occupational Health and Safety

Occupational Health and Safety - SC

Quality and Safety

Sanctions

Social Impact of Products

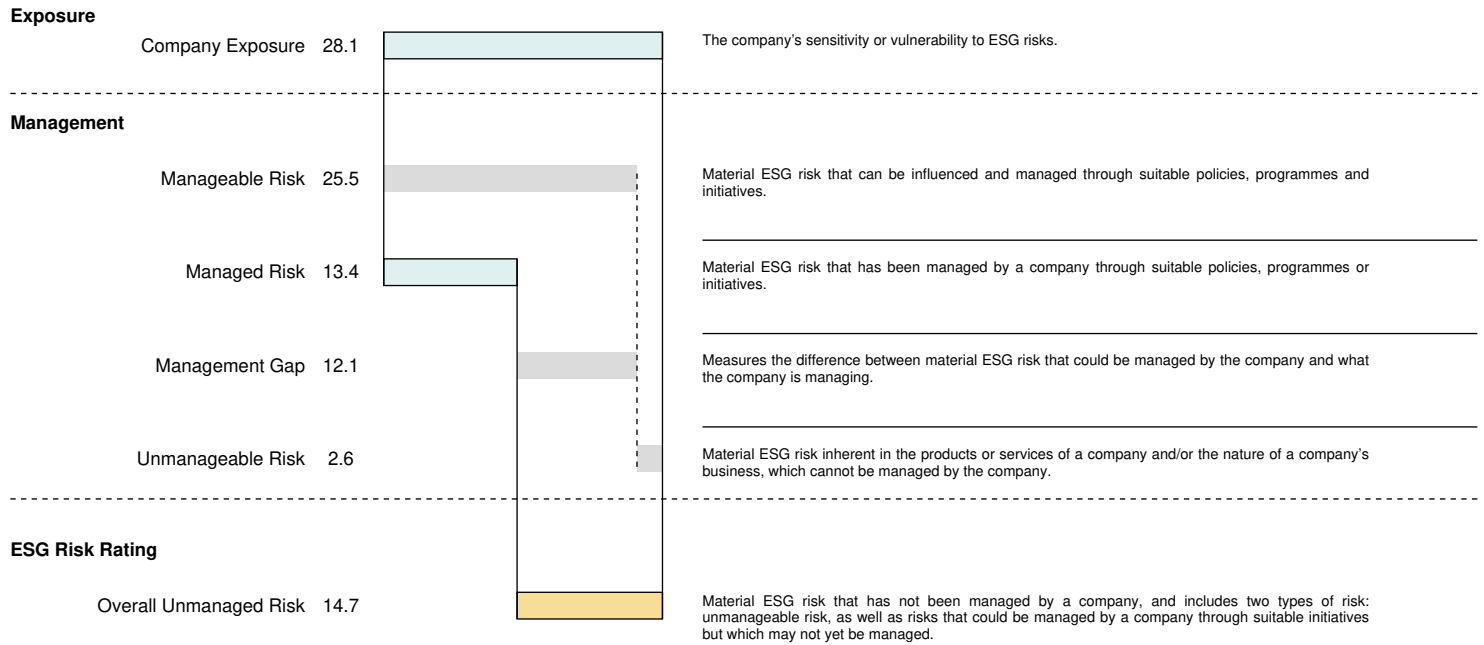
Society - Human Rights - SC

Water Use - SC

Allbirds, Inc.

Footwear United States

Risk Decomposition



Momentum Details

Not available due to a lack of comparable historical information.

Allbirds, Inc.

Footwear United States

Issue

Contribution 34.1 %



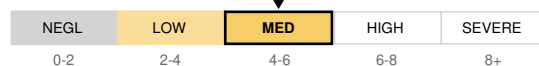
Corporate Governance

Corporate Governance represents foundational structures for the management of ESG risks.

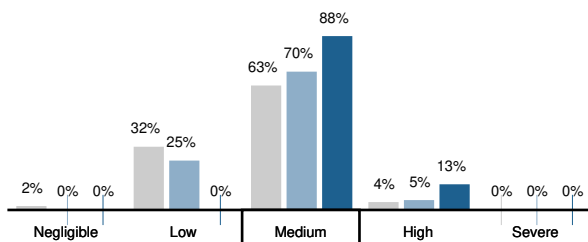
ESG Risk Rating

5.0

Medium Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	3229/4613	70th
Textiles & Apparel INDUSTRY	27/40	65th
Footwear SUBINDUSTRY	6/8	63rd

Peers Table

Peers (Market cap \$3.7 - \$7.3bn)

Peers (Market cap \$3.7 - \$7.3bn)	Exposure	Management	ESG Risk Rating
1. Dr. Martens Plc	9.0 High	52.8 Average	4.2 Medium
2. Feng Tay Enterprise Co., Ltd.	9.0 High	45.7 Average	4.9 Medium
3. Allbirds, Inc.	9.0 High	44.5 Average	5.0 Medium
4. ASICS Corp.	9.0 High	34.9 Weak	5.9 Medium
5. Pou Chen Corp.	9.0 High	34.8 Weak	5.9 Medium

Allbirds, Inc.

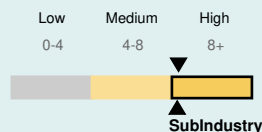
Footwear United States

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

9.0
High

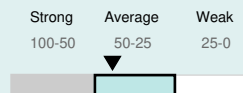


The quality and integrity of the company's board and management and its remuneration systems are identified as the highest weighted governance areas of focus.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

44.5
Average



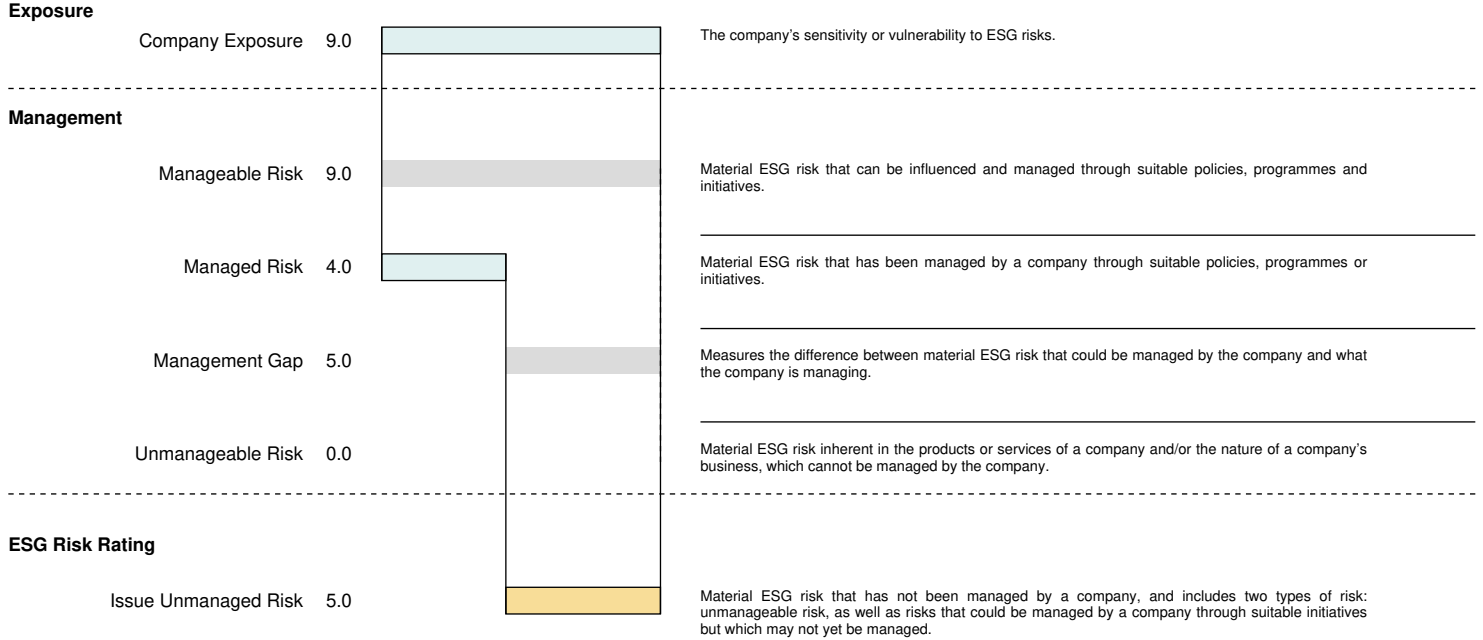
The company is noted for showing particular strength in its stakeholder governance. On the other hand, it is noted for weakness in its ownership structure/shareholder rights and its remuneration systems. It has average management of its 3 other governance pillars. Overall, we rate the company's corporate governance management as average.

Corporate Governance Pillars	Raw Score	Weight	Weighted Score
Board/Management Quality & Integrity	56	25.0%	14.0
Board Structure	63	17.0%	10.7
Ownership & Shareholder Rights	20	15.0%	3.0
Remuneration	28	25.0%	7.0
Audit & Financial Reporting	54	8.0%	4.3
Stakeholder Governance	55	10.0%	5.5
Totals		100.0%	44.5

Allbirds, Inc.

Footwear United States

Risk Decomposition



Allbirds, Inc.

Footwear United States

Issue

Contribution 16.9 %



Human Rights - Supply Chain

Human Rights - Supply Chain focuses on a company's management of fundamental human rights issues occurring in its supply chain.

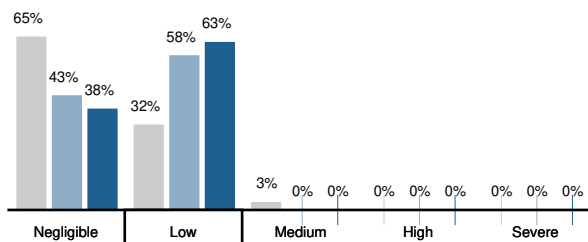
ESG Risk Rating

2.5

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	966/1207	80th
Textiles & Apparel INDUSTRY	28/40	68th
Footwear SUBINDUSTRY	7/8	75th

Peers Table

Peers (Market cap \$3.7 - \$7.3bn)

Peers (Market cap \$3.7 - \$7.3bn)	Exposure	Management	ESG Risk Rating
1. Dr. Martens Plc	4.0 Medium	76.7 Strong	1.5 Negligible
2. ASICS Corp.	3.5 Low	54.4 Strong	1.9 Negligible
3. Allbirds, Inc.	5.2 Medium	65.5 Strong	2.5 Low
4. Feng Tay Enterprise Co., Ltd.	3.8 Low	26.5 Average	3.0 Low
5. Pou Chen Corp.	4.4 Medium	28.0 Average	3.4 Low

Allbirds, Inc.

Footwear United States

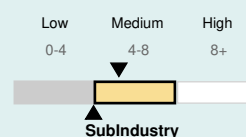
ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

5.2

Medium



Footwear companies rely on their supply chains both for sourcing raw materials as well as for producing ready-to-wear shoes and garments. Companies in the subindustry mainly produce and distribute shoes, leather goods, apparel and sports goods. Allbirds' full reliance on suppliers to manufacture its products makes the company particularly vulnerable to supply chain risks. Its suppliers are present in labour markets such as China, Vietnam, and Indonesia which have been associated with poor working conditions.

The company's exposure to Human Rights -Supply Chain issues is medium and significantly above the subindustry exposure.

Exposure Analysis

Subindustry Issue Exposure	4.0
Issue Beta	x 1.30
Company Issue Exposure	5.2

Beta Indicators

Beta Signal

Labour Relations - SC	0.00
Occupational Health and Safety -	0.00
Employees - Human Rights - SC	0.00
Society - Human Rights - SC	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Qualitative Overlay	0.30
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.30
Baseline	+1.00
Overall Beta	1.30

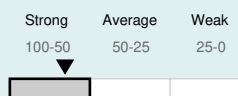
Allbirds, Inc.

Footwear United States





Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

65.5
Strong



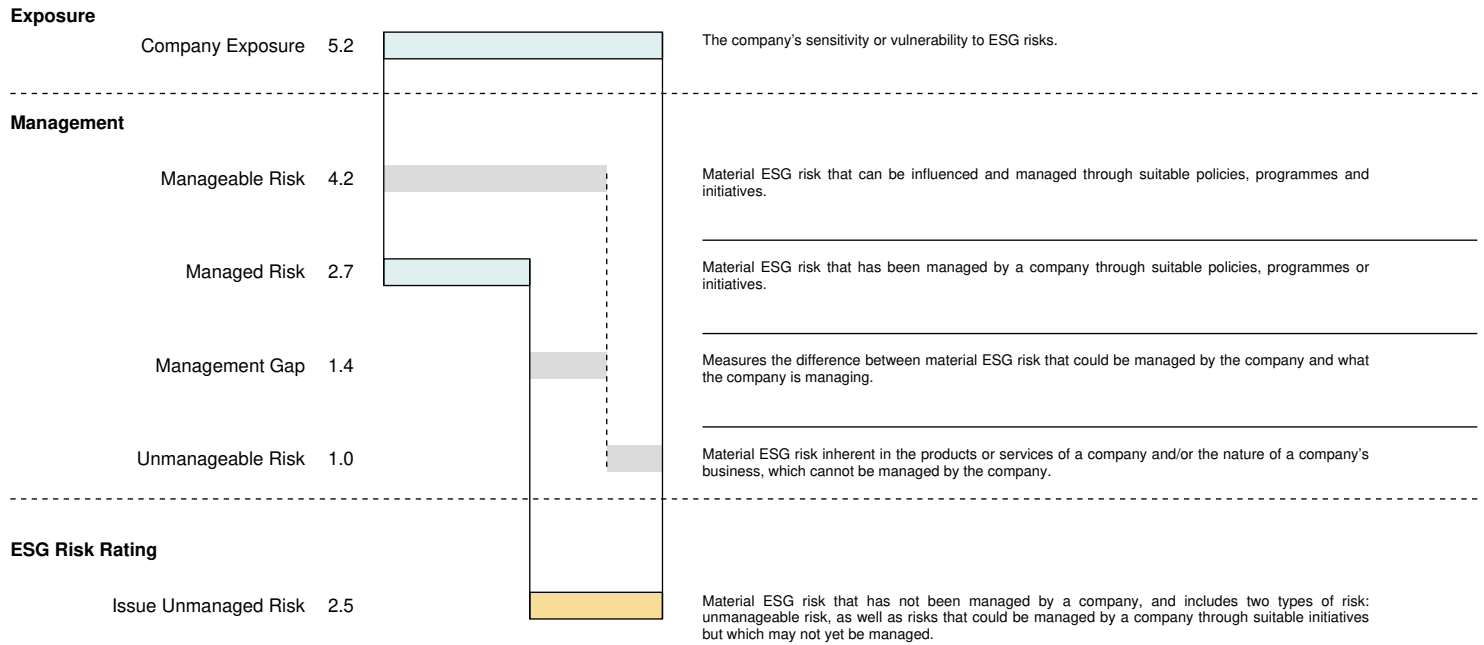
Allbirds developed a Responsible Sourcing Programme to ensure sustainable working conditions for its suppliers. As a pre-contract due diligence measure, suppliers are to comply with the company's Supplier Code of Conduct, that addresses issues like: child and forced labour, health and safety, discrimination. The company is yet to address the issue of fair living wages for its suppliers. Furthermore, in line with best practice, Allbirds has mapped its tier 1 supply chain and some suppliers completed the Higg Facility Social & Labor Module (Higg FSLM), that looks into issues related to wages, health and safety and working conditions across the company value chain. Allbirds also reports that in FY2020, 100% of its tier-1 suppliers received a social compliance audit conducted by a third party. In line with industry best practice it entered partnerships with SAC, GFA and TextileExchange. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Scope of Social Supplier Standards	100	35.0%	35.0
Supply Chain Management	50	45.0%	22.5
Human Rights Policy	40	20.0%	8.0
 Employees - Human Rights - SC	Category 0	0%	0.0
 Labour Relations - SC	Category 0	0%	0.0
 Occupational Health and Safety -	Category 0	0%	0.0
 Society - Human Rights - SC	Category 0	0%	0.0
Weighted Sum			65.5

Allbirds, Inc.

Footwear United States

Risk Decomposition



Allbirds, Inc.

Footwear United States

Issue

Contribution 15.5 %



Human Capital

Human Capital focuses on the management of risks related to scarcity of skilled labour as well as labour relations, such as non-discrimination, working hours and minimum wages.

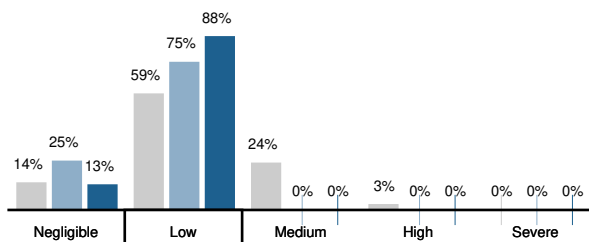
ESG Risk Rating

2.3

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK <small>(1st = lowest risk)</small>	PERCENTILE <small>(1st = lowest risk)</small>
Global Universe	880/4353	21 st
Textiles & Apparel INDUSTRY	15/40	36 th
Footwear SUBINDUSTRY	2/8	13 th

Peers Table

Peers (Market cap \$3.7 - \$7.3bn)

	Exposure	Management	ESG Risk Rating
1. Allbirds, Inc.	4.0 Medium	45.5 Average	2.3 Low
2. Pou Chen Corp.	4.4 Medium	48.0 Average	2.4 Low
3. Feng Tay Enterprise Co., Ltd.	3.8 Low	38.4 Average	2.4 Low
4. ASICS Corp.	4.4 Medium	40.7 Average	2.7 Low
5. Dr. Martens Plc	4.0 Medium	26.6 Average	3.0 Low

Allbirds, Inc.

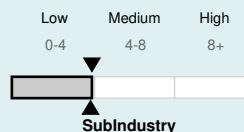
Footwear United States

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

4.0
Medium



The footwear industry is very competitive, with companies offering consumers close substitutes in terms of merchandise and shopping experience. Labour represents the largest proportion of costs for footwear companies, not including product costs. Allbirds contracts out its manufacturing, so its own employees include a variety of professionals such as designers and innovators, sales and marketing professionals, as well as store personnel. Gender diversity is a key concern, as the company's products have been heavily marketed to female customers as empowering to women.

The company's exposure to Human Capital issues is medium and similar to the subindustry exposure.

Exposure Analysis

Subindustry Issue Exposure	4.0
Issue Beta	x 1.00
Company Issue Exposure	4.0

Beta Indicators

Beta Signal

Occupational Health and Safety	0.00
Labour Relations	0.00
Employees - Human Rights	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	1.00

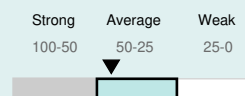
Allbirds, Inc.

Footwear United States

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

45.5
Average



Allbirds employs 445 peoples in as of 31 December 2020, with 70% being employed in the US. It set goals to achieve a certain percentage of representation for the following groups by 2025: 30% Underrepresented Communities (US only), 50% People of Color (US Only) and 50% Female (Global). In 2020 company level representation was as follows 24%, 40%, 50%. The company also shows commitment to ensuring the diversity, equity and inclusion (DEIB) strategy, through its Chief People Officer and also in 2021, it hired a Director of DEIB. Furthermore, the company has five employee resource groups: Ladybirds (women's group), Queerbirds (LGBTQ+ group), Birds of All Feathers (multicultural group), Moms and Pops (parents' group), and Everybird (focused on racial and gender equality). To ensure gender pay equality, Allbirds conducts bi-annual pay equity analysis and performs corrections where needed.

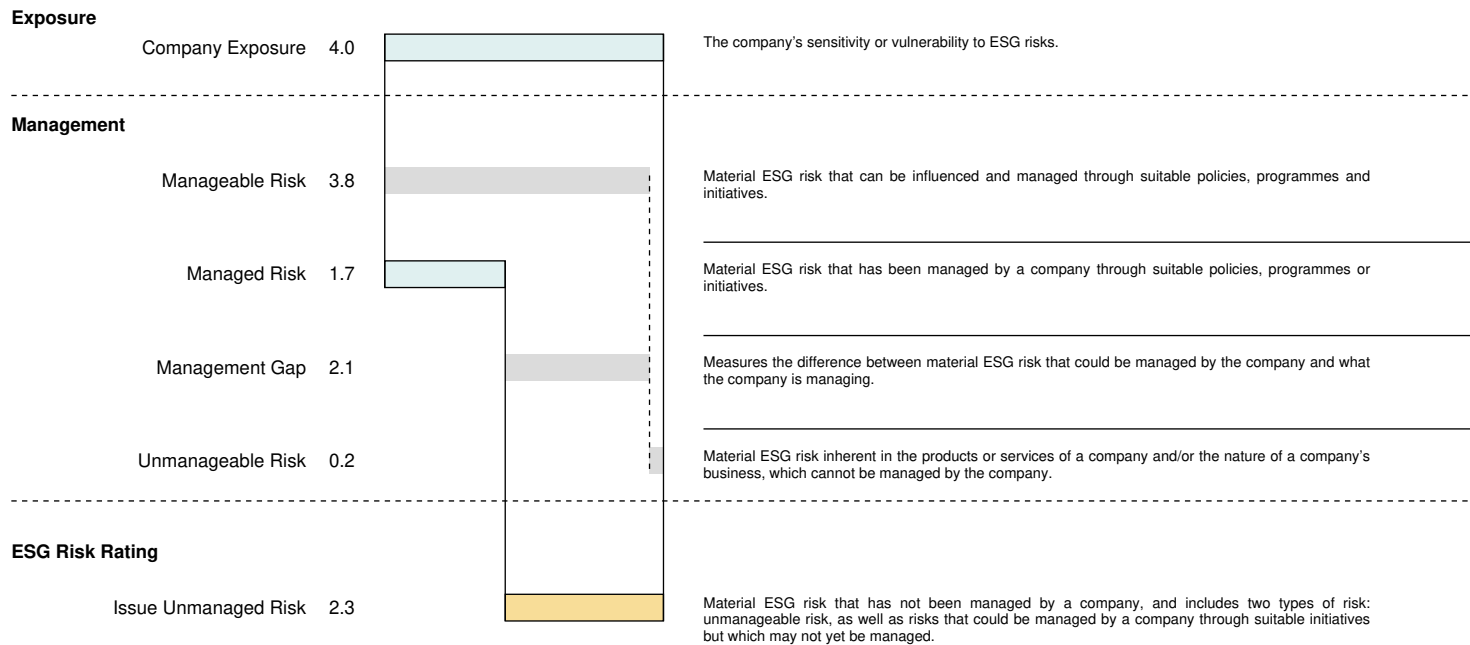
In our view, the company's management of the issue is average.

Management Indicators	Raw Score	Weight	Weighted Score
Diversity Programmes	100	15.0%	15.0
Percentage of Temporary Workers	100	2.5%	2.5
Human Capital Development	75	17.5%	13.1
Working Hours Policy	75	7.5%	5.6
Discrimination Policy	50	12.5%	6.3
Employee Turnover Rate	20	15.0%	3.0
Collective Bargaining Agreements	0	5.0%	0.0
Freedom of Association Policy	0	12.5%	0.0
Gender Pay Disclosure	0	2.5%	0.0
Gender Pay Equality Programme	0	10.0%	0.0
Employees - Human Rights	Category 0	0%	0.0
Labour Relations	Category 0	0%	0.0
Occupational Health and Safety	Category 0	0%	0.0
Weighted Sum			45.5

Allbirds, Inc.

Footwear United States

Risk Decomposition



Allbirds, Inc.

Footwear United States

Issue



Emissions, Effluents and Waste

Contribution 9.7 %

Emissions, Effluents and Waste focuses on the management of emissions and releases from a company's own operations to air, water and land, excluding GHG emissions.

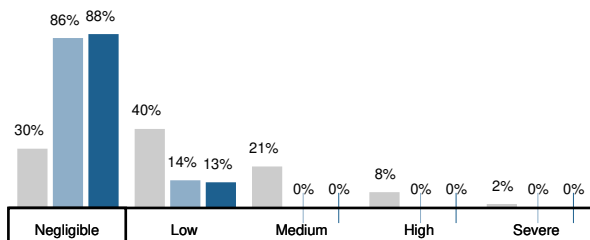
ESG Risk Rating

1.4

Negligible Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	222/1647	14th
Textiles & Apparel INDUSTRY	7/14	43rd
Footwear SUBINDUSTRY	6/8	63rd

Peers Table

Peers (Market cap \$3.7 - \$7.3bn)	Exposure	Management	ESG Risk Rating
1. Feng Tay Enterprise Co., Ltd.	2.9 Low	62.0 Strong	1.3 Negligible
2. Pou Chen Corp.	2.8 Low	57.4 Strong	1.4 Negligible
3. Allbirds, Inc.	2.0 Low	31.9 Average	1.4 Negligible
4. ASICS Corp.	2.1 Low	31.7 Average	1.5 Negligible
5. Dr. Martens Plc	2.5 Low	17.0 Weak	2.1 Low

Allbirds, Inc.

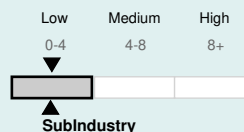
Footwear United States

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

2.0
Low



While not entirely vertically integrated, footwear companies own some manufacturing facilities and are exposed to effluents, emissions and waste issues, especially from leather processing. The tanning process involves chemical (chromium and aldehydes) or vegetable leather treatment. Both use large quantities of water and produce large amounts of pollutants. Moreover, the discharge of hydrogen sulphide gas, present in most tanneries and effluent treatment plants (ETPs) has proven to be harmful for workers and for the environment. Furthermore, farmland located near these facilities may be contaminated with blue-tinted water containing lead and arsenic. It is known that these carcinogenic pollutants have major negative health impacts on adjacent communities. Footwear companies may face steep clean-up costs after hazardous waste discharges, as well as compliance costs to improve processes within facilities. Some countries, such as the US, have complex regulatory requirements for hazardous waste disposal, and failure to comply with these can result in significant penalties for companies. After several footwear companies were implicated in water pollution incidents in 2011, a group of apparel and footwear brands committed to reach “zero discharge of hazardous chemicals” by 2020, and leading companies are reformulating product design to reduce the presence of hazardous substances to avoid further incidents. Strong programmes to recycle and reuse waste may bring reputational benefits for companies as well as reducing legal and regulatory risks.

The company's exposure to Emissions, Effluents and Waste issues is low and similar to the subindustry exposure.

Exposure Analysis

Subindustry Issue Exposure	2.0
Issue Beta	x 1.00
Company Issue Exposure	2.0

Beta Indicators

Beta Signal

Emissions, Effluents and Waste	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Headquarters Location	0.00
Assets Location	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	1.00

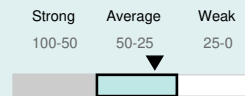
Allbirds, Inc.

Footwear United States


Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

31.9
Average



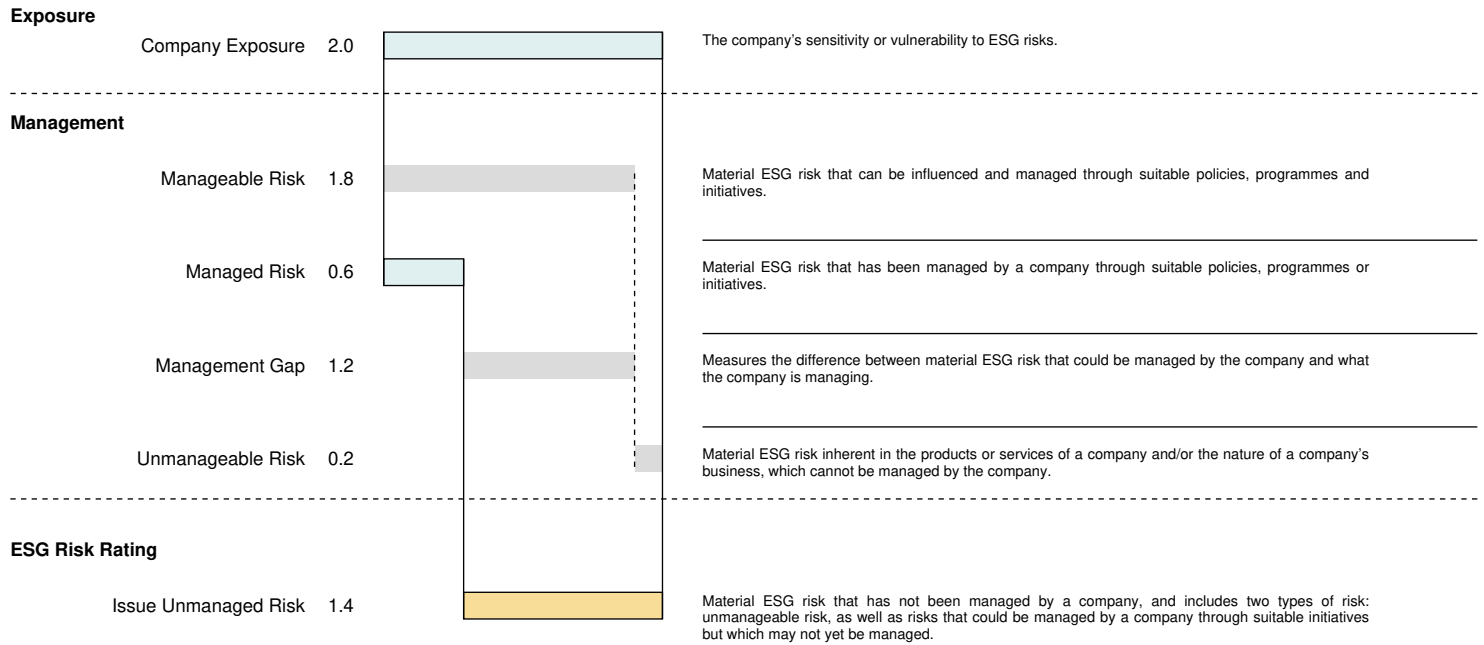
In our view, the company's management of the issue is average.

Management Indicators	Raw Score	Weight	Weighted Score
Environmental Management System	60	20.0%	12.0
Effluent Management	33	45.0%	14.9
Environmental Policy	25	20.0%	5.0
EMS Certification	0	15.0%	0.0
 Emissions, Effluents and Waste	Category 0	0%	0.0
Weighted Sum			31.9

Allbirds, Inc.

Footwear United States

Risk Decomposition



Allbirds, Inc.

Footwear United States

Issue

Contribution 9.6 %



E&S Impact of Products and Services

E&S Impact of Products and Services refers to the management of the inherent characteristics of input materials, and the impacts during use, disposal and recycling (excluding Carbon).

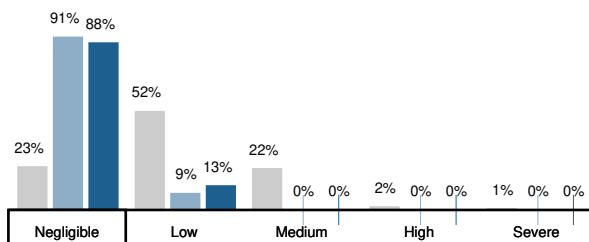
ESG Risk Rating

1.4

Negligible Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	108/1299	9th
Textiles & Apparel INDUSTRY	19/34	53rd
Footwear SUBINDUSTRY	5/8	51st

Peers Table

Peers (Market cap \$3.7 - \$7.3bn)

	Exposure	Management	ESG Risk Rating
1. ASICS Corp.	2.1 Low	48.1 Average	1.3 Negligible
2. Dr. Martens Plc	1.9 Low	34.4 Average	1.4 Negligible
3. Allbirds, Inc.	1.9 Low	32.7 Average	1.4 Negligible
4. Feng Tay Enterprise Co., Ltd.	1.9 Low	20.6 Weak	1.6 Negligible
5. Pou Chen Corp.	2.2 Low	13.8 Weak	2.0 Negligible

Allbirds, Inc.

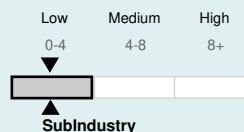
Footwear United States

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

1.9
Low



Customer demand for sustainable footwear products is increasing. In response, companies have started embracing a circular retail model that reclaims and repurposes castoff retail items rather than disposing of them in landfills. Companies such as Allbirds can capitalize on brand-building opportunities by managing the impact of materials within their products through innovative designs that reuse and recycle materials. Companies whose products fail to capture rising consumer demand for products with a reduced environmental footprint may become less competitive over the longer term.

The company's exposure to E&S Impact of Products and Services issues is low and similar to the subindustry exposure.

Exposure Analysis

Subindustry Issue Exposure	2.0
Issue Beta	x 0.95
Company Issue Exposure	1.9

Beta Indicators

Beta Signal

Environmental Impact of	0.00
Marketing Practices	0.01
Quality and Safety	0.00
Social Impact of Products	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Headquarters Location	0.00
Sales Location	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	-0.07
Exceptional Event Adjustment	0.00
Total Beta Signal	-0.05
Baseline	+1.00
Overall Beta	0.95

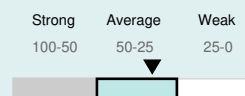
Allbirds, Inc.

Footwear United States

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.





ESG Risk Management

32.7
Average



In its 2020 Sustainability Report, Allbirds states it works to trace key natural materials to the raw material level to be certain they meet the highest environmental standards. Key materials include ZQ certified Merino wool, TENCEL™ Lyocell from eucalyptus fiber, SweetFoam® sugarcane-based midsole material and TrinoXO™, an apparel fabric containing chitosan, a naturally occurring fiber responsibly extracted from snow crab shells. In 2020, Allbirds began labelling all its products with their carbon footprint, namely looking at the entire product life cycle. The company states that the average footwear carbon footprint was 7.6 kg COe per pair in 2019, approximately 40% lower than the 12.5 kg COe carbon footprint of a standard sneaker (excluding transportation). Despite all these initiatives, revenues derived from sustainable products are not disclosed.

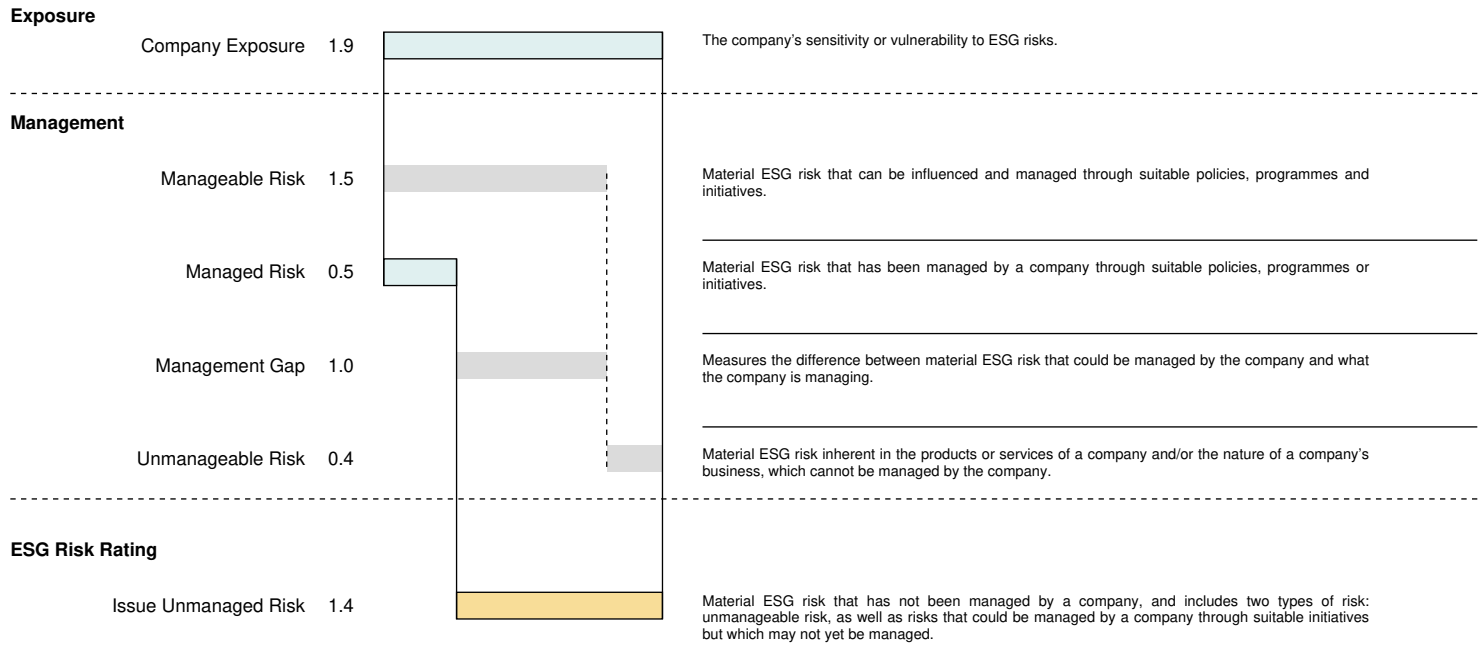
The company has average preparedness measures to address E&S Impact of Products and Services issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is average.

Management Indicators	Raw Score	Weight	Weighted Score
Eco-Design	100	26.1%	26.1
Sustainable Products & Services	25	26.1%	6.5
Fair Trade Products	0	16.6%	0.0
Product Stewardship Programmes	0	26.1%	0.0
 Marketing Practices	Category 1	5%	0.0
 Environmental Impact of Products	Category 0	0%	0.0
 Quality and Safety	Category 0	0%	0.0
 Social Impact of Products	Category 0	0%	0.0
Weighted Sum			32.7

Allbirds, Inc.

Footwear United States

Risk Decomposition



Allbirds, Inc.

Footwear United States

Issue

Contribution 8.3 %

Business Ethics

Business Ethics focuses on the management of ethical considerations applicable to most or all sectors, such as taxation and accounting, anti-competitive practices and intellectual property issues.

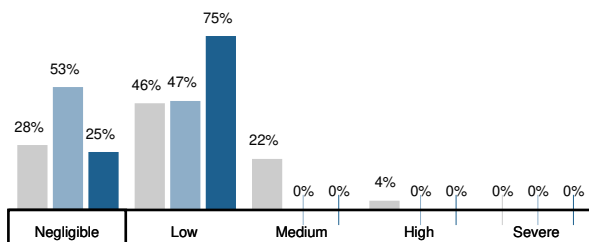
ESG Risk Rating

1.2

Negligible Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	387/4231	10th
Textiles & Apparel INDUSTRY	7/34	18th
Footwear SUBINDUSTRY	1/8	1st

Peers Table

Peers (Market cap \$3.7 - \$7.3bn)

	Exposure	Management	ESG Risk Rating
1. Allbirds, Inc.	3.0 Low	62.5 Strong	1.2 Negligible
2. ASICS Corp.	3.3 Low	42.5 Average	2.0 Negligible
3. Dr. Martens Plc	3.0 Low	35.0 Average	2.0 Low
4. Feng Tay Enterprise Co., Ltd.	2.9 Low	27.5 Average	2.1 Low
5. Pou Chen Corp.	3.3 Low	25.0 Weak	2.5 Low

Allbirds, Inc.

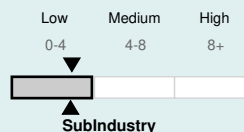
Footwear United States

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

3.0
Low



In addition to general Business Ethics issues, footwear companies are particularly exposed to risks related to taxation and anti-competitive behavior. Companies have a global presence through their stores and flagships, making it easier to shift revenues to tax-friendly locations. Governments have resorted to litigation to recoup lost taxes, creating legal costs for companies and financial uncertainties in the form of back tax charges. As tax codes continue to evolve, these challenges will be ongoing. Beyond tax issues, increasing consolidation of the industry has resulted in exposure to anti-trust investigations and accusations of anti-competitive practices. This is particularly relevant for larger companies that can more easily eliminate competition by underselling. Furthermore, companies may be involved in intellectual property (IP) litigation over product design, as well as anti-trust cases brought by regulators regarding price fixing. Companies on the losing end of IP litigation have been prohibited from selling certain products, leading to profit losses and criminal fines in the millions of dollars. Companies in anti-trust cases have received substantial fines in the hundreds of millions of dollars. Because leather is one of the primary raw materials, footwear companies face intense scrutiny regarding animal welfare. Best practice includes strong whistleblower programmes and policies that embed appropriate business ethics practices.

The company's exposure to Business Ethics issues is low and similar to the subindustry exposure.

Exposure Analysis

Subindustry Issue Exposure	3.0
Issue Beta	x 1.00
Company Issue Exposure	3.0

Beta Indicators

Beta Signal

Accounting and Taxation	0.00
Animal Welfare	0.00
Anti-Competitive Practices	0.00
Bribery and Corruption	0.00
Business Ethics	0.00
Intellectual Property	0.00
Lobbying and Public Policy	0.00
Sanctions	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00

Allbirds, Inc.

Footwear United States

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

Beta Indicators	Beta Signal
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	1.00

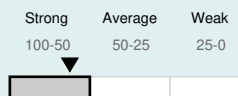
Allbirds, Inc.

Footwear United States

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

62.5
Strong



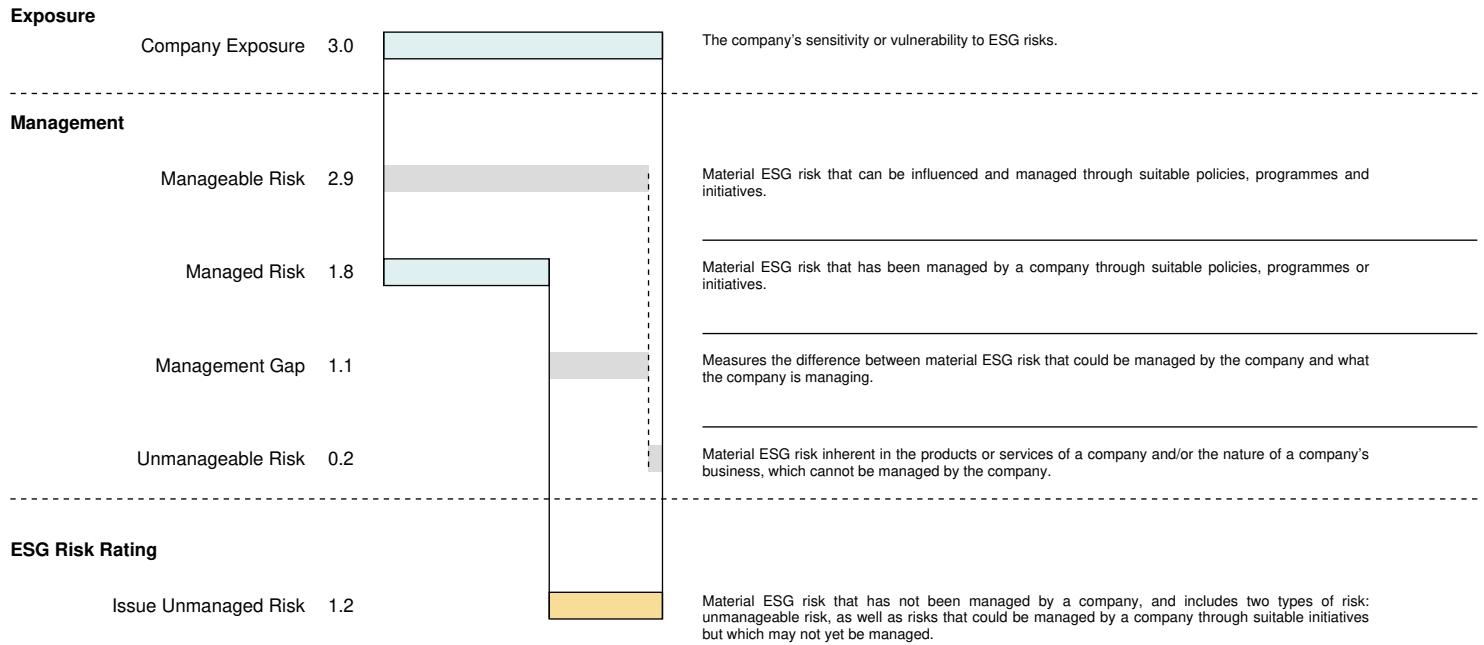
In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Bribery & Corruption Policy	100	30.0%	30.0
Lobbying and Political Expenses	100	5.0%	5.0
Animal Welfare Programme	50	15.0%	7.5
Whistleblower Programmes	50	30.0%	15.0
Animal Welfare Policy	25	15.0%	3.8
Political Involvement Policy	25	5.0%	1.3
Accounting and Taxation	Category 0	0%	0.0
Animal Welfare	Category 0	0%	0.0
Anti-Competitive Practices	Category 0	0%	0.0
Bribery and Corruption	Category 0	0%	0.0
Business Ethics	Category 0	0%	0.0
Intellectual Property	Category 0	0%	0.0
Lobbying and Public Policy	Category 0	0%	0.0
Sanctions	Category 0	0%	0.0
Weighted Sum			62.5

Allbirds, Inc.

Footwear United States

Risk Decomposition



Allbirds, Inc.

Footwear United States

Issue

Contribution 5.9 %



Resource Use - Supply Chain

Resource Use - Supply Chain focuses on companies' management water scarcity and raw material inputs risks (excluding energy and petroleum-based products) within its supply chain.

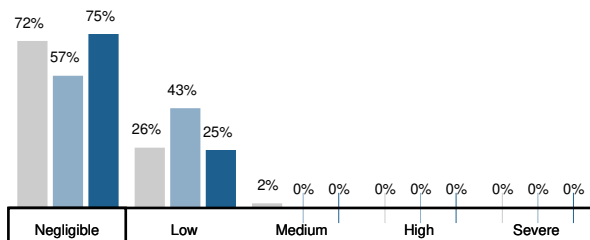
ESG Risk Rating

0.9

Negligible Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	47/326	15th
Textiles & Apparel INDUSTRY	2/14	8th
Footwear SUBINDUSTRY	2/8	13th

Peers Table

Peers (Market cap \$3.7 - \$7.3bn)

Peers (Market cap \$3.7 - \$7.3bn)	Exposure	Management	ESG Risk Rating
1. Allbirds, Inc.	3.0 Low	88.7 Strong	0.9 Negligible
2. Dr. Martens Plc	3.0 Low	83.0 Strong	1.0 Negligible
3. ASICS Corp.	3.3 Low	59.0 Strong	1.7 Negligible
4. Feng Tay Enterprise Co., Ltd.	2.9 Low	46.7 Average	1.8 Negligible
5. Pou Chen Corp.	3.3 Low	46.7 Average	2.1 Low

Allbirds, Inc.

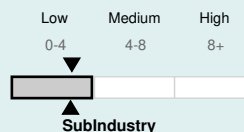
Footwear United States

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

3.0
Low



Footwear companies rely on their supply chains both for raw materials as well as ready-to-wear garments. Cotton and leather are the primary resources used by footwear producers. Cotton, a water-intensive crop, represents almost half of the fibres used to make clothes and other textiles worldwide. Increasing demands on water and other productive resources have resulted from population growth and higher consumption levels, while climate change is contributing to water scarcity in cotton-producing regions. Droughts are expected to increase in frequency with the continued onset of climate change, which could affect cotton harvests. Inefficient water management can negatively impact yields for footwear suppliers, potentially resulting in procurement difficulties and/or higher prices for footwear companies. However, footwear companies generally do not disclose initiatives to work with their suppliers to optimize water and soil management. Best practice includes mapping water footprint/risk and implementing strong supplier programmes to improve water efficiency in at-risk geographies or for water intensive commodities.

The company's exposure to Resource Use -Supply Chain issues is low and similar to the subindustry exposure.

Exposure Analysis

Subindustry Issue Exposure	3.0
Issue Beta	x 1.00
Company Issue Exposure	3.0

Beta Indicators

Beta Signal

Water Use - SC	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	1.00

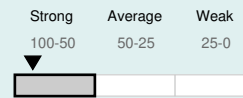
Allbirds, Inc.

Footwear United States


Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

88.7
Strong



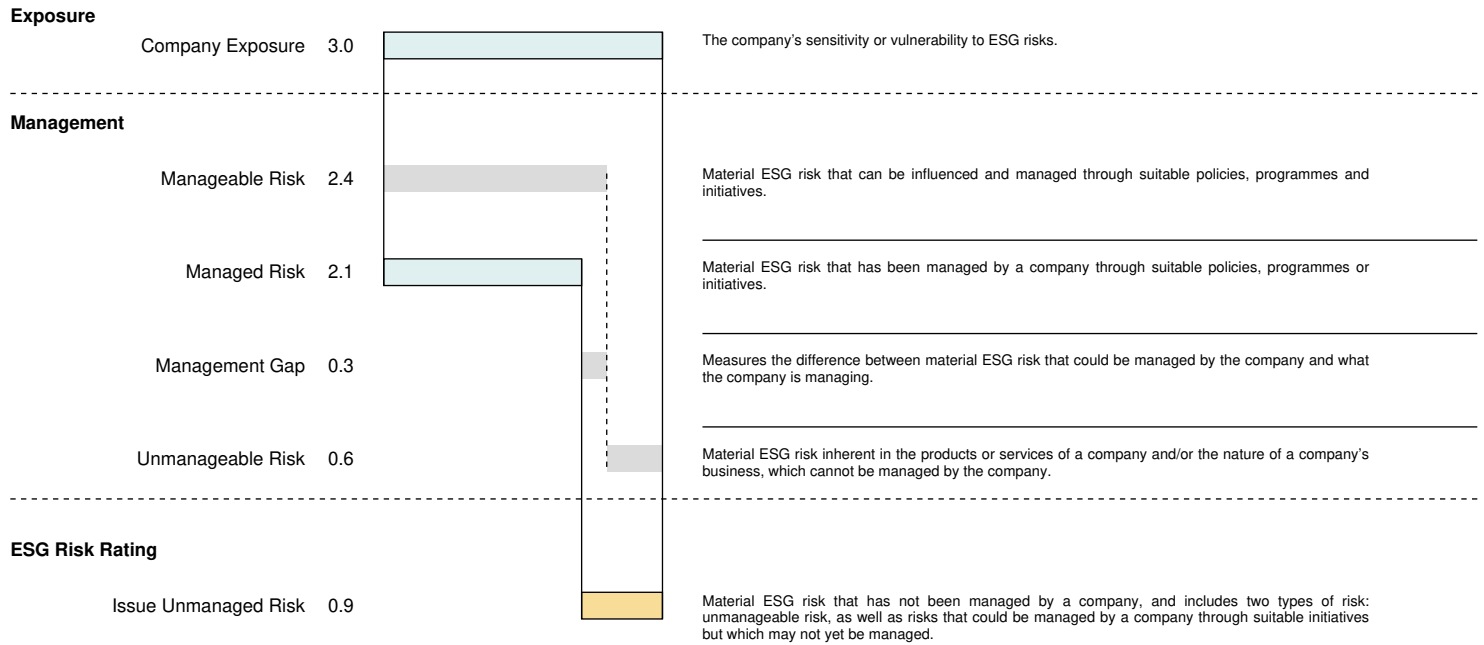
In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Green Procurement Policy	100	42.5%	42.5
Supplier Environmental Programmes	100	42.5%	42.5
Supplier Environmental Certifications	25	15.0%	3.8
 Water Use - SC	Category 0	0%	0.0
Weighted Sum			88.7

Allbirds, Inc.

Footwear United States

Risk Decomposition



Appendix



Management Details



Corporate Governance

Board/Management Quality & Integrity

56 Average Performer

Raw Score



Our analysis of the quality and integrity of the company's board and management indicates the following key areas of focus for Allbirds, Inc.:

- One or more non-executive directors have relevant industry experience as a public or private company executive however zero non-executive directors have relevant industry experience as a public company outside director.
 - RPTs are approved by disinterested/independent directors or committee members only and the company discloses material related party transactions in the most recent annual reporting.
 - All non-executive directors with more than one year of tenure own stock and market practice is for directors to own stock.
- Overall, Allbirds, Inc. positions itself as an Average Performer with regard to its Board/Management Quality & Integrity compared to peers.

Indicators

Score

Board Experience	40
Governance Controversies	50
Shareholder Engagement and Responsiveness	70
Director Track Record	80
Board Capture	70
Related Party Transactions	50
Director Stock Ownership	60
Executive/Board Misconduct	50
Business Practices Controversies	50

Board Structure

63 Average Performer

Raw Score



In reviewing the company's structural board features, we note the following for Allbirds, Inc.:

- The company has a plurality standard for election of directors and there is no annual accountability of directors to shareholders: directors are not annually elected and there is no annual discharge.
 - Some directors are nominated by significant/strategic shareholders and all directors are elected by all shareholders.
 - There is no Chairman of the board and a Senior or Lead Independent Director serves on the company's board.
- Overall, Allbirds, Inc. positions itself as an Average Performer with regard to its Board Structure compared to peers.

Indicators

Score

Board Leadership	50
Board Tenure	80
Board Independence	70
Nominating Committee Effectiveness	60
Director Disclosure	100
Voting Structures	30
Directors not Elected by Shareholders	30
Risk Oversight	70
Board Diversity	70

Ownership & Shareholder Rights

20 Laggard

Raw Score



Allbirds, Inc.'s Ownership & Shareholder rights regime includes the following key areas of focus:

- Not all the directors on the board are elected annually and the board can change its size without shareholder approval.
 - Shareholders cannot take action by written consent and shareholders cannot call a special meeting.
 - There are differential voting rights within a single class of stock.
- Overall, Allbirds, Inc. positions itself as a Laggard with regard to its Ownership & Shareholder Rights compared to peers.

Indicators

Score

Director Appointment & Removal	10
Proportionality - One Share/One Vote	20
Ownership Structure	50
Capital Issuance Risks	60
Shareholder Action	10
Poison Pill & Takeover Defences	20
Supermajority Provisions	40

Appendix



Management Details

Remuneration

28 Underperformer

Raw Score



Our analysis of executive compensation practices at Allbirds, Inc. points to the following:

- The board / compensation committee retains discretion in adjusting STI or LTI awards and variable pay is a minority of the CEO's remuneration.

- There is no recoupment or clawback policy disclosed and there is no recoupment or clawback policy disclosed.

- Shareholders have no vote on (prospective) remuneration policy and shareholders have no vote on the remuneration report or retrospective pay decisions.

Overall, Allbirds, Inc. positions itself as an Underperformer with regard to its Remuneration compared to peers.

Indicators

Score

Remuneration Disclosure	50
CEO Termination Scenarios	40
Internal Pay Equity	50
Clawback Policy	0
Remuneration Committee Effectiveness	60
Say on Pay	0
Pay Controversies	50
STI Performance Metrics	20
LTI Performance Metrics	30
Pay Magnitude	50
Pay for Performance	0
Pay for Failure	60

Audit & Financial Reporting

54 Average Performer

Raw Score



In reviewing the company's Audit & Financial reporting features, we note the following for Allbirds, Inc.:

- There is no disclosure regarding rotation or re-tender of the audit mandate and there is no market requirement to periodically re-tender or rotate the audit mandate.

- There is insufficient disclosure regarding audit fees.

- There has been no change to the auditor recently.

Overall, Allbirds, Inc. positions itself as an Average Performer with regard to its Audit & Financial Reporting compared to peers.

Indicators

Score

Audit Committee Structure	70
Audit Committee Effectiveness	70
Auditor Fees	50
Audit Rotation Policy	0
Auditor Change	50
Reporting Irregularities	50

Stakeholder Governance

55 Outperformer

Raw Score



In reviewing the company's practices regarding ESG stakeholder governance, points of attention for Allbirds, Inc. are: ESG Governance, Bribery & Corruption Policy and GHG Reduction Programme.

- ESG Governance: A board member or a board committee is responsible for overseeing ESG issues

- Bribery & Corruption Policy: The company has a very strong policy

- GHG Reduction Programme: The company has a strong programme

Indicators

Score

ESG Governance	100
Environmental Policy	25
Whistleblower Programmes	50
Tax Disclosure	0
Discrimination Policy	50
Scope of Social Supplier Standards	100
GHG Reduction Programme	100
Green Procurement Policy	100
ESG Reporting Standards	25
Verification of ESG Reporting	0
Global Compact Signatory	0
ESG Performance Targets	25
Political Involvement Policy	25
Lobbying and Political Expenses	100
Bribery & Corruption Policy	100

Appendix

Exposure Details



Human Rights - Supply Chain

EA.E.42 - Labour Relations - SC

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.44 - Occupational Health and Safety - SC

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.49 - Employees - Human Rights - SC

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.50 - Society - Human Rights - SC

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.F.1 - Operating Performance

0.00
Beta Signal

Data for this company is not yet available.

EA.F.2 - Solvency

0.00
Beta Signal

Data for this company is not yet available.

EA.F.3 - Financial Flexibility

0.00
Beta Signal

Data for this company is not yet available.

EA.F.4 - Asset Performance

0.00
Beta Signal

Data for this company is not yet available.

EA.S.1 - Qualitative Overlay

0.30
Beta Signal

The analyst increased the beta for this company.

EA.S.2 - Subindustry Correction Factor

0.00
Beta Signal

Allbirds, Inc. has significantly higher exposure to Human Rights -Supply Chain issues for the following reason:
Allbirds, Inc. relies fully on their suppliers to produce their goods and thus having additional exposure to this issue, as typically these companies would face higher risks of human rights breaches during the supply-chain manufacturing and production process compared with peers.

Appendix



Exposure Details

EA.S.3 - Exceptional Event Adjustment

0.00

Beta Signal

Appendix



Management Details

S.2.1 - Scope of Social Supplier Standards

100	35.00%	35.0
Raw Score	Weight	Weighted Score

The company has very strong social supply chain standards

Criteria

- Addresses minimum living wages
- Addresses non-discrimination
- Addresses maximum working hours
- Addresses child labour
- Addresses freedom of association and the right to collective bargaining
- Addresses corporal punishment/disciplinary practices
- Addresses acceptable living conditions
- Addresses forced labour
- Addresses health and safety

Sources

Allbirds Supplier Code of Conduct; accessed 2 August 2021

S.2.2.1 - Supply Chain Management

50	45.00%	22.5
Raw Score	Weight	Weighted Score

The company has an adequate management system

Criteria

- Managerial responsibility for supply chain management
- Monitoring of supply chain non-compliance incidents or practices
- Systematic consideration of suppliers' social performance during procurement
- Compliance with social standards included in legally binding agreements with suppliers
- Is applicable to second-tier suppliers
- Reporting on audit results
- Targets and deadlines related to supply chain management
- Regular internal supplier audits
- Engagement with non-compliant suppliers to reach compliance
- Engagement with NGOs, labour groups or industry peers on social supply chain issues
- Regular training programmes for suppliers on labour rights issues
- Formal channels for supply chain workers to raise concerns
- Regular external supplier audits
- Board-level responsibility for supply chain management

Sources

Allbirds California Transparency Act; accessed 5 August 2021
 Allbirds Sustainability Report 2020 (FY2020)
 The company provided feedback on 12 August 2021
 The company provided feedback on 17 August 2021

S.4.2.1 - Human Rights Policy

40	20.00%	8.0
Raw Score	Weight	Weighted Score

The company has a weak policy

Criteria

- Stipulation of the company's human rights expectations of personnel
- Commitment to monitor and report on human rights impacts
- Commitment to communicate the policy to personnel and external stakeholders
- Commitment to respect human rights following international standards
- Commitment to adopt grievance mechanisms
- Commitment to adopt programmes to address industry-specific human rights exposure
- Commitment to provide remedy to correct negative impacts
- Commitment to apply human rights due diligence or conduct risk assessments
- Approved at the most senior level of the business enterprise
- Stipulation of the company's human rights expectations of third parties

Sources

Allbirds Supplier Code of Conduct; accessed 2 August 2021

Appendix

Exposure Details

Human Capital

EA.E.20 - Occupational Health and Safety

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.22 - Labour Relations

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.47 - Employees - Human Rights

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.F.1 - Operating Performance

0.00
Beta Signal

Data for this company is not yet available.

EA.F.2 - Solvency

0.00
Beta Signal

Data for this company is not yet available.

EA.F.3 - Financial Flexibility

0.00
Beta Signal

Data for this company is not yet available.

EA.F.4 - Asset Performance

0.00
Beta Signal

Data for this company is not yet available.

EA.S.1 - Qualitative Overlay

0.00
Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

0.00
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

S.1.1 - Freedom of Association Policy

0	12.50%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not have a policy on freedom of association

S.1.1.1 - Working Hours Policy

75	7.50%	5.6
Raw Score	Weight	Weighted Score

The company has an adequate policy on working hours

Sources

Prior to research start, the company sent documents on 29 July 2021

S.1.2 - Discrimination Policy

50	12.50%	6.3
Raw Score	Weight	Weighted Score

The company has an adequate policy

Criteria

- List of the types of discrimination the company is committed to eliminate
- Reference to the ILO conventions
- Commitment to ensure equal opportunity

Sources

Prior to research start, the company sent documents on 29 July 2021

S.1.3 - Diversity Programmes

100	15.00%	15.0
Raw Score	Weight	Weighted Score

The company has a strong programme

Criteria

- Managerial or board level responsibility for diversity initiatives
- Diversity monitoring or audits
- Employee affinity groups, diversity councils, or networking groups
- Training and guidance regarding diversity
- Mentorship programmes
- Targeted recruitment
- Diversity initiatives that go beyond legal compliance
- Initiatives supporting a diverse workforce

Sources

Allbirds Sustainability Report 2020 (FY2020)
 Prior to research start, the company sent documents on 29 July 2021
 The company provided feedback on 13 August 2021
 The company provided feedback on 17 August 2021

S.1.3.1 - Gender Pay Equality Programme

0	10.00%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not have a programme

Criteria

- Quantitative targets and deadlines
- Global gender pay gap audit or compensation review
- Initiatives to close the gender pay gap
- Commitment to gender pay equality
- Monitoring and measurement

S.1.3.2 - Gender Pay Disclosure

0	2.50%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not disclose related information

Criteria

- Disclosure of the company's global median raw gender pay gap
- Disclosure of ratio of basic salary and remuneration of women to men for specific employment categories (level or function)
- Disclosure of the company's global mean (average) raw gender pay gap

Appendix



Management Details

S.1.4 - Collective Bargaining Agreements

0	5.00%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company's employees are not covered by collective bargaining agreements

S.1.5 - Employee Turnover Rate

20	15.00%	3.0
Raw Score	Weight	Weighted Score

The company does not disclose data about employee turnover rates

S.1.5.1 - Percentage of Temporary Workers

100	2.50%	2.5
Raw Score	Weight	Weighted Score

Less than 10% of workforce are temporary workers

S.1.5.2 - Human Capital Development

75	17.50%	13.1
Raw Score	Weight	Weighted Score

The company has a strong programme

Sources

Prior to research start, the company provided feedback on 4 August 2021

Criteria

- Initiatives for talent development
- Formal mechanisms to promote an open feedback culture
- Initiatives for talent retention
- Regular formal performance reviews for all permanent employees aligned with career development
- Reporting on human capital development metrics
- Quantitative targets related to human capital development
- Reporting on human capital risk assessment
- Initiatives for talent recruitment

Sources

Prior to research start, the company sent documents on 29 July 2021

The company provided feedback on 13 August 2021

Appendix

Exposure Details



Emissions, Effluents and Waste

EA.E.14 - Emissions, Effluents and Waste

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.F.1 - Operating Performance

0.00
Beta Signal

Data for this company is not yet available.

EA.F.2 - Solvency

0.00
Beta Signal

Data for this company is not yet available.

EA.F.3 - Financial Flexibility

0.00
Beta Signal

Data for this company is not yet available.

EA.F.4 - Asset Performance

0.00
Beta Signal

Data for this company is not yet available.

EA.G.1 - Headquarters Location

0.00
Beta Signal

Data for this company is not yet available.

EA.G.2 - Assets Location

0.00
Beta Signal

Data for this company is not yet available.

EA.S.1 - Qualitative Overlay

0.00
Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

0.00
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

E.1.1 - Environmental Policy

25	20.00%	5.0
Raw Score	Weight	Weighted Score

The company has a weak policy

Criteria

- Commitment to environmental protection
- Commitment to report regularly on environmental issues
- Approved by senior management or the board of directors
- Commitment to use natural resources or energy more efficiently
- Commitment to consult with stakeholders on environmental issues
- Commitment to reduce emissions, releases and waste
- Commitment to create environmental awareness
- Commitment to implement an environmental management system
- Commitment to monitor the company's environmental performance

Sources

Allbirds Product Carbon Footprint Methodology; released April 2020

E.1.2 - Environmental Management System

60	20.00%	12.0
Raw Score	Weight	Weighted Score

The company has an adequate EMS

Criteria

- Managerial or board level responsibility for environmental issues
- Internal and external communications on environmental management issues
- Corrective actions to stimulate continual improvement
- Environmental performance records
- Environmental programmes
- Compliance with environmental regulation
- Monitoring and measurement
- Assigned roles and responsibilities
- Identification of products, activities and services that have significant impacts on the environment
- External environmental audits
- Objectives, targets and deadlines
- Training and awareness programmes for employees
- Internal environmental audits

Sources

Allbirds Sustainability Report 2020 (FY2020)

Prior to research start, the company sent documents on 29 July 2021

E.1.2.6.3 - Effluent Management

33	45.00%	14.9
Raw Score	Weight	Weighted Score

The company has a weak programme

Criteria

- Policy commitment to manage or reduce effluents
- Incident investigation and corrective action
- Monitoring and measurement of effluent and effluent management
- Reporting on effluent issues
- Initiatives to reduce, reuse or recycle effluents
- Objectives or targets related to effluent management

Sources

Allbirds Sustainability Report 2020 (FY2020)

The company provided feedback on 12 August 2021

E.1.3 - EMS Certification

0	15.00%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company's activities have not received external certification

Appendix

Exposure Details



E&S Impact of Products and Services

EA.E.17 - Environmental Impact of Products

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.24 - Marketing Practices

0.01
Beta Signal

The company is involved in low-level controversies of this type, signaling higher exposure to this issue.

EA.E.28 - Quality and Safety

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.32 - Social Impact of Products

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.F.1 - Operating Performance

0.00
Beta Signal

Data for this company is not yet available.

EA.F.2 - Solvency

0.00
Beta Signal

Data for this company is not yet available.

EA.F.3 - Financial Flexibility

0.00
Beta Signal

Data for this company is not yet available.

EA.F.4 - Asset Performance

0.00
Beta Signal

Data for this company is not yet available.

Appendix



Exposure Details

EA.G.1 - Headquarters Location

0.00
Beta Signal

Data for this company is not yet available.

EA.G.3 - Sales Location

0.00
Beta Signal

Data for this company is not yet available.

EA.S.1 - Qualitative Overlay

0.00
Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

- 0.07
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

E.3.1.1 - Sustainable Products & Services

25	26.13%	6.5
Raw Score	Weight	Weighted Score

There is evidence that the company offers sustainability-related products or services but the revenues obtained from these are not disclosed

In its 2020 Sustainability Report for FY2020, Allbirds reports using 100% ZQ Certified Wool, 100% Natural, Plant-Based Leather, TENCEL™ Lyocell from eucalyptus fiber, SweetFoam® sugarcane-based midsole material and TrinoXO™, an apparel fabric containing chitosan, a naturally occurring fiber responsibly extracted from snow crab shells. However, revenues derived from sustainable products are not disclosed.

Sources

Allbirds Sustainability Report 2020 (FY2020)

E.3.1.6 - Eco-Design

100	26.13%	26.1
Raw Score	Weight	Weighted Score

Environmental impact is systematically considered at the design stage of products

In its 2020 Sustainability Report for FY2020, Allbirds states it works to trace their key natural materials all the way back through the supply chain to the raw material level to be certain they meet the highest environmental standards. Key materials include ZQ certified Merino wool, TENCEL™ Lyocell from eucalyptus fiber, SweetFoam® sugarcane-based midsole material and TrinoXO™, an apparel fabric containing chitosan, a naturally occurring fiber responsibly extracted from snow crab shells.

Sources

Allbirds Sustainability Report 2020 (FY2020)

E.3.1.7 - Product Stewardship Programmes

0	26.13%	0.0
Raw Score	Weight	Weighted Score

It is not disclosed whether the company has a programme for end-of-life product management

S.2.2.4 - Fair Trade Products

0	16.63%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not derive any revenues from fair trade products

Appendix



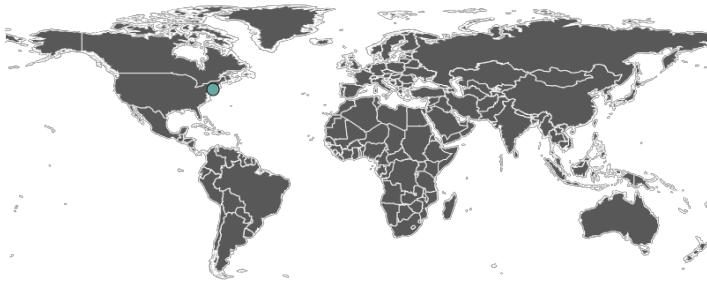
Management Details

Marketing Practices Events



Category 1 Event - Low

Incident History



New York class action lawsuit over false sustainability claims
Class Action Reporter - 14 June 2021

Update: Company files motion to dismiss false marketing lawsuit
Company feedback - 13 August 2021

Locations: New York, NY, USA

Tags: False or Deceptive Marketing

Appendix

 **Exposure Details**



Business Ethics

EA.E.2 - Accounting and Taxation

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.3 - Animal Welfare

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.4 - Anti-Competitive Practices

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.6 - Bribery and Corruption

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.7 - Business Ethics

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.21 - Intellectual Property

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.23 - Lobbying and Public Policy

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.E.30 - Sanctions

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.F.1 - Operating Performance

0.00
Beta Signal

Data for this company is not yet available.

EA.F.2 - Solvency

0.00
Beta Signal

Data for this company is not yet available.

Appendix



Exposure Details

EA.F.3 - Financial Flexibility

0.00
Beta Signal

Data for this company is not yet available.

EA.F.4 - Asset Performance

0.00
Beta Signal

Data for this company is not yet available.

EA.S.1 - Qualitative Overlay

0.00
Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

0.00
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

G.1.1 - Bribery & Corruption Policy

100	30.00%	30.0
Raw Score	Weight	Weighted Score

The company has a very strong policy

Criteria

- Prohibition of bribery
- Guidelines of what is considered acceptable behaviour
- There is no evidence of a formal policy but the company has a general statement addressing the issue
- Definition of conflicts of interest and commitment to minimize these
- Definition of bribery or corruption
- Definition and prohibition of facilitation payments

Sources

On Thursday, August 5, 2021, Sustainalytics sent Allbirds, Inc. the Sustainalytics ESG Feedback Report

Prior to research start, the company provided feedback on 4 August 2021

Prior to research start, the company sent documents on 29 July 2021

The company provided feedback on 12 August 2021

The company provided feedback on 13 August 2021

The company provided feedback on 17 August 2021

The company provided feedback on 18 August 2021

G.1.2 - Whistleblower Programmes

50	30.00%	15.0
Raw Score	Weight	Weighted Score

The company has an adequate programme

Criteria

- Proactively communicated to employees
- Available in local languages
- Non-retaliation policy
- An independent, reporting hotline available 24/7
- Structures in place to process whistleblower reports
- Available to suppliers, customers and other third parties
- Possibility for anonymous reporting and reports are treated confidentially
- Disclosure on the number of reports received, the types of misconduct and measures taken

Sources

Allbirds Ethics Hotline, www.lighthouse-services.com; accessed 12 August 2021

Prior to research start, the company sent documents on 29 July 2021

The company provided feedback on 12 August 2021

G.1.4.4 - Animal Welfare Policy

25	15.00%	3.8
Raw Score	Weight	Weighted Score

The company has a weak policy

Criteria

- Commitment to raise animals in a responsible manner
- Commitment to implement ethical standards for animal slaughtering
- Commitment not to use growth hormones
- Applicable to contractors
- Commitment to minimise the use of antibiotics
- Commitment to ensure ethical standards for animal transportation

Sources

Allbirds Supplier Code of Conduct; accessed 2 August 2021

G.1.4.4.1 - Animal Welfare Programme

50	15.00%	7.5
Raw Score	Weight	Weighted Score

The company has an adequate programme

Criteria

- Managerial responsibility for animal welfare
- Targets or deadlines to improve animal welfare
- Operating guidelines for animal slaughtering
- Operating guidelines to ensure good health conditions
- Incident investigation and corrective actions
- Training and awareness programme for employees and/or suppliers
- Operating guidelines to ensure good housing conditions
- Operating guidelines for animal transportation
- Monitoring to ensure compliance with company's animal welfare standards

Sources

Allbirds Sustainability Report 2020 (FY2020)

The company provided feedback on 12 August 2021

Appendix



Management Details

G.3.1 - Political Involvement Policy

25	5.00%	1.3
Raw Score	Weight	Weighted Score

The company has a weak policy

Criteria

- Prohibits political involvement of any kind on the company's behalf
- Approved by senior management
- Partially prohibits political involvement
- Commits the company to disclose political donations and/or lobbying expenditures

Sources

Prior to research start, the company sent documents on 29 July 2021

G.3.2 - Lobbying and Political Expenses

100	5.00%	5.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not make political contributions and is not involved in lobbying activities

Sources

- Democracy For Sale, www.democracyforsale.net; accessed 2 August 2021
- LobbyFacts, lobbyfacts.eu; accessed 2 August 2021
- OpenSecrets, www.opensecrets.org; accessed 2 August 2021
- The Electoral Commission, www.electoralcommission.org.uk; accessed 2 August 2021

Appendix

Exposure Details



Resource Use - Supply Chain

EA.E.45 - Water Use - SC

0.00
Beta Signal

The company is not involved in any controversies of this type.

EA.F.1 - Operating Performance

0.00
Beta Signal

Data for this company is not yet available.

EA.F.2 - Solvency

0.00
Beta Signal

Data for this company is not yet available.

EA.F.3 - Financial Flexibility

0.00
Beta Signal

Data for this company is not yet available.

EA.F.4 - Asset Performance

0.00
Beta Signal

Data for this company is not yet available.

EA.S.1 - Qualitative Overlay

0.00
Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

0.00
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

E.2.1 - Green Procurement Policy

100	42.50%	42.5
Raw Score	Weight	Weighted Score

The company's green procurement initiatives are strong

Criteria

- Policy addressing process related requirements
- Policy or initiatives addressing office products
- Policy addressing product related requirements
- Engagement with suppliers to improve environmental performance

Sources

Prior to research start, the company sent documents on 29 July 2021
 The company provided feedback on 12 August 2021

E.2.1.1 - Supplier Environmental Programmes

100	42.50%	42.5
Raw Score	Weight	Weighted Score

The company has a strong programme

Criteria

- Company-wide managerial responsibility for environmental management of suppliers
- Engagement with NGOs or industry peers to address environmental issues in the supply chain
- Engagement with suppliers to address non-compliance or improve their environmental performance
- Compliance with environmental standards included in legally binding agreements with suppliers
- Reporting on environmental issues in the supply chain
- Targets and deadlines for the environmental improvement of suppliers
- Systematic consideration of suppliers' environmental performance during procurement
- Monitoring of suppliers' environmental performance
- External certification (ISO 14001, organic, etc) covering over 50% of the company's suppliers

Sources

Allbirds Corporate Website, www.allbirds.eu; accessed 5 August 2021
 Allbirds Sustainability Report 2020 (FY2020)
 The company provided feedback on 12 August 2021
 The company provided feedback on 13 August 2021

E.2.1.2 - Supplier Environmental Certifications

25	15.00%	3.8
Raw Score	Weight	Weighted Score

Between 0 and 25% of the company's (main) suppliers have received external certification

In its 2020 Sustainability Report for FY2020, Allbirds states that 100% of its wool is ZQ Certified and its tree-based products are FSC Certified. However, an overall percentage of environmental certified suppliers cannot be established.

Sources

Allbirds Sustainability Report 2020 (FY2020)

Allbirds, Inc.

Footwear United States

GLOSSARY OF TERMS

Beta (Beta, β)






A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

-  **Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
-  **Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
-  **Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
-  **High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
-  **Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

Allbirds, Inc.

Footwear United States

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