



NB Responsible Purchasing Policy

Purpose

- This policy outlines New Balance's (NB) commitment to responsible purchasing practices.
- We recognize that poor purchasing practices can lead to adverse human rights impacts for workers in the supply chain, therefore we commit to partnering with our suppliers to ensure they can make our products responsibly and without undue negative impacts to their workers.
- This document does not supersede or replace terms contained in any supply agreement or other agreement between NB and our suppliers.

Scope & Exemptions

- This policy applies to all Planning, Sourcing, Costing and Responsible Leadership associates at New Balance as they work with supplier factories making our products.

Definitions and Acronyms

- Supplier: any party contracted by New Balance to manufacture New Balance products or components.

Policy

New Balance is committed to respecting human rights throughout our supply chain, and we will always consider the human rights implications of our business decisions. We will work only with suppliers that have the financial, managerial, and legal capacity to make our products responsibly and will support them to do so.

1. We will negotiate our supply agreements to meet production requirements, while respecting and promoting human rights, and will ensure that suppliers have a voice in structuring the sourcing arrangements and in advancing the human rights objectives of said arrangement, including compliance with the NB Supplier Code of Conduct.
2. We will pay suppliers in accordance with the terms agreed in the supply agreement and will ensure that contract prices accommodate the cost of responsible production, including at a minimum, the legal minimum or prevailing industry wage, statutory benefits, health and safety costs required by applicable law or collective bargaining agreements, and the cost to source materials and components responsibly.
3. We will agree with suppliers on timelines that ensure our orders will not trigger excessive working hours, unauthorized subcontracting, outsourcing or other prohibited work arrangements.



4. We will train our procurement teams to understand the direct links between our purchasing practices and the labor conditions in our supply chain.
5. We will work to foster a culture of cooperation and partnership with our suppliers and communicate with them clearly and promptly throughout our business relationship.
6. We will strive to avoid disruptive order changes that could impact or cause undue stress to our suppliers. However, should change orders occur (e.g., quantity increases or decreases, design alterations or timeline adjustments) we will communicate these to suppliers clearly and on a reasonable timeline. When making changes, we will engage in a dialogue with suppliers to ensure that the supplier can adjust to the new requirements while continuing to meet the standards outlined in our Supplier Code of Conduct.
7. We will regularly seek feedback from suppliers on the impact of our purchasing practices on their ability to comply with the NB Supplier Code of Conduct and on their workplace overall.
8. We will monitor our suppliers through regular assessments to ensure they are complying with the NB Supplier Code of Conduct and that they are upholding the same standards throughout their supply chain, including their subcontractors and materials suppliers.
9. In the event that workers are adversely impacted because of our purchasing practices, we will participate in remediation, in collaboration with our supplier and other relevant stakeholders as appropriate.
10. Should we decide to disengage or end our sourcing relationship with a supplier, we will communicate this intent to suppliers with reasonable notice and a clear timeline to mitigate the impact to workers.

Reference Documents

- **Principles of Fair Labor and Responsible Sourcing and Production for Manufacturing**
<https://www.fairlabor.org/accountability/standards/manufacturing/mfg-principles/>
- **ACT Global Purchasing Practices Commitments**
<https://actonlivingwages.com/app/uploads/2021/04/ACT-Global-Purchasing-Practices-Commitments.pdf>

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