



## Leather Sourcing and the Brazilian Amazon Biome Policy

As part of its Social Responsibility program, New Balance has developed and instituted practices to increase recycling at all facilities, use sustainable materials, when possible, in design of our products, and incorporate environmentally friendly processes in our manufacturing. New Balance also holds the view that climate change is a serious matter that requires us and our suppliers, to assist in reducing greenhouse gas emissions and reducing our overall environmental footprint.

About one-fifth of global greenhouse gas emissions are a result of deforestation and forest degradation. The clearing of the Amazon tropical rainforest is particularly harmful to our global climate. New Balance is mindful of that impact and seriously considers the deforestation in the Amazon basin a critical issue. The Amazon biome covers 5% of the world's surface and 40% of South America. 61% of its territory belongs to Brazil. It is considered to be home to the largest number of life forms on earth. The boundary of the Amazon biome within Brazil is defined by the Brazilian Institute of Geography and Statistics (IBGE).

New Balance is an active member of the Leather Working Group and committed to continued collaboration with other members to improve the leather tanning industry and implementing best practices. New Balance welcomes the information provided by Greenpeace on illegal deforestation in the Amazon and will address this issue on an industry level. It is our belief that the only way to accomplish these goals, is to join together with our industry partners.

New Balance will not use leather produced from cattle raised in the Amazon biome as defined by IBGE, in its products. In support of this, New Balance will require its suppliers to certify in writing, annually, that they are not supplying leather for our products, sold to either New Balance or any of its subcontractors, from cattle raised in the Amazon biome. Suppliers will not source leather from land disputed by indigenous groups or areas protected by legal government regulation. Suppliers are required to develop an ongoing transparent and traceable program, by July 1, 2010. In the event of any willful, non-compliance with this requirement, New Balance may terminate or refuse to renew our supply agreements.