



SKECHERS

OUR FOOTPRINT MATTERS

SKECHERS IMPACT REPORT 2023

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MESSAGE FROM THE CEO



Robert Greenberg

When we founded Skechers in 1992, our vision was to create a lifestyle brand focused on comfort, style, innovation and quality at a reasonable price for the entire family. While much has changed in 30 years – in fashion, in technology, in the world, and, of course, in our company – one constant has been our dedication and determination to deliver on our core principles. We continuously innovate in our designs and operations, to be more efficient in all areas of our business, and to make consumers more comfortable and feel good in what they are wearing. The importance of providing great value is what drives our Skechers family – from our corporate headquarters in the same town where we began, to our satellite offices around the world.

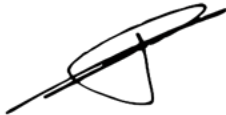
Today, Skechers is the third largest athletic footwear brand in the world, a Fortune 500® company with total sales exceeding \$8.0 billion (year-end 2023). As robust demand for our products continues and we surpass new growth milestones, we believe that it is important that we also focus on our global impact in all areas of our business – within our product and packaging, our retail stores and corporate offices, and our distribution centers and last-mile delivery to consumers. We believe that all individuals and companies should be mindful of their footprint – and as a family-focused lifestyle and performance brand, it is essential that we strategically address our impact for the world we live in today and for generations to come.

The Skechers Impact Report details the environmental and social efforts we have focused on in 2023. Highlights include:

- Completion of our 600,000-square-foot IGBC Platinum pre-certified Mumbai Distribution Center, which utilized locally sourced materials in its construction;
- LEED Gold-certification for our recently constructed corporate office building, which followed the 2021 LEED Gold-certified expansion to our existing Corporate Headquarters (two additional buildings under construction are also designed to be LEED Gold-certified);
- The completion of our Canada Distribution Center which will become the region's primary source of shipments, reducing the volume of deliveries from our distribution center in California, improving speed to market and decreasing our environmental impact;
- Solar panels installed at all buildings comprising our Corporate Headquarters; and
- Continued commitment to utilizing recycled materials in Our Planet Matters® product line.

As an organization, Skechers is thinking about our product, our people, and our planet. Not because we must, but because we believe it is a critical element of acting responsibly to serve all of our stakeholders – including the families who love Skechers. We gladly embrace this focus as we implement sustainable strategies across our operations.

We take seriously our position as a steward of the many communities and stakeholders we impact in our daily business activities. This increasingly involves considering the multiple ways we can evolve our business practices and processes to improve our product, the lives of our people, and the health of our planet. I believe as much as we are doing today, we can do more tomorrow. As we turn our strategies into actions and results, I am pleased to share our accomplishments and vision in our second annual Impact Report.



Robert Greenberg
Skechers CEO & Chairman of the Board



OUR PURPOSE MATTERS

Skechers is a Fortune 500® company, the third-largest athletic footwear company in the world, and an award-winning brand. Our success is in large part due to our commitment to our design principles established thirty years ago: comfort, style, innovation and quality at a reasonable price. Today, we are The Comfort Technology Company with innovation and success across our athletic lifestyle, fashion, performance, occupational work, and kids' footwear lines. Our objective is to profitably grow our operations worldwide by delivering footwear consumers want and need, and to do so in an increasingly environmentally conscious manner.

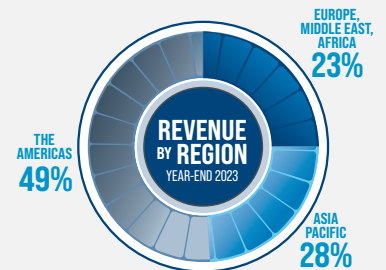
The footwear and apparel industry contributes to global carbon output, which we believe has far-reaching impacts on our planet's resources. As our awareness of risks and challenges to the environment posed by our work becomes known, we are moving toward a more socially responsible and accountable foundation for business.

As an \$8.0 billion brand (year-end 2023) with a presence in approximately 180 countries that outfits millions of consumers of every age, we know that our potential impact and reach is great. We believe being socially and environmentally responsible is essential to the Company, our consumers, and our planet. Increasingly, Environmental, Social, and Governance (ESG) efforts are considered as we approach the design and packaging of our collections; build our stores, logistic centers and offices; recruit and retain employees; interact with our communities; and much more.

Being a global leader in athletic footwear, we believe it is our obligation to do what we can to make a difference, support and uplift communities, and lessen our carbon footprint. We recognize that we have much to do, but we are focused on driving change internally to create a more sustainable future.

In 2023, Skechers engaged a third party to conduct our first double materiality assessment. This assessment consisted of stakeholder engagement with over 30 internal and external stakeholders including investors, customers, suppliers, nonprofits, and industry groups.

\$8.0
BILLION BRAND
YEAR-END 2023 SALES

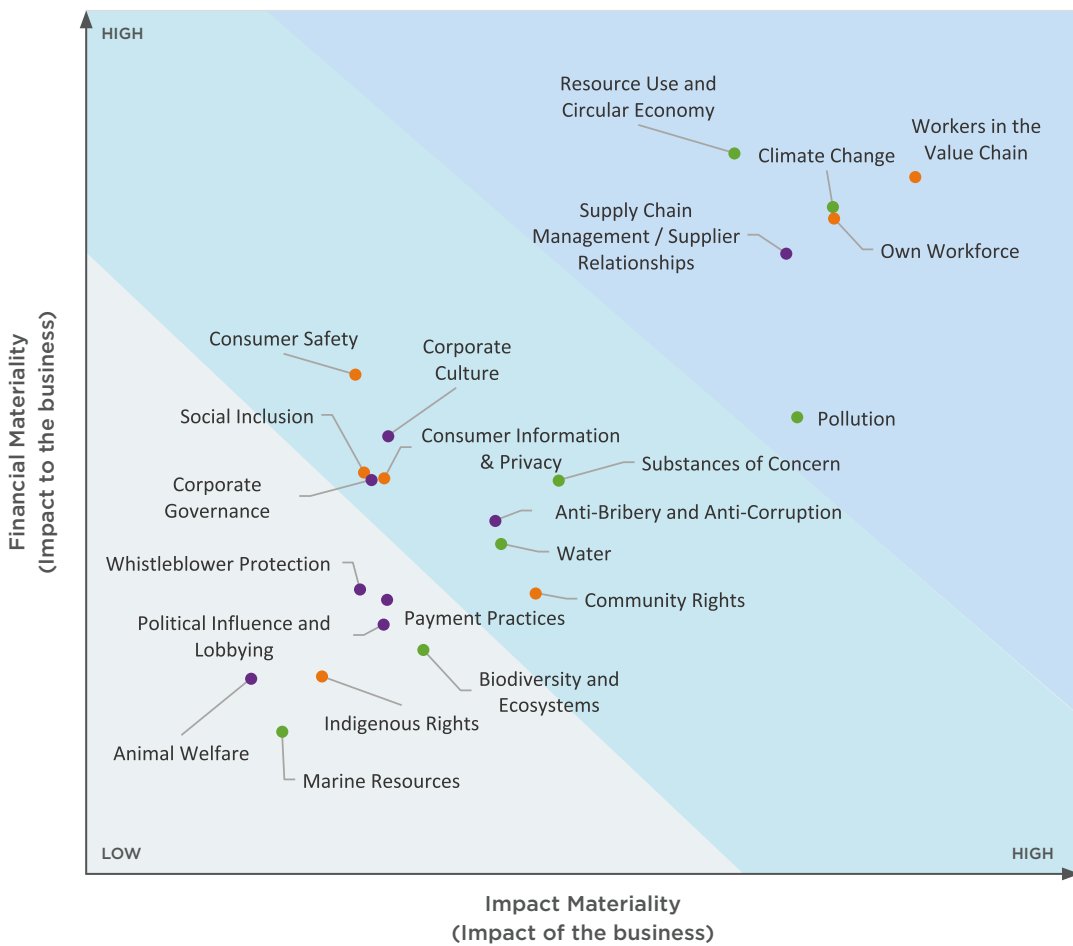


PRESENT IN APPROX.
180
COUNTRIES

263M
UNITS SOLD
IN 2023

The results of this study displayed in the double materiality matrix provided insights into the most material sustainability issues for our business from both an impact and financial perspective: Climate Change, Workers in our Value Chain, our Own Workforce, Resource Use and Circular Economy, Supply Chain Management and Supplier Relationships, and Pollution. Though we continue to manage all topics on the matrix from a risk and financial impact perspective, this matrix is intended to convey the relative importance of these issues according to our stakeholders and a third-party assessment. We intend to take the results of this materiality assessment and incorporate this input into our sustainability strategy moving forward.

Skechers' 2023 Double Materiality Matrix



- Environmental
- Strategic Priorities
- Social
- Topics to Actively Manage
- Governance
- Topics to Monitor and Address as Needed



OUR GOVERNANCE MATTERS

The Skechers Board of Directors is responsible for the oversight and governance of our company and regularly reviews all aspects of the business, including related risks and strategies to address them. The bylaws governing how the Board operates can be found in the Corporate Governance Guidelines. As of April 2024, there are eight members on the Board of Directors with what we consider to be a diverse set of skills and backgrounds, five of whom are deemed to be independent.

SKILLS, QUALIFICATIONS AND EXPERIENCE OF DIRECTORS

Director	Leadership	Industry	Finance/Risk Management	Corporate Governance	Digital/Technology	Marketing	Diversity	Independent Director
Robert Greenberg	●	●				●		
Michael Greenberg	●	●			●	●		
David Weinberg	●	●	●		●			
Katherine Blair	●		●	●			●	●
Morton Erlich	●		●	●				●
Richard Siskind	●	●				●		●
Yolanda Macias	●		●		●	●	●	●
Zulema Garcia	●		●	●			●	●

Our Board is comprised of three committees that assist in the oversight of our company's progress, executing strategies and achieving objectives in specific areas of the business. These committees include the Audit Committee, Compensation Committee, and Nominating and Governance Committee.

BOARD COMMITTEES

Name	Audit Committee	Compensation Committee	Nominating & Governance Committee
Katherine Blair		●	●
Morton Erlich	●	●	
Zulema Garcia	●		●
Yolanda Macias			●
Richard Siskind	●	●	
Total Meetings in 2023	7	7	2

● Committee Chairperson

The Audit Committee is primarily responsible for ensuring the quality and integrity of the Company's financial disclosures, including appointing an independent external auditor to review the Company's financial statements. The Audit Committee is also responsible for ensuring that our company is in compliance with all legal and regulatory reporting as well as reviewing and approving any related party transactions and potential conflicts of interest.

The Compensation Committee's responsibilities include overseeing the compensation philosophy and plans of our company – particularly those impacting Skechers' named executive officers – and producing an annual evaluation of our company's executive compensation practices and potential risks related thereto for inclusion in our company's annual proxy statement. The committee is also responsible for the selection and retention of an independent, external compensation consultant – FW Cook as of April 2024 – who provides advice and analyses in support of the committees' responsibilities.

The Nominating and Governance Committee is responsible for identifying individuals qualified to become Board members, recommending the annual slate of directors, and upholding the various governance policies of the Company, including but not limited to the Corporate Governance Guidelines, Corporate Code of Conduct, and Supplier Code of Conduct. The committee is also responsible for evaluating our overall Board composition, taking into consideration the mix of skills and backgrounds, including diversity, that the Board deems appropriate for the oversight of Skechers' business.

The Nominating and Governance Committee considers diversity when identifying and evaluating director nominees, and believes that the backgrounds and qualifications of our directors, considered as a group, should provide a diverse mix of experience, knowledge and skills that will best allow our Board to fulfill its responsibilities, including oversight of our business. Comprised of 38% female and 25% ethnically diverse individuals as of April 2024, our Board seeks members from varied professional and personal backgrounds with a broad range of experience and expertise and a reputation for integrity. This assessment will include consideration of diversity including criteria such as gender, ethnicity, age, skills, and experience in the context of the needs of our Board. A majority of our Board consists of directors who are independent under the rules of the New York Stock Exchange. For more information on our Board's approach to diversity and candidate selection, please see our [Nominating and Governance Committee Charter](#).

The Skechers Board of Directors believes that environmental, social, and governance (“ESG”) related matters, including the identification and evaluation of relevant risks and opportunities and any relevant sustainability initiatives and programs, are an important topic for Skechers’ shareholders, employees, customers, and vendors. Our Board is actively involved with and updated on the status of our company’s various ESG initiatives. Primary responsibility for the oversight of ESG-related matters resides with our Nominating and Governance Committee. However, our Board recognizes that each committee plays an important role in considering and addressing ESG-related matters within the relevant responsibilities of each committee.

The Nominating and Governance Committee of our Board regularly reviews corporate sustainability risks and the suitability of the Skechers Supplier Code of Conduct, managed by our Social Compliance Team, to monitor and mitigate those risks. The Nominating and Governance Committee of our Board also periodically reviews regulatory and corporate compliance risks and recommends any proposed changes in accordance with the Corporate Governance Guidelines. Our Corporate Governance Guidelines were adopted by our Board of Directors to assist the Board in the exercise of its responsibilities. Our Corporate Governance Guidelines reflect our Board’s commitment to monitor the effectiveness of policy- and decision-making, both at the Board and management levels, with a view towards enhancing long-term stockholder value.

We have also established an internal, cross-functional ESG Committee to oversee and advise our Board on ESG-related matters; the Committee meets quarterly or more frequently if needed. Our ESG Committee is led by the Chief Financial Officer of our company and comprises team members from key functions including Product Development, Human Resources, Finance, Legal, Marketing, and Communications. The ESG Committee’s primary responsibility is to direct and to oversee the implementation of our ESG strategic roadmap. In addition, the committee regularly updates and advises our Board through the Nominating and Governance Committee, with respect to our company’s progress against the ESG strategic roadmap as well as on any significant ESG issues. Links to our publicly available policies can be found [here](#) and online at the Skechers Corporate Site under Investor Relations:

- Corporate Code of Conduct
- Code of Business Conduct and Ethics
- Whistleblower Policy
- Foreign Corrupt Practices Act (FCPA) Policy
- Supplier Code of Conduct
- UK Modern Slavery Statement

CYBERSECURITY

RISK MANAGEMENT AND STRATEGY

We recognize the critical importance of maintaining the safety and security of our systems and data and have a holistic process for overseeing and managing cybersecurity and related risks. This process is supported by both management and our Board of Directors.

We have developed and implemented a Cybersecurity Risk Management Program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program includes a cybersecurity incident response plan.

We leverage industry standard frameworks such as the National Institute of Standards and Technology Cybersecurity Framework (“NIST CSF”) and Center for Internet Security (“CIS”) to inform how we identify, assess, and manage cybersecurity risks relevant to our business.

Our Cybersecurity Risk Management Program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- cybersecurity awareness training of our employees, and incident response personnel;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents;
- a third-party risk management process for service providers, suppliers, and vendors; and
- engaging third parties for our 24/7 monitoring, detection, and response; regular penetration testing, program controls assessment, and proactive incident preparedness activities.

GOVERNANCE

Our Board of Directors is responsible for overseeing our enterprise risk management activities in general, and each of our Board committees assists the Board in the role of risk oversight. Our Senior Vice President (“SVP”) of Information Technology and the Senior Director of Information Security have overall responsibility for assessing and managing our material risks from cybersecurity threats. To help ensure effective oversight, the Audit Committee receives reports on information security and cybersecurity at least annually, and receives an update quarterly on information security and cybersecurity from materials provided by the Senior Director of Information Security.

The Senior Director of Information Security oversees the Information Security Steering Committee (“Steering Committee”), which provides education on the Company’s cybersecurity programs and controls to key members of the Company. The Steering Committee meets quarterly and is comprised of members from the Executive Leadership Team, including the Chief Financial Officer and Executive Vice President of Business Affairs, as well as the SVP of Information Technology, Senior Director of Information Security, VP of Corporate Communications, SVP of Digital Innovation, and SVP, Global Head of Human Resources.

Cybersecurity risk management is led by our SVP of Information Technology, who reports to our Chief Operating Officer, and generally is responsible for management of cybersecurity risk and the protection and defense of our networks and systems. The SVP of Information Technology manages a team of cybersecurity professionals with broad experience in cybersecurity threat assessments and detection, mitigation technologies, cybersecurity training, incident response, cyber forensics, insider threats and regulatory compliance.

We continue to invest in cybersecurity and resiliency of our networks and adapt our internal controls and processes, which are designed to help protect our systems and infrastructure, and the information they contain.



OUR PLANET MATTERS

At Skechers, our objective is to design, develop and market stylish, comfortable, innovative and high-quality products at a reasonable price for our customers while simultaneously working to limit our activities' negative impact on the environment in support of that objective. We are doing this by focusing on multiple areas including the use of better chemistry, sustainable materials, and the reduction of manufacturing waste.

As a global leader in the footwear space that sells hundreds of millions of pairs of shoes each year, we have always felt it was important to consider the environmental impact of our packaging, product, and key logistics centers and corporate buildings with an eye towards sustainability.

We believe it is our responsibility as a family-focused footwear and apparel brand to create and implement sustainable strategies across our operations to minimize our impact on the environment and support our customers, employees, and partners.



DISTRIBUTION CENTERS

With one of America's largest LEED Gold Certified facilities and our environmentally minded Europe, China and India Distribution Centers, we're committed to reducing our impact on the world through green building design, operational efficiencies, solar panel installations, and waste and water use reduction.



North America Distribution Center

Rancho Belago, California
2.6 million square feet

- LEED Gold certification.
- Reflective foil insulation and natural lighting to moderate temperatures. Night flush vent system.
- LED with light detectors and motion detectors, PLC machines and temperature controllers.
- Use of corrugated recyclables to decrease landfill waste.
- Native landscaping and building-wide water preservation efforts.



Europe Distribution Center

Liege, Belgium
2.2 million square feet

- BREEAM Very Good Rating.
- Lean & Green certification through CO2 reduction.
- Reflective foil insulation and natural lighting to moderate temperatures.
- LED with light detectors and motion detectors, PLC machines and temperature controllers.
- Use of corrugated recyclables to decrease landfill waste.



China Distribution Center

Taicang, China
1.63 million square feet

- Natural lighting to moderate year-round temperatures. Night flush vent system.
- LED with light detectors and motion detectors, PLC machines and temperature controllers.
- Use of corrugated recyclables to decrease landfill waste.
- Native landscaping.



India Distribution Center

Palava City, India
0.6 million square feet (Phase 1)

- IGBC Platinum pre-certification. Application in process for LEED Platinum certification.
- Energy metering per zone to track zone-wise consumption and sensor-based lighting in pick-module and office areas.
- LEED-certified paints and raw materials and maximized local sourcing during construction.
- Re-use of factory cartons for outbound dispatch to customers.
- Rainwater harvesting.



CORPORATE HEADQUARTERS

Today, every major building development effort at our company takes sustainability into consideration, including our current corporate campus development in the United States. We have installed solar panels at three of the buildings comprising our corporate headquarters. The first two completed buildings of our future 300,000-square-foot headquarters have been certified as LEED Gold, and our supplemental buildings under construction are also designed to meet LEED Gold certification.

Features for our LEED Gold Certified buildings include:

- A 64-point Gold rating under LEED v2009 for Core & Shell, distinguished by its urban location and sustainable site characteristics
- Lighting and HVAC improvements that save more than 396,000 kWh of electricity per year
- Low-flow fixtures that save more than 230,000 gallons of water annually
- Commissioned HVAC, lighting and plumbing to ensure that performance meets expectations
- Low-emitting interior finishes

INDUSTRY INITIATIVES

In 2018, seeking to further support the responsible use of raw materials in our products, we joined the Apparel and Footwear International RSL Management (“AFIRM”) and are an active member seeking to reduce the use and impact of harmful substances in our products.

Another industry initiative that we participate in is Footwear Distributors and Retailers of America (FDRA). Six footwear factories that we source from piloted a waste management program with FDRA in 2022 and continued to implement waste management practices in 2023. Upon completion of the pilot program, all factories had transitioned from diverting low percentages of their waste to diverting 100% of their waste. This year, we are expanding this program to additional factories.

These efforts represent our growing focus on environmentally sustainable practices.



OUR PLANET MATTERS® COLLECTION

The Our Planet Matters (OPM) collection of sustainable men's, women's and children's products is designed with recycled materials to help reduce our environmental impact. Creating sustainable products continues to be a focus of our design team and management. Presently, over 1.5% of our products are part of the OPM line. From its launch in 2020 to 2024, there has been a 40x increase in the number of OPM footwear SKUs; the OPM apparel line also debuted in 2023, growing its SKU count by 3x in the past year.

Produced with organically grown cotton and recycled polyester, cotton, rubber, EVA and TPU, as well as durable designs and washable technologies that help extend the life of our product, these styles are created with circularity in mind. Consumers can also find information about the recycled content of each style on packaging as well as on our website.

Minimum requirements to qualify for the Our Planet Matters collection differ by product category and can be seen on each product's packaging. In 2023, we used a weight-based recycled content calculation for the upper on all new styles developed for the Our Planet Matters line to further encourage the use of greater quantities of recycled materials. In some styles, we also utilize recycled content in other components of the shoe such as recycled EVA, rubber and TPR in outsoles.

All footwear included in the Our Planet Matters product line produced from August 2023 onward is made with at least 20% recycled content of the upper by weight. Among the Our Planet Matters collection, the BOBS category is produced with 30% recycled content uppers, and almost all products in the Cleo line are produced with at least 40% recycled content uppers and 20% recycled content outsoles.

For products included in the Our Planet Matters apparel lines, almost all products newly developed in 2023 are made from at least 70% recycled polyester or at least 50% organically grown cotton. All products, including footwear and apparel, are labeled with the specific details of materials used.



To accelerate our positive environmental impact beyond the Our Planet Matters collection, we have partnered with The Nature Conservancy through a multi-year commitment.

Between September 1, 2021 and December 31, 2024, we are donating \$800,000 to help The Nature Conservancy achieve its mission to conserve the lands and waters on which all life depends.



RESTORING FORESTS



PROTECTING OCEANS



CONSERVING SPECIES

PACKAGING

Sustainable packaging is a priority at Skechers. We seek out new ways to increase our use of environmentally minded materials, and regularly conduct assessments to ensure that these items are FSC-certified, recycled or ethically harvested.

93%



of our shoebox materials are fully recyclable.

99%



of shoebox materials originate from FSC-certified, sustainable forest origins.

100%



of our packaging materials are printed with soy- or water-based ink.

100%



of our foot forms and tissue packaging are recyclable.

100%



recycled materials are used in our polybags.

100%

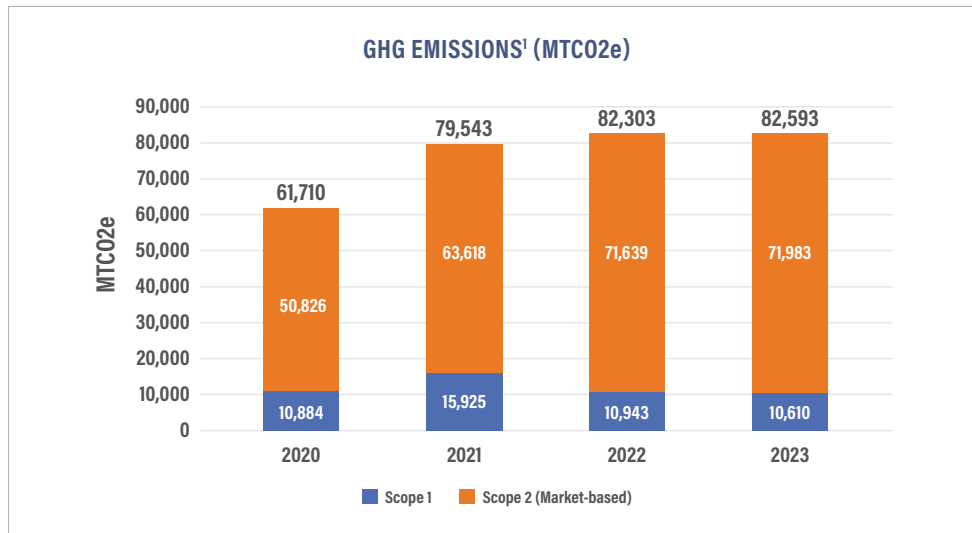


recycled materials are used in our plastic fasteners.

* As of 2023. Recycling guidelines, practices and capabilities vary in communities around the world; packaging may not be recyclable in all areas.

CLIMATE AND GREENHOUSE GAS EMISSIONS

In 2023, Skechers once again engaged with a third party to measure our Scope 1 and 2 greenhouse gas (“GHG”) emissions for 2022 and 2023. These emissions are made up of our electricity and natural gas usage from our offices, distribution centers, data centers, showrooms and retail stores. This year we have improved our data collection significantly and are now including refrigerant emissions for all physical locations, as well as mobile combustions from owned and leased transportation. Emissions were calculated from a mix of primary and secondary data.



¹ All graphs and analyses utilize market-based Scope 2 emissions.

METHODOLOGY

Our emissions were calculated using methodologies consistent with the GHG Protocol Corporate Accounting and Reporting Standard. Our disclosure includes both market-based and location-based methodologies as defined by the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD). Emissions factors were sourced from the United Kingdom Department for Business, Energy and Industrial Strategy (UK BEIS) 2022 and 2023, United States Environmental Protection Agency (US EPA) Emissions & Generation Resource Integrated Database (eGrid) 2021 and 2022, Association of Issuing Bodies (AIB) 2022 and 2023, Ecoinvent 3.9.1 and 3.10, and various country-specific EF databases. For the market-based calculations, the residual method was used.

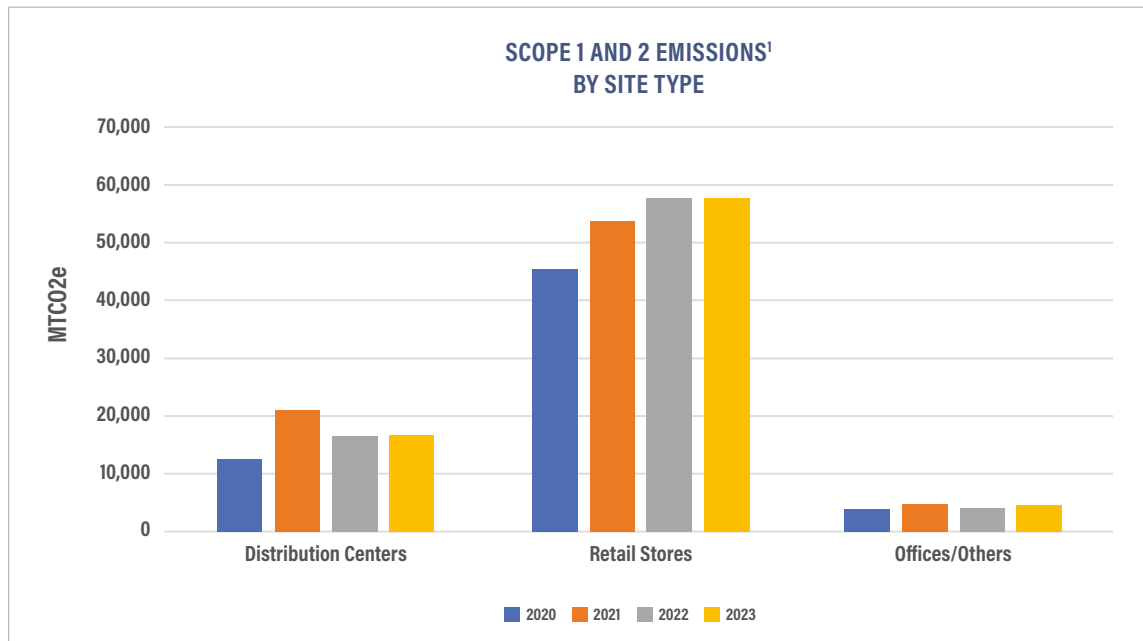
We use an operational boundary that includes all company-owned and -operated assets. In 2020 and 2021, we had included emissions from all of our joint ventures, consistent with the basis of presentation of financial information in our consolidated financial statements. However, in 2022 and 2023, we have reverted to strictly an operational control boundary aligned with the Greenhouse Gas Protocol which includes company-owned, company-leased, and JV-owned sites in Scope 1 and 2. All licensed (by our company, JVs or distributors) and distributor-owned sites are calculated as part of our franchise emissions in Category 14 of our Scope 3 emissions.

DATA LIMITS

Though thorough data collection was attempted for all of our sites, there were instances where electricity and natural gas data was not provided. For sites with incomplete primary data, averages of the site-specific primary data were used to estimate missing energy usage. For sites with no data provided, energy usage was estimated based on either intensity factors calculated from sites with primary data or energy intensity factors from US Energy Information Administration (EIA) Commercial Buildings Energy Consumption Survey (CBECS). In all instances, site type, square footage, and location were considered in estimating energy usage. In previous years, our emissions calculations were heavily dependent on estimations due to limited data availability. In 2023, we have vastly increased our data collection capabilities and were able to increase the number of sites calculated based on actual data. This improvement in data provides us with an increased confidence level in our Scope 1 and 2 emissions calculations.

ANALYSIS

Our Scope 1 and Scope 2 greenhouse gas (GHG) emissions increased by roughly 34% from 2020 to 2023. Although 2020 was the first year we calculated our GHG emissions, it is important to note that 2020 was not representative of a typical year of activity for Skechers due to impacts from COVID-19. Our analysis shows much of this increase is the result of changes and improvements to our calculation process described in this paragraph. In the last three years, Skechers has grown both our sales revenue and number of sites. Starting in 2022, we expanded our boundary to include emissions from mobile combustion and refrigerants which were not previously calculated due to data gaps. Another driver of increased emissions was improvements to information about the use of natural gas and electricity at our sites. In previous years, usage had been estimated for a higher number of sites. For 2022 and 2023, we collected more primary data and now have visibility into primary consumption data for nearly double the sites as compared to 2020 and 2021.



Our emissions footprint continues to reflect our business model, which involves a large retail and distribution presence. A majority of our Scope 1 and 2 emissions (over 70% in both 2022 and 2023) are from our retail operations, which have increased in absolute value driven by an increase in number of stores. Our distribution centers made up over 20% of our Scope 1 and Scope 2 GHG emissions in both 2022 and 2023, consistent with 2020. Our offices have made up the lowest percentage of our GHG emissions, remaining similar to 2020 and 2021, at around 5% of our total Scope 1 and 2 GHG emissions in 2022 and 6% in 2023. The remainder of our emissions are from mobile combustion from our owned and leased vehicles.

¹ All graphs and analyses utilize market-based Scope 2 emissions.

GHG Emissions Source	2020 (MTCO2e)	2021 (MTCO2e)	2022 (MTCO2e)	2023 (MTCO2e)
Scope 1 Emissions	10,884	15,925	10,943	10,610
Scope 2 Emissions (Location-Based)	50,147	62,896	70,516	70,426
Scope 2 Emissions (Market-Based)	50,826	63,618	71,639	71,983
Total Scope 1 and 2 Emissions (Location-Based)	61,031	78,821	81,459	81,036
Total Scope 1 and 2 Emissions (Market-Based)	61,710	79,543	82,582	82,593
% Change YOY (Scope 1 and 2 Market-Based)	-	29%	4%	<0.1%

SCOPE 3 EMISSIONS

As planned, we have begun to measure our Scope 3 GHG emissions for the three categories we know are most material to our business. These categories include:

Category 1: Purchased Goods and Services

Category 4: Upstream Transportation and Distribution

Category 14: Franchises

These initial efforts are based primarily on spend-based data, but activity-based data was used when available. In the future, we plan to improve the accuracy of these calculations through improvements to primary data collection.

SCOPE 3 EMISSIONS

Scope 3 Category	2022 (MTCO2e)
Category 1: Purchased Goods and Services	1,676,892
Category 4: Upstream Transportation and Distribution	388,612
Category 14: Franchises	138,061

EMISSIONS REDUCTION EFFORTS

Our emissions reduction efforts have started with our distribution centers. Our Mumbai distribution center was completed in 2023 and received IGBC Platinum pre-certification. Aside from DCs, we have received LEED Gold Certification for our recently constructed corporate office building and have solar panels at all buildings comprising our corporate headquarters.

NEXT STEPS

We spent the last year improving data collection capabilities and are pleased to be able to report both our 2022 and 2023 emissions in this year's report. We plan to continue improving our data collection practices in future GHG inventories. This includes increasing primary data collection, and evaluating potential technology platforms to assist with collecting and monitoring data across various environmental factors, including energy use and waste.

OUR CHEMICAL MANAGEMENT APPROACH

Our material suppliers use chemicals in dyeing and other processes, and our approved factories use these materials in footwear, apparel, and accessories. As part of our focus on protecting consumers, workers, the environment, and our brand, we have protocols in place that restrict the use of certain chemicals in accordance with our Skechers Restricted Substances List ("SRSL"). We also regularly educate our supply chain on the latest regulatory restrictions to understand what chemicals to prioritize and target for reduction or elimination from our products.

Our SRSL details chemical compounds that cannot be present in any finished products sold by Skechers. In 2023, all Tier 1 suppliers, and our largest Tier 2 suppliers were required to sign an acknowledgement letter stating that they will abide by our SRSL. By January 2024, all licensees were required to sign an acknowledgement letter stating that they will abide by our latest SRSL. For licensees, this letter is in addition to their agreement to comply with all laws and regulations applicable to their products and materials. Our SRSL includes substances that are banned by law, including PFAS, as well as chemicals we have restricted voluntarily. Skechers has developed its own SRSL to reflect the strictest global legislation and the most restrictive allowable global limits for all locations worldwide. We employ a hazard-based approach to manage our chemical use, and our SRSL goes beyond legal requirements and follows accepted industry standards.

We have an SRSL Implementation Plan that lists the date when each SRSL update becomes effective. Our Skechers Testing Team works in conjunction with third-party labs each year to update our SRSL to reflect our most recent and updated regulations. All factories and agents must sign our SRSL acknowledgement letter when our SRSL is updated to a new edition (updates typically occur once a year; the most recent update to the SRSL occurred in October 2023).

TESTING AND COMPLIANCE

Communication is central to our approach to safety, and training is an integral part of our quality assurance and management system. The requirement for compliance with the SRSL applies to all materials that are ordered by factories for use in our products, including all materials used in Skechers and Skechers-licensed products.

We focus on the quality and safety of our products. The Skechers Restricted Substances List ensures that our products comply with applicable global standards with respect to restricted substances. We continuously improve this policy so that our products meet our consumers' expectations.

SRSL testing is completed by our approved third-party laboratories. Suppliers are required to provide proof of compliance with the SRSL through our third-party laboratories annually. When suppliers provide materials to factories producing our products, they must have a valid SRSL test report (issued within one year) on hand for those materials. Suppliers must also provide a valid SRSL test report in order to become an approved supplier. For all active suppliers, test reports on all materials used on our products are provided to us annually at a minimum.

Documentation is provided directly to material suppliers to outline the requirements of the SRSL. To ensure compliance with the SRSL, all approved Skechers Tier 1 suppliers must sign an acknowledgement letter stating they agree to comply with the SRSL and ensure compliance for all materials (from Tier 2 suppliers and beyond) used in our products.

Once proven by a supplier, factories are fully responsible for ensuring that all products shipped to us are in full compliance with the SRSL. Factories are expected to ensure that all changes in requirements are communicated to their material suppliers promptly. Only materials and components that are tested and comply with the SRSL can be used for production. Once materials have passed the tests, these materials can then be used for multiple seasons or SKUs providing there are no changes in the material or the supplier. We also randomly select samples during production and from finished products for testing. This random testing is done in-house by the Company for lead and phthalates, and by third-party labs for the full SRSL.

We partner with outside laboratories to implement a testing program for factories and suppliers to prove adherence with the SRSL in a cost-effective way.

In the event that we request additional information throughout the year, a declaration of product compliance and an updated test report must be provided upon request.

SUPPLIER SUPPORT

We host SRSL seminars annually to educate our supply chain on SRSL updates and reasons behind the updates, including risks and hazards associated with each restricted chemical. In 2023, we hosted annual SRSL seminars for our Tier 1 factories and Tier 2 suppliers for footwear and apparel with in-person and online options, one in Mandarin and one in English; the seminars were attended by over 275 suppliers, including 68 percent of our Tier 1 Factories. Suppliers that do not attend the seminars can inquire about updates to the SRSL by contacting Skechers' Compliance Team or Skechers' Tier 1 Factories. We also support our suppliers by helping them to identify risks related to chemicals in their processes and find solutions.

If failed reports come through, our Skechers Testing Team has a protocol to follow up with suppliers to indicate which part of the product failed and how to resolve the issue.

NEW MATERIALS

New material suppliers are required to prove compliance with the SRSL in order to be an approved supplier. New materials are required to pass SRSL testing and be approved by our Skechers Compliance and Materials team before use in our products. We have a Standard Operating Procedure for verifying compliance with the SRSL as part of our new material selection and approval process.

NON-COMPLIANCE

If we identify non-compliance with the SRSL, we require factories or materials vendors to first rework the product in question and send the improved product to Skechers-approved third-party labs for retesting.

For example, in 2023, a shoe sample was submitted for third-party testing prior to production in alignment with our SRSL policy. Upon receiving the report, Skechers identified a substance content value outside the acceptable range outlined in the SRSL. This prompted our testing team to contact the manufacturer in order to follow up with a root cause assessment and remedy the issues identified. The factory was able to correct the identified issues, submit new products for re-testing, and correct the process for all future productions. Our own Skechers' team also conducted an on-site evaluation and random sampling of the products in question and verified with our own internal testing before confirming compliance with the SRSL. This resulted in the factory avoiding rejected products for this order and for future orders.

In cases where the product cannot be reworked or improved, the order is destroyed according to our Restricted Substances Compliance Policy.

In addition, the vendor is required to provide root cause analysis along with a Corrective Action Plan. If needed, our compliance team works with third-party labs which offer consulting and can help identify root causes for our suppliers. These third-party labs also conduct continuous auditing and provide training on the expected manufacturing process to meet our standards. This training, developed with us, helps suppliers develop standard operating procedures that will support them in efforts to avoid non-compliance in the future.

FOCUS ON SUSTAINABLE CHEMISTRY

In addition to the SRSL, we encourage our material suppliers and approved factories to use and develop more environmentally sustainable options, as well as apply third-party certifications and value these certifications in their supply chains.

INDUSTRY COLLABORATION

Industry collaboration is an important part of our chemical management strategy. As many of our material vendors and manufacturing facilities are also part of the supply chains of other brands, we have worked with a variety of industry associations and are an active member of Footwear Distributors and Retailers of America (FDRA) and Apparel and Footwear International RSL Management (AFIRM).

We are actively involved in AFIRM's member meeting discussions regarding chemical management, shared insights and best practices.



OUR PARTNERS MATTER

At Skechers, our suppliers are integral partners in delivering our stylish, high-quality apparel and footwear to our consumers worldwide. We expect our partners to share and uphold our values by fostering respect for workers in our supply chain, safeguarding their health and safety, and promoting responsible environmental practices.

The global supply chain is subject to multiple risks and uncertainties. One such risk for Skechers is our manufacturing partners' ability to comply with our Supplier Code of Conduct and applicable local laws. This includes vigilance against social risks, including child and forced labor, migrant workers' rights, occupational health and safety, rights to collective bargaining, and minimum wage non-compliance. It also includes vigilance against environmental risks, including the use of hazardous chemicals, water stewardship, GHG emissions, and waste management.

The Skechers Supplier Code of Conduct applies to all facilities that produce goods for Skechers. This code strives for alignment with local regulations, industry standards, and universal human rights principles, and establishes the basic requirements all suppliers must meet to work with us. The code numerates our policies and expectations on topics including discrimination, harassment and abuse, forced labor, underage labor, freedom of association, compensation and benefits, hours of work, health and safety, subcontracting and recruitment homework, and the environment.

The application of our Supplier Code of Conduct is managed by our Social Compliance Team. Our team is comprised of internal auditors who are responsible for auditing our suppliers and their factories for compliance utilizing the guidelines set forth in our Supplier Code of Conduct. The Social Compliance Team and our Social Compliance Program are governed by our ESG Committee and regularly report the results of their audits, including to our ESG Committee. In addition, we evaluate the effectiveness of our Social Compliance efforts through reviews by our Corporate Internal Audit practice.

In 2023, we conducted quarterly reviews of the Social Compliance Program and audit results with the ESG Committee to focus on continued improvement and oversight.

SOCIAL COMPLIANCE STANDARD

The Skechers Social Compliance Standard outlines the guidelines that the Social Compliance Team follows when auditing our suppliers against our Supplier Code of Conduct. This standard provides the grading criteria for evaluating audit results and associated grading for the audit. This standard also outlines a list of zero-tolerance and critical issues for Skechers, as well as the protocol for what to do if these issues are identified at a given supplier. In addition to individual instances of non-compliance, the standard outlines the potential consequences for a factory that fails to meet the minimum requirements to do business with us.

Prior to starting work with any supplier, we make the prospective supplier aware of our Social Compliance Program and its expectations. All new Tier 1 suppliers are either audited by our Social Compliance Team or asked to provide a third-party audit by a third-party auditor recognized by Skechers. All suppliers are required to sign an acknowledgement of our Supplier Code of Conduct. Tier 1 suppliers are required to sign our Supplier Code of Conduct annually, and all Tier 2 suppliers sign when they are onboarded.

Our Social Compliance Team routinely conducts both semi-announced and unannounced audits. Unannounced audits can be conducted at any time, without any notice to suppliers in advance. Semi-announced means a notice without a specific audit day but within a provided window period. The denial of access into the facilities results in a “Fail” audit if no reasonable or understandable explanations are provided.

We use our Social Compliance Standard to evaluate factories with a particular focus on zero-tolerance and critical issues. The below table shows how audits are graded.

AUDIT GRADE	EXPLANATION
A	Performance is very good with no critical or zero-tolerance issues identified and few or no non-compliance issues identified. Sustainable social compliance management with mature internal monitoring and process improvement has been established. Social compliance management is mature and proactive.
B	Performance is acceptable with no critical or zero-tolerance issues identified, and limited non-compliance issues identified. Social compliance management has been implemented and is functioning.
C	Performance needs improvement though no critical or zero-tolerance issues identified. Non-compliance issues identified requiring a corrective action plan and follow-up audit required within 6 months. Social compliance management has been established, but requires maturation.
D	Performance needs significant improvement due to critical issue identified or numerous non-critical issues identified. No zero-tolerance issues identified. Corrective action plan required with follow-up audit required within 3 months. Social compliance management has been established, but requires maturation. Orders will be impacted.
F	Performance is unacceptable with multiple critical issues or one or more zero-tolerance issues identified. Immediate cessation of orders effective.

- **Zero-tolerance issues:** The presence of a zero-tolerance infraction at a factory will immediately result in a “Fail” grade due to the failure to meet our minimum Social Compliance Standard requirements. As a result of receiving a “Fail” grade, our production at this factory will be seriously impacted, including, in most instances, the immediate cessation of new orders and often an immediate production stoppage. New orders with a factory receiving a “Fail” grade are prohibited until the receipt of an updated audit result with a passing grade.

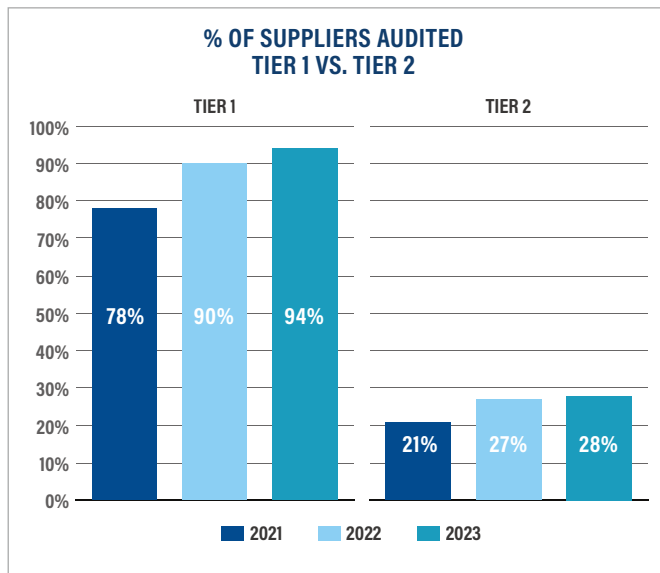
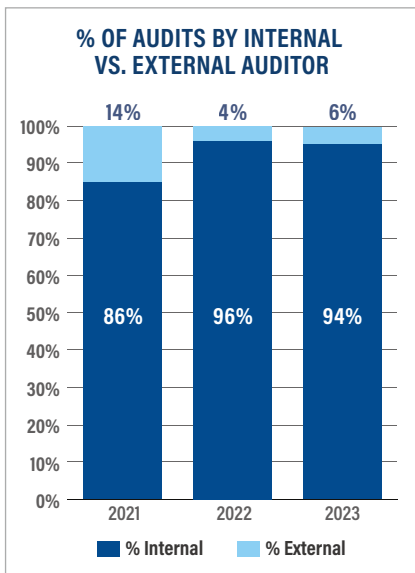
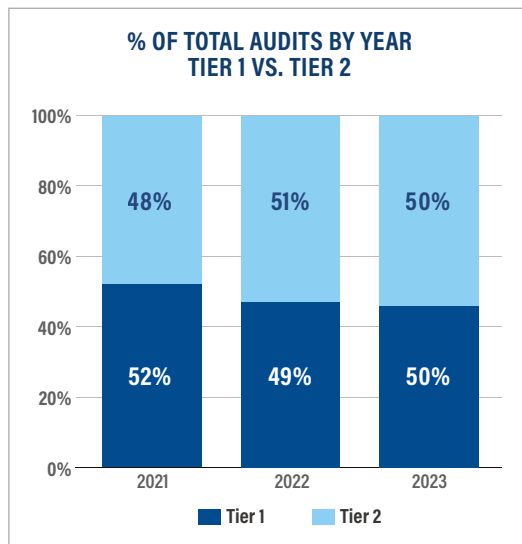
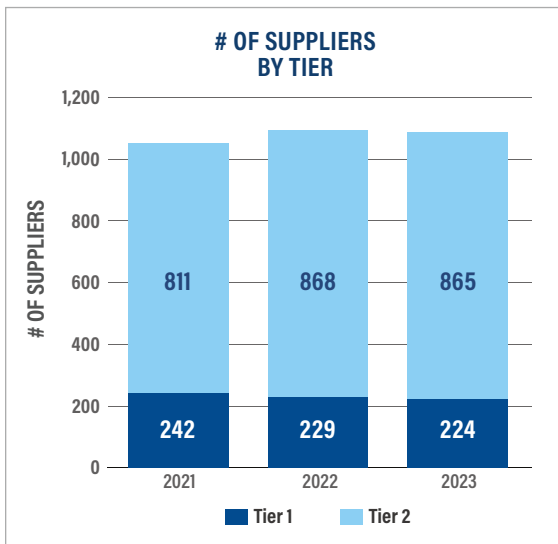
Zero-tolerance issues are:

- Forced Labor
 - Underage Labor (Child Labor)
 - Harassment and Physical Discipline
 - Illegal Business Operation
 - Corruption and Bribery
 - Illegal Migrant Worker
 - Unacceptable Limited Access to Facilities and Employees
 - Unapproved Subcontracting and Homework
- **Critical issues:** The presence of a critical issue at a factory will result in the issuance of a corrective action plan with a strict remediation timeline. Failure to mitigate a critical issue will result in a “Fail” grade. Provided a “Fail” grade is not issued, the presence of a critical issue at a factory may impact the continuation of and/or receipt of new orders. Factors considered related to new orders include the factory management’s cooperativeness and willingness to improve, and the capability and capacity of the factory’s internal systems.

Critical issues are:

- Lack of Protections for Minors
- Lack of Protections for Pregnant Workers
- Insufficient Fire, Building Construction and Production Safety
- Insufficient Health Protection
- Insufficient Environment Protection
- Lack of Transparency (including inconsistent records or suspected false documents)
- Insufficient Working and Living Environment
- Discrimination
- Poor Satisfaction from Workers

- Warnings:** The presence of issues that result in warnings at a factory will be incorporated into a corrective action plan issued subsequent to the audit. Factories receiving warnings that result in a C or D grade will be required to be re-audited within two to six months with the timeline based on the severity of the warning, and the factories that receive a D grade are required to execute a commitment letter for improvement. The presence of an issue resulting in a warning will not immediately impact the continuation and receipt of new orders. If unresolved, the factory will be considered to have critical issues.



AUDIT AND COMPLIANCE DATA

Below, our audit and compliance activity metrics provide insight into the efforts undertaken by our social compliance program and team. For Tier 1 suppliers not audited by us directly, we require the factory to provide an audit report conducted against a third-party standard. Third-party audit reports are also collected from all factories that have available external audit reports, including those that we audit directly, for our records. The factories that were issued serious warning letters and received a D grade have committed to improvement via a signed commitment letter and a follow-up audit was conducted within two to four months of the initial audit. Any new factories that fail the initial audits receive one chance to fix any issues as long as there were no zero-tolerance issues, and if those are not remedied, the new factory will not be approved to do business with Skechers. If a zero-tolerance issue is identified at a new factory in the initial audit, the factory is immediately failed and is not approved to do business with Skechers.

METRIC	2021	2022	2023
# of audits	359	507	518
% of Tier 1 audited	78%	90%	94%
% of Tier 2 audited	21%	27%	28%
% of total audits conducted by internal auditors	86%	96%	94%
% of total audits conducted by external third-party auditors	14%	4%	6%
# of serious warning letters	17	27	11
# of new suppliers with failed audits (not approved to do business)	3	4	1
# of failed audits at existing factories (removed from approved supplier list)	0	2	2
# of Tier 1 suppliers	242	229	224
# of Tier 2 suppliers	811	868	865

Audits that were conducted by third-party auditors apply various standards and frameworks including Worldwide Responsible Accredited Production (WRAP), Social & Labor Convergence Program, SMETA, Better Work, BSCI, and SA8000. 75% of our social compliance audit team also participated in SA8000 training in 2023 to improve their auditing skills and knowledge, and we plan to have all of our team members undertake this training by year-end 2024. Skechers holds an annual internal summit with the entire Social Compliance Team, which includes trainings to review updates to Skechers policies and changes in regulations, and gives our team a chance to share best auditing practices. Our auditors also review the grievance records and interview workers about complaints.

SUPPLIER TRAINING

In 2023, we partnered with ELEVATE, a third party, to conduct a social compliance online training for Tier 1 and Tier 2 suppliers on the topics of forced labor and health and safety. Approximately 500 suppliers attended this training.

This training covered the following topics:

- Overview of forced labor including definitions and current state
- Societal concerns
- Freedom of movement
- Non-discrimination
- Forced labor in recruitment
- Migrant worker risks
- Forced labor indicators
- Responsible recruitment (recruitment fees and employer pays principles)
- Recruitment and termination management best practices
- Production safety
- Safety production laws
- Occupational hazard factors
- Chemical safety
- PPE
- Machinery safety
- Fire safety
- First aid



OUR PEOPLE MATTER

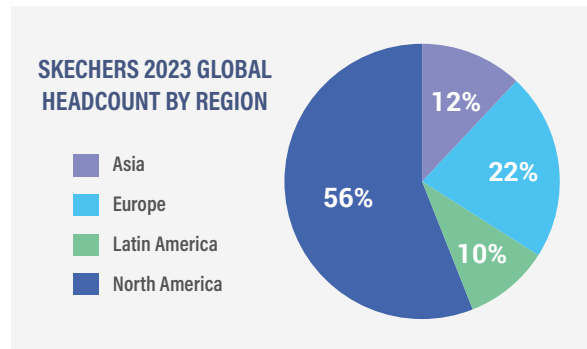


At our core, we're a family brand, and our commitment to family extends to our diverse team of global employees. We believe our unique backgrounds and experiences have made us stronger, inspired new ideas, and driven our innovative spirit. From our corporate offices and distribution centers to our retail stores, we aim to build a workplace that supports each employee's well-being, encourages them to grow in their careers and offers opportunities to give back to their community. We are focused on creating a positive, supportive work environment where our team can work and feel their best every day.

We aim to:

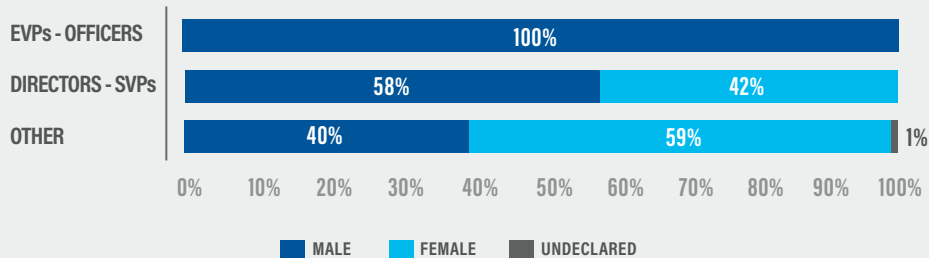
- Attract top talent with different social and ethnic backgrounds and experiences. With a more diverse employee base, we seek out varied viewpoints and creative approaches aligned to our consumers, which we believe fuels innovation and relevancy, and makes us stronger as an organization and brand.
- Invest in our people so they can grow their skills and further their career at Skechers.
- Retain our dedicated and loyal team of employees as their knowledge and experience are important to our ongoing success.

At year-end 2023, our global headcount of full- and part-time company employees was approximately 18,000, of which 56 percent were based in North America.



We are a founder-led organization, and our officers largely comprise individuals who have been with the Company since it was established 30 years ago. Their experience and leadership are key to our success, and each remains actively engaged in our business today.

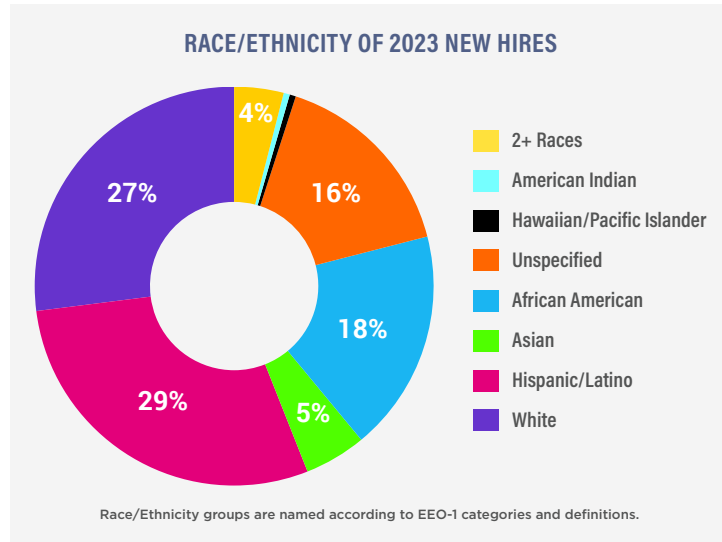
GENDER DISTRIBUTION IN NORTH AMERICA YEAR-END 2023



ATTRACT

Skechers attracts a diverse workforce, hiring employees who reflect our customers and communities, illustrated by the breakdown of ethnicity data for 2023 new hires. As part of this effort, we have an active campus recruiting program that engages HBCUs and local colleges and universities across the United States. These campus relationships allow us to attract diverse talent with in-demand skills.

Additionally, we provide career opportunities for those without advanced degrees. In 2023, over 80% of new hires working in retail and distribution centers did not possess an advanced degree. Importantly, we hired thousands of retail associates to effectively operate our stores, which allowed us to fully staff our locations for every new opening last year.



We seek to provide market-competitive compensation and benefits that not only attract the best talent, but also retain our current employees. We offer a broad range of benefits, including: medical, prescription, dental and vision plans, flexible spending accounts, company-provided disability insurance, 401K plans, paid sick and vacation time, an employee assistance program (including access to mental health and legal and financial services at no cost to employees), child care subsidies and parental leave (eligibility and benefit levels vary by program and location). We care about our employees and provide wellness offerings for the whole self. With a focus on well-being at our corporate offices and North America Distribution Center, we provide an on-site health coach, fitness classes (corporate and DC), and chiropractors all at no charge. In 2023, we started providing monthly learning opportunities, connecting employees with experts who shared relevant information on emotional, social and financial well-being.

Benefits in directly-managed countries where we have company employees are based on local laws and guidelines, but we endeavor to follow similar goals: market-competitive compensation and benefits that retain employees, with a focus on wellness for the whole self.

INVEST

In our efforts to invest in the best talent, we are focused on building skills and providing career growth opportunities, allowing us to draw upon our employee base across the organization. Whether a new hire is entering the workforce for the first time, or a tenured employee is exploring a new opportunity, we have a variety of ways to support them as they build their careers and grow their skills at Skechers. We provide a training program for first-time managers and a leadership program for seasoned managers. Additionally, we offer a store manager development academy and Road to Corporate, an on-the-job training program, preparing store employees for roles in our corporate setting. In 2024, we will launch a global learning platform, connecting employees with even more opportunities to develop and grow, thereby providing bench strength as we continue to expand. In 2023, 50 percent of our retail management team was promoted, creating strong continuity in our store environment and allowing us to have leadership already in place as we grow our store footprint. In 2024, we will also launch a global learning platform, connecting employees with even more opportunities to develop and grow, thereby providing bench strength as we continue to expand. Skechers remains committed to creating opportunities that enable our employees to gain new skills, experiences, and knowledge as they look to progress their careers with us.

RETAIN

At Skechers, we strive to foster an environment where our employees feel valued and engaged. We bring teams together at the regional, national, and international level so they can learn, celebrate successes, and stay connected to our mission. We are also proud to recognize employees through our service anniversary program, which celebrates and thanks employees for their commitment and dedication.



OUR COMMUNITIES MATTER

We are a global lifestyle brand focused on supporting numerous communities around our operation centers, from our corporate offices and logistics center in Southern California to satellite offices and facilities around the world. The Company values philanthropy – and fosters a culture where our employees positively impact others by giving back and helping to change the lives of those in need worldwide. To make an impact now and for future generations, we have launched philanthropic collections, developed charitable programs locally and in international markets, established the Skechers Foundation, and contributed to organizations worldwide. We are also able to use our valuable retail footprint to raise additional funds for important causes and 501(c)(3) organizations.



BOBS® FROM SKECHERS®

BOBS from Skechers is a philanthropic collection established in 2011 to provide footwear to children impacted by natural disasters and economic challenges – enabling consumers to contribute to concerns that they care about through their purchases of our product.

In partnership with several charity organizations, we have donated more than 16 million pairs of new shoes to children in more than 60 countries. In 2023, Soles4Souls distributed approximately 23,000 pairs of BOBS donation shoes in the United States and internationally. Shoes were distributed to school districts, youth clubs and organizations in 10 states, and to organizations serving the Dominican Republic, Haiti, Honduras, Guatemala, Guyana, Kenya, Nepal and Uganda.



We have also donated BOBS shoes as well as apparel, accessories and supplies to support Head Start programs, education foundations, homeless shelters, disaster relief and 501(c)(3) nonprofit organizations.



In 2015, we evolved the BOBS program to save and support shelter pets. For every specially marked footwear, apparel and accessory item sold in select countries, we contribute funds to a non-profit organization in the market where the item is purchased. In the United States and Canada, we donate 25 cents per item to Petco Love in North America; in the UK, we contribute 25 pence per item to Wood Green Animal Shelters; and in Japan, we contribute 30 yen per pair to ALMA.

In 2023, we donated more than \$1.4 million to these organizations - and to date, we have contributed over \$11 million to help provide lifesaving adoptions and healthcare services for more than 2 million shelter animals in these regions.



Skechers hosts and participates in pet adoption events throughout the year to drive awareness for the BOBS program. Through sales of our BOBS product, we provide Petco Love with quarterly funds, a portion of which supports their extensive animal welfare network.

In 2023, Skechers provided approximately \$645,000 in donations and grants that supported organizations across the United States and Canada, including but not limited to the following:

- LA Animal Services
- AARCS
- Yellowstone Valley Animal Shelter
- Teller County Regional Animal Shelter
- OC Animal Care
- Three Little Pitties Rescue
- Angels Among Us Pet Rescue
- Brooklyn Bridge Animal Welfare Coalition
- SOUL an Animal Rescue Shelter for outcasts, unusuals and the lost
- East Bay Rabbit Rescue
- Mountain Humane
- SpokAnimal

We also supported the adoption, donation and safe transport of more than 9,600 animal shelters in North America through Wings of Rescue and Mega Adoption Events in New York, Florida, Pennsylvania, South Carolina, Texas and Missouri, as well as at Skechers store adoption events in California, Colorado, Montana and Canada.

OUR HUMANITARIAN EFFORTS

Skechers continued to support natural disaster victims in 2023. We donated shoes, apparel, and \$250,000 to Maui fire families and provided supplies to those impacted by last year's earthquake in Turkey and Syria.

RETAIL ROUNDUPS

Through our network of 500+ Skechers retail stores across the United States and Canada, we are able to ask shoppers to donate in support of a wide range of causes. In 2023, our in-store fundraising surpassed \$560,000 for organizations like Adopt-A-Classroom, American Nurses Foundation and Petco Love.



OUR EMPLOYEES

Skechers employees are encouraged to participate in a variety of causes – from volunteering at BOBS shoe donation and shelter dog adoption events, to attending established 501(c)(3) programs, painting schools in the community, donating to blood drives and providing toys, shoes and care packages that support underprivileged families, homelessness, hospitals, shelters and veterans.

Our team has supported the following organizations:

- Two-Ten Foundation
- Pensole University (HBCU)
- Women in Footwear Industry (WIFI)
- Roundhouse Aquarium
- Children's Hospital LA Toy Drive
- Family Crisis Center
- LA Mission
- Cedars-Sinai Blood Drives
- Family Health Care Centers of San Diego



SKECHERS FOUNDATION

Established in 2010 to help children in need and provide educational support, the Skechers Foundation is an extension of our charitable activities – dedicated to strengthening communities to ensure the health, success, and well-being of youth around the world. Skechers Foundation invests in a global network of charitable organizations dedicated to embracing individuals with diverse abilities, improving education, empowering disadvantaged families, and providing humanitarian, disaster and economic relief. By supporting millions through products and services, the Skechers Foundation aspires to create stronger, self-sufficient individuals for future generations.

Skechers regularly donates to the Skechers Foundation, and contributed approximately \$340,000 to the organization in 2023. The Foundation is also supported by a number of other donors. In 2023, the Skechers Foundation distributed approximately \$1.4 million in sponsorships, donations and grants to a wide range of organizations, including the Friendship Campus for neurodivergent children, Scholarship America and Oceanographic Teaching Stations.



SKECHERS PIER TO PIER FRIENDSHIP WALK

The Skechers Foundation sponsors the Skechers Pier to Pier Friendship Walk, one of the country's largest events dedicated to helping children with varying abilities and education. Since 2009, the annual 3.5-mile walk has mobilized walkers, sponsors and shoppers at Skechers register round-up events, raising more than \$24 million for neurodivergent children, public school foundations, and the Skechers Foundation National Scholarship Program.

SKECHERS FOUNDATION NATIONAL SCHOLARSHIP PROGRAM

Funded by the Skechers Pier to Pier Friendship Walk and our company's register round-up events at its retail stores, the Skechers Foundation's National Scholarship Program was established to provide scholarship funds to students attending American colleges based on their financial need, academic performance, athletic abilities, and leadership qualities. Since 2015, the program has provided more than \$1.3 million in scholarships to Scholarship America, including \$300,000 in 2023.

LOCAL IMPACT

The Foundation is a longtime sponsor of local events in Southern California such as the annual Skechers Manhattan Beach Holiday Fireworks and Skechers Snow Park, and supports more than 50 charities locally and nationally that focus on education, children with varying abilities and families.

ABOUT THIS REPORT

This is our second annual Impact Report. It has been produced in partial alignment with the Sustainability Accounting Standards Board (SASB) standard for the apparel, accessories and footwear industry. We engaged the third-party consulting and advisory services of Georgeson and South Pole to support the stakeholder engagement process, quantitative data collection, GHG emissions calculations, and a double materiality assessment of ESG topics important to our business. Our Impact Report contains quantitative metrics from 2023 where data is readily available, and from 2022 where 2023 data is not yet available. When relevant, we have also included data from earlier years to show progress. We intend to continue to report on our ESG progress as we evolve.

SASB TABLE

CONSUMER GOODS - APPAREL, ACCESSORIES & FOOTWEAR SUSTAINABILITY ACCOUNTING STANDARD

SASB Table 1: Sustainability Disclosure Topics and Accounting Metrics

TOPIC	SASB METRIC	REPORT REFERENCE LINK	SKECHERS DATA	CODE
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Our Chemical Management Approach	All suppliers are required to sign an acknowledgement letter of the SRSL. Suppliers are required to provide proof of compliance with the SRSL through our third-party laboratories annually. When suppliers provide materials to factories producing our products, they must have a valid SRSL test report (issued within one year) on hand for those materials. Suppliers must provide a valid SRSL test report in order to become an approved supplier. For all active suppliers, test reports on all materials used on our products are provided to us annually. For more information, see "Testing and Compliance" section.	CG-AA-250a.1
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Our Chemical Management Approach	See "Testing and Compliance" and "Non-Compliance" sections.	CG-AA-250a.2
Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Our Partners Matter	<ol style="list-style-type: none"> 90% of Tier 1 audited in 2022, 94% of Tier 1 audited in 2023 27% of Tier 2 audited in 2022, 28% of Tier 2 audited in 2023 % of all audit reports received by Skechers conducted by third-party auditors 2022: 4% 2023: 6% <p>For more information, see "Our Partners Matter" section.</p>	CG-AA-430b.1
	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Our Partners Matter	<p>In 2022, four new suppliers were rejected based on fail grades at the initial audit. Two existing suppliers failed the audit and were removed from the supplier list.</p> <p>In 2023, one new supplier was rejected based on a fail grade at the initial audit. Two existing suppliers failed the audit and were removed from the supplier list.</p> <p>For more information, see "Our Partners Matter" section.</p>	CG-AA-430b.2

SASB Table 2: Activity Metrics

ACTIVITY METRIC	UNIT OF MEASURE	SKECHERS METRIC	CODE
Number of Tier 1 Suppliers and suppliers beyond Tier 1	Number	229 Tier 1 suppliers in 2022 868 Tier 2 suppliers in 2022 224 Tier 1 suppliers in 2023 865 Tier 2 suppliers in 2023	CG-AA-000.A

FORWARD-LOOKING STATEMENT

The statements, estimates, projections, guidance or outlook contained in this report include “forward-looking” statements that are intended to take advantage of the “safe harbor” provisions of U.S. federal securities law. In some cases, you can identify forward-looking statements by terms such as “believe,” “anticipate,” “expect,” “estimate,” “intend,” “plan,” “project,” “will,” “could,” “may,” “might,” or any variations of such words with similar meanings. These statements may contain information about environmental, climate, diversity and inclusion, or other “ESG” targets, goals and commitments, financial prospects, economic conditions, and trends and involve risks and uncertainties. Our actual future results, including the achievement of our targets, goals or commitments, could differ materially from our projected results as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors. Such risks, uncertainties, and factors include the risk factors discussed more fully in the “Risk Factors” section of our filings with the U.S. Securities and Exchange Commission, including our reports on Forms 10-K, 10-Q, and 8-K, with respect to our environmental, climate, diversity and inclusion, or other “ESG” targets, goals, and commitments outlined in this report or elsewhere, and other assumptions, risks, uncertainties, and factors identified in this report.

A NOTE ON MATERIALITY

This report contains statements based on hypothetical scenarios and assumptions as well as estimates or topics that are subject to a high level of uncertainty, and these statements should not necessarily be viewed as being representative of current or actual risk or performance, or forecasts of expected risk or performance. While certain matters discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with or reporting pursuant to the U.S. federal securities laws and regulations (even if we use the words “material” or “materiality” in this report).