WHEREAS: Investor demand to reduce corporate emissions reflects the reality that climate change poses a systemic risk to companies and to investor portfolios.

Experts agree that to avoid the most catastrophic effects of climate change, global temperature increase must be limited to 1.5 degrees Celsius ("1.5°C"). This will require achieving global net zero greenhouse gas emissions by 2050. Failure to reach this goal is projected to have severe economic consequences.[1] Because the window for limiting global warming to 1.5°C is quickly narrowing, immediate and aligned emissions reduction is required of all market sectors.[2]

Skechers USA, Inc. is the third-largest footwear brand in the world.[3] According to the United Nations Environment Program, the fashion industry accounts for roughly ten percent of global carbon dioxide emissions.[4]

Skechers lacks any emissions disclosures or emissions reduction targets. It also fails to identify any climate-related risk in its 10-K. Such risks include instability in global supply chains due to climate impacts, climate-related sourcing constraints, and growing regulatory risk. Skechers does identify "intense competition" as a risk factor.[5] Climate change now plays a role in consumer spending decisions,[6] and Skechers significantly lags behind nearly all of its major competitors in addressing climate risk.

Deckers Brands, Puma, Adidas, Nike, Under Armour, and VF Corporation have set reduction targets for their Scope 1, 2, and 3 emissions and validated these targets through the Science Based Targets initiative.[7] Most of Skechers' American peers, including Deckers Brands, Nike, Under Armour, and Wolverine Worldwide, also identify climate-related risks in their annual reports.

Despite significant shareholder support for a similar proposal at Skechers last year, the company discloses no progress in measuring or reducing its emissions or in assessing and mitigating climate-related risk.

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[1] https://www.nytimes.com/2021/04/22/climate/climate-change-economy.html
[2] https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf
[3] https://investors.skechers.com/press-releases/detail/526/skechers-announces-record-first-quarter-2022-financial
[4] https://www.bloomberg.com/graphics/2022-fashion-industry-environmental-impact/?sref=TtrRgti9
[5] https://investors.skechers.com/financial-data/all-sec-filings/content/0001564590-22-007170/0001564590-22-007170.pdf
[6] https://www.jpmorgan.com/insights/research/climate-change-consumer-spending
[7] https://sciencebasedtargets.org/companies-taking-action

By setting science-based reduction targets for its Scope 1 through 3 emissions, disclosing a decarbonization plan, and demonstrating progress towards these goals, Skechers can align with peers and provide investors with assurance that it is addressing the regulatory, competitive, and physical risks associated with climate change.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing how Skechers intends to reduce its full value chain greenhouse gas emissions in alignment with the Paris Agreement's 1.5°C goal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents recommend, at Board discretion, the report include:

- Disclosure of all relevant Scope 1 through 3 emissions;
- A timeline for setting 1.5°C-aligned near-term and net zero by 2050 reduction goals;
- A climate transition plan to achieve emissions reduction goals across all relevant emissions Scopes;
- A rationale for any decision not to set 1.5°C-aligned targets;
- A commitment to report annually on progress in meeting emissions reduction goals.