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The Scoreboard Doesn't Lie: Where Retail's Sustainability Efforts Actually Stand

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For over 75 years, Dick's Sporting Goods has played a part inspiring the community to enjoy movement in any way they can. However, let me be direct, the sporting goods industry is not doing enough on sustainability. And Dick's Sporting Goods, a company I have led for over four years, is not exempt from that criticism.

The uncomfortable reality that most retail CEOs won't say publicly is that in 2019, plastics contributed more emissions than the aviation and shipping industries combined, and according to the OECD, the supply chain of plastics was responsible for 3.4% of all global greenhouse gas emissions, with 90% coming from production and conversion of fossil fuels. That is the industry we operate in. Those are bags leaving our stores, boxes shipped to our customers' doors, and packaging wrapped around every bat, glove and pair of sneakers we sell.

As a retail company, we know how important it is to be part of the solution. But knowing it and executing it at scale are two very different things and I think it's time retail leaders had that honest conversation with each other.

Dick's Purpose Playbook

Dick's has made two significant public sustainability commitments. Our chief sustainability goal is to reduce greenhouse gas emissions by 30% at company operations by 2030. We have also committed to eliminating single-use plastic bags in all stores by 2025. How do we play the part? We switched to

sustainable options such as paper and we encourage our athletes and teammates to use responsible packaging and return their plastic bags so we can help them recycle. To help deliver on that second commitment with scalable alternatives, Dick's also joined the Consortium to Reinvent the Retail Bag as the lead Sports and Outdoors sector partner, working alongside founding partners including CVS Health, Target and Walmart through the Beyond the Bag Initiative. And even with that, one membership does not substantially hold as a sole maker of sustainable change. We have also partnered with Sideline Swap to provide a takeback program to keep gear out of landfills, launched a rental program to allow more sustainable consumption, and swapped shipping and packaging materials for custom-fit corrugated cardboard reducing waste by 26%.

The Playbook Has Gaps

As retail companies, we must protect what provides and that means our environmental responsibility does not stop at our doors, but it extends through every vendor and supplier we partner with. Sporting materials such as the bats used in baseball and the cotton and leather in our gloves and apparel come from natural resources.

Here is where I want to be more candid than a standard sustainability report allows. Dick's Sporting Goods reported total carbon emissions of approximately 561,825,000 kg CO₂e in 2022, which even though is a significant jump from approximately 243,819,000 kg CO₂e in Scope 3 emissions in 2021, shows how hard this work actually is. We are in the process of building a science-based emissions reduction framework that meets the demands of global climate efforts and we will hold ourselves publicly accountable to it. That is a gap we need to reduce and I want our industry peers and leaders to hold us accountable into doing so. According to Bain & Company, only 7% of companies succeed in major sustainability transformations and we must make no excuses, because though difficult to achieve, not impossible. Knowing this data sets retailers to understand the ongoing critical roles they play to keep

initiatives on track.

One Team, One Planet, One Playbook

As retail companies, we must understand that we can achieve greater environmental impact if we view waste and carbon emissions as a dual effort. The brands we work with such as Nike, Adidas, Under Armour, all face the same Scope 3 emissions challenge we do. If we are serious about the 2030 targets set, we cannot work alone. The situation is convoluted as there is no one right answer to this. To be successful, retailers need to stop issuing press releases about single initiatives and start building publicly reported strategies that link packaging, emissions and supply chain accountability together. Though smaller initiatives can be useful, simply increasing recyclables does not decrease carbon footprints. I am calling on our partners like Nike and Adidas to publish a Scope 3 accountability report by the end of the fourth quarter. As a sporting goods company and part of the larger retail industry, we need accountable and measurable transformations.

Proud in the work we have conducted and contributed, we know that there is still so much work ahead of us; however, pride without metrics is just marketing and we must continue to strive to strategize different ways that we can be effective. Dick's is committed to leading that shift, not just announcing it.

Strategy Note

This thought-leadership opinion piece is ghostwritten as Dick's Sporting Goods CEO to be placed in The Wall Street Journal in the C-Suite Columns. I specifically chose the WSJ due to their impact being one of the most influential business publications globally and their frequent features of CEO-authored op-eds. Unlike the original draft, this piece deliberately centers one ESG issue: retail packaging waste and carbon emissions, rather than surveying DSG's broader sustainability efforts. Redrafting this op-ed piece, I chose to be bold and direct. The candidness of using DSG's own shortcomings and openness in where DSG's

can improve their sights helps this op-ed piece to be more specific rather than general oversight of the issues. The tone serves the message because a witty, joking, or playful voice would alleviate the seriousness overall which is not the goal of the op-ed. Stemming away from my past draft which mostly spoke on DSG's positive efforts, this piece targets other retail industry leaders as its primary audience consistently using "we" as it unifies the CEO with the brand while there is the direct acknowledgment of where Dick's has fallen short. By doing so, this approach sticks true to their values such as accountability. Speaking on factual rising emissions and science based initiatives assures credibility and positions the CEO as a well-informed leader who is actively learning to be a voice in the industry to fix these issues.