Impact Progress Report 2025

15 years of impact through innovation

Reflections from our leadership

When we were contemplating whether to start On 15 years ago, we went out on a hike. During that trek in the Engadine, we asked ourselves some big questions. Does the world really need another running shoe? What does it mean to make a product that inspires a feeling? Could performance, design and impact coexist? How can a company lead differently?

We didn't have all the answers. We still don't. But on that hike, something began to take shape beyond a business plan – our mission: Ignite the human spirit through movement. Over the years, this statement has kept us going. Innovating our way forward. Disrupting with purpose. Striving to move progress in the right direction for people and the planet.

Our mission led us to create the Cloudneo – a mono-material shoe built for circularity. It drove the development of CleanCloud®, transforming captured carbon emissions into high-performance midsole foam. And it inspired LightSpray™, a breakthrough production technology that reduces waste and emissions, rethinking how uppers are made.

None of these innovations appeared overnight. They grew out of years of experimenting, testing, learning, adjusting, and persisting with the mission keeping us going.

As we reached our 2025 milestone, we took a moment to reflect on the journey so far. What worked? What didn't? What challenged us most? How could we do even better? We've built the foundations. Now, our next chapter is about scaling our efforts even more intentionally where we believe we can truly move the needle: reducing emissions across our value chain, advancing circular systems beyond take-make-waste and strengthening social conditions where our products are made.

We pursue these areas because they matter – to our business, to our industry and to the world we move in. They matter to our mission. What comes next is turning our breakthroughs into standard practice and scaling them further.

That's what drives the work we're doing today. We are growing Cyclon™ from a bold experiment into a platform for circular services. We are moving CleanCloud® from lab to application for our highest-volume footwear styles. And we are evolving LightSpray™ from a prototype to a large-scale reality in Busan, South Korea, bringing this technology to more products and markets.

More than 15 years after that day in the Engadine, we continue on the same path, embracing every twist and turn, guided unwaveringly by our mission.

Dream On.

CASPAR, DAVID, OLIVIER AND MARTIN,
ON PARTNERS

A note from our Senior Director of Sustainability

We are no longer an emerging challenger. We are a global sportswear brand, growing fast in a world that is not moving fast enough in the right direction. Climate, inequality and systemic fragility are no longer distant risks; they shape the lives of our partners, the communities where our products are made and our consumers.

Growth brings responsibility. But even more, it brings opportunity. Our aim is to prove that performance, design and impact can move together in every stride – cutting our footprint, improving working conditions across our value chain and contributing to progress where we operate while engineering the gear that inspires people to move.

Even as the global industry becomes increasingly complex, we are not slowing down. Instead, we are growing up. In 2025, this meant moving beyond bold ambition toward the systems that make progress real. We shifted from asking what we believe in to building what it takes to deliver.

We are embedding sustainability into the way we operate and make decisions every day. Data plays a central role in this shift. By making impact visible across teams, we create transparency and accountability where it matters most. Creation teams can see the footprint of their choices, allowing innovation to advance both performance and impact. This is how we move responsibility from ambition to baseline.

We have achieved a lot. And we are proud of it. You can observe the progress outlined in this report. However, the work ahead is hard. Implementing living wages, balancing performance and footprint, advancing circular loops without technological readiness in the industry, increasing supply chain transparency, navigating uncertainty without losing momentum – at times, we're learning as we move forward. We choose openness over silence, progress over perfection and optimism backed by action.

Because the world doesn't need fewer growing brands, it needs better ones. That belief shapes the new two-part structure of this report. The first section tells the human stories behind our strategy, showing how decisions are made every day. The second delivers the data and disclosures to hold us to account, including our first steps toward alignment with the European Sustainability Reporting Standards. We invite you to read both together.

Thank you for reading, for challenging us and for moving forward with us.

BEGÜM KÜRKÇÜ,
SENIOR DIRECTOR
OF SUSTAINABILITY

2025 in review

First robotic facility opened in Zurich	producing LightSpray Cloudboom Strike
447 unique styles traced to their preferred material sources	compared to 5 unique styles in our pilot in 2024
99.5% recycled Speedboard® in Cloudrise Cyclon 1.1	made from returned shoes and production leftovers
>195k community members reached	through the Right To Run program

2% reduction in Scope 3 emissions per product	vs. 2024, updated science-based targets
14% increase in Scope 1 & 2 absolute emissions	vs. 2024, mostly driven by retail expansion
80.9% of our assessed Tier 1 factories are paying living wages	which produced 77% of our 2025 volumes

Contents

Part 01: impact, told by our people

Impact is not a solo sprint but happens when we move as one – team members, athletes and partners together. Constantly challenging how products are made, how resources are used and how community needs are met.

The pages ahead take a candid look at our 2025 efforts: the collective energy of our mission, reflections and the momentum that pushes us forward. Shared through the voices of the people who lead it.

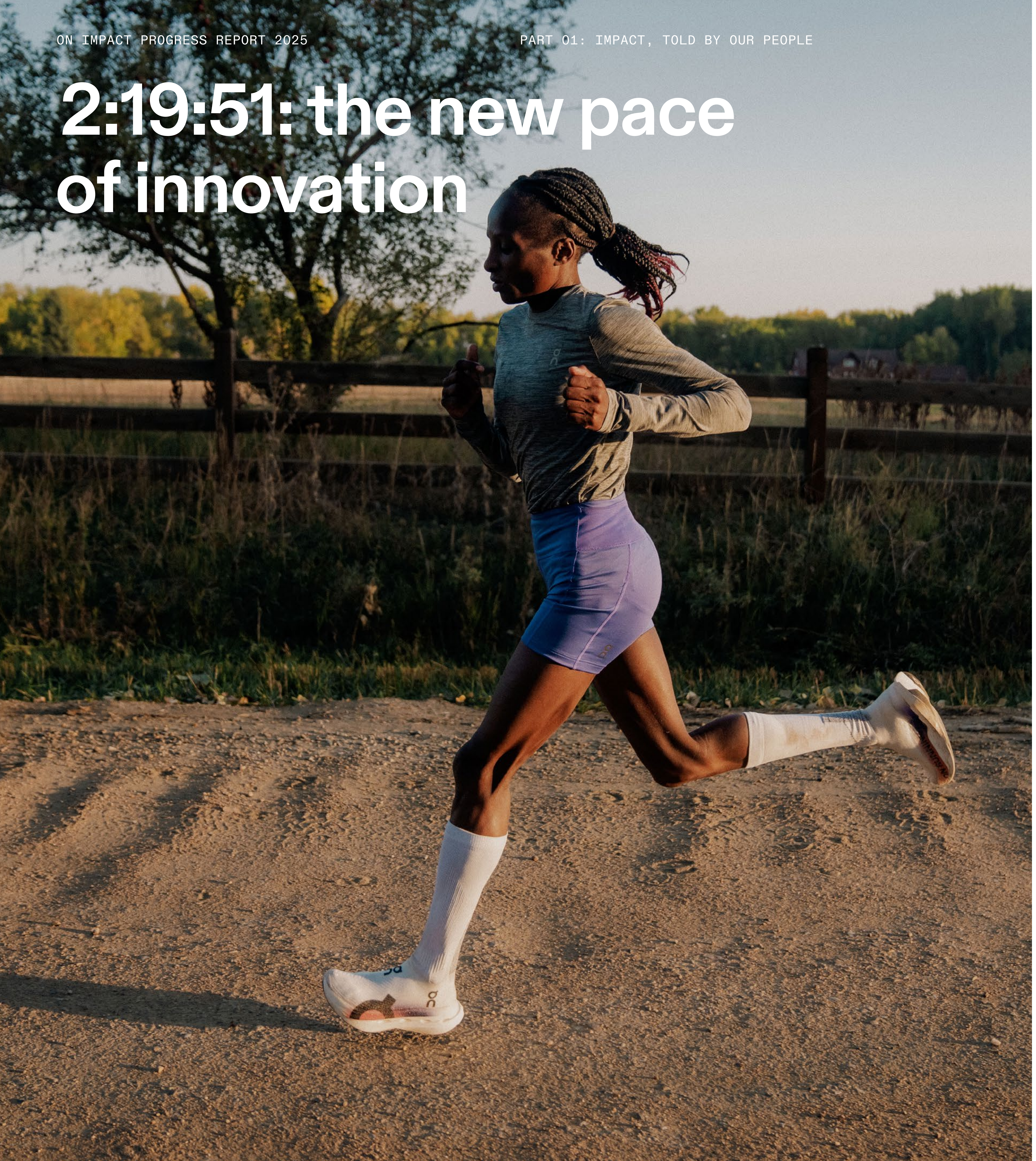
This is how we move.

Our mission: why we are here

No matter our role or where we are in the world, we share one purpose: ignite the human spirit through movement. Because incredible things happen when we move. It's the catalyst for big ideas that shatter records and shape a better future. It changes lives. It lifts communities and cultures.

You'll see it in how we rethink performance. How we champion everyone's right to the start line. And how we build On into the most premium global sportswear brand – through performance, design and impact.

2:19:51: the new pace of innovation



When Hellen Obiri crossed the finish line of a marathon in New York City in 2025 with a sub-2:20 time, she made history by shattering the course record that stood for over twenty years. She also won for the second time in New York City and took her fifth world marathon major title. But that's not all. Her choice of footwear further proved that a new approach to racing shoe construction could not only work. It could win, again and again.

Running her second New York City victory in the LightSpray Cloudboom Strike wasn't just a win for Hellen. It was also a win for the engineers, designers, and innovators at On who turned a radical idea into a racing reality. For fifteen years, this spirit of experimentation has shaped how we build products at On, testing new ideas, challenging conventions and learning through iteration. LightSpray™ is a testament to that mindset: a breakthrough technology designed to fuse elite performance with minimal waste and a lower CO_2 footprint.

"No, I can't run in these"

The podium journey for LightSpray™ began with skepticism. When our innovation team first showed Hellen the laceless, minimalist prototype, her reaction was immediate: "No, I can't run in these." Her reluctance was part of the process – a reminder that innovation is usually a nonlinear process of testing, failing and rethinking.

At On, athletes like Hellen are test pilots and collaborators. They help us shape the products we make and the breakthroughs we pursue, because they know what high performance feels like. "The trust I have in this shoe comes from being part of its creation," Hellen says. "When you have that level of confidence in your gear, you have the mentality that you are going to run fast."

The 3-minute breakthrough

Rep after rep, shedding seconds, chasing better. Like athletes, our team spent years perfecting the LightSpray™ technology before they showed it to the world in 2024. Our engineers programmed a fully automated robotic arm that precision-sprays a seamless 1.5-km filament onto a high-performance racing midsole, free of glue or stitches. And less really is more for elite marathoners like Hellen, where every gram matters. The LightSpray Cloudboom Strike upper weighs approximately 30 grams, contributing to a total shoe weight of only 170 grams.[1]

1 Based on a men's size 8.5 US.

"The trust I have in this shoe comes from being part of its creation. When you have that level of confidence in your gear, you have the mentality that you are going to run fast."

HELLEN OBIRI
WEARING LIGHTSPRAY

The single-step method replaces a traditional assembly process of around 200 steps in around just three minutes with minimal scraps and waste. LightSpray™ represents a breakthrough in footwear manufacturing. It began at On Labs in Zurich, where an independent LCA conducted by Vaayu showed a potential 75% reduction in carbon emissions compared to other On racing shoes.[2]

On to the next challenge

Hellen's performance in New York City offered a glimpse into what is possible when high-performance gear meets a lower carbon footprint. While her win was a testament to her own incredible discipline, it also validated how our team's vision withstood the highest pressures of elite racing. And now we're taking the technology to an even larger running crowd.

Since July 2025, every pair of LightSpray Cloudboom Strike has been assembled at On Labs in Switzerland. In 2026, we will expand our LightSpray™ technology with the opening of our second robot production facility worldwide near Busan, South Korea – home to 32 dedicated LightSpray™ robots.

South Korea's position as a global leader in robotics and automation, combined with our partnerships and footprint in the region, made it the strategic choice for the second LightSpray™ facility. Here, we will produce the LightSpray Cloudmonster 3 Hyper. This step expands the reach of our technology, so more runners can experience the same innovation that powers athletes like Hellen Obiri.

2 These results don't include the production of the shoe bottom unit, packaging, or product use because their impacts are assumed to be the same for both LightSpray™ technology and conventional technology.
Based on independent LCAs conducted by Vaayu.

The power of collective movement

Movement is a basic human right, but it remains out of reach for many. This is where our community impact work has its roots – inseparable from our mission to ignite the human spirit through movement.

Through our Community Impact team, we equip people with the tools and support needed to move forward, both physically and mentally. As we grow, we are expanding access to the transformative power of movement and reaching more people in our communities than ever before.

“At its core, community impact is about people,” says Sahra Kaboli-Nejad, Head of Community Impact at On. “We know that so many face real barriers to movement for all sorts of reasons. As a global company, we can empower communities to tackle those obstacles. And we’re intent on building something that lasts and changes lives.”

Where we focus our impact

Marking 15 years of On means sharpening our focus. As we grow, we’re expanding access to movement for more people in our communities than ever before.

Our updated community impact strategy focuses on moving communities forward with clear intent.

The strategy is built around four pillars:

- **Moving together for others:** Building an internal culture of giving and belonging by engaging our workforce in community initiatives that strengthen connection and inclusion across our teams.
- **Enabling the move with dignity:** Improving well-being across our value chain by collaborating with partners on targeted social programs that advance safety, dignity and resilience in the communities connected to our value chain and beyond.

- **Moving in community:** Enabling collective progress by expanding access to movement and economic opportunity through initiatives such as Right To Run and our Entrepreneurship program.
- **Standing for the right to move:** Advocating for systemic change by using our voice and partnerships to respond to crises and stand up for the right to move.

Empowerment through partnership

Our flagship program is Right To Run. By partnering with local organizations around the world, we help remove barriers that keep underserved communities from being active. Whether connecting city youth with the outdoors or supporting refugees as they rebuild and recover through sport, our programs create spaces where movement can boost confidence, belonging and resilience. We bring the resources, the community brings the leadership. Together with our partners, we work to ensure the power of movement belongs to everyone.

OUR 2025 RESULTS AND 2026 AMBITIONS

195,361

community members reached
Ambition for 2026: 290,000 community members

85%

of community members report a good sense of belonging and community identity
Ambition for 2026: maintain 85%

48%

of community members reached are women and girls
Ambition for 2026: >50%

Measure the benefits of movement

Real impact is more than a metric – it's a sense of belonging and support for your mental and physical health. We take a research-backed approach to community impact and the results show just how powerful collective movement can be: 92% of participants are moving more and 95% reported reduced stress just by moving together. Most importantly, perhaps, nearly one in four would not be moving at all without these programs.

Right To Run community member voices

"My running journey began in these evening sessions, where I found the courage to start alongside others. Running now means vitality and freedom to me. For the first time, I can occupy the streets on my own terms – something that was denied to me as a woman in Afghanistan."

RIGHT TO RUN COMMUNITY MEMBER,
CHAMPIONS OHNE GRENZEN
(BERLIN, GERMANY)

"This program brings together amputees and allies who choose to stay active in their own way. Fitness with limb loss can feel isolating, but seeing others try new sports and push their limits is incredibly motivating. It reminds you that you are not alone."

RIGHT TO RUN COMMUNITY MEMBER,
SO EVERY BODY CAN MOVE
(CALIFORNIA, USA)

"I just love the environment - non-judgemental, friendly people. It's given me a more positive outlook on life. It's given me a sort of confidence to say 'yes' to things and participate rather than isolate myself."

RIGHT TO RUN COMMUNITY MEMBER,
SPEED FREAKS
(AUCKLAND, NEW ZEALAND)

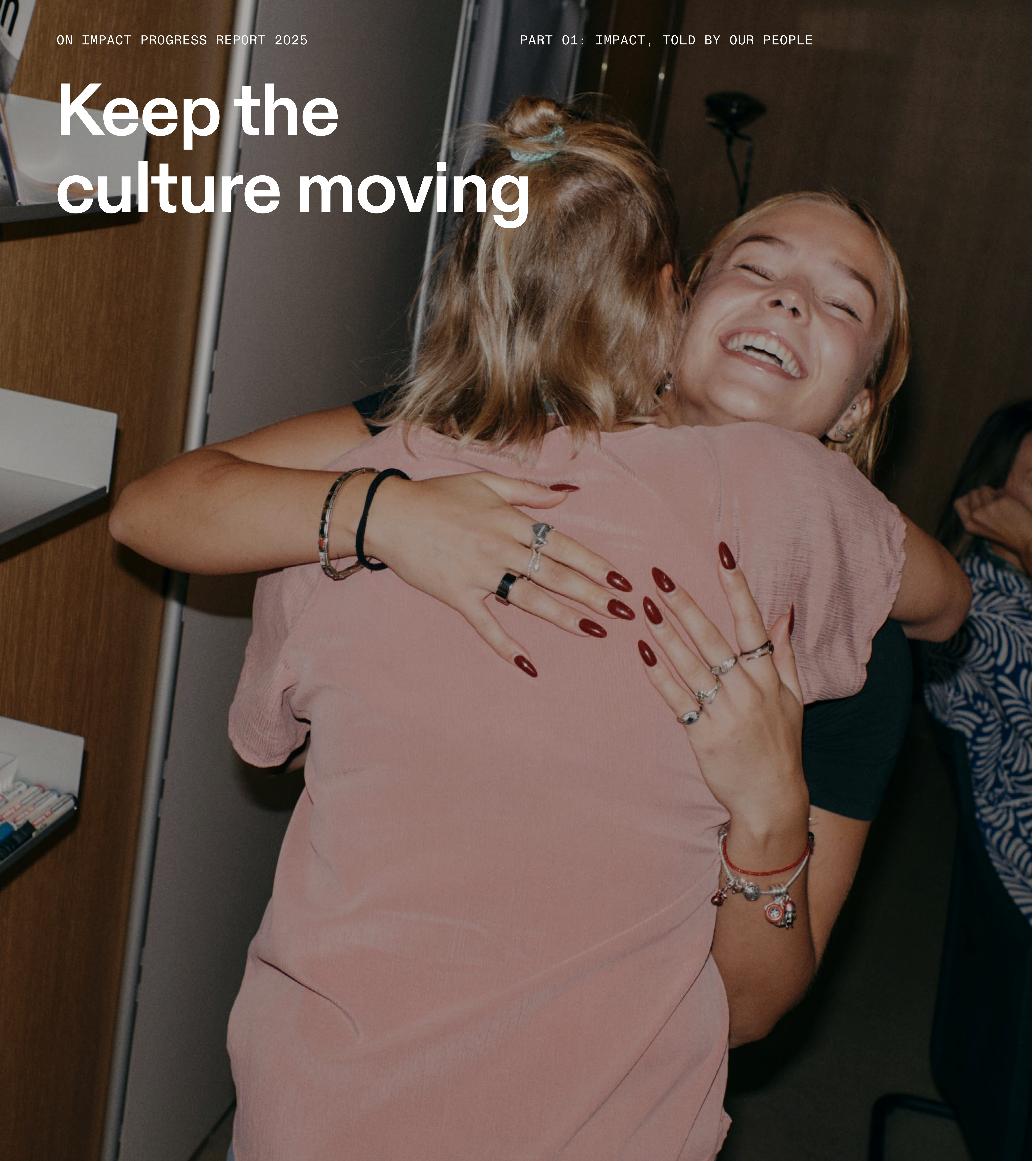
Find our full partner list here →

100
organizations supported globally

4,068,671
CHF donated in grants

42,899
products donated

Keep the culture moving



When Corina Meierhofer became our very first On team member, there was no office. Not even a shoe for sale. Her first desk wasn't even a desk, but co-founder Caspar Coppetti's kitchen table. Since those early days, On has grown from a small group of dreamers into a global team of over 4,000 people.

But growth isn't just about adding more desks. It is about people thriving, driven by meaningful goals and supported by the community around them. So, we take a holistic approach to development and well-being that keeps the human spirit at the center of everything. Corina's own journey – moving from customer service to marketing and now vocational training – is a blueprint for this culture in motion. It demonstrates how our team members are empowered to explore, innovate and go wherever they can make the greatest impact.

Corina, when you look back to that kitchen office, what has stayed the same about the On culture?

We've always said, Dream On. And that's still true today. We dream big as a team, but also individually. From the beginning, I was urged to pursue my personal interests and let those shape my journey here at On. I was empowered to take on new responsibilities and challenge myself. It's a workplace where you're encouraged to think outside the box and do things differently if you believe that's the better way. Even as we have grown, that focus on progress over process is a constant.

Tell us about your current role working with future talents.

I've found my true passion in our Apprenticeship Program, mentoring and empowering young individuals. On is a place where everyone can thrive, and it's a deeply fulfilling experience to watch apprentices grow by giving them a supportive environment where they feel confident to explore their strengths. My goal is to ensure they feel celebrated for who they are from day one.

3,029

volunteer hours clocked collectively in 2025 around the world, from interns to senior leadership

79%

team member happiness index for 2025

What does the mission actually feel like inside On?

I feel it the second I walk into the office. There's a shared energy, perhaps because so many of us are into sports and being physically active. Whether it's a lunch-break run or a hike on the weekend, we're out there moving and living our mission.
From my perspective, that shared passion gives you a sense of belonging. We are a team that genuinely cares about doing things better – our products and our impact. And it shows up in how we work together or run together. Or give back to communities through our volunteer programs.

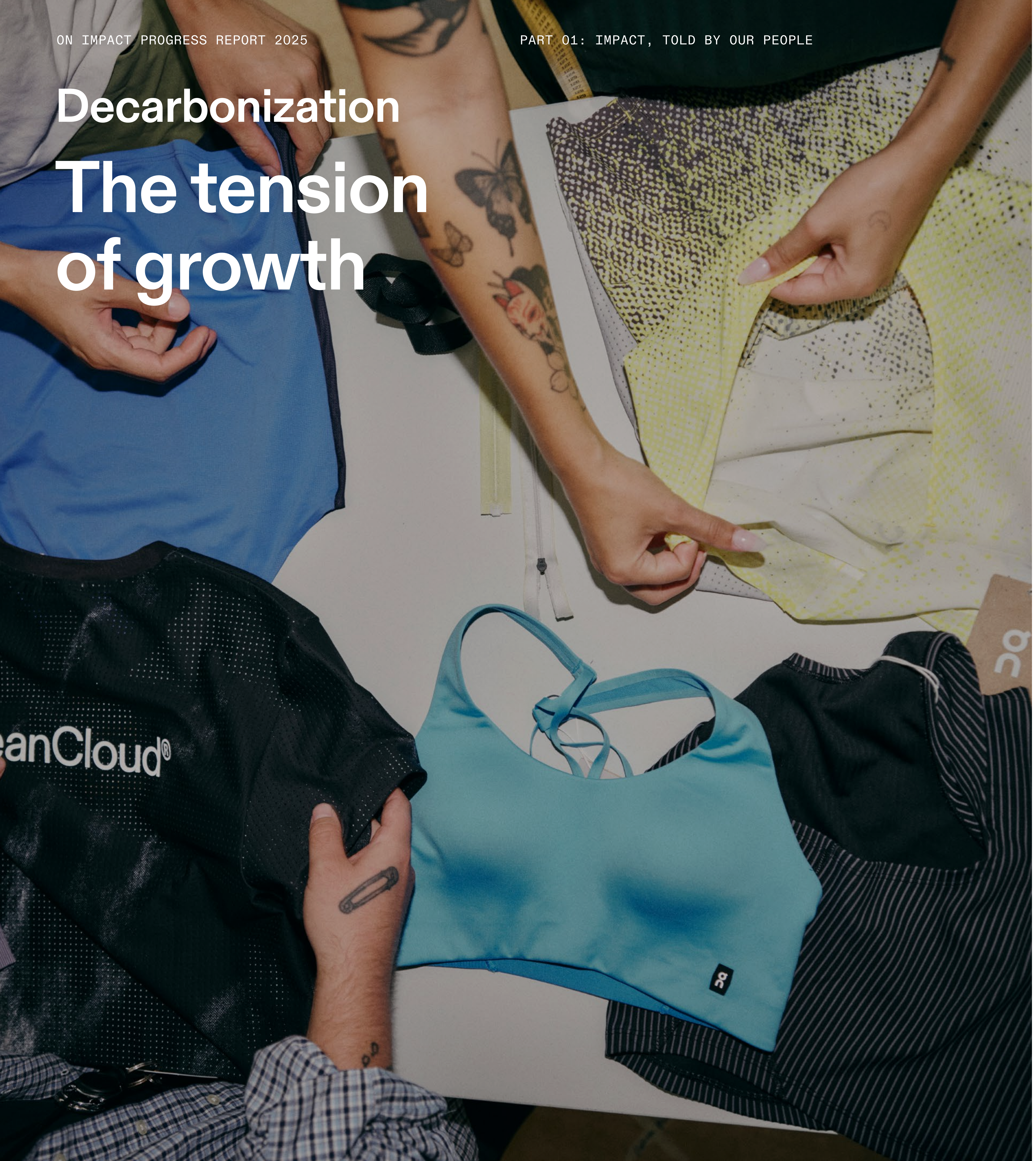
On turned 15 in 2025. How does the culture help keep the momentum alive?

For me, the momentum comes from the fact that we never stop moving. Even as we've grown, I still see that same space where every voice matters. And I see it in the way we act as one team when things get challenging. My favorite part is how we keep reaching a little higher because we genuinely care about the work and each other.

Reflections: what we learned

In 2025, we pushed. For decarbonization, for circularity and for social impact. We made meaningful progress yet we also faced hurdles, and some were higher than expected. But we own the struggle. Because reflection is the bridge between experimentation and accountability. It’s how ambition becomes responsibility.

Here’s how every lesson sharpens our focus. And every setback strengthens our systems. The work is never finished. Progress over perfection. Always learning. Always forward.



Decarbonization

The tension of growth

There is a paradox at the heart of our business: We are growing faster than ever, but our goal is to leave a smaller footprint behind. In 2025, we continued to navigate this reality as increasing production volumes meant rising total emissions.

While our previous economic intensity metric allowed us to track our emissions relative to our growth, it didn't give us the detail on how we were doing at product level. It mixed emissions data from when the product was produced and when it was sold, which often happen months apart. To meet our goal of transparency and accountability at a granular level, we had to change our metric.

Sharpening the tools

This past year, we moved our Scope 3 target from economic intensity to physical intensity. This shift allows us to track our emissions independently of fluctuating sales cycles and market pricing. By focusing on the carbon footprint per shoe or shirt, we can now directly measure the effectiveness of our product-level interventions and more accurately track our manufacturing impact.

"We track emissions in our value chain, – from materials and production to shipping and the goods and services we use to run the company," says Scott Maguire, On's Chief Innovation & Operations Officer. "We then divide that total by the number of units

we've made. This physical intensity metric aligns carbon accounting with production cycles and is a more rigorous and real-time way to hold ourselves accountable.
It ensures that even as the company grows, the carbon impact of each individual product must still come down."

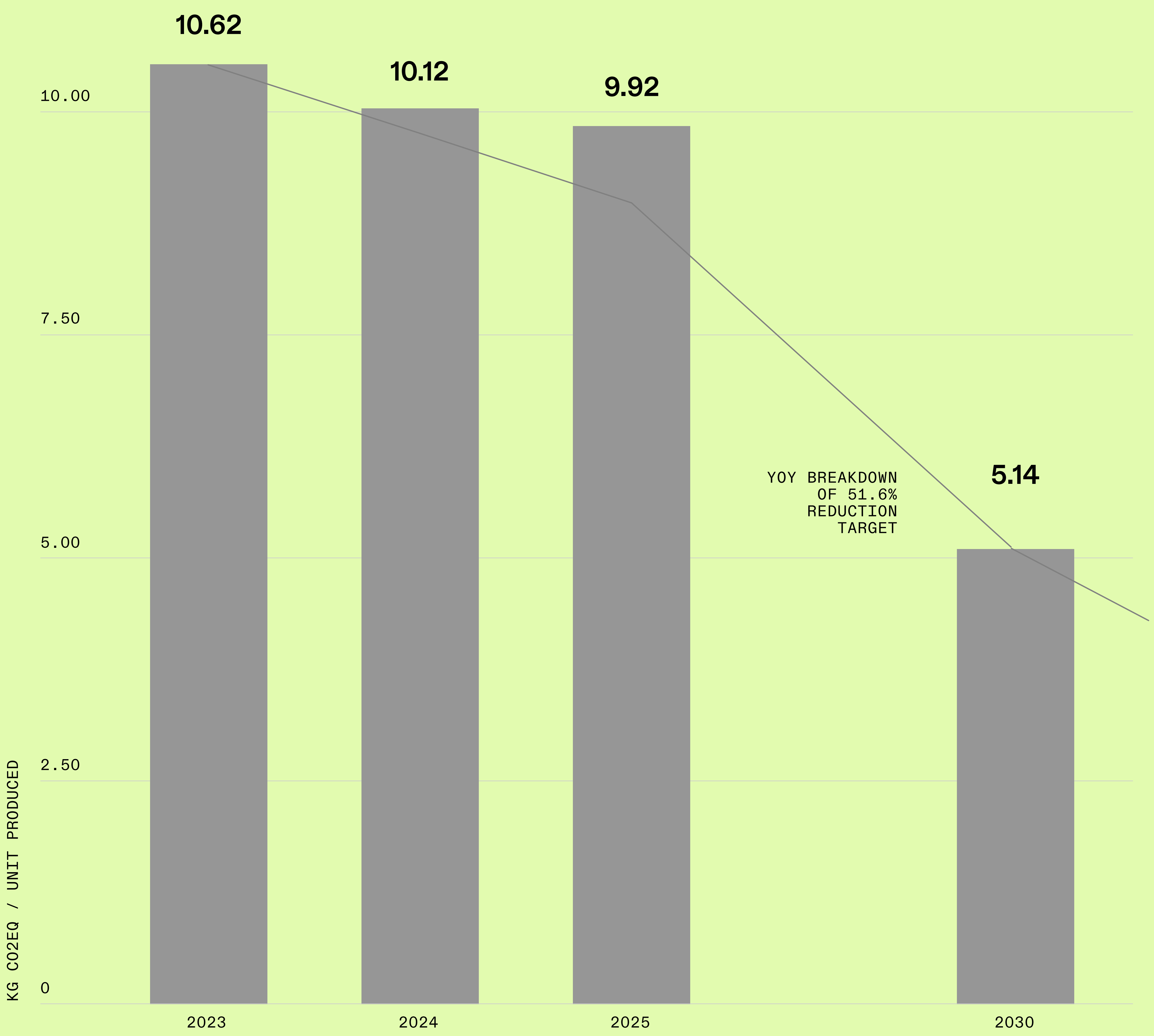
Measuring what matters

Our updated science-based target is to reduce our relative Scope 3 emissions per unit produced by 51.6% between 2023 and 2030. Looking at 2025, we reduced our Scope 3 footprint per product by 2% compared to 2024, and 7% compared to 2023. While these steps count, they aren't the leaps we need. To meet our 51.6% reduction goal, our current rate of progress has to pick up speed. One important element will be to work with supply chain partners across Tier 1 and 2 to accelerate the adoption of renewable energy. The material and supplier choices we are making today will show their effects in the next two years as our products move through our creation and production life cycle.

"In some ways, the shift has made our work more complex, but it also brings clarity to the progress of every product generation, and is the responsible way to grow," Scott explains. "By linking our carbon performance directly to what we make, we can see exactly where the drivers are."

Read more about our emissions reduction targets across Scope 1, 2 and 3 here →

SBT Scope 3 physical intensity



Circularity

Cyclon™: rethinking the blueprint

When we first introduced Cyclon™, we set out with a bold ambition: to create a shoe that is designed to be recycled and never owned. In 2022 we launched our first step: The Cyclon™ subscription model. Runners could sign up to wear our Cyclon™ collection products, and return them to us once they were worn out in exchange for a new pair. It was our first experimental step toward creating a more circular economy, as we introduced a new ownership model to keep valuable materials in circulation.
In 2025 we reached a significant milestone: the launch of the Cloudrise Cyclon 1.1. The shoe's Speedboard® is composed of 99.5% recycled materials, derived from a combination of materials from post-consumer Cloudneo shoes returned by subscribers and leftover materials from the manufacturing process.

What practice revealed

However, technical success is only one part of the story. While the Cloudrise Cyclon 1.1 indicated that we could keep high-performance materials in circulation, turning that progress into a working system was another challenge. To this end, 2025 served as a period of honest learning, not only for the Cyclon™ subscription model but across our other circular services: Onward™, our resale and trade-in program in the US, and CarryOn, our repair initiative in China. By testing these diverse models, we saw how operational complexities, regional infrastructure and real-world customer behavior all shape the way circularity works on the ground.

"The Cyclon™ subscription taught us some valuable lessons. That dedicated products require complex, manual take-back systems and high volumes before recycling can even begin, so delays between collecting and processing items are unavoidable. And that subscribers have a personal perception on when a product becomes unusable." explains Serena Bonomi, Head of Circularity at On. "So, even if we proved that closed-loop recycling is technically possible, a program uniquely focused on recycling after the first owner is not the most sustainable approach we could offer."

The insights gained were instrumental, providing key learnings that have enabled the teams to progress and expand our efforts towards circularity into a more scalable program.

The Cyclon™ evolution

With the launch of the next step of Cyclon™, we aim to take responsibility for every product we sell beyond a specific collection. We are incentivizing the return of pre-loved On products and enabling the purchase of refurbished gear, helping to keep products in use and materials in circulation for as long as possible.

Items in excellent condition are prepared for resale through the evolved program. Pieces that are not fit for resale will be donated via partner organizations. If donation is not possible, the products will be collected for recycling. By partnering with experienced donation organizations and regional recyclers, we strive to keep materials moving, beyond their first finish line. And we will use information gathered from returned products and our regional recyclers to engineer better material choices and improved recyclability into future products.

As part of this evolution, the subscription service is discontinued, making way for a brand-wide circular services program. First, the Cyclon™ evolution will launch in the US, UK and Switzerland in 2026, with intent to expand into additional countries and regions.

Discontinuing our subscription model was a difficult decision, but it marks an important reset in our sustainability journey. “We’re still firmly committed to challenging the ‘use and throw away’ model,” Serena says. “Progress requires iteration. The next chapter for Cyclon™ is an important reset to propel us forward at larger scale.”

Read more about our circularity approach here →

Social impact

Behind the living wage target: what we know now

A legal minimum wage is a baseline, yet in some places it's still not enough to support a decent living. For a person in our supply chain, the move toward a living wage can be the difference between getting by and having a secure future.

In 2019, we set an ambitious target to reach Global Living Wage Coalition (GLWC) benchmarks across all our Tier 1 factories by 2025. Currently, all our factories pay above the legal minimum wage and 80.9% of the assesed Tier 1 meet the living wage benchmark, covering 77% of our total production volumes. While we have made progress, this outcome isn't what we aimed for.

What we have learned

The GLWC defines a living wage as a weekly pay that's high enough to sustain a decent standard of living in a particular location, without the need to work overtime. It means being able to afford food, water, housing, education, health care, transportation, clothing and other essential needs for the worker and their family.

The reality is that the path to a living wage is more complex than we estimated. Global wage systems vary significantly across countries and are influenced by local labor laws, levels of unionization, pay models and purchasing practices. As we widened our scope beyond Vietnam, we realized that relying on a single benchmark wasn't enough to capture local conditions.
So, we spent 2025 doing the groundwork we missed earlier on.

We expanded our methodology to include data from the independent non-profit foundation WageIndicator to supplement missing GLWC benchmarks. We were also able to expand the verifications from 10 footwear factories in Vietnam to 21 footwear, apparel and accessories factories across Vietnam, China, Indonesia and Turkey (covering 96% of our volumes).

"In 2025, we more than doubled the number of factories we checked for living wage gaps. Yet, even with this much wider lens, we found that only four factories fell short of our standards," says Treina Fabre, Head of Responsible Manufacturing at On. "By prioritizing direct relationships with our partners, we're working towards ensuring that a living wage isn't just an industry aspiration but a core standard for doing business with us."

“By prioritizing direct relationships with our partners, we’re working towards ensuring that a living wage isn’t just an industry aspiration but a core standard for doing business with us.”

TREINA FABRE,
HEAD OF RESPONSIBLE
MANUFACTURING AT ON

What comes next

Despite the complexity and despite the missed target in 2025, living wages remain a firm commitment for us. Our recent learnings have grounded us in a more realistic approach that prioritizes accountability. This also means looking hard at our own purchasing practices and evolving our internal mechanisms to drive this progress from within.

Living wage benchmarks are a critical part of our performance scoring of supply chain partners. We will not onboard new partners who cannot demonstrate they already pay living wages or commit to meeting our expectations. For our existing partners, the goal to achieve 100% continues to guide our work. We are extending our target to 2026 to close the remaining gaps. It's a steady, sincere path toward a standard we believe should be the industry norm.

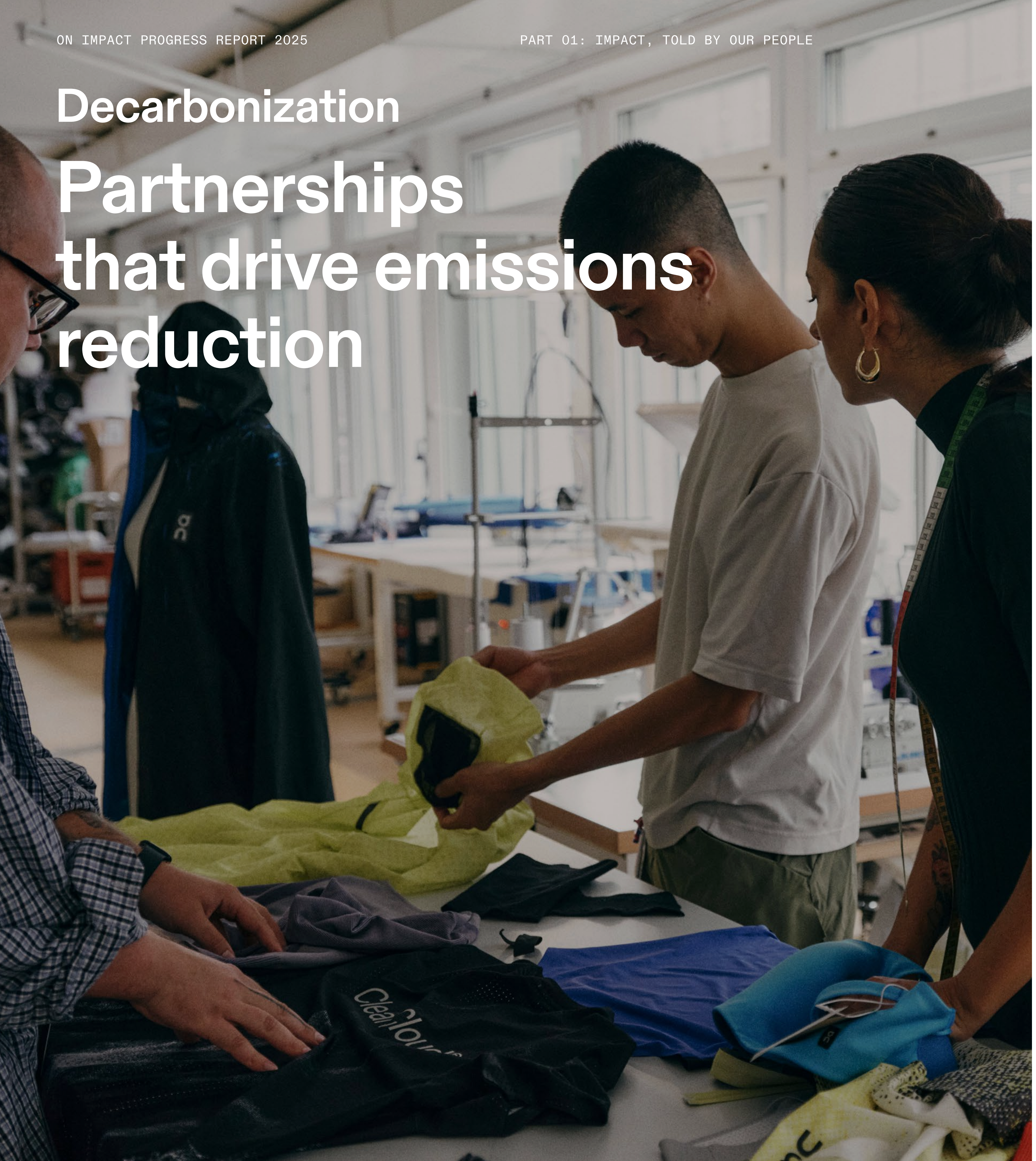
Read more about our approach to living wages here →

Momentum: how we scale impact

After reflection comes action. Years of testing and refinement have built our foundation. Now, the focus shifts to the value chain – applying what works to the challenges that matter most: decarbonization, circularity and social impact.

When we grow, opportunity grows with us. We're turning promising ideas into everyday practice and building systems for greater impact.

This is momentum. Turning lessons into structure. Ambition into lasting progress.



Decarbonization

Partnerships that drive emissions reduction

Roughly three-quarters of our company-wide emissions stem from production-related activities. This means our biggest environmental impact is decided at the design table, long before a shoe ever hits the ground. After years of exploring this challenge, we are now moving from pilots to systemic change.

We asked Carla Fiorucci, our Senior Specialist for Sustainable Product & Traceability at On, to take us through the efforts that will help us reach our 2030 emissions targets.

“We’re scaling our product emissions reduction efforts across three critical fronts,” Carla explains. “Firstly, by putting real-time carbon footprint data in the hands of our creation teams; secondly, by innovating lower-impact materials; and finally, by using blockchain-inspired technology to verify them all the way to the source.”

Emissions are now a matter of design

Calculating a product’s footprint used to be a retrospective exercise because by the time we got the numbers, the shoe was already finished. But not anymore. Through our partnership with Carbonfact, this process has been improved by introducing automation into it, allowing our creation teams to see real-time carbon predictions while a product is still on the drawing board.

“We can’t change a product that’s already made,” says Carla. “But with Carbonfact, CO_2 calculations are now a primary design and development parameter alongside cushioning and weight. We evaluate different material options for every product on the design board, which helps teams understand the impact of their choices early on. Knowing the data helps us build the business case for change and make informed material swaps across newly designed products.”

The new approach is integrated at the earliest design stages and follows the natural life cycle of our products. This means that the choices our teams make today will show up in our GHG inventory over the next two to three reporting cycles.

Chasing better alternatives

Data is a powerful starting point, but it's only half the story. To actually lower a product's carbon footprint, we need access to high-performing materials that leave less behind. Like CleanCloud® EVA. While most midsoles rely on petroleum, our collaboration with Borealis, a leader in circular and renewable plastic solutions, led to a low-impact foam made from captured carbon emissions.

What started in 2019 as a wild idea is now reaching the mainstream. Our first high-volume style using CleanCloud® is set to launch in 2026. "Thanks to material innovations like CleanCloud®, we met our midsole target earlier than predicted," explains Carla. "We aimed for 20% recycled or renewable content by weight by 2027; we hit 23% in 2025." But as Carla notes, our ambitions are much bigger. "We want to eventually replace all traditional EVA sole units with alternatives like CleanCloud®."

14.5 million units tracked

Scaling our use of preferred materials requires total visibility. It isn't just about verifying a source but ensuring materials like preferred cotton or recycled polyester come exactly from the specific regions and feedstocks we've defined for them. To address this, we successfully piloted TextileGenesis in 2024 – a blockchain-inspired process designed to map precisely how materials move through every stage of our supply chain.

On's first full scale-up season was 2025, explains Carla. "We tracked preferred materials across 14.5 million units and 5,000 purchase orders. We're able to verify a cotton fiber all the way back to the farm, what we refer to as Tier 5."

Asked about reaching our 2030 targets, Carla is clear. "The technology and the scalable tools are already here. We helped build them and now it's about deep integration," says Carla. "Addressing impact at the design table was a fundamental shift in how we work. And seeing the effects of our partnerships as they scale makes me proud. We're definitely moving, and proving systemic change is possible."

What is CleanCloud®

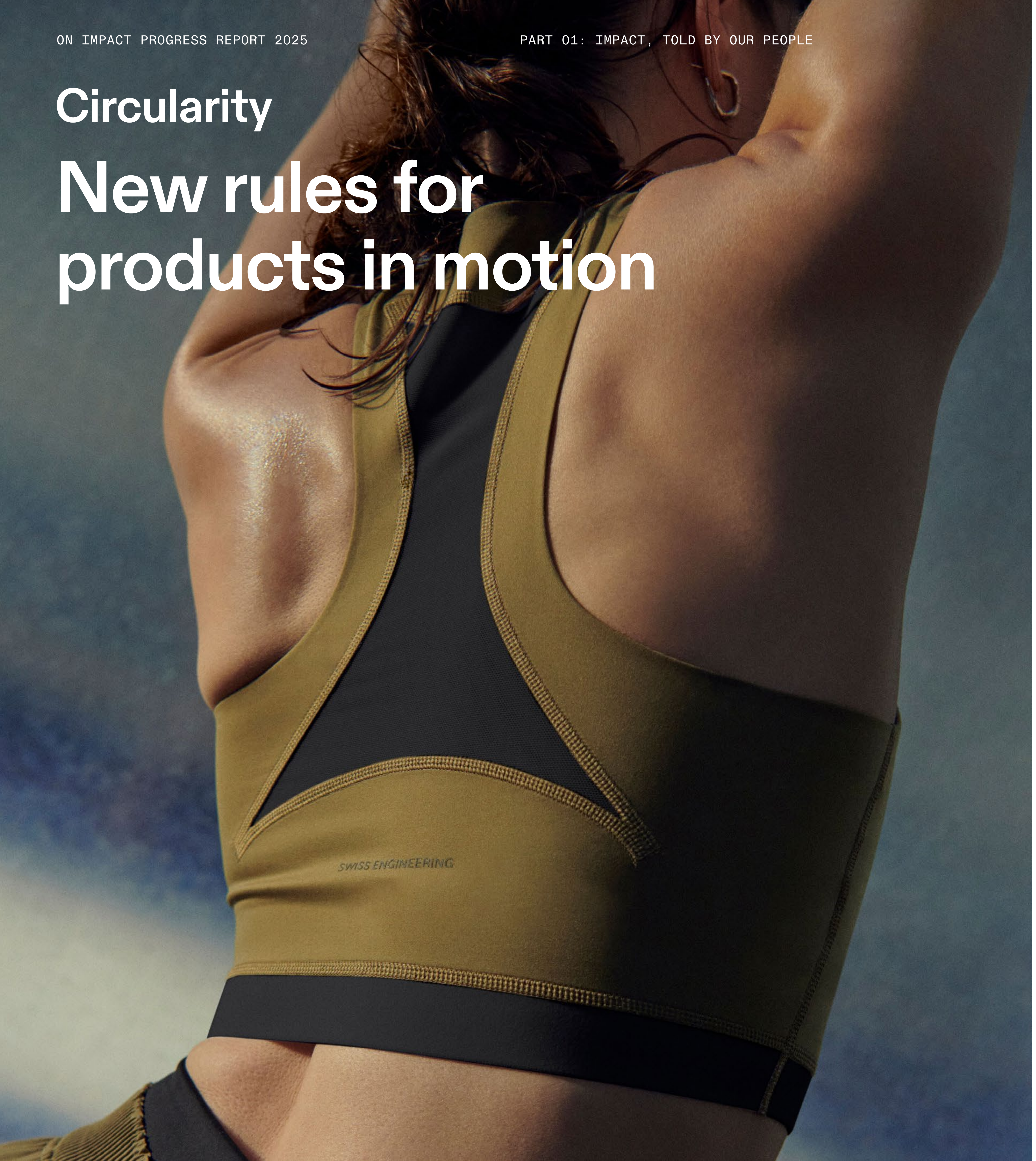
EVA (ethylene-vinyl-acetate) foam is used in running shoe midsoles. While most midsoles rely on petroleum-based materials, CleanCloud® uses captured CO_2 emissions as raw material. The technology captures CO_2 before it enters the atmosphere and combines it with green hydrogen produced from water using renewable energy. Together, these elements are transformed into naphtha, which is then used to produce EVA with the same quality and performance as conventional fossil-based materials. The result is a high-performance foam that turns industrial carbon emissions into a key ingredient for running shoes.

"Strong partnerships are the engine of supply chain traceability. With TextileGenesis, we constantly challenge each other to improve. In just one year, we've made progress across our footwear, apparel and accessory verticals. It's a direct result of hard work, global supplier visits, workshops and traceability summits."

PHILIPP ENGELS (PICTURED LEFT), PRODUCT SUSTAINABILITY & TRACEABILITY SENIOR LEAD AT ON

"We're excited about applying our traceability platform to footwear materials at this scale. On is one of the first brands to do this and we look forward to integrating even more supply chain partners as the program grows."

AMIT GAUTAM (PICTURED RIGHT), CEO OF TEXTILEGENESIS



Circularity

New rules for products in motion

We want to keep materials in flow. And give new life to old gear. To succeed at scale, circularity has to sit at the core of our product creation. And this is why we're introducing Circular Product Guidelines Apparel & Accessories that help our creation teams embed circular design across our future collections.

Behind the new guidelines lies a year of investigations. Because first, we had to find exactly where the circle breaks, by looking past the big picture to find the friction in the details.

"We kicked off our circular product guideline work by analyzing exactly why products fail to stay in circulation," says Annaleigh Hockaday, Senior Director of Product for Apparel and Accessories. "And we are using those lessons to rewrite the rules."

Throughout 2025, our teams put this to the test by analyzing staples like the Performance Tights and Weather Jacket, as well as big volume items like Run Socks. We found that while most fabrics already align with our Preferred Materials List, simply using the right base material isn't enough. We needed more guidance on how to assemble these materials without creating a circularity roadblock – often revealing a direct trade-off between high-performance features and end-of-life recyclability.

By talking to sorters and recyclers, as well as participating in cross-industry working groups like Fashion For Good, we saw this tension in action. Elastane, for example, essential for the stretch you need to move effortlessly, remains difficult for recyclers to separate. Similarly, trims like zippers and bonding tapes make disassembly a hurdle, while multi-material constructions often mean a product can only be downcycled.

Clarity for promoting circularity

So what does this mean for future product creation? It means designing with a clear set of circular product criteria: durability, repairability, recyclability and manufacturing efficiency. It's a concrete toolkit that helps us to work toward circularity alongside our growth.

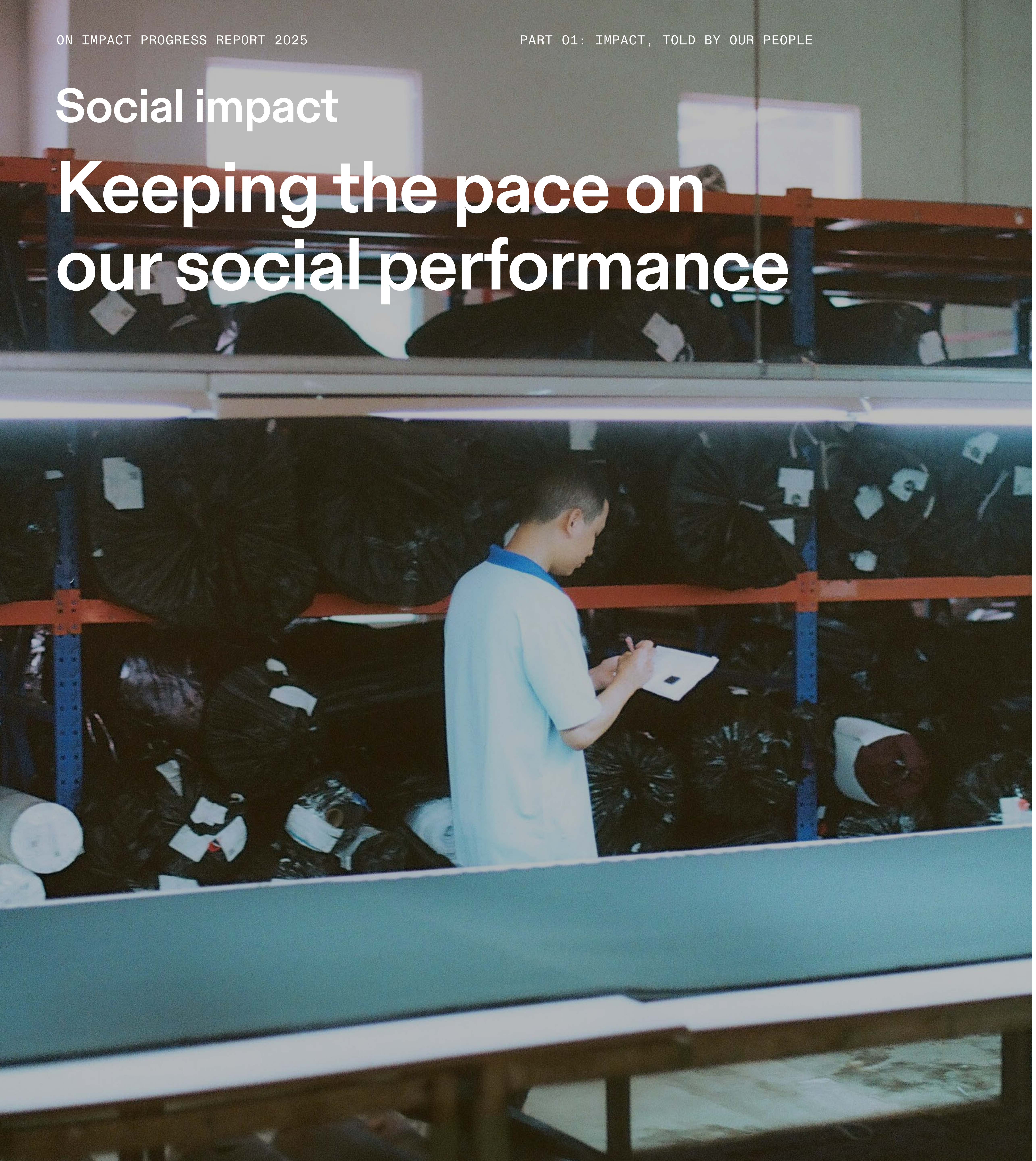
In 2025, we brought this clarity to our apparel and accessories teams, defining a unique approach that works for On. Now, the momentum continues. Throughout 2026, our teams will put these guidelines to the test across future collections, while we begin the work of decoding circularity for footwear. Footwear is a different challenge, with its own unique material complexity – but it's the next frontier we're ready to take on.

We're excited for this next step. By tackling these challenges today, we're a big step closer to ensuring that the gear you love is better prepared for multiple lives, once its first run is over.

Read more about our circularity approach here →.

"We kicked off our circular product guideline work by analyzing exactly why products fail to stay in circulation, and we are using those lessons to rewrite the rules."

ANNALEIGH HOCKADAY,
GLOBAL SENIOR DIRECTOR
OF PRODUCT FOR APPAREL
AND ACCESSORIES AT ON



Social impact

Keeping the pace on our social performance

How do you grow fast without leaving your values behind? As we reach more runners and regions, we're strengthening the systems that protect the people making our products. At the center of this is the sustainability compliance scorecard we created at On to guide our sourcing decisions. The scorecard moves us beyond cost and quality to focus on the rights and conditions of workers across our value chain. It's an ever-evolving tool that promotes accountability and guides our daily sourcing decisions.

A wider lens

Seeking deeper and better data, we spent 2025 strengthening our scorecard framework. This meant adding additional criteria to critical issues like building safety and migrant worker protection. At the same time, we continued to partner with independent third-party auditors to ensure objective validations. The real shift, however, lies in how we hold ourselves and our partners accountable. We've moved from a static pass-or-fail assessment to a continuous monitoring system that we review on a monthly basis, which gives us a more frequent and deeper picture of social progress. Beyond the sourcing team, these insights are now shared regularly with our Environmental, Social and Governance ("ESG") Committee and executive management, with the goal of elevating social performance and environmental compliance to the same level of oversight as our financial and operational growth.

Under closer review

The added transparency will allow us to prioritize and reward high-performing partners by integrating social performance and environmental compliance into our sourcing and buying decisions. It's a way to ensure that doing the right thing for people is also the right thing for a partner's business. And in the event standards aren't met, the system provides the clarity for required actions.

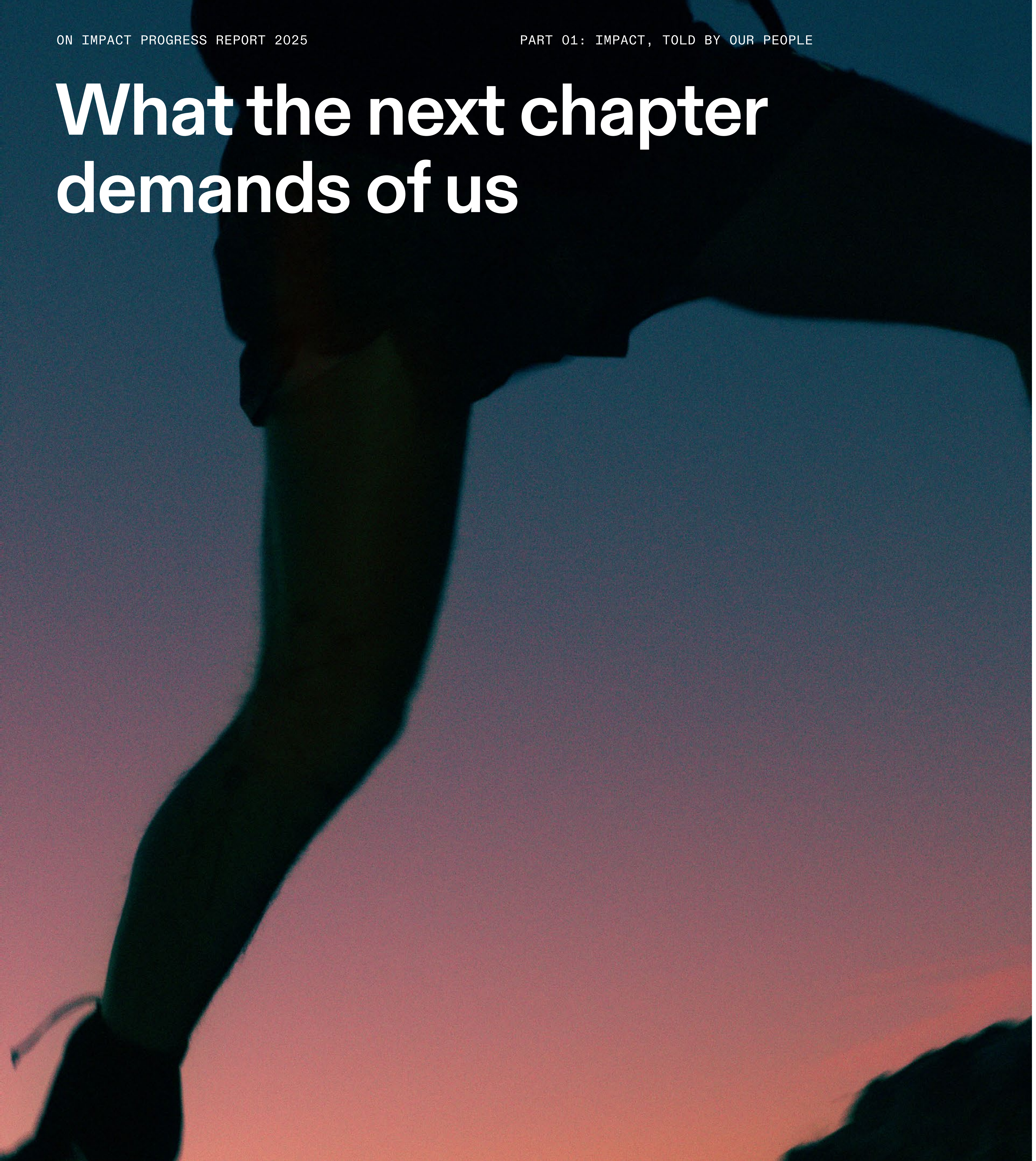
"Transparency is no longer a reporting exercise but a practical management tool that helps us make better decisions every day," says Danielle Petesic, Senior Director of Apparel and Accessories Creation and Sourcing at On. "By bringing social performance into the same room as sourcing and logistics, we're making sure it remains a continued and strengthened focus of our sustainability work as we grow."

Shared standards

More than a final checklist, our scorecard is a dynamic tool for collaboration. It helps us keep our social and environmental standards across our partner factories while we work side-by-side with partners to monitor and move their scores upward. By using this data to drive progress, we can build deeper, long-term partnerships – rewarding those who share our commitment with increased volumes and years of shared growth. It's the foundation we'll continue to build on, ensuring our decisions remain rooted in long-term social progress.

Read more about our Workplace Standards Monitoring Program and most frequent audit findings here →

Looking ahead to 2026



What the next chapter demands of us

2025 brought us clarity. It showed where the real progress lies and where we need to sharpen up.

Growth demands a different level of responsibility. So, we're integrating sustainability into our strategic business decisions – from sourcing and product development to supply chain partnerships and long-term strategy. Our eyes are locked on where we create the largest impact and where we can drive the biggest change across our industry's main challenges: cutting supply chain emissions, sourcing fairly and building circular systems that scale.

While we continuously evolve our sustainability strategy, this time we did not do it alone. We called on experts and industry peers, asking them to challenge our thinking and stretch our perspectives. We received an encouraging outside push that helped us define exactly where a premium sportswear brand like ours must lead: performance innovation, durability, material impact, social conditions in our supply chain and science-based decision-making. Not everything at once but with better prioritization and pace for maximum impact.

As we scale, our absolute emissions will continue to rise in the short term. That's the reality of growth. What matters is how we use that scale. We aim to turn our growth into a powerful engine, steadily reducing the footprint of each product, improving conditions for the people who make them, and moving away from the take-make-waste model.

In 2026 and beyond, this means fewer but stronger initiatives, clearer priorities and deeper integration into how we operate – with intentional leadership, real collaboration and full transparency on where we stand. That is how we move forward, together.

SAMMY-JO LIEFVELD,
HEAD OF SUSTAINABILITY
STRATEGY AT ON

Part 02: impact in numbers

General information

We've shared the stories that drive us, now here's the data behind them. As we grow, we're matching our passion with precision and grounding our narrative in evidence as we move intentionally into technical disclosure. The following section details our reporting approach, business model and governance.

About this report

This Impact Progress Report covers the reporting period from January 1 to December 31, 2025. It has been prepared in accordance with the provisions of the Swiss Code of Obligations (Art. 964a et seq. Swiss Code of Obligations) and the related Swiss Ordinance on Climate Disclosures (OCD), which is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The report includes voluntary disclosures aligned with the SASB Apparel, Accessories & Footwear Industry Standard (version 2023-12).

This report also reflects our progress toward future reporting requirements of the European Sustainability Reporting Standards (ESRS). Our Double Materiality Assessment performed in 2024 helps guide a step-by-step refinement of our reporting approach as the regulatory landscape further matures. A detailed mapping of the report's disclosures against the respective standards can be found in the Appendix.

Regulations will continue to evolve. And our reporting will continue to mature as we refine our approach. What will remain constant is our commitment to transparency.

This report includes On Holding AG together with its consolidated subsidiaries worldwide. Unless otherwise specified or required by context, references in this report to "On," "On Holding AG," the "Company," "we," "our," or "us" refer to On Holding AG and its consolidated subsidiaries. The reporting scope includes the entities in On Holding AG's consolidated financial statements as presented in our 2025 Annual Report — Note 1.3 — Oniverse.

The report also covers our upstream and downstream value chain, unless otherwise stated. The application of estimates for metrics, including those incorporating upstream and downstream value chain data, is explained in the respective sections. Metrics related to our own operations, including those related to our production partners, are generally based on a higher proportion of primary data, whereas other value chain metrics rely more heavily on estimates and therefore entail a higher degree of measurement uncertainty. The use of estimates, underlying assumptions, and potential sources of uncertainty are explained in the relevant reporting sections. Forward-looking information, such as targets, is inherently subject to uncertainty. Additional details are provided in the Appendix.

For the purposes of this report, we define the following time horizons: short-term refers to the reporting period itself; medium-term covers the period from the end of the reporting period up to five years; and long-term refers to any period beyond five years.

We define impact as the footprint our business leaves on people and the planet. It is the sum of our activities – extending from the materials we engineer and the labor standards of our supply chain to the circularity and end-of-life of our products. We understand that our relationship with the environment and society is a two-way street: Our external impact directly shapes our business resilience, creating both the risks we must manage and the opportunities we must seize. This is why our reporting covers both.

About On

Born in the Swiss Alps, On's mission is to ignite the human spirit through movement. From the products we make to the stories we tell, it comes down to a feeling. Since our market launch in 2010, we have delivered innovative premium footwear, apparel and accessories that elevate the sensation of movement across running, outdoor, training and tennis, as well as everyday activities. Our legal name is On Holding AG and since 2021 we've been listed on the New York Stock Exchange (NYSE: ONON). Additional information about our business model and strategic direction can be found in our 2025 Annual Report.

Our business model

We produce innovative and premium footwear, apparel and accessories designed for athletic performance across running, outdoor, training and tennis, alongside an everyday lifestyle range. Footwear is currently our largest product category, but we are actively scaling our apparel business. Our products are defined by proprietary technologies like CloudTec®, Helion™ superfoam, and LightSpray™. Aligning closely with our sustainability commitments, we are continuously advancing the use of renewable and recycled materials in our products. These include recycled polyesters, recycled polyamide, synthetic leather, and preferred cotton. Most notably, our new LightSpray™ technology fuses robotics and materials innovation to streamline manufacturing into a minimal-waste process.

All of our products are engineered in Switzerland. In addition, in 2025, we opened our first production facility in Zurich to manufacture certain LightSpray™ products. However, most of our products are manufactured by third-party suppliers. We work with a highly focused network of 30 active factories across 27 supply chain partners, with six partners accounting for approximately 70% of our production in 2025. Our footwear is primarily produced by 13 factories across 11 supply chain partners located in Vietnam and Indonesia. Our apparel and accessories are sourced from 17 factories across 16 supply chain partners in Vietnam, Turkey, China, Slovenia and Indonesia. To ensure responsible production, we have dedicated quality control teams on the ground. All partners are required to comply with our Supplier Code of Conduct. This code enforces strict standards regarding working conditions, environmental impact, employment and sourcing practices.

We operate across three major regions: the Americas; Europe, the Middle East and Africa (EMEA); and Asia-Pacific (APAC). The Americas is currently our largest market, driving 57.7% of our global net sales in 2025. We reach our consumers through a strategic, premium mix of wholesale and direct-to-consumer (DTC) channels. The wholesale channel leverages collaborative partnerships with specialty and sporting goods, and fashion retailers. Our DTC channel is anchored in On's own website and a growing network of owned retail stores across key markets.

Our growth strategy to become the most premium global sportswear brand is built on three core pillars. First, we aim to elevate our foundations by capturing more market share in our core running category by increasing brand awareness and deepening our connection with core running communities around the world. Second, we plan to expand our reach and depth by growing our multi-channel distribution network, significantly increasing our owned retail footprint, and expanding in China. Third, we are growing into new areas by establishing our brand in tennis and training, completing our evolution into a comprehensive head-to-toe sportswear brand.

27

active supply chain partners make up our highly focused network

57.7%

of our global net sales in 2025 came from the Americas, currently our largest market

Our value chain

Our value chain is inherently complex, given the nature of the industry and On's global footprint. It covers a wide array of activities and stakeholders across multiple geographies. Our value chain map details how On designs, produces, distributes and manages the entire product life cycle to create value.

Materials sourcing & initial processing (Tier 2 and beyond)

The journey of each On product begins with a broad range of raw materials used to produce components of footwear, apparel and accessories, which we source from North and East Asia, Turkey and parts of Europe. They include synthetics such as polymers, foams, rubber compounds, and performance fabrics. They also include natural fibers like cotton, and increasingly next-generation bio-based and recycled feedstocks. Materials undergo processing, such as textile production, molding, dyeing and finishing, before becoming a component.

Actors

— Tier 2 and other upstream partners involved in material extraction and initial manufacturing
— Workers in extraction and processing
— Affected communities in sourcing regions
— Our sourcing team

Production & packaging (Tier 1 component assembly)

At this stage, raw materials and components are assembled into final products by Tier 1 factories. We work with a focused network of fewer than 30 third-party suppliers in Vietnam, Turkey, China, Indonesia and Slovenia, with six partners accounting for approximately 70% of the total production volume in 2025. To manage supply risk, popular footwear models are always manufactured by at least two partners. In 2025 we opened our own production facility in Zurich, Switzerland, to manufacture a small amount of products using our LightSpray™ technology.

Actors

— Supply chain partners and Tier 1 factories
— Workers in Tier 1 factories
— Our sourcing & responsible manufacturing teams

Upstream logistics & distribution

Due to the global span of our supply chain, we rely on a network of specialized logistics partners, transport carriers and agents. They facilitate the complex, multimodal movement of materials from their source locations to production and storage facilities. This is primarily inbound transport to manufacturing hubs.

Actors

— Logistics partners
— Transport carriers and agents
— Freight and shipping companies
— Our supply chain team

Corporate functions

The corporate pillar serves as our strategic core. All products are engineered in Switzerland, where in-house research and development teams lead the innovation, design and testing of footwear, apparel and accessories. By blending expert engineering with sustainability-driven innovation, the team develops proprietary performance technologies like CloudTec®, CloudTec Phase, Helion™ superfoam, Speedboard® and LightSpray™. This product creation is supported by a global framework of brand, CRM, finance and technology.

Actors

— Our design and engineering teams
— R&D partners and testing labs
— Innovation and material development partners
— All other centralized support functions (e.g., finance, sustainability, talent, marketing, IT, digital, etc.)

Downstream logistics & distribution

Finished products are shipped from manufacturing hubs to regional distribution centers and warehouses worldwide, typically using sea freight as the predominant mode, with air freight used selectively. Regional warehouses include a fully operational, highly-automated facility in Atlanta (USA), a warehouse in Los Angeles (USA), and European facilities in Contern (Luxembourg) and Beringen (Belgium). The newly leased Beringen facility is expected to be fully automated and operational by 2026, at which point we plan to decommission our older Belgium and Luxembourg locations.

Actors

— Our distribution teams
— Freight and shipping companies
— Regional warehouses
— Third-party logistic vendors (3PL)

Retail (sales & customer acquisition)

In 2025, the wholesale channel accounted for 58.2% of net sales, while the direct-to-consumer (DTC) channel contributed 41.8%. The wholesale network spans run specialty, general sporting goods, outdoor, luxury and street fashion retailers. For our DTC channels, we operate 67 global retail locations, including 14 in the Americas, 10 in Europe, and 43 in Asia-Pacific (38 of which are in China, including Hong Kong). Digital engagement is driven by our e-commerce platform, alongside third-party marketplaces like Tmall and JD.com, and WeChat mini programs in China.

Actors

— Retail partners and On stores
— Wholesale partners
— Our marketing and brand teams

Communities, consumer & end-user (use phase)

Our customers use On products across a wide variety of sports, including running, outdoor, training, and tennis, as well as for all-day lifestyle activities. Initiatives to drive circularity such as take-back pilots and the Cyclon™ program aim to reduce waste and enable more circular material flows.

Actors

— Customers
— Our community and customer service teams
— Community partners
— Circularity program partners

Product end of life

The final phase marks the end of our products' functional life cycle, either with conventional disposal or re-entry into the material loop, a pathway we are actively seeking to scale through Cyclon™ programs. Most products today still enter conventional waste streams at end of life due to infrastructure and material constraints.

Actors

— Customers
— Waste management and recycling partners
— Our innovation and circularity teams

Governance at On

On is governed by its shareholders and its Board of Directors. The Shareholders appoint the members of the Board of Directors, adopt the articles of association, approve the annual report, and the report on non-financial matters (appendix 5 of the Impact Progress Report) and any other matters as required by Swiss law.

Board of Directors

The Board of Directors is the highest executive authority of On and holds ultimate responsibility for the business and affairs of the company. Its responsibilities include the overall direction of On, establishing the organizational structure, appointing and supervising the executive management, adopting business policies and guidelines, preparing the management report and ultimately supervising the operational management. The Board is empowered to resolve all matters not expressly reserved to the shareholders or other corporate bodies. It meets as often as required by business needs, but at least four times per year.

The Board members have varied backgrounds and specialized expertise in areas such as digital transformation, capital markets and responsible supply chains. In 2025, the Board comprised eight members, three of whom were female and five male; three members were executive members (co-founders) and five were independent

The Board holds ultimate responsibility for the company's impact strategy (see "Evolving our approach"), targets and annual Impact Progress Report. Oversight of impact reporting is supported by a disclosure committee overseen by On's Audit Committee that is responsible for the integrity of reporting, including reporting processes, systems of internal control and sustainability data processing. The ESG Committee supports the Board in these duties.

Management

Under the supervision of the Board of Directors, On is managed by its three co-founders and CEO (all together the Executive Officers) who work with their teams in ensuring smooth operations at On.

ESG Committee

The ESG Committee advises on all matters concerning environmental, social and governance impact topics, supporting the steering of the impact strategy and overseeing its implementation. It ensures that objectives, targets, policies and risks are identified, reviewed and addressed in line with applicable regulations and the company's strategy. It also ensures that impact reporting is accurate and decision-relevant. The ESG Committee supports alignment between business objectives and impact considerations. It facilitates informed decision-making across governance bodies and ensures that impact topics are appropriately escalated to the Executive Officers and Board of Directors, as appropriate.

The ESG Committee meets at least four times per year and is chaired by the CEO. It is composed of the following members:

- Senior Director of Sustainability
- Co-Chairmen of the Board of Directors
- Chief Innovation & Operations Officer
- Chief Human Resources Officer
- Chief Communications Officer
- Chief Marketing Officer
- Senior Director of Group Accounting and Reporting
- Chief Product Officer
- Chief Design Officer
- General Counsel

as well as any other persons as may be appropriate from time to time and when relevant.

The ESG Committee supports regular exchange on impact topics and ensures that relevant information is readily available to the Executive Officers and the Board of Directors.

Expert functions

Our ESG Committee is supported by several key functions. The global sustainability team's core responsibility is to oversee On's impact strategy, and ensure business functions are equipped to implement and execute environmental and social initiatives across the supply chain. This is complemented by the community impact team, which manages community engagement. The talent team focuses on the welfare and development of our employees. The non-financial reporting (NFR) team ensures the accuracy and compliance of our Impact Progress Report and other non-financial disclosures, and, together with global sustainability, coordinates Double Materiality Assessments. The legal team partners closely with global sustainability and NFR to ensure regulatory compliance, manage legal and reputational risks, and maintain the integrity and transparency of all sustainability claims and public disclosures.

Our strategy

As we prepare for new regulations and adapt our strategy for the years ahead, we are guided by robust data and insights from our Double Materiality Assessment, the hotspots in our value chain and collaborations with our stakeholders.

Evolving our approach

These past years have been a journey of profound growth and transformation for On. During this time, we followed our North Star: to build a fair and inclusive future, driving progress on circularity and renewable materials. This translated into four key focus areas of our impact strategy: Foundations, Social Impact, Material Innovation and Circularity. These pillars have given us a clear structure. They also provide the flexibility to adapt to evolving challenges.

- **Foundations**
  We continue to work on reducing our overall impact on the environment while focusing on traceability, data management and compliance with laws and regulations throughout the product life-cycle.

- **Material Innovation**
  We continuously innovate our materials and processing techniques, taking durability, renewable feedstocks, water efficiency, and next-life perspectives into consideration.

- **Circularity**
  We keep it moving, re-engineering today's materials, products and services to power tomorrow.

- **Social Impact**
  We aim to positively impact every life we touch to ensure safe, fair and inclusive working conditions and environments for all, while fighting for everybody's right to movement.

Until now, this approach has served us well. We are making strong progress towards our targets, the majority of which will expire over the next two years. As our business continues to mature and regulatory requirements continue to increase, we will adapt our strategy accordingly. We continue to focus on where we can drive the biggest change across our industry's main challenges. These include cutting supply chain emissions, sourcing fairly and building circular systems that scale.

In 2025, we started the process of updating our impact strategy. This process is based on the results of our Double Materiality Assessment, a deeper analysis of environmental hotspots within our value chain and ongoing stakeholder feedback. We will share an update of our strategic framework in 2026 that incorporates the changing environment and our continued dedication to driving lasting impact.

Our Double Materiality Assessment

In 2024, we performed the first Double Materiality Assessment (DMA). Our DMA aligns with the requirements of the Swiss CO and the ESRS. The DMA was performed by a team consisting of members from the Sustainability, Legal, Talent and Non-Financial Reporting teams. It has guided us in defining the most material topics for reporting and informed the evolution of our impact strategy.

A DMA recognizes that a company both affects and is affected by the world around it, considering business impacts, risks and opportunities from two perspectives. First, on how the company impacts the environment and society (impact materiality). Secondly, on how sustainability-related topics influence the company's financial performance (financial materiality). Together, this double lens provides a comprehensive view of a business's role in and relationship with its surroundings.

Identifying material impacts, risks and opportunities

To ground the assessment in the right scope, we began by mapping our business model and value chain. This ensured that all potentially relevant impacts, risks and opportunities (IROs) were included from the outset. Building on this foundation, we developed an initial list of relevant IROs, which was informed by recent sustainability initiatives, internal documentation and On's Enterprise Risk Management (ERM) process. It also included sustainability matters from the ESRS 1 General Requirements. To validate this initial list, we conducted interviews with internal stakeholders and gathered insights into sustainability matters and expectations of On. These consultations were complemented by analysis of secondary data, sector insights, industry expert opinions and peer benchmarks.

In line with the ESRS and established guidance, we defined topics as material when their scores exceeded our defined threshold. We evaluated the impact materiality through the lenses of severity and likelihood. In line with our existing ERM framework, we assessed financial materiality through magnitude and likelihood.

We refined our DMA findings through review workshops and a dedicated watch list of topics to monitor before it was reviewed and approved by the ESG Committee. We then integrated these insights into our ERM process and presented our conclusions to the Board of Directors. Ultimately, the 19 material subtopics identified in this assessment have become the cornerstone of our evolving impact strategy. More details on the individual sub-topics and IROs can be found in the following sections of this report.

Our material topics

Topic	Sub-topics
Climate	Climate change adaptation, climate change mitigation, energy
Other environmental topics	Pollution, substances of concern, microplastics, resource inflows including resource use, resource outflows related to products and services, waste
Employees	Working conditions, equal treatment and opportunities
Workers in the value chain	Working conditions, equal treatment and opportunities, other worker-related rights
Consumer and end-users	Information-related impacts for consumers and/or end users
Business conduct	Protection of whistleblowers, corruption and bribery, corporate culture, management of relationships with suppliers & payment practices

How we manage risks

Enterprise risk management (ERM)

Our ERM process is aligned with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Within this process, we identify, assess and prioritize risks, and develop responses to such risks. Our risks and responses are monitored throughout the year with an annual reporting to the Executive Officers and Board of Directors.

We review sustainability-related risks through the DMA. We also review climate-related risks in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD). We then integrate these risks into our ERM process, alongside other enterprise-wide risks. This ensures consistency and comparability in how different risks are evaluated, managed, monitored and reported.

The data and assessments underpinning both the ERM process and the DMA are subject to review by the relevant functions managing such risks, the Executive Officers and Board of Directors.

Scenario analysis

In 2024, we considered two climate scenarios in accordance with the recommendations of the TCFD Guidance on Scenario Analysis for Non-Financial Companies. This helped us understand the potential operational, strategic and financial implications of the risks identified through our ERM and DMA processes. We've selected them as they represent contrasting climate futures and they enable us to assess both the transition and physical risks identified as material. We assessed them over a short-, medium- and long-term horizon. Our assessment was informed by publicly available climate information from sources such as the Intergovernmental Panel on Climate Change (IPCC). The first scenario (Accelerated low-carbon transition) focuses on transition risks, while the second (Increased frequency and intensity of extreme weather events) addresses physical risks.

As we continue to align our DMA and ERM processes, we will leverage the findings to drive our impact strategy and enhance our reporting transparency. We also plan to publish a Climate Transition Plan in 2027, following the publication of our new science-based targets (SBTs) and our evolving sustainability strategy. We want to ensure that we have a solid set of levers and mechanisms in place in line with our updated targets (see "Climate") before sharing a long-term plan.

Scenario 1: Accelerated low-carbon transition (IPCC SSP1-1.9)

Risk factor	Time horizon	Key characteristics	Key assumptions	Potential implications	Potential opportunities
Transition	Short-term Medium-term Long-term	Stringent climate policies (e.g., carbon pricing, renewable energy mandates); rapid technological advancements in sustainability; shift in consumer preferences towards low-impact products; increased investor focus on ESG.	Global commitment to achieving Paris Agreement goals including our own SBTi-validated targets to cut absolute Scope 1 and 2 emissions by 42% and Scope 3 intensity by 51.6% by 2030; accelerated innovation in clean technologies; significant shift in consumer behavior.	Increased energy, transportation, and raw material costs; need for R&D investment in sustainable solutions; potential supply chain disruptions; opportunities for increased revenue from sustainable products; risk of stranded assets; potential for improved access to capital.	Strengthened positioning in product innovation and the use of preferred materials and processes; enhanced competitiveness as consumer and investor expectations evolve; improved alignment with emerging regulations; potential for increased long-term resilience through supplier sustainability trainings.

Scenario 2: Increased frequency and intensity of extreme weather events (IPCC RCP5-8.5)

Risk factor	Time horizon	Key characteristics	Key assumptions	Potential implications	Potential opportunities
Physical	Short-term Medium-term Long-term	More frequent and severe heatwaves, floods and storms, and changes in precipitation patterns; heightened potential for sea level rise.	Climate change impacts continue to intensify as projected by climate models, leading to more frequent and severe extreme weather events.	Direct damage to assets (manufacturing, warehouses, distribution); disruptions to production and logistics; increased insurance costs; supply chain disruptions due to impacts on suppliers; potential for increased costs and delays in sourcing alternative materials.	Strengthened climate resilience measures; increased robustness through supplier diversification; improved continuity planning to mitigate extreme weather-related disruptions.

Environmental matters

From climate change to pollution and material use, our products and actions have a direct effect on the environment. In this section, we cover our science-based targets, the policies that guide our approach and the data we use to measure our progress.

Climate

Every product we create has a carbon footprint. As we continue to grow, our challenge is to make that footprint smaller while maintaining the high-performance standards we're known for. This means working closely with supply chain partners to cut carbon and, in particular, transitioning to renewable energy at every stage. At the same time, our ability to adapt to the effects of climate change, such as extreme weather events, is critical to the resilience of our future operations and supply chain.

Overview of material impacts, risks and opportunities

Sub-topic	Description	Time horizon	Value chain stage
Climate change adaptation	Acute physical risk related to extreme weather events disrupting supply chain stability.	S, M	Upstream Downstream Own operations
Climate change mitigation	Negative impacts from GHG emissions across transport and logistics, extraction of raw materials, and manufacturing.	R	Upstream Downstream Own operations
	Transition risk from non-compliance with emerging climate-related regulations and increased costs incurred from supply chain transition.	M, L	Upstream Own operations Own operations
Energy	Negative impact from the use of non-renewable energy within On's supply chain.	R	Upstream
	Transition risk from increased costs associated with supply chain decarbonization challenges.	M, L	Upstream

R — recurring S — short term M — medium term L — long term

How we manage climate topics

Every stage of our value chain generates emissions. Through mitigation and adaptation, we work to reduce our impact and strengthen resilience. Our climate change mitigation efforts refer to our actions to reduce our footprint in line with our science-based targets (SBTs) across Scope 1, 2 and 3 emissions. Our main areas of focus are as follows:

- **Reducing GHG emissions in our own operations**
  We procure renewable electricity and implement energy-efficient technologies and processes, including at our new stores and offices, where infrastructure allows. We are also increasing the share of electric vehicles in our company fleet.

- **Designing products with a smaller carbon footprint**
  We simulate the CO_2 footprint of new designs with a scorecard, supported by our partner Carbonfact. Wherever possible, we prioritize the use of preferred materials and processes having a lower climate impact in our products.

- **Reducing GHG emissions in our supply chain**
  We engage with our partners to phase out the use of coal and transition to renewable energy sources, increasing energy efficiency and reducing waste.

Our climate change adaptation efforts refer to our process of adjusting to actual and expected climate change and its impact. We adjust our operations, strategies and practices to minimize the negative impact of climate change and to take advantage of potential opportunities. Our main focus areas are:

- **Managing climate-related risks**
  We consider climate-related risks in our DMA and ERM processes and adjust our impact strategy as needed. We follow the TCFD recommendations, as detailed in the Risk Management section above.

- **Enhancing resilience in our supply chain**
  We collaborate with factories to promote and scale sustainable practices and technologies.

Our climate-related policies outline our general commitment to reducing our environmental footprint. They are updated regularly to reflect changing regulatory and strategic requirements.

Overview of climate-related policies

Policy name	Topics
Blueprint for Responsible Manufacturing	General environmental protection, reduction of environmental footprint and use of lower-impact materials.
Code of Conduct	General environmental protection, reduction of environmental footprint and use of lower-impact materials.
Preferred Material List (internal)	Energy: preferred sourcing countries according to regional energy mix.
Responsible Business Policy	General environmental protection and reduction of environmental footprint.
Supplier Code of Conduct	General environmental protection, reduction of environmental footprint, and use of lower-impact materials.

Updating our emissions reduction target

We have historically measured our emissions reductions in two ways: the change in our total (absolute) carbon footprint and the relative change in our GHG emissions compared to our gross profit (economic intensity). We set our first SBTs in 2021, committing to reduce absolute Scope 1 and 2 emissions by 46% and Scope 3 emissions by 55% per dollar value added by 2030 from a 2019 base year.

For fast-growing companies like ours, measuring relative performance against our gross profit is useful to track our Scope 3 emissions "efficiency" compared to our business growth. However, this metric does not effectively enable us to make forward-looking decisions, because carbon emissions and economic performance are imperfectly correlated. Economic performance (the denominator) is partially achieved with products produced in prior calendar years. In contrast, carbon emissions (the numerator) are calculated based on business activities within a calendar year, making it hard to track actual progress.

In 2025, we decided to transition to a physical intensity target for our Scope 3 metric, tackling the footprint of making and moving our products and the goods and services to run our company.[1] Our goal by 2030 is to reduce the average emissions per item we produce by 51.6% compared to 2023. While still a growth-adjusted metric, this revised Scope 3 target aligns more closely with the core of our business – our products. It makes emissions performance more tangible and actionable, letting us move from data gathering to forward-looking decision-making.

In 2025, we updated our target base year from 2019 to 2023, as validated by the Science Based Targets initiative (SBTi).[2] The methodology improvements achieved with our product carbon footprint tool allowed us to develop much more granular baseline data (see "Reducing emissions in our supply chain"). This makes tracking our progress against our SBTs more reliable and our decarbonization efforts more targeted.[3]

Our updated Scope 1 and 2 target is to cut 42% of emissions in Scope 1 and 2 by 2030 compared to 2023, including in our offices, stores and car fleet.

Decarbonizing our own operations

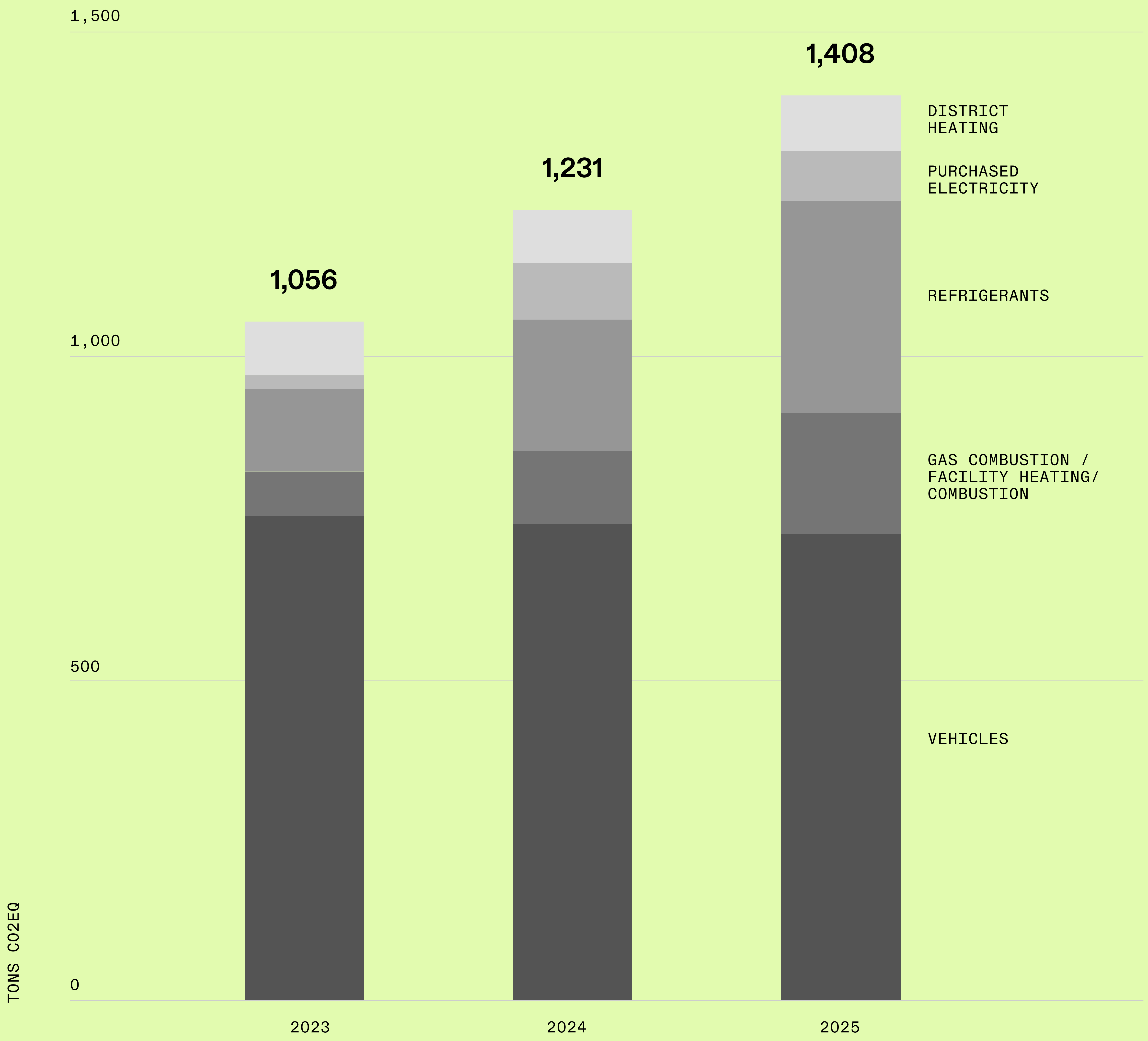
While Scope 1 and 2 market-based emissions account for less than 1% of our total footprint, they remain in our direct control and therefore our responsibility. We continue to make tangible gains in specific areas, such as increasing our electric vehicle fleet to 49%

1 Emissions categories included in our target, in accordance with the SBTi requirement to include at least two-thirds of emissions. Categories 2, 3, 5, 7, and 10-15 are excluded from our SBT due to low significance or On's limited influence. The included categories account for 88% of our 2025 emissions. For more information, please see the "GHG emissions methodology" in the Appendix.

2 SBTi-validated target wording: On commits to reduce absolute Scope 1 and 2 GHG emissions by 42.0% by 2030 from a 2023 base year. On also commits to reduce scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution, and downstream transportation and distribution by 51.6% per unit produced within the same timeframe. The target boundary includes land-related emissions and removals from biogenic feedstocks.

3 We updated our base year to 2023 since the data is more reliable compared to our previous base year (2019), which also makes the decarbonization efforts and progress tracking more reliable. Updating base years for this purpose is common practice for companies reporting to SBTi and was validated by SBTi in Q4 2025. For transparency, between 2019 and 2023, we reduced our Scope 3 emissions by 32% relative to our gross profit (our previous SBT metric). Given that primary data was only limitedly available in 2019, these emissions included a high degree of conservative estimates. This is a key reason why we updated our base year.

Scope 1 and 2 emissions



through preferential leasing conditions (up from 31% in 2024). For the third year in a row we fully powered 100% of On-operated offices and stores with renewable electricity, specifically from solar and wind sources in 2025[1] through Energy Attribute Certificates (EACs) where infrastructure was limited. We are also implementing energy efficiency upgrades and long-term renewable energy procurement agreements. Nevertheless, our physical building count and overall square footage both increased by approximately one-third in 2025, primarily caused by the opening of 43 new retail stores in 2025. The increasing number of stores is currently outpacing our ability to reduce our absolute emissions. Across our locations we frequently encounter varying levels of infrastructure maturity. Additionally, reducing emissions from heating and cooling presents a more complex challenge in shifting towards renewables than for electricity.

As a result, our absolute Scope 1 and 2 emissions increased in 2025 by 14% compared to 2024. They increased by 33% compared to the updated baseline of 2023. While we were able to reduce emissions from our vehicle fleet by 2% compared to 2024 and 4% compared to 2023, reducing emissions from our facilities remains a challenge, as mentioned above. Looking ahead, our absolute target of reducing Scope 1 and 2 emissions by 42% by 2030 is therefore currently at risk. We recognize this as a setback and acknowledge that our growth must be matched by credible decarbonization initiatives based on our learnings.

1 Due to a lack of market availability of EACs in South Korea, we procured Chinese GECs as a next-best option to cover our electricity consumption in South Korea. In line with GHG Protocol, we did not discount the carbon emissions from that consumption.

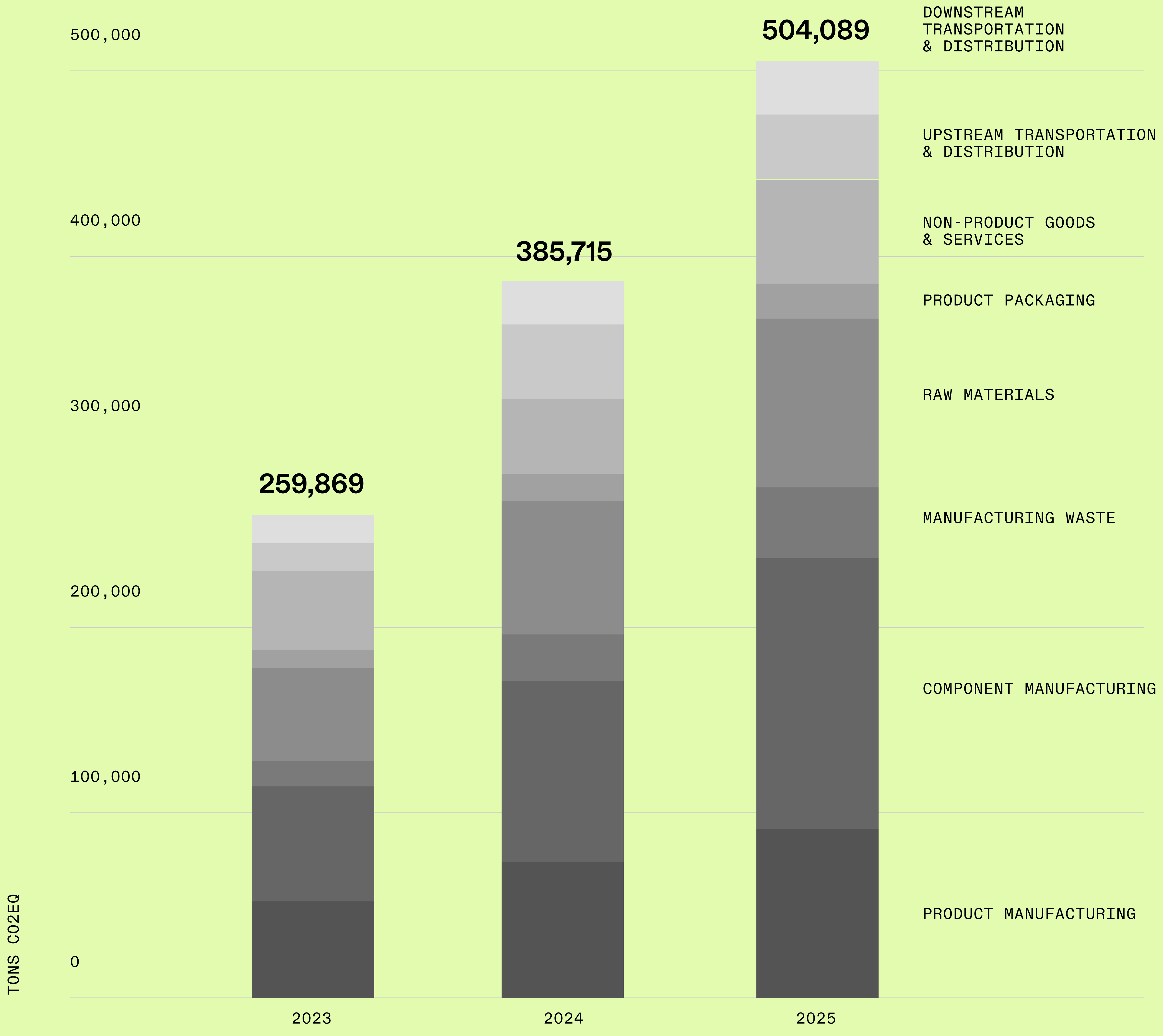
We will continue to move forward with the same discipline we apply to our products: analyze our shortcomings, adjust the strategy, and try again.

Reducing emissions in our supply chain

Scope 3 emissions account for over 99% of our total footprint. Within this scope, the emissions of our product creation make up the most significant portion with 67%. Navigating emissions reduction during a fast-growth phase is challenging. Despite this, we remain committed to minimizing the carbon footprint of every product we create. In 2025, we continued to scale the use of preferred materials and processes that which have a lower climate impact. We have reached 29.7% preferred material use by weight across our full product portfolio (see “Other environmental topics”). This strategy is showing positive effects, especially in the footwear category. While our absolute raw material sourcing grew due to increased production, the emissions from our raw materials sourcing grew at a slower pace, resulting in 6% lower raw material emissions per product.

Since 2024, we have been working to improve our product carbon footprint tool in line with our unique materials and processes. Following the update of our SBTs, we were able to harmonize company-level GHG reporting with product-level data for the first time. This has enabled us to roll out internal reduction targets to our product teams, integrating the measurement of product carbon impact early in the development process. Our product teams now have real-time visibility of GHG emissions linked to specific material and design decisions.

SBT Scope 3 absolute emissions



This provides them with the necessary data to support informed decision-making, enabling business steering based on current and forecasted performance insights rather than relying solely on historical reporting data (see “Partnerships that drive emissions reduction”). Because sustainability-related improvements are made at the earliest stages of design and creation, the choices made by our teams today will be fully reflected in our reported GHG inventory when these products reach the market over the next two to three reporting cycles.

In our supply chain, we target our efforts where they drive the greatest impact: our Tier 1 and Strategic Tier 2 upstream partners. In 2025, we continued to engage with our manufacturing partners to phase out the use of coal and transition to renewable electricity sources. After successfully achieving the elimination of coal as a direct heating source across our Tier 1 supply base in 2024, we extended our efforts to our Strategic Tier 2 upstream partners in 2025.

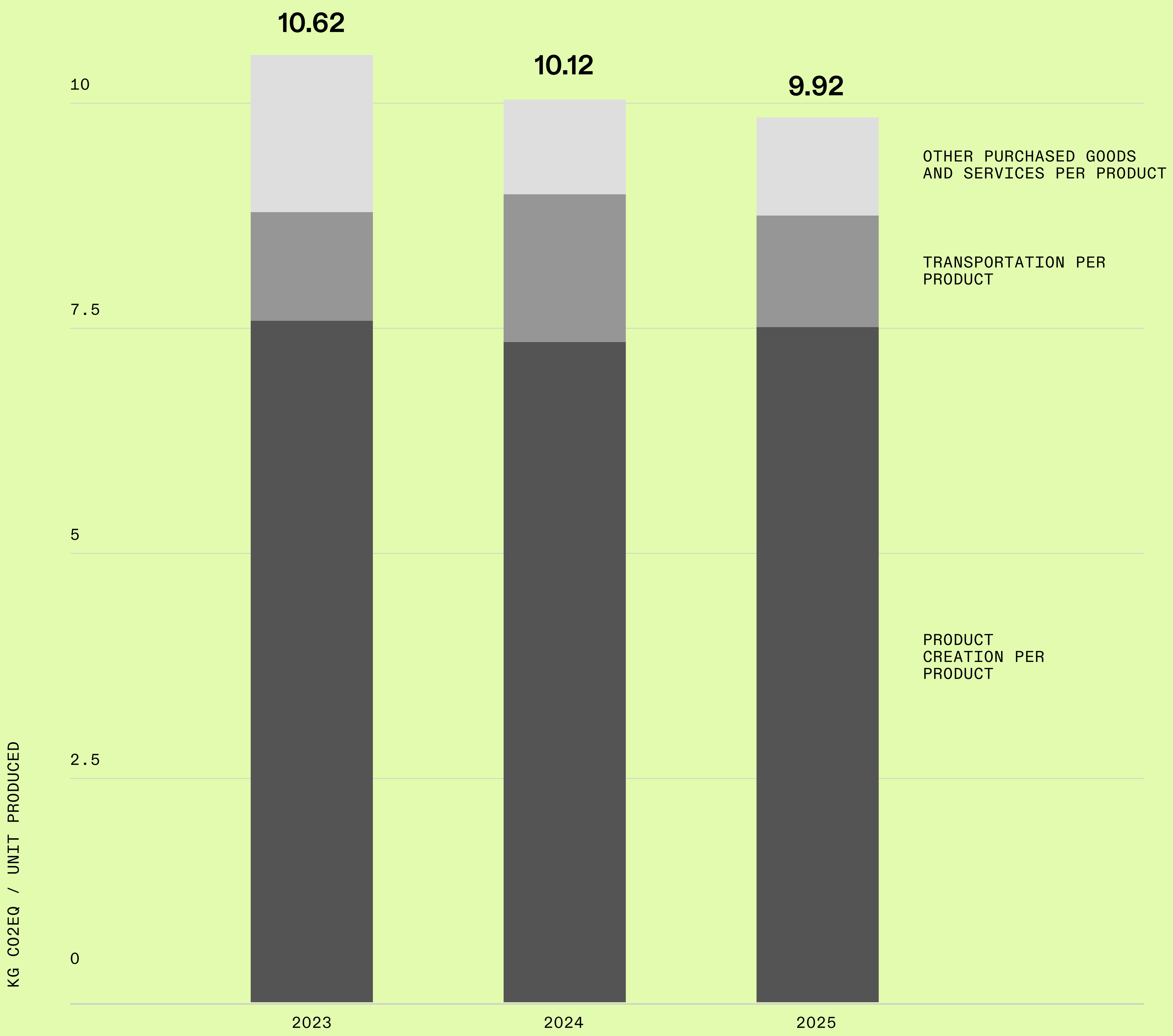
As part of our audit checklist, we prohibited the use of coal as a direct energy source by making it a zero-tolerance non-compliance issue. No new Tier 1 and Strategic Tier 2 upstream partners are approved if they use coal as a direct energy source and our existing Strategic Tier 2 upstream partners have until 2028 to comply. As of 2025, only one Strategic Tier 2 upstream partner is using coal as a direct energy source and they have committed to phasing it out by 2027.

Nevertheless, in 2025 the emissions from the manufacturing of product components at Tier 2 increased by 12% per product. These make up over a third of emissions related to the product creation stage. This challenge underscores the importance of working with our supply chain partners - particularly Strategic Tier 2 upstream partners - to increase their renewable energy consumption.

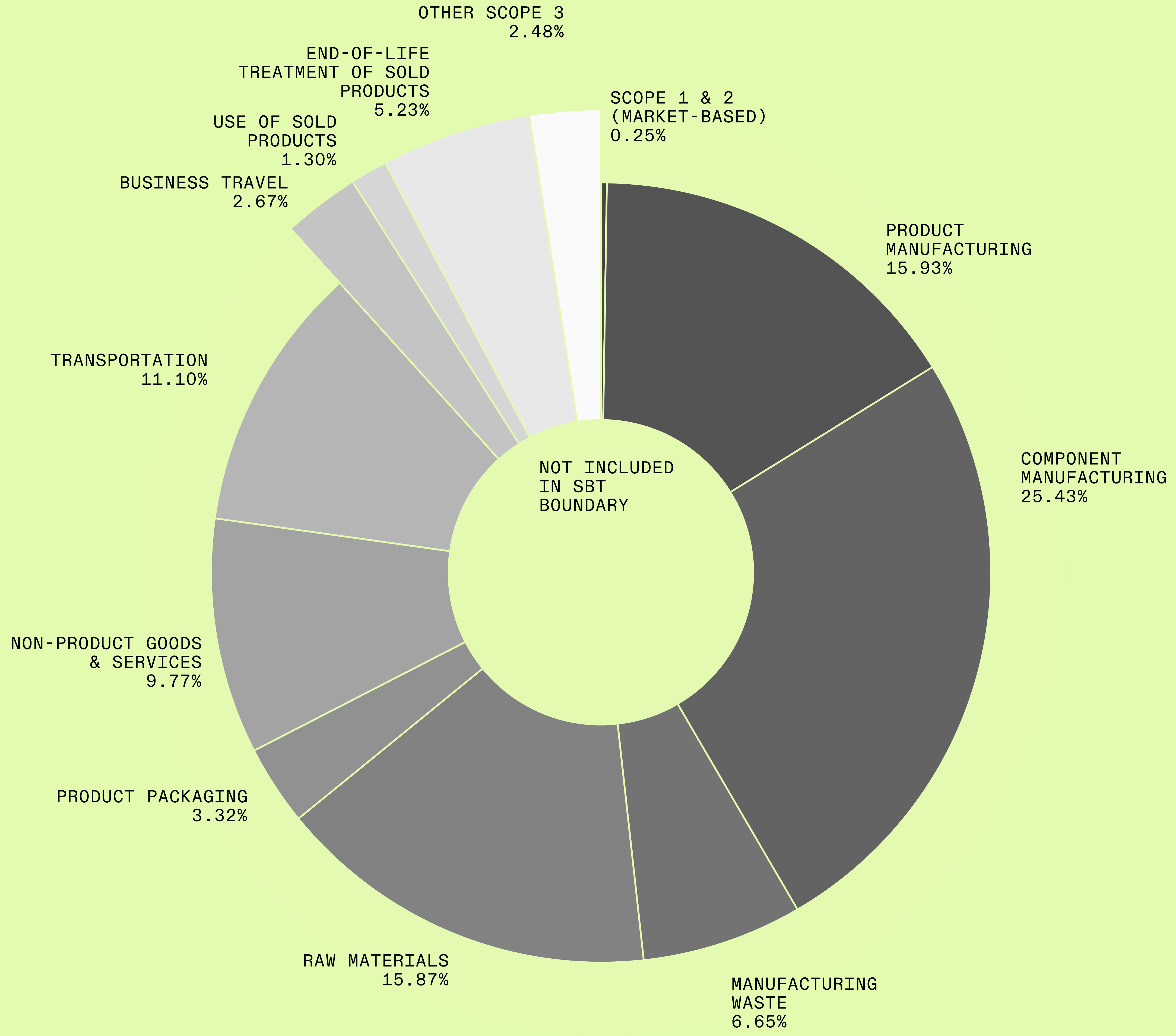
Another important element of our emissions reduction efforts in the supply chain is our upstream transportation. Air freight has a significantly higher financial cost and environmental impact compared to sea or road freight, which is why we only use it as a last resort. In 2025, we were able to improve supply planning and reduce the share of air freight from 11% to 8%. This resulted in a 13% absolute emissions decrease despite a significant jump in the number of products shipped.

All in all, our absolute Scope 3 emissions within our SBT boundary grew by 31% in 2025 compared to 2024, driven by an increase in production volumes of 33%. Our relative Scope 3 emissions, which is our SBT metric, decreased by 2% compared to 2024, driven mainly by the reductions in logistics emissions. These relative Scope 3 emissions are measured as the emissions related to making and distributing our products, as well as the goods and services needed to run our company, divided by the number of products produced. Compared to our baseline in 2023, our relative emissions have decreased by 7%. While this is the right direction, we know we will need to significantly increase the pace of reduction in order to hit our 51.6% target by 2030.

Scope 3 physical intensity



Our 2025 carbon footprint



Category[1]	2025 emissions (t CO_2eq)	Included in SBT boundary
Scope 1 & 2 (market-based)	1,408	Yes
Scope 3: Product Manufacturing	91,204	Yes
Scope 3: Component Manufacturing	145,479	Yes
Scope 3: Manufacturing Waste	38,070	Yes
Scope 3: Raw Materials	90,863	Yes
Scope 3: Product Packaging	19,003	Yes
Scope 3: Non-Product Goods & Services	55,919	Yes
Scope 3: Transportation	63,552	Yes
Scope 3: Business Travel	15,306	No
Scope 3: Use of Sold Products	7,426	No
Scope 3: End-of-Life treatment of Sold Products	29,958	No
Other scope 3[2]	14,195	No
Total	572,382	
Total Scope 3	570,974	

1 Emissions categories included in our science-based target, in accordance with SBTi requirements to include at least two-thirds of emissions. Categories 2, 3, 5, 7, and 10-15 are excluded from our SBT due to low significance or On's limited influence, and account for 16% of our 2025 emissions. For more information, please see "GHG emissions methodology" in the Appendix.
2 Includes fuel- and energy-related activities, capital goods, waste generated in operations, employee commuting, and franchises.

Our targets and progress

In 2025, we saw a 33% absolute increase in Scope 1 and 2 emissions and a 7% reduction in Scope 3 physical intensity, compared to our 2023 baseline.

Goal		2025 progress	Summary
2024	Offices and stores to be powered by 100% renewable electricity	✓ Achieved	Since 2023, all On-operated offices and stores have been 100% powered by renewable electricity, via renewable energy power purchase contracts and Energy Attribute Certificates (EACs).[1]
2025	100% Tier 1 suppliers to eliminate coal as direct energy source	✓ Achieved	After successfully achieving the elimination of coal as a direct heating source across our Tier 1 supply base in 2024, we extended our efforts to our Strategic Tier 2 upstream partners in 2025.
2027	100% Tier 1 suppliers to have SBTs or be SBT-aligned	••• On track	We have focused on high-impact carbon reductions among Tier 1 and Strategic Tier 2 upstream partners by eliminating coal and adopting renewable energy. According to a voluntary survey of 33 Tier 1 partners, ten have established verified or validated decarbonization targets through SBTi or other third parties as of 2025.
2028	100% Strategic Tier 2 suppliers to eliminate coal as direct energy source	••• On track	As of 2025, only one Strategic Tier 2 upstream partner was using coal in 2025 as a direct energy source and they have committed to phasing it out by 2027.[2]

1 Due to a lack of market availability of EACs in South Korea, we procured Chinese GECs as a next-best option to cover our electricity consumption in South Korea. In line with GHG Protocol, we did not discount the carbon emissions from that consumption.
2 Based on self-reported data by supply chain partners, which was not yet reflected in verified 2024 or 2025 Higg FEM data.

Goal		2025 progress	Summary
2030	100% Tier 1 suppliers to use renewable electricity	••• On track	Based on 2024 verified Higg FEM data, eight out of 35 active suppliers in 2024 (22.8%) use renewable electricity (RE) coming from solar or purchased RE (excluding EACs). Overall RE consumption in 2024 (MWh) remains low at 8.5%, reinforcing our priority going forward to work with our suppliers on accelerating the adoption of RE options.[1]
2030	42% absolute reduction in Scope 1 and 2 emissions compared to 2023[2]	▲▲ At risk	In 2025, our absolute Scope 1 and 2 emissions increased by 14% compared to 2024, and 33% compared to the updated baseline of 2023, mainly due to retail expansion. Although we have reduced our vehicle fleet emissions by 4% since 2023, this target is currently at risk as we expect our physical building count to further increase, while reducing emissions from our facilities remains a challenge.
2030	51.6% reduction per product compared 2023[3]	••• On track	Our relative Scope 3 emissions decreased by 2% compared to 2024, and 7% compared to the updated baseline of 2023, driven mainly by the reductions in logistics emissions. We are confident that we can accelerate our efforts using levers in product desing, sourcing and logistics.

1 As verified 2025 Higg FEM data is unavailable before our reporting deadline, we rely on 2024 verified data for this datapoint.
2 Target revised in 2025 from 46% (2019 base) to 42% (2023 base) to maintain 1.5°C alignment over the updated timeframe. See “Updating our emissions reduction target” and the Appendix for details.
3 Target revised in 2025 from 55% economic intensity (Scope 3 emissions per dollar value added, 2019 base) to 51.6% physical intensity (Scope 3 emissions per units produced, 2023 base). See “Updating our emissions target” and the Appendix for details.

Other environmental topics

From the initial design in our On Labs in Zurich to the final stage of a product's life, our operations interact with the natural world in ways that extend far beyond carbon. Raw material sourcing drives resource use. Manufacturing involves chemicals and substances of concern and can lead to air and water pollution. Product use and disposal contribute to microplastic release and waste. As part of our DMA, we have identified these topics as material.

Overview of material impacts, risks, and opportunities

Sub-topic	Description	Time horizon	Value chain stage
Pollution	Negative impact on air and water quality through the release of atmospheric emissions and hazardous substances across the value chain.	S, M	Upstream Downstream
Substances of concern	Potential negative impact from use of hazardous substances in manufacturing processes.	S, M, L	Upstream
	Risk from mismanagement of chemicals in production.	S, M, L	Upstream
Microplastics	Negative impacts arising from the release of microplastics during the life cycle of On's products including manufacturing, use, and end-of-life.	R	Upstream Downstream
Resource inflows including resource use	Negative impact from materials-intensive nature of footwear and apparel production.	R	Upstream Own operations
	Risk related to innovation challenges in sustainable resource use.	M, L	Upstream
Resource outflows related to products and services	Negative impact related to lack of durability of products and outflow of non-recyclable products.	R	Downstream
	Risk related to communication circularity claims generating reputational damage in cases of misalignment between claims and performance.	S, M, L	Own operations
Waste	Negative impact from waste generated in On's value chain and unsustainable disposal practices at product end-of-life.	S, M, L	Own operations

R — recurring S — short term M — medium term L — long term

How we manage other environmental topics

Our Supplier Code of Conduct, Responsible Business Policy and Blueprint for Responsible Manufacturing outline our expectations and requirements for general environmental compliance in our supply chain. Specifically, our Blueprint for Responsible Manufacturing outlines our due diligence processes for assessing environmental risks and performance. We do this by onboarding manufacturing partners to the Higg Facility Environmental Module (FEM). We also conduct regular on-site audits for Tier 1 and Strategic Tier 2 upstream partners. Overall, our approach is to make critical environmental topics a zero-tolerance issue[1] within our internal onboarding checklist. New supply chain partners must comply to be able to do business with On, while existing partners must take corrective actions within an agreed timeline. After this, they face a sliding scale of business consequences, including termination of the commercial relationship. More detailed information on our due diligence and audit processes can be found in “Social matters”.

Additionally, our internal Product Restricted Substances List (RSL) details the process for managing the risk of restricted substances in our products and supply chain. This process involves monitoring and testing using the AFIRM RSL and OEOKO-Tex 100 standards. Our internal Preferred Materials List and Internal Design Guidebook provide guidance to internal product teams and manufacturing partners on the use of preferred materials, preferred processes and better design. Our policies are updated regularly to reflect changing regulatory and strategic requirements.

1 Examples of zero-tolerance issues include: i) the failure to obtain or make available valid environmental permits where applicable, ii) the discharge of process wastewater directly to the environment without a treatment process plant, and iii) cooperation with unlicensed or improperly licensed hazardous waste collection and treatment contractors.

Overview of environmental policies

Policy name	Topics
Blueprint for Responsible Manufacturing	Pollution: emissions to air, water pollution and chemical management, management of hazardous waste Resource use and circular economy: waste and use of preferred materials and processes
Internal Design Guidebook	Resource use and circular economy: resource efficiency, preferred materials and processes, circular design, durability, recyclability
Preferred Materials List (internal)	Resource use and circular economy: use of materials with lower environmental impact, prohibited materials, and animal fibers
Product Restricted Substances List (RSL) (internal)	Pollution: use of hazardous chemicals including PFAS
Responsible Business Policy	Pollution: emissions to air, water pollution and chemical management Resource use and circular economy: waste
Supplier Code of Conduct	Pollution: Emissions to air, water pollution and chemical management Resource use and circular economy: waste and use of preferred materials and processes

Understanding our environmental footprint

To better understand our environmental impacts, we performed an assessment of nature-related impacts throughout our supply chain, with the goal of identifying hotspots and prioritizing actions related to raw material sourcing and manufacturing. The assessment was conducted by a specialized external agency in reference to best-practice guidance from science-based targets for nature and considered both pressures (e.g., land use, land use change, water pollution, soil pollution and water withdrawal) and the stress state of local ecosystems. It helped us identify which raw materials may be more threatened due to local ecosystem vulnerability. These insights will inform future strategy development and updates to our Double Materiality Assessment.

Addressing air, water and microplastics pollution

The Higg FEM acts as the primary source we rely on to track our environmental footprint at the facility level across key areas such as water, wastewater, energy, air emissions, waste and chemical safety. In 2025, 100% of our Tier 1 and Strategic Tier 2 upstream partners completed the Higg FEM verification through an independent verification body, through which we identified energy and chemical management as two priority areas. In 2025, we shifted our focus to address water pollution and substances of concern.

In 2025, we started mapping wastewater discharge of Tier 1 and Strategic Tier 2 upstream partners through the ZDHC Gateway, taking a risk-based approach to identify and address the direct polluters. Our analysis showed that most factories discharge to a secondary facility for treatment, which is considered lower risk, whereas five treat the water themselves before discharging to the environment. All five higher-risk facilities were compliant with ZDHC ClearStream and InCheck, validating that wastewater was being discharged in a responsible way. Building on our collaboration with the industry initiative Zero Discharge of Hazardous Chemicals (ZDHC), we are in the process of adopting the Manufacturing Restricted Substances List (MRSL).

In 2025, we also took part in a microfibers research pilot together with our industry partner Fashion for Good and other brand members to advance our understanding of the challenges and potential solutions related to fiber fragmentation and other polluting impacts. In the next stage of the project, we will onboard Tier 2 upstream partners for microfiber testing at third-party labs.

100%

of our Tier 1 and Strategic Tier 2 upstream partners completed the Higg FEM verification through an independent verification body

96%

of cotton and cellulosic materials for our apparel and accessories sourced from preferred sources

Increasing our use of preferred materials and processes

Materials are at the core of what we design and produce. By the time materials reach the factory gates, 48% of our total emissions have already been generated through the upstream component manufacturing. For this reason, material innovation and the application of our Preferred Materials List remain a key focus for us. Overall, in 2025 we reached 29.7% preferred material use by weight across our full product portfolio. We reached 23% recycled or renewable content[1] by weight across all our midsole compounds, thereby reaching our 20% target two years early. This included scaling the use of bio-attributed materials like EVA foams to higher-volume commercial styles like the Cloud 6 and Cloudnova. Additionally, we became members of the US Cotton Trust Protocol and achieved the sourcing of 96% of cotton and cellulosic materials for our apparel and accessories from preferred sources ahead of schedule by one year.

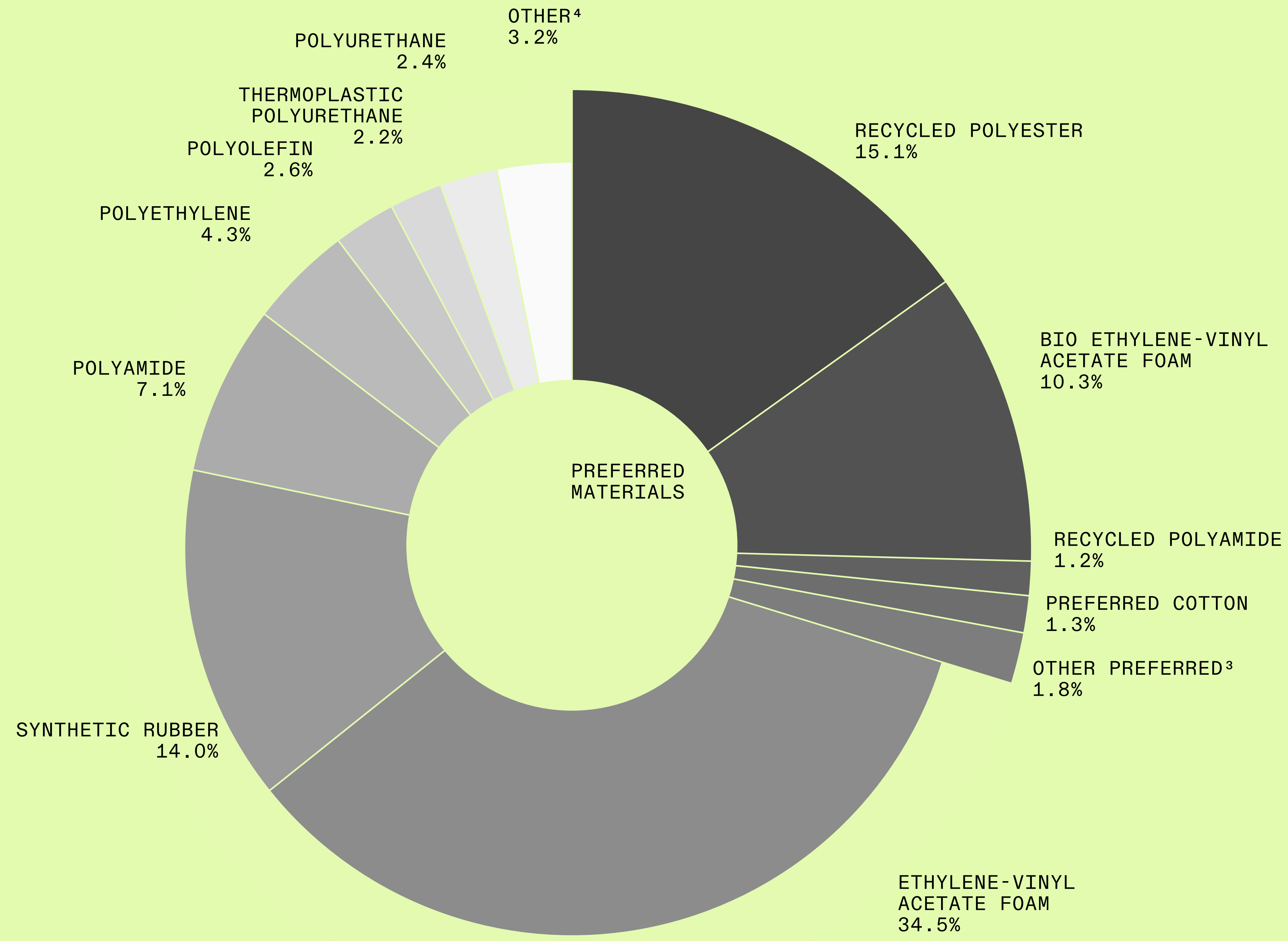
Our efforts this year led to notable progress, with recycled or renewable PET fibers accounting for 94% in 2025, bringing us closer to our objective of exceeding 95% by 2027. Generally, the industry standard for recycled polyester has meant turning plastic bottles (rPET) into clothes and shoes. We are beginning to address the significantly more challenging process of textile-to-textile (T2T) recycling, which involves converting used products into new products. In 2025, 1.3% of our polyester came from T2T sources. While this number might seem modest, it marks an important technological achievement for us, surpassing the industry norm of under 1%.[2]

In 2025, we continued to collaborate with industry partners to scale new technologies, including advanced chemical recycling with Loop Industries, and as a member of the Renewable Carbon Initiative. We also conducted a comprehensive Biosynthetics Feedstock Assessment in collaboration with Fashion for Good, analyzing the commercial viability of bio-synthetic materials as a key lever to transition away from fossil-based materials and help reduce greenhouse gas emissions.

In addition to using our internal Preferred Materials List, we aim to transparently convey our stance and requirements for all categories of materials, both externally and to our supply chain partners. For this reason, we began crafting a comprehensive Materials Policy in 2025, which we will release in 2026. The policy includes standards for both animal welfare and environmental best practice in relation to animal-derived materials, which we will begin introducing as part of our curated selection of quality natural materials. Leather, down and wool are generally recognized for performance, quality and durability, enabling On to design longer lasting gear.

1 We class the following as recycled and renewable materials: third party-certified conventional recycled materials, advanced recycled materials, novel bio-based and carbon emission based polymers, as well as natural materials, ideally from regenerative sources, such as natural rubber, human-made cellulosics, wool or cotton.
2 Ellen MacArthur Foundation, A New Textiles Economy: Redesigning fashion's future, (2017, http://www.ellenmacarthurfoundation.org/publications)

Share of preferred materials for products sourced in 2025



3 Other Preferred: Polyurethane, Recycled Polyurethane, Recycled Polyolefin, Recycled Ethylene-Vinyl Acetate foam, Recycled Polypropylene
4 Other: Polyester, PEBAX, Cotton, Polypropylene, Elastane, Elastomer, Glass microspheres, Synthetic fibers/glass

Our list of preferred materials

Type	Description
01 Conventionally recycled	Conventionally recycled materials go through a mechanical recycling process to break down existing materials like cotton and plastic into new materials, which saves carbon and waste compared to virgin sources. Recycled polyester is typically made from mechanically recycled PET (polyethylene terephthalate) from old plastic bottles, which takes material away from an already circular system and turns it into textiles that can't be easily recycled. That's why we're working to replace conventionally recycled materials (like polyester) wherever possible with ones made using advanced technologies, like chemical recycling.
02 Advanced recycled	Materials made using advanced recycling technologies turn old textiles into new ones through fiber-to-fiber chemical recycling. This process preserves material quality and keeps textiles in circulation, increasing the number of times they can be recycled. Fiber-to-fiber recycled yarns are already being used in selected products, paving the way to scale this material across future collections.
03 Bio-based	Materials derived from plants and other renewable agricultural, marine and forest sources. They provide an alternative to conventional fossil fuel-based materials, meaning resources can be replenished rather than depleted. Two examples of our use of bio-based materials are the Cloudneo shoe and Cyclon-T t-shirt. These products contain material derived from castor beans, a drought-tolerant crop, which doesn't compete with forest land or other food crops.
04 Bio-attributed	Materials made with a mix of bio-based and fossil-based feedstocks using a certified mass balance approach, where the renewable content is calculated and attributed to the final product through a verified chain of custody. This approach preserves material quality while enabling a cost-effective transition toward more sustainable production, reducing pressure on agricultural land and making use of waste-derived resources.
05 Carbon emission-based	Materials made with captured carbon emissions, like our innovative CleanCloud® material. This enables the creation of polyester and EVA, where part of the virgin fossil-based material is replaced by materials made using captured carbon emissions. Certified mass balance systems are used during this initial phase to leverage existing infrastructure as this technology scales. The first products featuring EVA made from captured carbon emissions are planned to launch in future seasons.
06 Preferred cotton	Cotton sourced from preferred sources and certification programs, aligned with Textile Exchange's definition of preferred cotton. This includes, but is not limited to, recycled cotton, organic cotton and traceable US cotton under the U.S. Cotton Trust Protocol.
07 Preferred cellulosics	Semi-synthetic materials like viscose, modal and lyocell derived from cellulose extracted from trees or woody plants, which can be sustainably produced through processes that have a lower environmental impact. We use Canopy's Hot Button Report to give preference to textiles made from innovative fibers and minimize the risk of sourcing from producers that use ancient and endangered forests in their supply.

Increasing resource efficiency and reducing waste

Our waste reduction strategy follows a clear hierarchy (prevent, reduce, reuse and recycle). The waste baseline assessment conducted in 2024 identified pattern-cutting for footwear uppers as the main waste driver at On. This led to establishing a new pattern-cutting logic for footwear, a priority for our product development teams throughout 2025. We also continued to track our supply chain partners' waste performance via the Higg FEM and identified hotspots and improvement areas, building on learnings from our Waste No More training program with GIZ Vietnam.

Evolving our approach to circularity

In 2025, we focused on taking stock and assessing existing circularity efforts in order to identify where to stop, continue or pivot. CarryOn, our repair and cleaning service for warranty products in China, expanded considerably with 14,637 items repaired in 2025, compared to 1,717 from July to December 2024. This was driven by the fact that, since February 2025, at least 50% of our warranty cases in China were managed via repair and not substitution of the item. In 2025, we also continued our Onward™ recommerce service in the US. Both programs showcase the importance of adapting circular business models to the regional context, considering the availability of local infrastructure and customer behavior.

We gained significant learnings from our Cyclon™ subscription model (see "Cyclon™: rethinking the blueprint"). That is why we decided to relaunch it in March 2026 as a global umbrella for our circular services program, starting with a resale-donation-recycling ecosystem in the US, UK and Switzerland, with the intent to expand into additional countries and regions. This will enable the trade-in and potential resale of any sold product, categorized into two distinct segments: returned, lightly tested or items with minor, non-performance-affecting imperfections that remain in excellent condition and pre-loved products that have been previously owned, worn and traded in. Functional items that don't meet cosmetic standards for resale are offered to our vetted donation partners. Items that are not suitable for resale or donation are sent to our specialized regional recycling partners for processing. Here, they are directed to their highest-value end use based on current technology maturity and market conditions. These end uses can range from inputs for other industries, such as insulation and cladding, to components for new manufacturing inputs. This means moving away from an individualized closed-loop approach. Nevertheless, we remain committed to ensuring responsibility for every product we sell and extending its life cycle for the greatest extent possible. Our Onward™ program will be integrated into Cyclon™.

In 2025, we also started developing Circular Product Guidelines Apparel & Accessories. These focus on pragmatic and actionable insights regarding material inflows and manufacturing efficiency (e.g., fabric use and lay-plan efficiency). They also cover product durability, repairability, disassembly and recyclability. The guidelines are being co-developed with experts across material, innovation, strategy and product development teams. Once the guidelines are in place in 2026, we will identify the pilot product range and target season for implementation (see New rules for products in motion).

1 TerraCycle in the US, FastFeetGrinded in Netherlands, Nouvelles Fibres Textiles in France.

14,637

items repaired in 2025, compared to 1,717 from July to December 2024

>50%

of our warranty cases in China were managed via repair and not substitution of the item

Our targets and progress

We notably expanded our use of preferred materials in 2025, selecting those sourced responsibly and designed to use less water, fewer harmful chemicals and produce lower carbon emissions. This represents strong progress toward our 2027 targets. We continued our efforts to manage and mitigate impacts and risks related to water, pollution and waste, building on targets already achieved in 2024. We also developed a more mature and embedded approach to circularity across our business.

Goal		2025 progress	Summary
2024	Perform water mapping analysis to define roadmap	✓ Achieved	In 2024, we assessed water usage and identified water risks across our Tier 1 and Strategic Tier 2 upstream partners. In 2025, we conducted a deeper assessment of our nature impacts (including water).
2024	Explore partners and wastewater guidelines and baseline adoption rate in our supply chain	✓ Achieved	In 2024, we analyzed wastewater management practices in our supply chain. All five Tier 1 and Strategic Tier 2 upstream partners with wastewater treatment on-site follow ZDHC standards and we continue to monitor performance via the ZDHC Gateway.
2024	Perform waste mapping analysis and roadmap to adress hotspot areas	✓ Achieved	In 2024, we mapped our current resource flows and identified opportunities for waste reduction and recovery, with a focus on reducing waste to landfill. We continue to track and improve our supply chain partners' waste performance via the Higg FEM.
2024	Define circularity roadmap to scale	✓ Achieved	In 2025, we focused on taking stock and assessing existing circularity pilots, in order to identify where to stop, continue or pivot. This includes the decision to evolve Cyclon™ from a subscription and recycling program to a broader umbrella of our circularity services, starting with a scalable recommerce service. Based on identified hotspots and levers we are developing new targets and a roadmap as part of the strategy evolution.
2025	No intentionally added PFAS in our supply chain	✓ Achieved	We achieved this goal at the end of 2024 and maintained it throughout 2025.
2025	Pilot traceable reverse logistics supply chain in one region	▲ Discontinued	In light of the evolution of our strategy and Cyclon™ as our global recommerce service, we have shifted priorities and will no longer pursue this target.
2025	Publish Circular Design Playbook	× Not achieved	In 2025, we prioritised developing Circular Product Guidelines Apparel & Accessories that will be rolled out to the relevant product teams in 2026.

Goal		2025 progress	Summary
2026	>95% cotton and cellulosics used in apparel products manufactured in the year, coming from preferred sources	✓ Achieved	In 2025, 96% of our cotton and cellulosics in apparel and accessories came from preferred sources, compared to 80% in 2023. This was driven by shifting from conventional to U.S. Cotton Trust Protocol cotton.
2027	>20% recycled or renewable materials by weight used in our midsole compound across all footwear styles[1]	✓ Achieved	In 2025, 23% of all our midsole compounds by weight were made with recycled or renewable materials, compared to 12% in 2024.
2027	>95% recycled or renewable polyamide fibers used in products manufactured in the year	•••On track	In 2025, 85% of our polyamide fibers used in apparel and accessories come from recycled or renewable sources. This compares to 92% in 2024, driven by a change in methodology to include polyamide used in footwear and an increase in data quality.
2027	>95% recycled or renewable[2] PET fibers used in products manufactured in the year	•••On track	In 2025, 94% of our PET polyester fibers came from recycled or renewable resources, compared to 84% in 2024.

1 Target revised in 2025 from >20% recycled or renewable materials in 2027 by weight used in our midsole compound across our highest volume footwear styles. We class the following as recycled and renewable materials: third-party-certified conventional recycled materials, advanced recycled materials, novel bio-based and carbon emission based polymers, as well as natural materials, ideally from regenerative sources, such as natural rubber, human-made cellulosics, wool, or cotton.
2 For more information, see our Preferred Materials List.

Social matters

Our social responsibility extends from our team members to the people making our products and the customers choosing them. This section outlines how we help our team members thrive, how we uphold labor rights in our value chain and how we strive to ensure our customers can trust the integrity of every claim we make.

Employees

On doesn’t simply consist of employees; we refer to them as team members. This term reflects our belief that victories and setbacks are experienced collectively, as a team, and it is this shared spirit of unity that drives our creativity and fuels our innovation for long-term success. As a global organization with teams across multiple locations, we strive to foster a secure, inclusive and supportive working environment while sustaining an open communication with our team members as we grow.

Through the lens of our DMA, we have highlighted two critical areas that are key to unlocking our team’s full potential: employee well-being and career equity. Proactively managing workloads and ensuring fair access to advancement opportunities is essential for maintaining a motivated and high-performing team. Failing to do so presents a significant risk to employee retention and overall productivity.

Within our retail operations, excellence hinges on the store environment we create. By tackling logistical challenges present in the store environment, providing consistent schedules, and prioritizing safety, we are not just mitigating risks, we are building a foundation for a more effective and resilient retail team. This investment is crucial for supporting our team members' well-being and enabling our continued business growth.

Overview of material impacts, risks and opportunities

Sub-topic	Description	Time horizon	Value chain stage
Working conditions	Negative impact related to work-related stress, from failure to implement actions based on employee feedback, and from work related issues of retail workers.	S, M, L	Own operations
	Risk related to failing to address well-being and not implement actions based on employee feedback.	S, M, L	Own operations
	Opportunity related to enhance employee well-being and foster work-life balance.	S, M, L	Own operations
Equal treatment and opportunities	Positive impacts from professional and personal development opportunities.	R	Own operations
	Opportunity related to continuous improvement of training and education programs.	S, M, L	Own operations

R — recurring S — short term M — medium term L — long term

How we manage employee-related topics

Our Code of Conduct forms the baseline of our actions and adherence to it is a condition of employment for all employees. It articulates our values and responsibilities, including compliance with international best practices and the laws and regulations of the countries where we work. It was updated in 2025 (see “Governance matters”). We also maintain additional policies that provide guidance for specific situations. Team members can always access the latest versions of these documents through our intranet.

Overview of employee-related policies

Policy name	Topics
Code of Conduct	Working conditions: workplace health and safety, product safety, charitable activity
	Equal treatment and opportunities: speak up, no discrimination or harassment
Hybrid Working Guidelines (internal)	Working conditions: workload, work-life balance, remote work
Speak Up Policy	Equal treatment and opportunities: no retaliation, data confidentiality
Time Off Guidelines (internal)	Working conditions: workload, work-life balance, vacation days, parental leave, unpaid leave, paid volunteer hours
Workplace Violence Prevention Program (internal)	Working conditions: workplace health, safety and security

Engaging with our team members

Each year, we invite all our team members globally to share their perspectives via an engagement survey. Our engagement survey provides valuable information on the factors that contribute to enthusiasm and a sense of belonging, as well as highlights opportunities for improvement. The results are also used to inform and assess the effectiveness of our Talent strategy. The 2025 engagement survey covered 74 rating questions and three open-ended questions. The findings confirmed that our efforts continue to be effective, with Entrepreneurship, Mission & Purpose and Diversity & Inclusion ranking as the most highly rated areas. Our happiness index remained unchanged at 79% from 2024. Moreover, 68% of our team members responded that they plan to stay at On for more than a year and 83% feel they can be authentic at work. The engagement survey's participation rate increased to 92% in 2025, compared to 91% in 2024.

Among the categories identified for greater attention were Rewards & Recognition (ensuring career development options that align with the aspirations of our team members), Team Communication and Collaboration (addresses how our teams interact and aims to minimize daily inefficiencies) and Excellence (focuses on fostering high-performing teams and encouraging innovation processes). Consequently, in 2025, our focus was on four specific areas:

— **Enabling growth and development of team members**
To enhance fairness and transparency, we refined the promotion process by implementing additional guardrails that also give team leaders more ownership and responsibility for outcomes. We also rolled out an "Own your Development Map" initiative with the goal of empowering team members with guidance and options, so they can choose the path that aligns with their personal aspirations and become the best version of themselves.

— **Driving a culture of innovation and excellence that elevates our team members' premium experience**
We continued the organizational design and effectiveness work we started in 2024. This included evolving how some of our most critical functions are organized in order to move faster and innovate more effectively together. We also clarified roles, responsibilities and decision-making rights in priorities requiring cross collaboration.

— **Investing in leadership as a catalyst for culture and high performance**
We continue to evolve our School of Leaders program to ensure all leaders at On are equipped with and proficient in practical, tangible tools and skills for meaningfully supporting and nurturing their teams.

79%

employee happiness index, unchanged from 2024

83%

of team members feel they can be authentic at work

Beyond the engagement survey, we stay close to our team through our OnBoarding program for new joiners, regular townhalls, open Q&As with leadership, and our Compensation and Promotion Review Cycle. At our retail stores, we have implemented anonymous "idea boxes" and quarterly Q&A platforms to allow team members to express themselves freely and authentically. Store team members have also formed groups of engagement champions to conduct monthly check-ins with the team.

Raising and responding to concerns

In 2025, we launched a streamlined process under our new Speak Up Policy, offering multiple ways to voice concerns. Wherever possible, we encourage team members to resolve issues through direct dialogue or by consulting a manager or trusted team members. For more serious concerns, particularly those involving managers, team members can escalate reports to the Talent Business Partners, higher-level management or On's General Counsel. Additionally, we provide a confidential Speak Up platform for secure reporting. More information on this process can be found in section "Governance matters".

Building a culture of inclusion

Our Code of Conduct prohibits discrimination or harassment, whether it is sexual or non-sexual, verbal, non-verbal, physical or psychological, overt or subtle, in-person or online. It also prohibits employment decisions to be made with regard to race, color, ethnicity, nationality, gender, gender identity or expression, age, sexual orientation, religion, disability (mental or physical), marital or parental status, pregnancy, veteran status, medical condition and any other characteristics protected by law.

We embed an Inclusive Hiring training in manager onboarding to encourage strong representation from underrepresented communities. In 2025, we refreshed our Inclusive Language Guideline, which outlines overarching principles to ensure our language reflects our values and the diverse communities we serve and support. We have also developed Inclusive Event Guidelines to support, inform and direct internal and external event teams in the creation of more inclusive and accessible events.

Our 13 global Inclusion Groups[1] foster community among team members with shared characteristics or backgrounds. Inclusion Groups (also known as Employee Resource Groups) are voluntary, team-member-led groups that serve a multitude of purposes. They create a safe space for discussion and cultural programming. Each group is led by team members and supported by a senior leader sponsor who serves as both an advocate and mentor. Some notable events in 2025 include the Hispanic Heritage Month run in collaboration with The Salsa Project, the Black in Sport + On Careers Day, and Black Tapestry with Jefferson High School Assembly in Portland.

1 All Kinds of Minds, API Connex Uniting, Black Tapestry, Inclusi-ón, Last Season Society, On Vey, OnPower, Parents at On, VeterOns, R&She, QUIP, Women ConnectiOn, AccommodatiOn.

Fostering well-being and work-life balance

Promoting a work-life balance is a key component embedded in our Our Code of Conduct, helping to improve the health and well-being of our team members. Regardless of whether designing shoes at our On Labs Zurich, serving our customers at a retail store or building relationships with supply chain partners in Vietnam, these standards apply. Team members are expected to carry out their duties in a manner that does not adversely affect their own health and safety – or that of others. We also expect our team members to comply with all relevant health and safety policies, guidelines and procedures.

Build the Better You is our global and holistic well-being strategy, supporting personal and professional growth so our team members can thrive, inside and outside of On. We host an annual Build the Better You series to keep our culture human-centric. In 2025, the quarterly events of the series centered around sleep, stress management, burnout prevention and nutrition. During Mental Health Awareness Month in May, we hosted a number of in-person regional initiatives, such as the Always On session with Dr. Alyson Meister on burnout prevention. For team members at our retail stores we have introduced educational sessions on how sickness and absence can be managed, and the vital importance of well-planned rest and recovery.

Through our partnership with Kyan Health, all team members and their immediate families are entitled to 12 complimentary counseling or coaching sessions annually. In 2025, over 772 team members made use of Kyan Health's confidential counseling and coaching services. This amounted to 4,820 counseling sessions with a high satisfaction rate of 4.9 out of 5. Due to the low engagement of retail team members in China with Kyan Health, we switched to a more locally relevant service provider.

Providing training and development opportunities

At On, the learning journey starts on day one. In 2025, we onboarded over 800 new hires across 20 regional OnBoarding programs to help them feel empowered to navigate and contribute to our community. In order to drive continued learning and development, we offer an extensive range of prerecorded courses on the learning platform Workday Learning platform. We also offer live learning sessions on topics like project management skills, influential communication and feedback. All office team members, store leaders and associate store leaders receive an individual learning budget for a more customized learning experience based on needs, skills and interests. At our retail stores, we have also implemented Better You hours, providing dedicated time for employees to focus on personal development and self-care. Team members can also participate in the Hands On Workshops where they are invited to create an On shoe from scratch. These sessions encourage creativity, offer a view into how other teams work and help us understand our craft and why we are here.

Our Future Talent Programs have the goal of attracting, developing and integrating top future talent. In 2025, we offered three programs: the Apprenticeship Program (Switzerland), Internships and the 24-month Product Creation Academy.

Our leaders are the catalysts of our culture. That is why our Inclusive Leadership session is mandatory for leaders before joining any further training. It covers topics such as conceptualizing diversity, inclusion and equity at On, challenging biases in the workplace and embodying the behaviors of an inclusive leader. In 2025, we observed a decrease in BIPOC representation at the senior leadership level in the US and Canada. As a result, we're currently evaluating our mandatory Inclusive Leadership sessions as one way to ensure we are actively removing barriers to senior-level advancement. In addition to this, our School of Leaders program delivers targeted development through three distinct tracks: Leadership Onboarding, Leadership Essentials and Core Electives on topics such as tough decision-making and coaching for growth. This flexible, multi-track approach enables leaders to choose development paths that match their personal needs and challenges. In 2025, 1,023 attendees joined a total of 76 sessions.

772+
team members supported through Kyan Health's counseling and coaching

4,820
counseling sessions delivered

4.9 / 5
satisfaction rating

Creating engagement through volunteering

Our mission is to ignite the human spirit through movement. This comes to life through our engagement work, where we encourage our team members to give back to the communities that matter most to them. Every team member has access to donation-matching funds and eight hours of paid volunteer time.

November 2025 marked our first-ever Give Back Month at On – four weeks of global action where team members volunteered, donated and joined learning sessions. From Vietnam to Switzerland, and the US to Brazil, our community impact team worked with hubs to create opportunities for meaningful community engagement.

This dedicated month helped us amplify our initiatives and significantly increase our impact. In 2025, 922 team members collectively contributed to 3,029 volunteer hours, compared to 252 team members and 1,862 hours in 2024. For 2026, our ambition is to achieve 3,500 hours of volunteering.

Our KPIs and progress

The following KPIs are reflected in the headcount unless otherwise stated.
We define team leaders as any team member who has at least one direct report. Senior leaders are directors, senior directors, the Senior Leadership Group, and the Executive Leadership Board.

Characteristics of our team members

Number of employees	**2025**	**2024**
Permanent employees	3,483	2,955
Temporary employees	803	500
Full-time employees	3,528	2,982
Part-time employees	758	473
Total number of employees	**4,286**	**3,455**
Average total headcount	3,870	2,959
Total number of externals	1,445	1,269
Total number of employees at senior leader level	122	93
% of employees at senior leader level	2.84%	2.69%

Terminations	**2025**	**2024**
Office employees	348	297
Retail employees	570	304
Employee turnover (reflected in %)	**2025**	**2024**
Office employees	11%	10%
Retail employees	41%	36%

Diversity metrics of our team members

Employees distribution by age groups (in %)	FY25	FY24
Employees under 30 years old	36.00%	35.30%
Employees between 30 and 50 years old	61.50%	62.20%
Employees over 50 years old	2.50%	2.50%

Gender distribution across team leaders	FY25	FY24
Women	49.20%	48.60%
Men	50.10%	51.10%
Non-binary/third gender	– %	– %
Other (self-described)	0.14%	0.20%
Prefer not to say	0.14%	– %
No response received	0.27%	0.20%

Gender distribution across all employees	FY25	FY24
Women	47.40%	48.60%
Men	47.60%	47.10%
Non-binary/third gender	0.37%	0.40%
Other (self-described)	0.07%	0.10%
Prefer not to say	0.12%	0.20%
No response received	4.40%	3.70%

Gender distribution across senior leaders	FY25	FY24
Women	45.10%	43.30%
Men	54.90%	56.70%
Non-binary/third gender	– %	– %
Other (self-described)	– %	– %
Prefer not to say	– %	– %
No response received	– %	– %

Race/ethnicity distribution	2025	2024
Number of nationalities represented	107	104

Race/ethnicity distribution all employees (US & Canada)	2025 (n=896)	2024 (n=762)
White	36.50%	44.20%
BIPOC	38.30%	38.10%
Prefer not to say	0.70%	1.10%
No response received	24.60%	16.70%

Race/ethnicity distribution team leaders (US & Canada)	2025 (n=125)	2024 (n=126)[1]
White	56.80%	66.67%
BIPOC	25.60%	22.22%
Prefer not to say	1.60%	2.38%
No response received	16.00%	8.73%

Race/ethnicity distribution senior leaders (US & Canada)	2025 (n=19)	2024 (n= 15)
White	73.68%	58%
BIPOC	10.53%	27%
Prefer not to say	– %	– %
No response received	15.79%	16%

1 Restatement of 2024 metrics due to a reporting error. The figures presented in IPR 2024 reflected global data rather than data limited to the US and Canada.

Other metrics

Remuneration metrics (pay gap)

We're committed to pay equity. We believe people who work in similar roles with similar experience and performance should be paid comparably, regardless of any demographic characteristics such as gender identity, race, or ethnicity. Creating a positive gender balance is a core aspect of our culture. To ensure we are maintaining pay equity across our team members, we regularly conduct a pay equity analysis. This analysis uses an extended version of the Swiss government's model. While the standard methodology is useful to analyze a single country like Switzerland, it is not designed for a global population. Therefore, we enhanced the model to include "Country" as a control variable. This addition is essential to normalize for significant geographic cost-of-living differences, ensuring we compare peers accurately across borders. When measuring by gender, we currently measure the gap between men and women. We recognize that gender is not binary. However, our current sample size is not yet large enough to include additional gender identities in the analysis.

By the end of 2025, we had conducted annual gender pay gap analyses across our entire office population, including country-specific analyses where we had a sufficient number of team members, i.e., China, Germany, Japan, Switzerland, the UK, the US and Vietnam. The results confirm that we have maintained pay equity at On below the Swiss threshold. When controlling for job-related characteristics and qualifications, women earn 1.40% less than men (compared to 1.50% in 2024). This result confirms that identified pay variances are generally explained by age, grades, tenure and country, and are not a result of gender identity. Our objective is to expand pay equity analysis to encompass additional demographics.

Family-related leave

All of our team members are entitled to take family-related leave through social policy and/or collective bargaining agreements. In 2025, 3% of our team members took family-related leave. This number has remained stable since 2024.

Health and safety management for team members

As formalized in our Code of Conduct, all of our team members are covered by our health and safety management system. In 2025, we recorded 96 workplace accidents, accounting for a rate of 2%.[1]

Training and skills development metrics

In 2025, 69% of our team members participated in regular performance and career development reviews (compared to 62% in 2024). Additionally, each team member had an individual average of enrollment to internal trainings of 2.7 (compared to 3.1 in 2024). More metrics can be found in the following table.

Learning and development for On employees	FY 2025
School of Leaders workshops	60
Build the Better You well-being events	4
Hands On Workshops delivered	12
Hands On Workshop participants	170
Kyan Health activation rate across global headcount	21%

1 Rate of recordable workplace accidents calculated as the total number of recorded workplace-related accidents over the average 2025 headcount.

Workers in the value chain

From Tier 1 factories to our logistics hubs, we uphold high operational requirements to manage our social impacts and protect the rights of workers at every touchpoint. The DMA revealed key social impacts related to working conditions at our supply chain partner sites. Identified impacts and risks include long working hours, low wages, health and safety issues, restricted workers' rights, risks of child labor and forced labor.

Overview of material impacts, risks, and opportunities

Sub-topic	Description	Time horizon	Value chain stage
Working conditions	Negative impact related to working hours, low wages, infringement on workers' access to social dialogue, collective bargaining and freedom of association, including lack of grievance mechanisms, health and safety issues, lack of recognized and/or secure employment, precarious employment for migrant workers.	S, M, L	Upstream Downstream
	Risk related to health and safety and excessive working hours and inadequate wages.	S, M, L	Upstream Downstream
Equal treatment and opportunities	Negative impact from inequality in job opportunities and wages, and from discrimination and harassment at work.	S	Upstream Downstream
Other worker-related rights	Potential negative impacts related to child and/or forced labor and potential exploitation of young workers.	S, M, L	Upstream
	Risk related to modern slavery practices in the value chain.	S, M, L	Upstream

R — recurring S — short term M — medium term L — long term

How we manage topics of workers in the value chain

We hold our supply chain partners to standards aligned with our values. These requirements are outlined in our public policies, which are based on and comply with international frameworks and standards, including the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, ILO Core Conventions, the United Nations Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

Our Supplier Code of Conduct outlines our expectations for working conditions, equal treatment and opportunity. It also defines worker-related rights, such as freedom from child or forced labor. The Human Rights & Labor Rights Due Diligence Policy outlines how we identify risks, prevent harm and take action to protect workers and their communities. Grievances can be raised through our Speak Up platform, as outlined by our new Speak Up Policy. Our Modern Slavery Statement also details our approach to tackling forced labor, child labor, human trafficking and other forms of modern slavery. Our Blueprint for Responsible Manufacturing functions as a framework for operationalizing our commitments into actions.

Overview of other worker-related policies

Policy name	Topics
Blueprint for Responsible Manufacturing	Working conditions: as per Supplier Code of Conduct
	Equal treatment and opportunity: as per Supplier Code of Conduct
	Other worker-related rights: as per Supplier Code of Conduct
Human Rights and Labor Rights Due Diligence Policy	Working conditions: unethical recruitment practices, adverse environmental impacts, wages and benefits, freedom of association and collective bargaining
	Equal treatment and opportunity: discrimination and harassment, inhumane treatment
	Other worker-related rights: child labor, forced labor
Modern Slavery Statement	Other worker-related rights: forced labor, child labor, human trafficking and modern slavery risks in the supply chain
Speak Up Policy	Equal treatment and opportunity: no retaliation
	Other worker-related rights: human rights incl. modern slavery and human trafficking
Supplier Code of Conduct	Working conditions: freedom of association and collective bargaining, wages and benefits, working hours, recognized employment, working conditions
	Equal treatment and opportunity: discrimination, harassment and inhumane treatment, grievance systems
	Other worker-related rights: freely chosen employment, child labor

Supply chain transparency

Tier 1 refers to our assembly and manufacturing partners. Tier 2 are those who manufacture materials and components used in On's products. Strategic Tier 2 are long-term business partners (at least for the next three seasons), or partners representing a significant volume of materials, or those that are the sole producers of business-critical components.

We source footwear from 13 Tier 1 factories (ten in Vietnam and three in Indonesia). We source apparel and accessories from 17 Tier 1 factories across Vietnam, Turkey, China, Indonesia and Slovenia. Strategic Tier 2 are located in Vietnam, China, South Korea and Taiwan. We publicly disclose all our Tier 1 and Strategic Tier 2 on a bi-annual basis on our website.

Monitoring and scoring partners

Through our Workplace Standards Monitoring Program, we conduct due diligence on new and existing Tier 1 factories for footwear, apparel and accessories as well as Strategic Tier 2 upstream partners. We assess new or existing partners that have a high probability of critical risks due to their geographic location, type of operations or other factors assessed during our annual supply chain risk mapping.

In 2025, we built on the foundation of our Workplace Standards Monitoring Program to develop a more comprehensive supplier lifecycle management framework. We follow a framework that covers selection and onboarding, partner segmentation, performance evaluation, risk monitoring, supplier development and responsible exit. This allows us to prioritize partners throughout our due diligence process and at the same time increase our audit coverage (see "Keeping the pace on our social performance").

As per our Third Party Risk Management Policy, we conduct a compliance screening before entering any business relationship with key partners (see "Governance matters"). Additionally, new partners undergo an audit before onboarding as per our Blueprint for Responsible Manufacturing. We accept either the On Supplier Code of Conduct and audit checklist or an equivalent third-party audit. If the audit has an A or B result (no or minor issues identified), we approve the partners for production. In cases of a C result (major issues identified) we approve the partner with conditions outlined in a corrective action plan and a follow-up audit. In the case of a D result (one or more zero-tolerance issues identified), we do not approve the partner for production.

Existing partners are audited on an annual basis. In cases of a C result (major issues identified), production may continue. However, these partners must follow a corrective action plan and undergo a follow-up audit. In cases of a D result (zero-tolerance issues identified), we cap, reduce, or pause orders until the conditions have been fulfilled. If further major issues are identified during a follow-up audit, orders are reduced or paused until the conditions have been fulfilled. Afterwards, any new or repeated issues may lead to termination. Zero-tolerance issues during a follow-up audit may also lead to termination (read more on responsible exits in "Governance matters").

In 2025, 100% of our Tier 1 factories completed our full Workplace Standards Monitoring Program. Of our Strategic Tier 2 upstream partners, 100% have been screened and are onboarded to our Workplace Standards Monitoring Program, and 92% of our Strategic Tier 2 upstream partners provided verified assessments through the Social & Labor Convergence Program (SLCP), a shared tool to harmonize requirements across the industry. Audit findings are integrated into our monthly performance dashboard that influences sourcing and buying decisions. We provide quarterly updates to executive management via the ESG Committee. The scores allow us to determine whether to direct more or fewer volumes to a partner.

Our audit checklist covers 14 categories, including Freely Chosen Employment, Child Labor, Wages and Benefits and Working Hours. Following a benchmarking exercise, in 2025 we expanded the checklist scope to align better with our industry and peers. It now includes more items on foreign migrant workers, building safety and other working condition topics. We also expanded the severity levels by adding two new levels ("critical" and "moderate") and grade bands from A to E, with more evenly sized score ranges within each band. This will allow us to better differentiate partner performance and map our requirements against third-party audit frameworks. The updated checklist will be published and take effect for the 2026 audit cycle. Tier 2 upstream partners can also continue to submit equivalent third-party audits, such as BetterWork, Social & Labor Convergence Program (SLCP) or similar.

Raising concerns

We expect our supply chain partners to manage the effectiveness of their own grievance mechanisms and to remedy grievances in a timely manner according to severity and scale. We also enable individuals and entities to submit complaints where they are, or might be, adversely impacted. In 2025, we launched our Speak Up Policy as part of our due diligence framework. The policy is available in 11 languages. The online platform is hosted by an independent third-party, is available 24/7 and can be accessed in 13 languages. Any grievances reported to On undergo a thorough investigation. More information about this process can be found in "Governance matters".

100%

of our Tier 1 partners completed our full Workplace Standards Monitoring Program

92%

of our Strategic Tier 2 upstream partners provided verified assessments through the Social & Labor Convergence Program (SLCP)

Audit findings across Tier 1 factories and Strategic Tier 2 upstream partners

Category	Number of findings FY 2025	Percent
Working conditions	186	49.87%
Working hours	80	21.45%
Wages and benefits	48	12.87%
Compliance with laws and codes	43	11.53%
Recognized employment	7	1.88%
Environmental impacts and preferred materials sourcing	4	1.07%
Discrimination, harassment and inhumane treatment	2	0.54%
Freedom of association and collective bargaining	2	0.54%
Grievance systems	1	0.27%
Anti-corruption and bribery	0	— %
Total findings	373	100.00%

Expanding on living wages

Paying workers a national minimum wage is mandatory and part of our audit checklist. A key part of our strategy has been our commitment to go beyond this and implement a living wage across Tier 1 partners. A living wage is the compensation received for a standard workweek in a specific location and time that is sufficient to afford a decent standard of living for a worker. This includes food, water, housing, education, healthcare, transportation, clothing and other essential needs, as well as a provision for unexpected events.[1] All our factories pay the national living wage, and we validate this in our annual audit cycles. However, national minimum wages are often not sufficient to afford a decent standard of living. We believe that every worker in our supply chain deserves a fair living wage.

We continue to collect annual wage data from our partners and assess this against the Global Living Wage Coalition (GLWC) benchmark. Working with our internal costing team and leveraging industry best practices, we have developed our methodology to identify wage gaps at specific factories and develop targeted solutions. This data-driven approach helps us track improvements and adjust our strategy. In 2025, we expanded our assessments beyond footwear to include Tier 1 apparel and accessory factories. We excluded factories from the analysis that were phased out or inactive in 2025, as well as factories with very low volumes (1% of total volumes). We also had to exclude two factories that were not able to share their wage data on time for inclusion in this report, reflecting 3% of volume in total. Therefore, our expanded analysis and wage verification included 21 factories, covering 96% of our volume. We also included the WageIndicator Foundation (WIF) Benchmark for geographies where there is no applicable GLWC benchmark. Of the 21 factories in scope, 17 meet the living wage benchmarks (80.9%, covering 77% of our volumes). We have identified three footwear factories and one accessories factory that did not meet the GLWC or WIF benchmarks. We are actively working to close these gaps in collaboration with our partners.

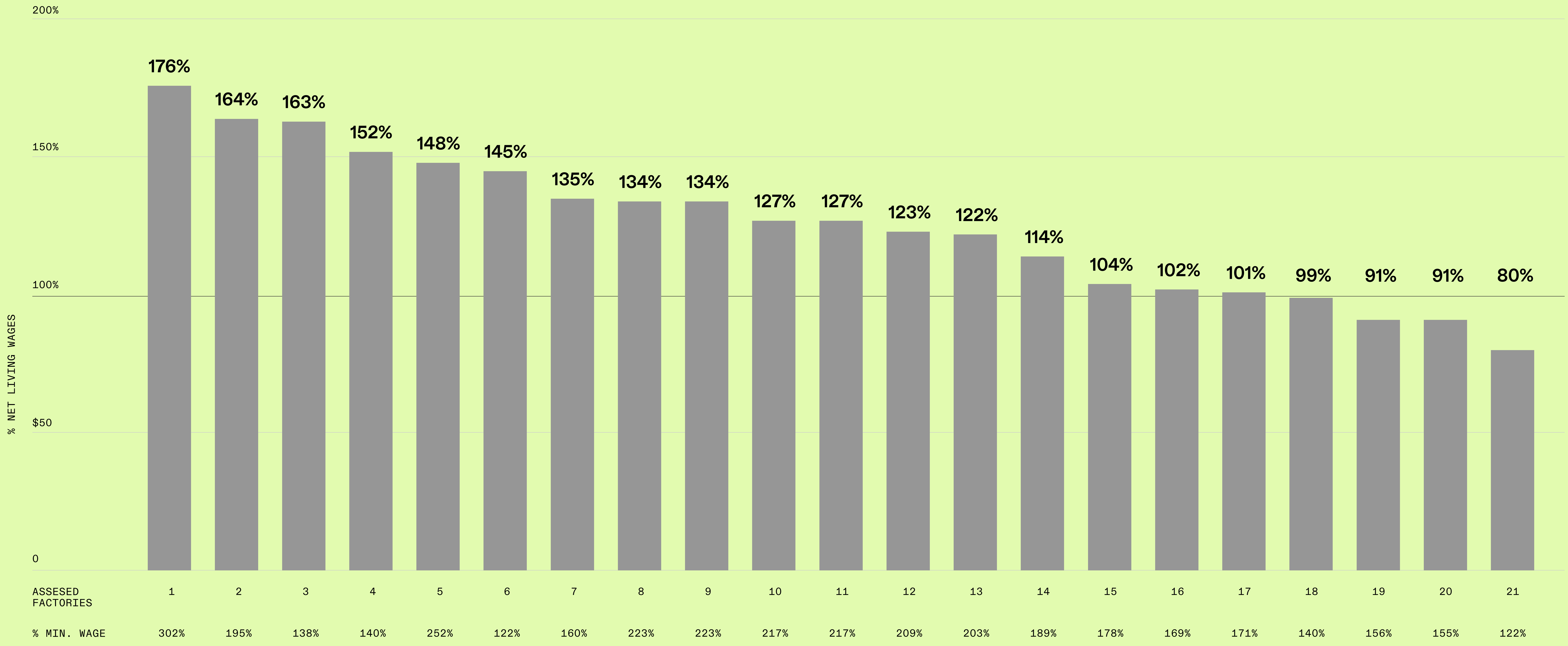
We did not achieve our target of 100% of Tier 1 factories meeting the living wage benchmarks. Still, we are proud of our progress in expanding these assessments to more factories while maintaining a similar level of compliance. Collecting, validating and verifying wage data remains time-intensive, requiring close partner engagement and several months of coordination with third-party auditors for each assessment cycle. These challenges exist across the industry and progress depends on longer-term supply chain partnerships, clearer expectations, collaboration on costing and purchasing practices, and stronger alignment across brands operating in the same facilities (see “Behind the living wage target: What we know now”).

Moving forward, the payment of living wages will be a critical issue in our audit checklist. We will not onboard new partners who cannot demonstrate they already pay living wages or commit to meeting our standards. For our existing partners we will maintain our efforts and extend our current target to 2026. We are also exploring ways to maintain our ambition as we grow into new geographies and product groups.

1 Global Living Wage Coalition

Average monthly wage across factories in USD

2025 worker wages relative to living wage benchmarks



Our targets and progress

In 2025, we made significant progress in expanding the scope of our living wage verifications. We also continued our Workplace Standards Monitoring Program for all Tier 1 facttories and Strategic Tier 2 upstream partners.

Goal		2025 progress	Summary
2024	Develop human rights and due diligence policy with the International Organization for Migration (IOM)	✓ Achieved	In 2024, we developed a Human Rights and Labor Rights Due Diligence Policy in collaboration with the IOM that outlines how we identify risks, prevent harm, and take action to protect workers and their communities.
2024	100% Tier 1 suppliers publicly disclosed and Strategic Tier 2 suppliers by 2025	✓ Achieved	In 2025, we continued to publish our full Tier 1 factories and Strategic Tier 2 upstream partner list.
2025	100% Tier 1 suppliers onboarded to our Workplace Standards Monitoring Program	✓ Achieved	In 2025, 100% of our Tier 1 partners completed our full Workplace Standards Monitoring Program. We will continue to maintain this commitment moving forward.
2025	100% Tier 1 suppliers will have implemented a living wage consistent with GLWC standards	// Delayed	In 2025, 80.9% of Tier 1 factories paid living wages. The payment of living wages is now a critical issue in our audit checklist. We will maintain our efforts and extend our current target to 2026.
2026	100% Strategic Tier 2 Suppliers onboarded to our Workplace Standards Monitoring Program	••• On track	In 2025, 100% of Strategic Tier 2 upstream partners had been screened and onboarded to our Workplace Standards Monitoring Program.
2026	100% Tier 1 Suppliers have implemented a grievance mechanism	▲▲ At risk	In 2025, we updated our audit checklist to include the validation of grievance systems. This will take effect in the 2026 audit cycle.

Consumers and end-users

In order to bring our innovative ideas to life, we need our customers to trust us. Our materiality assessment identifies misinformation, specifically greenwashing and social washing, as a significant risk to our operational integrity. Any failure in transparent communication carries direct legal, financial, and reputational consequences. We prioritize evidence-based disclosure to maintain the trust of our consumers.

Sub-topic	Description	Time horizon	Value chain stage
Information related impacts for consumers and/or end users	Risk related to communication of misinformation of green or social claims to consumers.	S	Downstream

R — recurring S — short term M — medium term L — long term

How we manage topics of consumers and end-users

To mitigate the identified risk, we have established Sustainability Copy Guidelines for copywriters, creative teams and communication and marketing functions. These serve as our central source of truth for all public-facing communication. As a living document, these guidelines are constantly updated to reflect the latest industry standards and regulatory requirements to help ensure that every claim made, be it on a product description page or in a social media campaign, is consistent, reliable and backed by primary data or third-party certification. Our non-financial reporting team works to objectively verify all data within formal non-financial reporting disclosures.

If new information comes to light suggesting that a previously made claim is ambiguous, no longer accurate or misinterpreted, we commit to taking immediate corrective action. Such incidents also trigger an internal review to identify where the misalignment occurred and to implement preventative measures for future communications.

We monitor the integrity of our communications by leveraging established brand perception insights to understand our brand health and the behaviors of our community. By analyzing these insights, we are able to deduce consumer sentiment and general trust in our brand. This approach allows us to ensure that our messaging resonates authentically and maintains the high level of credibility our consumers expect.

Expanding traceability in our supply chain

Tracing our preferred materials from their source is the foundation of our ability to make evidence-based sustainability and material claims related to our products. In 2025, we expanded our traceability program to onboard 14 Tier 1, 52 Tier 2 and 87 Tier 3 supply chain partners to the TextileGenesis blockchain-inspired platform, covering more material types and components. We were then able to track our preferred materials across 14.5 million units, 447 unique styles and 5,000 purchase orders. The reason we focused our initial efforts on preferred materials is because we want greater confidence that materials such as preferred cotton or recycled polyester come exactly from the specific regions and feedstocks we've defined. To make the project work for everyone involved, we hosted three supplier summits. These sessions helped us meet our partners where they are and move forward together at the right pace.

We tracked our preferred materials across

14.5

million units

447

unique styles

5,000

purchase orders

Governance matters

We operate On with clear rules and practices that support our team members and partners. This section outlines our framework for accountability, from raising concerns to preventing corruption and bribery. It also clarifies how our corporate culture guides everyday behavior.

Business conduct

We believe in honest sportsmanship. We lead with respect and commitment to the rules of the game. We conduct our business activities with integrity and endeavor to deal fairly and ethically with customers, suppliers, competitors and the public. As a global company, we are committed to complying with the laws and regulations of every jurisdiction in which we operate.

Our material governance topics center around the integrity of our operational environment – specifically regarding whistleblower protection, the prevention of corruption and bribery, and the maintenance of a healthy corporate culture. Beyond internal operations, our most critical governance impacts involve the fair management of supplier relationships and payment terms across the value chain.

Overview of material impacts, risks and opportunities

Sub-topic	Description	Time horizon	Value chain stage
Protection of whistleblowers	Negative impact related to potential lack of protection for whistleblowers through the entire value chain.	S, M, L	Upstream Own operations
Corruption and bribery	Potential negative impact of exposure to corruption and bribery within On's corporate functions and supply chain.	S, M, L	Upstream Own operations
	Risk associated with non-compliance with anti-corruption laws.	S, M, L	Upstream Own operations
Corporate culture	Potential negative impact associated with dilution of On's defining culture of innovation and excellence due to its growth.	S, M, L	Own operations Downstream
	Potential risk associated with dilution of On's defining culture of innovation and excellence due to its growth.	S, M, L	Own operations
Management of relationships with suppliers & payment practices	Potential negative impacts associated with late payments to suppliers and unfair exit strategies.	S, M, L	Upstream
	Opportunity related to implementing fair payment practices and conducting regular audits to strengthen supplier relationships.	S, M, L	Upstream Downstream

R — recurring S — short term M — medium term L — long term

How we manage business conduct topics

Our Code of Conduct sets the baseline for how we conduct our business. It goes hand-in-hand with our Speak Up Policy and platform, ensuring any individual can raise concerns about our business. The Code of Conduct is further supported by a number of policies for both team members and business partners. These aim to protect both our own workforce and workers in our value chain (see “Workers in the value chain”).

Overview of business conduct policies

Policy name	Topics
Anti-Bribery and Anti-Corruption Code (internal)	Protection of whistleblowers: raising concerns, no retaliation
	Corruption and bribery: representatives, transactions, gifts and hospitality, charitable donations, hiring decisions, facilitating payments, threats, political contributions
Code of Conduct	Protection of whistleblowers: speak up, no retaliation, confidentiality
	Corruption and bribery: conflicts of interest, bribery and corruption, gifts and hospitality, insider trading
	Corporate culture: On Spirits, purpose of the Code
	Management of relationships with suppliers & payment practices: business relationships and fair competition, trade compliance, conflicts of interest, bribery and corruption, gifts and hospitality, data privacy
Gifts and Hospitality Guidelines & Gifts and Hospitality Country-Specific Guidelines (internal)	Protection of whistleblowers: raising concerns, no retaliation
	Corruption and bribery: appropriate gifts and hospitality, prohibited gifts and hospitality

Policy name	Topics
Insider Trading Policy (internal)	Corruption and bribery: insider trading, abuse of power, breach of fiduciary duty, fraudulent practices
Related Persons Transactions Policy (internal)	Corruption and bribery: conflicts of interest, related person transactions, material interest disclosure, arm's length transactions
	Corporate culture: best interests of company and shareholders, material interest disclosure, related-person transaction oversight
Responsible Business Policy	Protection of whistleblowers: transparency
	Corruption and bribery: Anti-corruption and bribery
	Management of relationships with suppliers & payment practices: Capacity building, confidentiality and information security, environmental impacts
Speak Up Policy	Protection of whistleblowers: anonymity, confidentiality, no retaliation, data protection
Supplier Code of Conduct	Protection of whistleblowers: grievance systems
	Corruption and bribery: anti-corruption and bribery
	Management of relationship with suppliers & payment practices: environmental impacts and preferred materials sourcing, unauthorized subcontracting, intellectual property
Third Party Risk Management Policy (internal)	Protection of whistleblowers: no retaliation
	Management of relationships with suppliers & payment practices: due diligence

Upholding our culture

Our five "Spirits" (Explorer, Athlete, Team, Positive and Survivor) exemplify the core values of On. These principles guide internal behavior and define our collaborative standards across all global locations. Our Code of Conduct outlines an entrepreneurial culture based on honesty, integrity and respect for one another. It also reinforces the exceptional level of respect among our team and, as we grow, protects our culture for the future.

As we continue to grow rapidly and adapt our processes, there is a risk of high workloads that affect the overall well-being of our team members. We aim to ensure our culture provides a stable foundation for all team members. This includes maintaining high levels of trust, communication, collaboration and offering development opportunities. Our annual Engagement Survey is our primary tool for checking in with each other and understanding where we need to adjust (see "Social matters").

Updating our Code of Conduct

In 2025, we published an updated Code of Conduct, which is also available on our website. The goal was to increase accessibility and include practical decision-making frameworks. The Code of Conduct includes detailed expectations and guidance on the topics of workplace safety, confidentiality, data protection, brand protection, intellectual property, AI and social media. It also includes guidance on the Speak Up Policy and platform, which enhances whistleblower protection. All teams are responsible for implementation and enforcement, while the legal and/or talent teams take action in cases of non-compliance.

As part of the update of our Code of Conduct, we also strengthened our training program on our Workday Learning platform. The revised Code of Conduct and Speak Up Policy mandatory training was communicated to all team members. The new training is structured in three parts and was rolled out in 2025. Training completion rates are monitored by the legal and talent teams by region, country and role via Workday Learning. Periodic reminders are sent in cases of non-completion and managers remind team members in cases of non-completion. New team members must complete the training as part of the OnBoarding program.

Introducing a new Speak Up Policy and process

We are committed to conducting our business with integrity and expect all team members and stakeholders to do the same. Specifically, this means protecting potential whistleblowers. Without protection, misconduct may go unreported. This increases risks of exploitation, harm to vulnerable groups, and unethical practices, especially in complex industries like apparel and footwear. Our Speak Up Policy was first introduced in 2025 and is available in all our business languages. The Speak Up platform was upgraded and is available to individuals who have a relationship with On Holding AG or its subsidiaries and have concerns about possible wrongdoing that involves On, such as potential violations of the law or breaches of company policies. This includes all current and former team members, directors and officers, contractors, suppliers, workers in On's alue chain, athletes, investors and members of the public.

The Speak Up platform is hosted by an independent third party and is available 24/7. Reports may be filed anonymously, subject to local laws. Once a report is submitted, a confirmation of receipt is provided within seven days. Our investigative team conducts an initial review of every report to determine if a formal inquiry is required. The team may request additional information from the reporter. When grounds for an investigation exist, the investigative team promptly conducts an independent and objective inquiry and takes appropriate measures based on the findings. We provide an update on the resolution within three months of the report submission. We take all appropriate actions to prevent adverse consequences for anyone raising a good faith concern. The General Counsel is accountable for the Speak Up Policy. Material cases are reported to the Executive Officers and Board.

Addressing bribery and corruption

Fair play is at the root of our mission. This means zero tolerance for bribery and corruption in every country where we operate. Our expectations around conflicts of interest, bribery and corruption, insider trading and antitrust are outlined in our Code of Conduct. The document also links to further internal policies. The Anti-Bribery and Anti-Corruption Code is consistent with the core principles of the United Nations Convention against Corruption. Team members are also required to complete a training on our Anti-Bribery and Anti-Corruption Code during the OnBoarding program. Training is also required whenever the policy is updated materially. We do not tolerate corruption and will handle any non-compliance cases rigorously. Reports of suspected violations are handled through our Speak Up process, as described above.

Managing relationships with suppliers

We strive to select partners who share our vision and uphold the same rigorous legal and ethical standards we apply to our own operations. In 2025, we launched a Third Party Risk Management Policy. This policy outlines the due diligence process required prior to entering key business relationships. These include supply chain partners, Tier 1 factories, and Strategic Tier 2 upstream partners, freight forwarders and customs brokers, logistics providers, construction and real estate vendors, key brand ambassadors and any potential partners with possible links to a country under Swiss, UN, EU or US sanctions.

We aim to minimize the negative impact on our supply chain partners and their workers if it becomes necessary to end a business relationship. We follow industry best practices in line with the OECD Due Diligence Guidance for Responsible Business Conduct. This includes clear procedures for non-conformances and set timelines for remediation. It also involves evaluating the impact of an exit on workers in close collaboration with supplier management. Furthermore, we ensure the provision of sufficient notice to suppliers. For more information on how we monitor and score Tier 1 and Strategic Tier 2 upstream partners, please see "Social matters".

Appendix

01. Our progress summary

Goal		2025 progress	Summary
2024	Offices and stores to be powered by 100% renewable electricity	✓ Achieved	Since 2023, all On-operated offices and stores have been 100% powered by renewable electricity via renewable energy power purchase contracts and Energy Attribute Certificates (EACs).[1]
2025	100% Tier 1 suppliers to eliminate coal as direct energy source	✓ Achieved	After successfully achieving the elimination of coal as a direct heating source across our Tier 1 supply base in 2024, we extended our efforts to our Strategic Tier 2 upstream partners in 2025.
2027	100% Tier 1 suppliers to have SBTs or be SBT-aligned	••• On track	We have focused on high-impact carbon reductions among Tier 1 and Strategic Tier 2 upstream partners by eliminating coal and adopting renewable energy. According to a voluntary survey of 33 Tier 1 partners, ten have established verified or validated decarbonization targets through SBTi or other third parties as of 2025.
2028	100% Strategic Tier 2 suppliers to eliminate coal as direct energy source	••• On track	As of 2025, only one Strategic Tier 2 upstream partner was using coal in 2025 as a direct energy source and they have committed to phasing it out by 2027.[2]
2030	100% Tier 1 suppliers to use renewable electricity	••• On track	Based on 2024 verified Higg FEM data, eight out of 35 active suppliers in 2024 (22.8%) use renewable electricity (RE) coming from solar or purchased RE (excluding EACs). Overall RE consumption in 2024 (MWh) remains low at 8.5%, reinforcing our priority going forward to work with our suppliers on accelerating the adoption of RE options.[3]
2030	42% absolute reduction in Scope 1 and 2 emissions compared to 2023[4]	▲▲ At risk	In 2025, our absolute Scope 1 and 2 emissions increased by 14% compared to 2024, and 33% compared to the updated baseline of 2023, mainly due to retail expansion. Although we have reduced our vehicle fleet emissions by 4% since 2023, this target is currently at risk as we expect our physical building count to further increase, while reducing emissions from our facilities remains a challenge.

1 Due to a lack of market availability of EACs in South Korea, we procured Chinese GECs as a next-best option to cover our electricity consumption in South Korea. In line with GHG Protocol, we did not discount the carbon emissions from that consumption.
2 Based on self-reported data by supply chain partners that was not reflected in verified 2024 or 2025 Higg FEM data.
3 As verified 2025 Higg FEM data is unavailable before our reporting deadline, we rely on 2024 verified data for this datapoint.
4 Target revised in 2025 from 46% (2019 base) to 42% (2023 base) to maintain 1.5°C alignment over the updated timeframe. See “Updating our emissions reduction target” and the Appendix 03 for details.

Goal		2025 progress	Summary
2030	51.6% reduction in Scope 3 per product compared to 2023[1]	••• On track	Our relative Scope 3 emissions decreased by 2% compared to 2024, and 7% compared to the updated baseline of 2023, driven mainly by the reductions in logistics emissions. We are confident that we can accelerate our efforts using levers in product desing, sourcing and logistics.
2024	Perform water mapping analysis to define roadmap	✓ Achieved	In 2024, we assessed water usage and identified water risks across our Tier 1 and Strategic Tier 2 upstream partners. In 2025, we conducted a deeper assessment of our nature impacts (including water).
2024	Explore partners and wastewater guidelines and baseline adoption rate in our supply chain	✓ Achieved	In 2024, we analyzed wastewater management practices in our supply chain. All five Tier 1 and Strategic Tier 2 upstream partners with wastewater treatment on-site follow ZDHC standards and we continue to monitor performance via the ZDHC Gateway.
2024	Perform waste mapping analysis and roadmap to address hotspot areas	✓ Achieved	In 2024, we mapped our current resource flows and identified opportunities for waste reduction and recovery, with a focus on reducing waste to landfill. We continue to track and improve our supply chain partners' waste performance via the Higg FEM.
2024	Define circularity roadmap to scale	✓ Achieved	In 2025, we focused on taking stock and assessing existing circularity pilots, in order to identify where to stop, continue or pivot. This includes the decision to evolve Cyclon™ from subscription and recycling program to a broader umbrella of our circularity services, starting with a scalable recommerce service. Based on identified hotspots and levers we are developing new targets and a roadmap as part of the strategy evolution.
2025	No intentionally added PFAS in our supply chain	✓ Achieved	We achieved this goal at the end of 2024 and maintained it throughout 2025.
2025	Pilot traceable reverse logistics supply chain in one region	▲ Discontinued	In light of the evolution of our strategy and Cyclon™ as our global recommerce service, we have shifted priorities and will no longer pursue this target.
2025	Publish Circular Design Playbook	× Not achieved	In 2025, we prioritized developing Circular Product Guidelines Apparel & Accessories that will be rolled out to the relevant product teams in 2026.

1 Target revised in 2025 from 55% economic intensity (Scope 3 emissions per dollar value added, 2019 base) to 51.6% physical intensity (Scope 3 emissions per units produced, 2023 base). See "Updating our emissions reduction target" and the "Appendix" for details.

Goal		2025 progress	Summary
2026	>95% cotton and cellulosics used in apparel products manufactured in the year, coming from preferred sources	✓ Achieved	In 2025, 96% of our cotton and cellulosics in apparel and accessories came from preferred sources, compared to 80% in 2023. This was driven by shifting from conventional to U.S. Cotton Trust Protocol cotton.
2027	>20% recycled or renewable materials by weight used in our midsole compound across all footwear styles[1]	✓ Achieved	In 2025, 23% of all our midsole compounds by weight were made with recycled or renewable materials, compared to 12% in 2024.
2027	>95% recycled or renewable polyamide fibers used in products manufactured in the year	••• On track	In 2025, 85% of our polyamide fibers used come from recycled or renewable sources. This compares to 92% in 2024, driven by a change in methodology to include polyamide used in footwear and an increase in data quality.
2027	>95% recycled or renewable[2] PET fibers used in products manufactured in the year	••• On track	In 2025, 94% of our PET polyester fibers came from recycled or renewable resources, compared to 84% in 2024.
2024	Develop human rights and due diligence policy with the International Organization for Migration (IOM)	✓ Achieved	In 2024, we developed a Human Rights and Labor Rights Due Diligence Policy in collaboration with the IOM that outlines how we identify risks, prevent harm, and take action to protect workers and their communities.
2024	100% Tier 1 suppliers publicly disclosed and Strategic* Tier 2 suppliers by 2025	✓ Achieved	In 2025, we continued to publish our full Tier 1 factories and Strategic Tier 2 upstream partners list.
2025	100% Tier 1 suppliers onboarded to our Workplace Standards Monitoring Program	✓ Achieved	In 2025, 100% of our Tier 1 factories completed our full Workplace Standards Monitoring Program. We will continue to maintain this commitment moving forward.
2025	100% Tier 1 suppliers will have implemented a living wage consistent with GLWC standards	// Delayed	In 2025, 80.9% of assessed Tier 1 factories paid living wages. The payment of living wages is now a critical issue in our audit checklist. We will maintain our efforts and extend our current target to 2026.
2026	100% Strategic Tier 2 suppliers onboarded to our Workplace Standards Monitoring Program	••• On track	In 2025, 100% of Strategic Tier 2 upstream partners had been screened and onboarded to our Workplace Standards Monitoring Program.
2026	100% Tier 1 suppliers have implemented a grievance mechanism	▲▲ At risk	In 2025, we updated our audit checklist to include the validation of grievance systems. This will take effect in the 2026 audit cycle.

1 Target revised in 2025 from 2027 >20% recycled or renewable materials by weight used in our midsole compound across our highest volume footwear styles. We class the following as recycled and renewable materials: third-party-certified conventional recycled materials, advanced recycled materials, novel bio-based and carbon emission based polymers, as well as natural materials, ideally from regenerative sources, such as natural rubber, human-made cellulosics, wool, or cotton.
2 For more information, see our Preferred Materials List.

02. Summary of policies

Policy name	Description	Scope
Anti-Bribery and Anti-Corruption Code (internal)	Internal commitments and requirements on anti-bribery and anti-corruption.	On Holding AG, its subsidiaries worldwide and each of their respective employees, directors and officers.
Blueprint for Responsible Manufacturing	Supplier handbook outlining On's social environmental commitments and supply chain due diligence processes, including the Workplace Standards Monitoring Program, zero-tolerance and major and minor issues in On's audit checklist.	All supply chain partners in On's upstream operations.
Code of Conduct	Company values, expectations and responsibilities, including compliance with international best practices and local laws and regulations.	On Holding AG, its subsidiaries worldwide and each of their respective employees, directors and officers.
Gifts and Hospitality Guidelines & Gifts and Hospitality Country-Specific Guidelines (internal)	Internal commitments and requirements on gifts and hospitality in order to avoid risks of bribery and corruption.	On Holding AG, its subsidiaries worldwide and each of their respective employees, directors and officers.
Human Rights and Labor Rights Due Diligence Policy	Expectations and processes to identify risks, prevent harm, and take action to protect workers and their communities.	Tier 1 and Strategic Tier 2 upstream partners in On's upstream operations.
Hybrid Working Guidelines (internal)	Internal guidelines on office presence and remote work options.	All employees, except for field roles (e.g., regional sales), retail store roles or other exceptional cases.
Insider Trading Policy (internal)	Internal expectations and requirements around the handling of important and confidential information in order to avoid the risk of insider trading.	On Holding AG, its subsidiaries worldwide and each of their respective employees, directors and officers.
Internal Design Guidebook	Internal design and product development guidelines to reduce the environmental footprint of products.	Footwear creation teams at On Holding AG.

Policy name	Description	Scope
Modern Slavery Statement	Strategy and actions related to forced labor, child labor, human trafficking and modern slavery risks in the supply chain.	On Holding AG and its subsidiaries worldwide.
Preferred Materials List (internal)	Internal requirements regarding the use of preferred materials and processes in product development that support On's progress towards lower-impact products.	Footwear, apparel and accessories creation teams at On Holding AG.
Product Restricted Substances List (RSL) (internal)	Internal requirements to manage the risk of restricted substances in products, including the prohibition of PFAS, through monitoring and testing using the AFIRM RSL and OEKO-Tex 100 standards.	All supply chain partners involved in manufacturing On products.
Related Persons Transactions Policy (internal)	Internal requirements and process for particular types of transactions with specified persons, including Board members and leadership team members.	On Holding AG, its subsidiaries worldwide and each of their respective employees, directors and officers.
Responsible Business Policy	On's sourcing practices, including its social and environmental commitments related to its business practices.	Business partners involved in On's downstream operations.
Speak Up Policy	Channel and process to raise concerns and submit whistleblowing reports about suspected wrongdoing.	All employees and non-employees, and any individuals or entities who have a relationship with On Holding AG or its subsidiaries.
Supplier Code of Conduct	Minimum social and environmental standards applies to all suppliers that On has a business relationship with.	All suppliers that On has a business relationship with, including but not limited to: production and material suppliers, business process and outsourcing suppliers, and all other vendors that support business services.
Third Party Risk Management Policy (internal)	Internal due diligence process prior to entering a key business relationship.	Business partners involved in On's upstream and downstream operations.
Time Off Guidelines (internal)	Internal guidelines on employee annual vacation days entitlement and other types of time off.	All employees.
Workplace Violence Prevention Program (internal)	Internal commitment and processes to ensure a safe and secure work environment.	All employees and non-employees on On Inc.'s premises (US-based subsidiary of On Holding AG), including contractors, customers and visitors.

03. GHG emissions methodology

This section summarizes the method and data sources used to calculate our Scope 1, 2 and 3 greenhouse gas (GHG) emissions.

Timeframe

The emissions are calculated for the 2025 calendar year starting on January 1, 2025, and ending on December 31, 2025.

Overview

The GHG Protocol methodology is applied as the general guideline for calculating Scope 1, 2 and 3 emissions. Activity data is collected both internally and externally and emission factors applied to this data are based on Carbonfact's methodology involving custom emission factors and LCA calculations relying on PEFCR methodology, Watershed's curated database of emission factors for non-product related emissions, as well as custom emission factors drawing on industry-relevant databases. Tables 1 and 2 outline the information required for yearly SBTi reporting. For each scope and category, this includes a description of organizational boundaries, source of emission factors and rationale for inclusion in, or exclusion from, our SBTi goals.

Rebaselining of SBTi targets

In 2025, we established 2023 as our new anchor base year and performed a full recalculation of our 2024 and 2023 GHG inventory. This restatement was essential for aligning our historical data with our current dual-platform methodology (Carbonfact and Watershed). By applying our high-granularity modeling retrospectively, we have eliminated methodological inconsistencies, ensuring that all year-on-year comparisons reflect actual operational performance rather than changes in data processing or software transitions. The earliest year having a sufficiently reliable and complete dataset to support this granular, product-level accounting was 2023.

To accurately track progress during a period of rapid organizational growth, we have transitioned to physical intensity (kg CO_2eq per unit produced) as our primary performance indicator. Absolute emissions are heavily influenced by increasing production volumes, which can often mask the underlying impact of decarbonization initiatives. Focusing on physical intensity allows us to gain a transparent view of our operational efficiency, independent of company size or growth rate.

We have moved away from spend-based intensity (emissions per revenue) to ensure a more stable and science-based reflection of our impact. Financial metrics often suffer from a temporal misalignment of production and sales; price fluctuations, currency shifts, and the timing of revenue recognition can distort the true carbon intensity of manufactured goods. A physical intensity based on production volumes ensures that our metrics remain accurately tied to the materials and energy used at the specific time of production.

GHG accounting tools

- **Carbonfact for product-related categories**
  Since 2023, Carbonfact has enabled us to perform life cycle assessments (LCA) at scale, informing design decisions by balancing material choice, durability, and carbon impact. In 2025, we implemented Carbonfact as our formal source of truth for product-related emissions reporting. This transition ensures methodological consistency across internal teams and provides the granular material, process, and supplier data necessary to identify and act on value chain hotspots.

- **Watershed for corporate & additional categories**
  Watershed remains our primary platform for managing Scope 1 and 2 as well as non-product-related Scope 3 categories such as Capital Goods and Business Travel. The platform serves as our central repository for defining organizational boundaries and provides access to globally recognized, curated databases including CEDA, IEA, and DEFRA. Where primary data for building energy is unavailable, Watershed applies robust estimates based on floor surface area, building type, and regional benchmarks.

In 2025, Watershed was a key tool in our rebaselining process, providing the infrastructure to manage, compare and audit different footprint versions. By aggregating data from diverse sources, the platform allowed us to perform detailed comparative analyses between the 2023 base year, 2024 restatements and 2025 performance. This ensures that our corporate emissions remain synchronized with our product-level insights from Carbonfact, providing a unified, version-controlled view of our total climate impact.

- **Higg FEM for factory emissions**
  We continue to use the Higg Index to measure environmental impact in our Tier 1 factories, with this data now integrated into Carbonfact. As verified 2025 Higg FEM data is unavailable before our reporting deadline, we rely on 2024 verified data applied to 2025 activity levels.

Database updates

We applied emission factors from the CEDA database via Watershed for spend-based activity data, such as CapEx and OpEx for non-product-related goods, services, marketing, and business travel. The CEDA database is updated twice a year to reflect the current state of spend-based emissions calculations. Year-on-year changes in emissions are influenced by these updated factors. Given reporting timelines, financial data used to calculate spend-based emissions was non-audited at the time.

Rounding

For presentation purposes, figures throughout this report have been rounded according to standard rounding conventions. This may result in slight discrepancies when summing rounded components.

Uncertainty

Though our methodology has improved through the use of Carbonfact and Watershed, uncertainty remains in emission factors due to modeling complexities. Limitations in data availability require the use of extrapolations. In 2025, categories such as Refrigerants (Scope 1), Waste (Cat. 5), Employee Commuting (Cat. 7) and Franchises (Cat. 14) relied on extrapolations exceeding 25%. The extrapolations are based on research statistics or proxy intensities. Ongoing initiatives are focused on addressing these gaps to enhance accuracy. We aim for greater transparency across the supply chain and relevant product-related categories.

04. 2025 GHG emissions by scope and category

Category	2023 emissions (t CO_2eq)	2024 emissions (t CO_2eq)	2025 emissions (t CO_2eq)	Contribution towards total of Scope 2025	% change in GHG emissions to prior year	% change in GHG emissions to base year (2023)	Organizational boundaries and included activities	Included in the 2030 SBT boundary
Scope 1								
Total Scope 1	952	1,060	1,244		17%	31%	Includes heating and refrigeration within company facilities, and combustion of fuel used in vehicles.[1]	Yes
Scope 2								
Total Scope 2 location-based	825	1,325	2,032		53%	146%	Includes purchased electricity and purchased district heating; excludes purchased EACs.	
Total Scope 2 market-based	104	171	164		-4%	57%	Includes purchased electricity, applied EACs and purchased district heating.[2]	Yes

1 2023 and 2024 were recalculated using Watershed to ensure a consistent baseline and to include previously unknown locations.
2 Recalculations for 2023 and 2024 are based on the latest IEA and European Residual Mixes to ensure emission factor accuracy.

Category	2023 emissions (t CO_2eq)	2024 emissions (t CO_2eq)	2025 emissions (t CO_2eq)	Contribution towards total of Scope 2025	% change in GHG emissions to prior year	% change in GHG emissions to base year (2023)	Organizational boundaries and included activities	Included in the 2030 SBT boundary
Scope 1 & 2								
Total Scope 1 & 2	1,056	1,231	1,408		14%	33%	SBT near-term target: On commits to reduce absolute scope 1 and 2 GHG emissions by 42.0% by 2030 from a 2023 base year.	Yes
Scope 3								
Category 1: Purchased Goods and Services	230,126	322,495	440,537	77.2%	37%	91%	Includes total raw materials use, component manufacturing, manufacturing waste, product manufacturing, product packaging and purchased non-product goods & services for our accessories, apparel and footwear.[1]	Yes
Category 2: Capital Goods	8,050	9,215	9,808	1.7%	6%	22%	Includes building refurbishment, building inventory and hardware. Excluded from the SBT boundary due to low significance for On's operations.[2]	No
Category 3: Fuel- and Energy-related	482	645	854	0.1%	33%	77%	Includes upstream emissions from fuel production, electricity generation and transmission losses. Excluded from the SBT boundary due to low significance for On's operations.	No
Category 4: Upstream Transportation and Distribution	14,675	40,072	34,970	6.1%	-13%	138%	Includes transportation from the Tier 1 production facility to the port of departure, transportation to the port of arrival, transportation from the port of arrival to warehouses, and transportation from the warehouses to stores, retailers and wholesalers, as well as transportation from Tier 1 production facilities directly to distributors. Also includes energy use and waste produced in the warehouses.	Yes

1 We switched to Carbonfact based Product Carbon Footprints and PEF CR-compliant modeling. All years since 2023 were reacalculated using Carbonfact to replace previous material based methodology.
2 2023 and 2024 were recalculated using the newest CEDA database version within Watershed.

Category	2023 emissions (t CO_2eq)	2024 emissions (t CO_2eq)	2025 emissions (t CO_2eq)	Contribution towards total of Scope 2025	% change in GHG emissions to prior year	% change in GHG emissions to base year (2023)	Organizational boundaries and included activities	Included in the 2030 SBT boundary
Category 5: Waste Generated in Operations	180	312	415	0.1%	33%	131%	Includes disposal and treatment of waste produced by On's own activities. Excluded from the SBT boundary due to low significance for On's operations.	No
Category 6: Business Travel	10,050	9,750	15,306	2.7%	57%	52%	Includes all business travel including transport and accommodation. Excluded from the SBT boundary due to low significance for On's operations.	No
Category 7: Employee Commuting	2,076	1,835	2,604	0.5%	42%	25%	Includes transportation used by employees to travel to and from work. Excluded from the SBT boundary due to low significance for On's operations.	No
Category 8: Upstream Leased Assets	N/A	N/A	N/A				Includes leased assets without control of energy use. Excluded from the SBT boundary due to low significance for On's operations.	No
Category 9: Downstream Transportation and Distribution	15,068	23,148	28,582	5.0%	23%	90%	Includes transportation from warehouses to customers for online purchases, and estimated emissions from third-party retail stores.[1]	Yes
Category 10: Processing of Sold Products	N/A	N/A	N/A				Includes further processing of products by customers before end use. Excluded from the SBT boundary due to low significance for On's operations.	No

1 Expanded the Scope 3.9 boundary to include estimated emissions from 3rd-party retail stores. These are estimated using intensity factors (per unit) derived from On's own retail data to improve value chain completeness. These emissions were recalculated for 2023 and 2024.

Category	2023 emissions (t CO_2eq)	2024 emissions (t CO_2eq)	2025 emissions (t CO_2eq)	Contribution towards total of Scope 2025	% change in GHG emissions to prior year	% change in GHG emissions to base year (2023)	Organizational boundaries and included activities	Included in the 2030 SBT boundary
Category 11: Use of Sold Products	11,161	8,792	7,426	1.3%	-16%	-33%	Includes emissions arising from product use such as wash cycles. Excluded from the SBT boundary because On has limited influence over consumers' habits.[1]	No
Category 12: End-of-life Treatment of Sold Products	16,629	23,747	29,958	5.2%	26%	80%	End-of-life emissions were excluded from the SBT boundary because On has limited influence over end-of-life treatment of products. As we scale our efforts towards circularity, this category will become important for measuring our impact.[1]	No
Category 13: Downstream Leased Assets	N/A	N/A	N/A				Includes owned assets leased to others where tenants control energy use. Excluded from the SBT boundary due to low significance for On's operations.	No
Category 14: Franchises	52	223	513	0.1%	131%	886%	Includes energy use of franchisees. Excluded from the SBT boundary because of low significance to On's operations.[2]	No
Category 15: Investments	N/A	N/A	N/A				Includes owned equity, debt or financial assets not already accounted for in other categories. Excluded from the SBT boundary because of low significance to On's operations.	No
Total Scope 3	308,548	440,233	570,974	100.0%	30%	85%		

1 We switched to Carbonfact based Product Carbon Footprints and PEF CR-compliant modeling. All years since 2023 were recalculated using Carbonfact to replace previous study based methodology.
2 Formally separated franchise store emissions into Category 14. Where utility-based data was unavailable, activity was estimated using square-meter intensity modeling. These emissions were recalculated and included in the 2023 and 2024 restatements.

Category	2023 emissions (t CO_2eq)	2024 emissions (t CO_2eq)	2025 emissions (t CO_2eq)	Contribution towards total of Scope 2025	% change in GHG emissions to prior year	% change in GHG emissions to base year (2023)	Organizational boundaries and included activities	Included in the 2030 SBT boundary
Total Scope 3 included in SBT	259,869	385,715	504,089	88.3%	31%	94%		
Total Scope 3 included in SBT per unit produced	10.62	10.12	9.92	88.3%	-2%	-7%	SBT Near-Term Target: On also commits to reduce scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution and downstream transportation and distribution 51.6% per unit produced within the same timeframe. The target boundary includes land-related emissions and removals from biogenic feedstocks.	Yes
Totals								
Total GHG emissions market-based	309,604	441,464	572,382		30%	85%		
Total GHG emissions location-based	310,634	442,816	576,344		30%	86%		
Total GHG emissions per product (kg CO_2eq / units produced)	12.61	11.55	11.23		-3%	-11%		
Total GHG emissions per net revenue (kg CO_2eq / CHF[1])	0.1729	0.1904	0.1899		-0.27%	10%		
Intensity Scope 3 per net revenue (kg CO_2eq / CHF[1])	0.1723	0.1899	0.1894		-0.24%	10%		

1 We continue to disclose revenue-based GHG intensity values for increased comparability.

05. Report on non-financial matters

This report is in accordance with Art. 964a et seq. of the Swiss Code of Obligations and and the related Swiss Ordinance on Climate Disclosures (OCD), which is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Disclosure requirement	Applicable section in this report	
Business model		
Description of the business model	Our business model, Our value chain	38-40
Double materiality assessment	Our Double Materiality Assessment	45, 49, 57, 66, 74, 81, 84
Environmental matters	Climate, Other environmental topics	49-56, 57-64
Social issues	Workers in the value chain, Consumers and end-users	74-80, 81-82
Employee-related issues	Employees	66-73
Respect for human rights	Employees, Workers in the value chain, Business Conduct	66-73, 74-80, 84-87
Combatting corruption	Business Conduct	84-87
Policies		
a description of the policies adopted in relation to the matters referred to above	A full overview can be found in Appendix 02: Summary of policies. For relevant policies see each section.	92
Measures		
Presentation of the measures taken to implement these policies and an assessment of the effectiveness of these measures	How we manage climate topics, How we manage other environmental topics, How we manage employee-related topics, How we manage topics of workers in the value chain, How we manage topics of consumers and end-users, How we manage business conduct topics	50-54, 58-60, 67-69, 75-76, 82, 85-87

Disclosure requirement	Applicable section in this report	
Risks		
Description of the main risks related to the matters referred above and how On is dealing with these risks	How we manage risks, How we manage climate topics, How we manage other environmental topics, How we manage employee-related topics, How we manage topics of workers in the value chain, How we manage topics of consumers and end-users, How we manage business conduct topics	46-47, 50-54 58-60, 67-69, 75-76, 82, 85-87
Key performance indicators		
The main performance indicators for On's activities in relation to the matters referred to above	Our targets and progress (climate), Our targets and progress (other environmental topics), Our KPIs and progress (employees), Our targets and progress (worker in the value chain), Appendix 01: Our progress summary	63-64, 63-64, 70-73, 80, 89-91
Governance		
Describe the board's oversight of climate-related risks and opportunities.	Governance at On	41-42
Describe management's role in assessing and managing climate-related risks and opportunities	Governance at On, How we manage risks	41-42, 46-47
Strategy		
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Evolving our approach, Our Double Materiality Assessment, How we manage risks	44, 45, 46-47
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Evolving our approach, How we manage risks	44, 46-47
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	How we manage risks	46-47

Disclosure requirement	Applicable section in this report	
Risk management		
Describe the organization's processes for identifying and assessing climate-related risks.	Our Double Materiality Assessment, How we manage risks	45, 46-47
Describe the organization's processes for managing climate-related risks.	Governance at On, How we manage risks, How we manage climate topics	41-42, 46-47, 50-54
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Governance at On, How we manage risks	41-42, 46-47
Metrics & targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Our targets and progress (climate), Appendix 01: Our progress summary	63-64, 89-91
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Appendix 04: 2025 GHG emissions by scope and category	96-100
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Our targets and progress (climate), Appendix 01: Our progress summary	63-64, 89-91

06. Disclosure in accordance with Art. 964j-l

Swiss Code of Obligation and the Swiss Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour

On Holding AG and its Swiss subsidiaries are exempt from the due diligence and reporting obligations pursuant to Article 9 of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour.

This is because On's processes and policies align with the ILO Convention 138, ILO Convention 182, the ILO-IOE Child Labour Guidance Tool for Business as well as the UN Guiding Principles on Business and Human Rights.

07. ESRS content index

This report also reflects our progress toward future reporting requirements of the European Sustainability Reporting Standards (ESRS) (adopted July 2023). For easy reference, please find below a table with links to the relevant sections:

ESRS reference	Disclosure location	Page number
ESRS E2-2	How we manage other environmental topics	58-60
ESRS E2-3	Our targets and progress (other environmental topics)	63-64
ESRS E2-5	Tackling air, water and microplastics pollution	59
ESRS E5-1	How we manage other environmental topics	58
ESRS E5-2	How we manage other environmental topics	58-62
ESRS E5-3	Our targets and progress (other environmental topics)	63-64
ESRS E5-4	Increasing our use of preferred materials and processes	60
ESRS E5-5	Increasing resource efficiency and reducing waste, Evolving our approach to circularity	62
ESRS S1-1	How we manage employee-related topics	67
ESRS S1-2	Engaging with our team members	68
ESRS S1-3	Raising and responding to concerns	68
ESRS S1-4	How we manage employee-related topics	67-69
ESRS S1-6	Characteristics of our team members	70
ESRS S1-7	Characteristics of our team members	70
ESRS S1-9	Diversity metrics of our team members	71
ESRS S1-13	Training and skills development metrics	73
ESRS S1-14	Health and safety management for team members	73
ESRS S1-15	Family-related leaves	73

08. SASB Content Index

Apparel, Accessories & Footwear Sustainability Accounting Standard - CONSUMER GOODS SECTOR VERSION 2023-12

Topic	Metric	Category	Unit of measure	Code	Data	Reference
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	n/a	CG-AA- 250a.1	Our chemical management policy is based on the AFIRM restricted substances list (RSL)	How we manage environmental matters
Management of Chemicals in Products	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-AA- 250a.2	Our chemical management policy includes testing.	How we manage environmental matters
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	Percentage (%)	CG-AA- 430a.1	Due to incomplete information as of the date of this report, we have refrained from disclosing this information	

Topic	Metric	Category	Unit of measure	Code	Data	Reference
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	CG-AA- 430a.2	100% of our Tier 1 suppliers and 100% of our Strategic Tier 2 footwear and apparel partners completed Higg FEM verification through an independent verifying body	Addressing air, water and microplastics pollution
Labour 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 labour code of conduct, and (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	CG-AA- 430b.2	100% of Tier 1 suppliers have undergone independent audits by the end of 2025, and 0% of Tier 2	Monitoring and scoring suppliers
Labour Conditions in the Supply Chain	Priority non-conformance rate and associated corrective action rate for suppliers' labour code of conduct audits	Quantitative	Rate	CG-AA- 430b.2	n/a	Monitoring and scoring suppliers

Topic	Metric	Category	Unit of measure	Code	Data	Reference
Labour Conditions in the Supply Chain	Description of the greatest (1) labour and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	n/a	CG-AA- 430b.3	The most common audit findings were related to working conditions, working hours, and wages and benefits	Monitoring and scoring suppliers
Raw Materials Sourcing	(1) List of priority raw materials; for each priority raw material, (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors, and (4) management strategy for addressing business risks and opportunities	Discussion and Analysis	n/a	CG-AA- 440a.3	Described in “Increasing our use of preferred materials and processes”	Increasing our use of preferred materials and processes
Raw Materials Sourcing	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	Quantitative	Metric tons (t)	CG-AA- 440a.4	Described in “Other Environmental topics”	Increasing our use of preferred materials and processes Our targets and progress Other environmental topics
Suppliers	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	CG-AA- 000.A	30 Tier 1 factories, 25 Strategic Tier 2 upstream partners	https://cdn.on-running.com/sustainability/suppliers-list.pdf

09. Right To Run partners

Achilles Canada
Uses running to help break down barriers between able-bodied people and people with disabilities through specialized programs and social events.

Ainsley's Angels
Believes everyone deserves to be included in running and movement, and is dedicated to building awareness about the US's special needs community in all aspects of life.

ASRA Club
A community space centering Muslim women in sports, wellness and sisterhood.

Back on My Feet
Combats homelessness through the power of fitness, community support, essential employment and housing resources.

CHAMPIONS ohne GRENZEN
Offering a sustainable and welcoming culture for refugees in Germany since 2014, providing access to football and other sporting activities.

Equity Design
Uses physical activity to close the health and equity gap among underserved and underestimated populations by creating long-lasting healthy connections to fitness.

Free to Run
Uses outdoor sports to develop women leaders in areas of conflict, providing them with the tools they need to become drivers of positive change in their own communities.

The Fresh Air Fund
Provides safe, fun, engaging and enriching summer experiences for children from New York City's underserved communities.

Go The Distance
Promotes recovery through fitness, community and compassion via partnerships with local rehabilitation centers.

Greenhouse Sports
Uses the power of sport and mentoring to develop the life skills of children and young people from disadvantaged communities.

IdéeSport
Promotes health, provides opportunities and fosters diversity for children and youth in Switzerland.

KLABU
Works closely with refugee and host communities around the world to build their own sports clubhouses that are hubs for play, well-being, education and entrepreneurship.

Lulu's Place
A mission to create a transformational nonprofit youth center that combines top-quality academic, athletic, and wellness programs for underserved youth in Los Angeles.

PatoRun
Dedicated to creating a safe society where children, women and the elderly can live with peace of mind.

PlayTogetherNow
Aims to help ease refugees' arrival in Austria and to integrate newcomers into society through regular recreational activities.

Portland Community Football Club
A safe and inclusive space for LGBTQIA+ youth, providing high-quality, affordable club soccer to low-income, immigrants and refugees from between 6 and 18 years of age.

Portland Tennis & Education
Offers academic support, enrichment through tennis and athletics, life skills, and mental health support, as well as family resources to students from kindergarten through to 12th grade enrolled in after-school and summer programs.

Rising Hearts
An Indigenous-led, grassroots organization devoted to elevating Indigenous voices and promoting intersectional collaborative efforts across all movements.

The Run Beyond Project
Works with students in need as they attempt to complete a Goal Event that, at the outset of the program, they often consider impossible.

Running in the Dark
Aims to make running accessible to people with disabilities and helps to make them feel included and seen by society.

Serve & Return Chicago
Offers grants and scholarships to support tennis programs for children who might otherwise not have access to the game.

So Every BODY Can Move
At the forefront of the national disability rights movement; creating equitable and life-changing access to prosthetic and orthotic care for physical activity in 28 states by the 2028 Paralympics.

Speed Freaks
Focuses on increasing health, well-being, and connection. Supports recovery from addiction and mental distress through the vehicle of running and walking.

SPORTEGRATION
Organizes projects for locals, expats and refugees in and around Zurich using sport as a vehicle for successful social integration.

Sport Senza Frontiere
Ensures the right to sport by making it accessible to those who need it most, bringing it to places where it is scarce and spreading its principles and values.

Surf Ghana
Uses the practice of extreme sports as a driver for diversity in education, social inclusion and youth empowerment.

Ubuntu (Fewer Roads)
Offers a space for People of Color located in inner-city Toronto to explore the beauty of nature together by removing the barrier of transportation.

Up Sport!
Promotes and strengthens social inclusion of diverse groups of vulnerable people through sport in Paris.

We Are Queer
Creates a safe space for the LGBTQIA+ community to achieve desired fitness results through one-on-one personal training and/or nutritional coaching.

In addition, through our Annual Grant program we supported 75+ organizations with one-off grants. A full list of supported organizations is available here.

10. Glossary

Advanced recycled materials
Materials made using advanced recycling technologies, such as fiber-to-fiber chemical recycling that turns old textiles into new ones.

Animal-derived materials
Animal fibers and materials refer to natural biological substances obtained from animals for use in the fashion, textile, and apparel industry, such as leather or wool.

Bio-attributed materials
Materials made with a mix of both bio-based and fossil-based feedstocks using a certified mass balance approach, where the renewable content is calculated and attributed to the final product through a certified chain of custody.

Bio-based materials
Materials derived from plants and other renewable agricultural, marine and forest sources. They provide an alternative to conventional fossil-fuel-based materials, meaning resources can be replenished rather than depleted.

Carbon emission-based materials
Materials made with captured carbon emissions, like our innovative CleanCloud® material. This enables the creation of polyester and EVA, where part of the virgin fossil-based material is replaced by materials made using captured carbon emissions. Certified mass balance systems are used during this initial phase to leverage existing infrastructure as this technology scales.

Conventionally recycled materials
Conventionally recycled materials go through a mechanical recycling process to break down existing materials like cotton and plastic into new materials. This saves carbon and waste compared to virgin sources. Recycled polyester is typically made from mechanically recycled PET (polyethylene terephthalate) from old plastic bottles, which takes material away from an already circular system and turns it into textiles that can't be easily recycled.

Cyclon resale recycling process
We work with regional recyclers help keep our raw materials in use. For now, this means they will mostly be recycled to make industrial materials such as insulation panels or filling for various applications. This helps us keep materials in motion when On products reach the end of their life.

Original Cyclon collection recycling
In 2022, we launched Cyclon™ with products that were designed to be recycled. It started with the Cloudneo. The shoe was engineered from two types of high-quality, high-performance polyamides from the same material family. The 98% bio-based upper is engineered from PA11, a polyamide derived from castor beans. The bottom unit is engineered from an equally high-performance polyamide compound called Pebax. This meant that we could recycle up to 90% of the shoe into pellets to create new shoe parts. The Cloudrise Cyclon, Cloudrise 1.1 Cyclon were also made with PA-11 and Pebax. While the Cyclon-T was made mostly from PA-11. This means that the recyclable parts in all four products can be shredded down and combined to create new product parts out of them. The Cloudeasy Cyclon is a little different. The shoe was made with just 15 parts, which is half of the average industry standard and allows us to recycle more easily. The upper knit is crafted from yarn made with 100% recycled polyester fiber. The midsole is made with 40% bio-attributed EVA foam, from ISCC+ certified material from sustainable feedstock. The TPU half-Speedboard® is 35% bio-based. And it's injected into the shoe's midsole to reduce waste. It also has a state-of-the-art recycling process. First, we separate the upper from the bottom unit and use fiber-to-fiber recycling to convert the upper into yarn. The bottom unit goes through mechanical recycling. We grind it down, and send it to our partners who create other products – like picnic tables. We have now decided to scale our efforts and to keep all the products we sell moving beyond their first finish line. Most of our products were not designed to be recycled and the recycled materials will not be suitable for making new shoe parts. Instead, we'll partner with specialized regional recyclers, and the recycled materials will be used for industrial purposes, such as insulation panels and filling.

EVA
Ethylene-vinyl acetate is an elastomeric polymer that is used to produce materials with “rubber-like” softness and flexibility; typically used in midsoles.

Fiber-to-fiber recycling
An advanced chemical recycling process that turns waste textile fiber into new fiber with no loss of quality.

Higg Facility Environmental Module (FEM)
A tool within the Higg Index that measures the environmental performance of manufacturing facilities in the fashion, footwear and textile industries. It evaluates areas like energy use, water consumption, waste management and chemical management.

Inclusion groups
An internal employee group fostering belonging and community between On teammates that share similar backgrounds. This is sometimes referred to as an Employee Resource Group (ERG).

Life cycle assessment (LCA)
A comprehensive approach for quantifying the environmental impact of a product, considering the entire life cycle (known as “cradle-to-grave” analysis).

Living wage
The amount of money needed for a worker to comfortably cover their costs of living, which may differ from the legally-mandated minimum wage.

Mass balance
This process allows for the mixing of sustainable and conventional materials in production while tracking and allocating the sustainable portion to finished products through a certified system, similar to renewable electricity.

Preferred cotton
Cotton from preferred sources and certification programs, aligned with the Textile Exchange’s definition of preferred cotton. This includes but is not limited to recycled cotton, organic cotton and traceable US cotton.

Preferred cellulosics
Semi-synthetic materials like viscose, modal and lyocell derived from cellulose extracted from trees or woody plants that can be sustainably produced through processes that have a lower environmental impact.

Preferred materials
Materials sourced carefully to use less water, fewer harmful chemicals and lower carbon emissions. Examples included organic cotton and recycled polyester.

Preferred processes
Processing techniques that minimize environmental impacts during production, from material coloring to midsole foaming. Examples include dope dyeing and UV printing.

Science-based targets
Greenhouse gas reduction targets aligned with the Paris Agreement target of keeping average global temperatures at no more than 1.5°C above pre-industrial levels.

Tier 1 supply chain partner
Our assembly and manufacturing partners.

(Strategic) Tier 2 upstream partner
Tier 2 upstream partners are those who manufacture materials and components used in On products. Strategic Tier 2 upstream partners are long-term business partners (at least for the next three seasons). These partners represent a significant volume of materials or are the sole producers of business-critical components.

Tier 3 supply chain partner
Tier 3 partners are those transforming raw materials into yarn, alloys or an equivalent state through processes such as spinning, milling or wet tanning. The intermediate materials from Tier 3 are then supplied to Tier 2 upstream partners for further processing.

List of abbreviations used in this document

Abbreviation	Explanation
APAC	Asia-Pacific
BIPOC	Black, Indigenous, People of Color
CSRD	Corporate Sustainability Reporting Directive
DMA	Double Materiality Assessment
DTC	Direct-to-consumer
EMEA	Europe, the Middle East, and Africa
EACs	Energy Attribute Certificates
ERM	Enterprise risk management
ESRS	European Sustainability Reporting Standards
GHG	Greenhouse gas
GLWC	Global Living Wage Coalition
ILO	International Labour Organization

Abbreviation	Explanation
IPPC	Intergovernmental Panel on Climate Change
IRO	Impacts, risks, opportunities
NFR	Non-financial reporting
OCD	Swiss Ordinance on Climate Disclosures
RSL	Restricted Substances List
SBT	Science-based target
SBTi	Science Based Targets initiative
Swiss CO	Swiss Code of Obligations
TCFD	Task Force on Climate-Related Financial Disclosures
T2T	Textile-to-textile
ZDHC	Zero Discharge of Hazardous Chemicals

11. Forward-looking statements

This report includes estimates, projections, statements relating to On's business plans, objectives, targets and goals that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Many of the forward-looking statements contained in this report can be identified by the use of forward-looking words such as "anticipate," "believe," "continue," "could," "expect," "estimate," "forecast," "intend," "may," "plan," "potential," "predict," "project," "target," "will," "would," and "should," among others. These statements are based on management's current expectations, but they involve a number of risks and uncertainties.

Actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of risks and uncertainties, which include, without limitation: the strength of our brand and our ability to maintain our reputation and brand image; our ability and the ability of our independent manufacturers and suppliers to follow responsible business practices; our ability to implement our growth strategy; the concentration of our business in a single, discretionary product category, namely footwear, apparel and accessories; our ability to continue to innovate and meet consumer expectations; changes in consumer tastes and preferences including in products and sustainability and our ability to connect with our consumer base; the impact of general economic, political and demographic conditions worldwide, including geopolitical uncertainty and instability; our ability to address climate-related risks, execute and manage our sustainability strategy, achieve sustainability-related goals and targets including sustainable product offerings and navigate investor and customer scrutiny; our third-party suppliers, manufacturers and other partners, including their financial stability and our ability to find suitable partners to implement our growth strategy; supply chain disruptions, inflation and increased costs in supplies, goods and transportation.


Dream On.