

# Our Company



*Caleres creates sustainable value by governing and operating with integrity and transparency and by pursuing ambitious ESG targets.*



## Our Company

We recognize that ESG is an essential part of our business. Our governance structure and our sustainability efforts are critical to our enterprisewide approach to managing risk, distinguishing our organization and our brands from the competition, and living our values.

### ESG GOVERNANCE AT CALERES

Our senior-level ESG Steering Committee is a cross-functional team that includes our CEO and other top executives. This group is responsible for developing programs, goals, and metrics to support our initiatives, ensuring that we meet our targets, and keeping our board of directors apprised of ESG trends and developments.

### EQUITY IN THE BOARDROOM

Caleres was recognized as one of 20 finalists for the 2022 National Association of Corporate Directors (NACD) Diversity, Equity & Inclusion Awards, which recognize boards that have improved their governance and created long-term value for stakeholders by implementing forward-thinking diversity, equity, and inclusion (DE&I) practices. Of the 11 members of our Board of Directors, 55% are women, and 18% are racially/ethnically diverse.



### OUR CODE

The [Caleres Code of Business Conduct](#) sets forth the guiding principles of business ethics and legal requirements applicable to all Caleres Associates. It is designed to reinforce our core values and guide us in making everyday business decisions on behalf of the company. The Code has been translated into Chinese, French, Spanish, and Vietnamese. All Caleres Associates acknowledge at the time of hire, and periodically thereafter, that they have read and will abide by the Code of Business Conduct.

### 2025 ESG TARGETS

In early 2020, we developed a portfolio of ESG targets that we seek to achieve by 2025 based on the results of our materiality assessment and growing stakeholder expectations of our business (baseline year: 2019). We are pleased to report significant progress in 2022.

\* Sampling reduction achieved by focusing on the Caleres "Edit to Win" initiative, which uses 3D technologies, new planning methods, and improved trend forecasting to achieve a higher adoption rate with less waste.

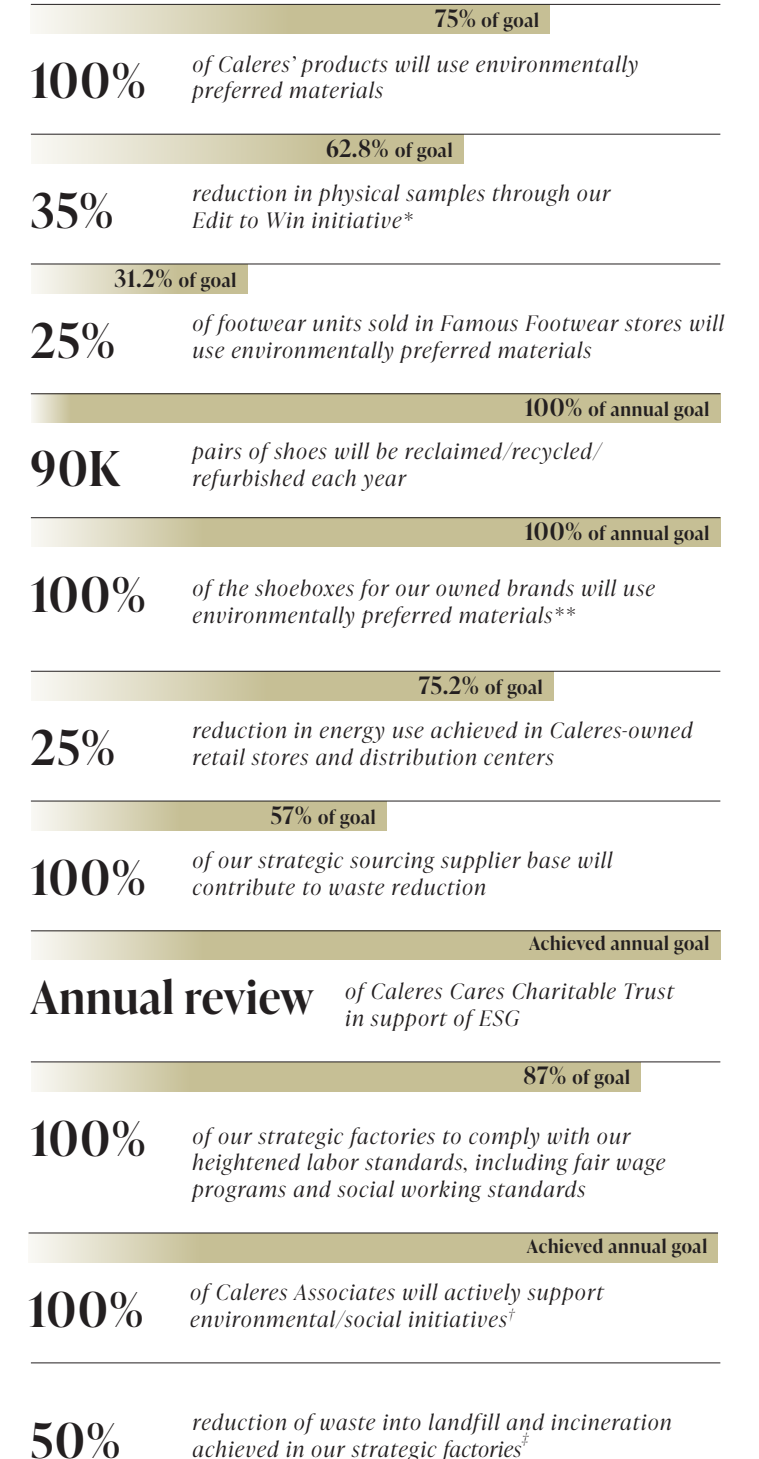
\*\*100% of Caleres shoeboxes are at least 70% recycled and are recyclable in a residential recycling bin. In 2023 we will transition all boxes to [Forestry Stewardship Council](#) content. This certification indicates that the forests from which we harvest wood fiber are managed in an environmentally responsible and socially beneficial manner.

† Goal met through United Way Campaign.

‡ We will report progress against this target once we have achieved 100% participation of our strategic factories, as we expect the waste reduction percentage to fluctuate as new suppliers are brought into our waste reduction program. Meanwhile, our strategic factories that do participate in the Footwear Factory Zero Waste Program have achieved an 89.4% reduction in waste.

### Target

■ = 2022 Progress



Our Company

| Environmental Data  | 2019    | 2020    | 2021    | 2022    |
|---|---------|---------|---------|---------|
| <b>Energy Consumption and Greenhouse Gas Emissions</b><br><i>(Caleres distribution centers, stores, offices, and company-owned factories)</i> |         |         |         |         |
| Energy Consumptions (1,000 gigajoules)  | 512.21  | 420.27  | 439.94  | 415.71  |
| Electricity   | 362.19  | 295.14  | 306.13  | 300.18  |
| Natural Gas   | 127.91  | 109.04  | 111.96  | 93.00   |
| Diesel  | 22.11   | 16.09   | 21.85   | 22.53   |
| Energy Intensity (1,000 gigajoules per \$1M in revenue)   | 0.175   | 0.199   | 0.158   | 0.140   |
| Scope 1 Emissions (1,000 metric tons CO <sub>2</sub> e)   | 1.55    | 1.13    | 1.53    | 1.44    |
| Scope 2 Emissions (1,000 metric tons CO <sub>2</sub> e)   | 49.94   | 40.94   | 42.40   | 40.38   |
| Emissions Intensity<br>(Scopes 1 and 2; 1,000 metric tons per \$1M in revenue)  | 0.017   | 0.020   | 0.016   | 0.014   |
| <b>Water</b> <i>(Caleres distribution centers, stores, offices, and company-owned factories)</i>  |         |         |         |         |
| Water Consumption (1M gallons)  | 767.82* | 563.54* | 358.92* | 481.62* |
| <b>Materials</b> <i>(Caleres Brand Portfolio only; supplier factories)</i>  |         |         |         |         |
| Materials Used (million square feet of fabric and synthetics)   | 96.79   | 63.26   | 71.03   | 100.06† |
| Materials Used (million square feet of leather)   | 33.14   | 17.21   | 27.42   | 24.16   |
| <b>Waste/Recycling</b> <i>(Caleres distribution centers)</i>  |         |         |         |         |
| Waste Recycled (1,000 tons [U.S.])  | -       | 2.83    | 3.81    | 3.75    |
| Waste to Landfill (1,000 tons [U.S.])   | -       | 0.137   | 0.103   | 0.121   |

Scoping Our Scope 3 Emissions

Caleres has been working with our strategic factories to determine a significant source of our Scope 3 greenhouse gas emissions, purchased goods and services.

*In our next full ESG report we anticipate disclosing this and other Scope 3 categories.*



Environmental Data Footnotes

*All environmental data is by fiscal year (fiscal 2022 was Jan. 30, 2022, through Jan. 28, 2023).*

**Energy and Emissions**

*Emissions data has been determined using the US EPA Conversion Calculator and includes only those facilities where Caleres manages utilities, representing about 90% of our companywide facility energy and emissions footprint, which excludes our supply chain. We do not currently have data available for the remaining 10% of our facilities' energy and emissions footprint, as utilities are managed by individual landlords at those facilities. These comprise mainly retail stores. Data also includes our corporate fleet, including our corporate jet, as well as Associate use of company vehicles for company activities. We were able to realize an overall reduction in our energy use, even with integrating additional facilities, including Port Washington manufacturing, Vionic UK office, and Blowfish office into our calculations, primarily through energy-efficiency measures in our Famous Footwear stores and distribution centers.*

**Materials**

*Materials data reflects materials purchased to produce approximately 90% of products sold within our brand portfolio that are manufactured by third parties.*

*\* Increase reflects the addition of water consumption at Port Washington, Wisconsin, factory.*

*† Increase is due to return to more normalized production levels post-pandemic and the inclusion of Blowfish Malibu brand data for the first time.*

LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (LEED)

Four of our major facilities – two distribution centers, one office in New York, and our Vionic headquarters – are LEED certified by the U.S. Green Building Council.

SUSTAINABLE LOGISTICS

In 2023, we are investing in software that will help us understand our Scope 3 emissions from transportation and distribution, as well as track our improvements over time. In the coming year, we anticipate using that data to help us focus on ways to reduce emissions, including converting more freight to rail movement, improving container/trailer utilization, and reducing overall miles. We have already invested significantly in upgrading our distribution centers to introduce greater efficiencies and automation, an effort that was featured in the publication, [Modern Materials Handling](#).



**Our Company**

**REDUCED, REUSED, RECYCLED  
PACKAGING**

All shoeboxes for our owned brands use environmentally preferred materials, meaning they contain at least 70% recycled content. All shoeboxes are recyclable in your residential recycling bin.

All polybags and plastic sheets used in packaging are 100% post-consumer recycled polyethylene. The plastic is also recyclable #4 and can be recycled in grocery stores, big box stores, and other facilities that collect plastic bags.

Our distribution centers reuse both pallets and corrugated boxes, turning materials received on shipments from vendors into packaging for shipments to stores, wholesale customers, and returns. Our Lebanon, Tennessee, distribution center alone reused more than 500,000 corrugated boxes in 2022.

**A MATERIAL DIFFERENCE**

By 2025, we will use environmentally preferred materials in every product in our portfolio of owned brands. We are making this shift at scale, leveraging our brands' shared supply chain to shift toward:

- Fabrics that are either natural, meaning they're greater than 20% certified organic, or contain more than 50% certified recycled content.
- Leather that is composed of certified recycled material, or meets the Leather Working Group's Gold or Silver standards.
- Low-dimethylformamide (DMF), or >5% bio-based content for 50% of our synthetic materials.
- Shoe bottoms made from materials that are greater than 10% natural-based and more than 5% recycled material. The bottoms category contains insoles, footbeds, midsoles, and outsoles.

**Eco-Transparency**

*To help consumers learn about the environmental features of our products, we provide detailed product descriptions for every shoe on our websites and other retailer websites and post signage in our Famous Footwear retail stores. We've also added "Sustainable" or "Eco-Conscious" shopping categories on our websites to easily identify styles made with environmentally preferable materials and processes.*



~126M  
By using post-consumer recycled plastic,  
Caleres  
has diverted  
~126 million  
bottles from  
landfills  
since 2018.

**Progress on Incorporating Environmentally Preferred Materials (EPMs) in Our Products**

|                                  | 2019 | 2020 | 2021 | 2022 | 2025 Goal |
|----------------------------------|------|------|------|------|-----------|
| <i>Fabric</i>                    | 12%  | 28%  | 37%  | 41%  | 100%      |
| <i>Synthetic</i>                 | 4%   | 7%   | 11%  | 17%  | 50%       |
| <i>Leather</i>                   | 63%  | 65%  | 74%  | 85%  | 100%      |
| <i>Shoe Bottoms</i>              | 3%   | 5%   | 14%  | 19%  | 25%       |
| <i>Contains At Least One EPM</i> | 28%  | 45%  | 67%  | 75%  | 100%      |

**Small Changes Add Up**

Seemingly small changes in materials can add up to a big impact.

*In 2022, using recycled polyester saved an estimated:*

**9.19K**

*metric tons of CO2e*

**258.38M**

*gigajoules of energy*

