

# our people

*Caleres is a diverse, global team working toward a shared mission of inspiring people to feel great ... feet first. In a year of enormous business challenges and societal upheaval, our Associates stepped up, living the Caleres values to navigate this new landscape. In response to the COVID-19 pandemic, we've innovated in our business and our approach to taking care of our Associates, consumers and neighbors. We have elevated the conversation around diversity, equity and inclusion in our company and looked for opportunities to learn and improve. We know we have more to do and are moving forward every day.*



## WALKING TALL IN THE FACE OF ADVERSITY

*As a 140-year-old company, Caleres has survived some of recent history's greatest challenges: The Great Depression, two World Wars and the Spanish Flu pandemic. In 2020, our team once again found itself in the middle of a historic moment of change and challenges. Due to the outbreak of COVID-19, how we did business had to evolve nearly overnight. The Caleres culture carried us through. Harnessing the passion that is central to who we are, we found creative new ways to do business, stay connected and take care of one another.*

### Nightly CEO Connections

What started as an update email from our CEO, Diane Sullivan, about temporary store closings and work-from-home arrangements became a nightly communication during the first 60 days of the COVID-19 pandemic. Initially, it was a way to share safety updates, but as government stay-at-home mandates extended and virtual work lingered, these notes became a critical connection point – providing Associates with encouragement, business updates, recognition and positive stories to remind us of where we came from and who we are as a company.

*“Especially in the early days of the pandemic, there was a real need for genuine, human connection Sullivan said. “The nightly emails really became conversation starters, and an invaluable tool for all of us to connect on a personal level and care for each other.”*

In those stories were abundant examples of Associates living the Caleres values to make the most of these unusual circumstances.

### Nightly Message No. 3

March 18, 2020

*“Good Wednesday evening – I bet everyone didn’t expect to be getting nightly emails from me, but during times like this, we must do everything we can to stay connected to and supportive of each other. I appreciate your flexibility and continued focus on everything we need to do to keep business moving forward during this unprecedented time.”*

– Diane Sullivan, Caleres Board Chair and CEO



## CONTINUING TO TAKE CARE OF CUSTOMERS

*Even while retail stores were closed, Caleres team members worked hard to reach customers and keep up with a growing e-commerce business. Within the first three weeks of store closings, Associates shipped almost 300,000 pairs of shoes from stores and 200,000 pairs from distribution centers.*

## Caring for One Another

The Caleres team stepped up for one another in response to the pandemic.

Associates proactively took steps to encourage compliance with our pandemic safety protocols and provide masks for one another. Early on, the maintenance team at one of our distribution facilities shipped masks to 162 Famous Footwear stores to enable them to also continue shipping product to our customers. At another distribution center, two Associates made cloth masks in their personal time for their colleagues. Read more about our enhanced safety protocols in response to COVID-19 on [Page 30](#).

Supporting our Associates went beyond establishing protocols to protect their safety. When decreased retail sales meant that Caleres had to lay off and furlough some retail Associates for several months, we held ourselves accountable to treat each individual with dignity and respect and support them in their transition. We helped eligible individuals file unemployment claims, worked with impacted Associates

to identify other opportunities inside and outside the company, and continued to provide all furloughed Associates with full benefits. Additionally, we established an external website to communicate with furloughed Associates and keep them informed about timelines for return to work. In the meantime, most non-furloughed Associates accepted temporary wage cuts in order to help protect as many jobs as possible.

Read more about how Caleres Associates demonstrated our corporate value of Caring for healthcare workers in their local communities on [Page 6](#).



the  
benefits of

# Caring

*When the COVID-19 pandemic forced Caleres to furlough a majority of our Associates, we maintained all benefits for furloughed Associates.*

*“What has come out of this pandemic is a renewed sense of teamwork across all areas of our company, as well as a desire to help each other out. I hear it every day on every call I’m on and every email I read. More sharing and more caring. More patience and understanding.”*

*– Jay Schmidt, President*



## Doing Business ... Creatively

While the past year has tested our creativity, Caleres Associates rose to the challenge. From figuring out how to do virtual shoe fittings for customers to creating fully digital showrooms for new collections to launching consumer print catalogues, our team has shown incredible adaptability to fit our business into this new environment.

One remarkable show of creativity was the Famous Footwear team's Back to School marketing campaign. The team built a photography studio from materials picked up curbside at the local hardware store to produce all the photography at Associates' homes. The team moved all shoes to one house for prepping and then another house for shooting, and all art direction, image selection and retouching took place virtually.

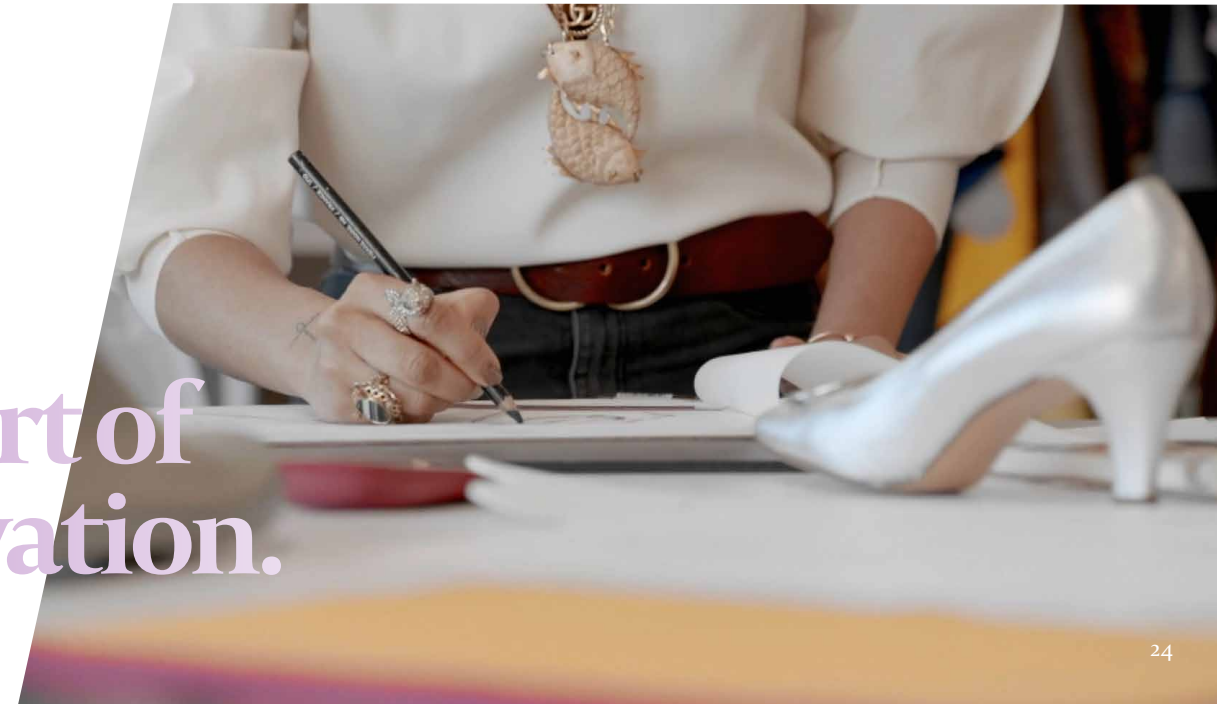
In sharing the campaign with Caleres Associates, Andrew Naeger, senior creative director for Famous Footwear, said,

*“Creative problem-solving is at the heart of innovation. We hope through this creative you feel our joy for the shoes we offer our customers. We believe if we put that level of craft and heart into the creative, we believe our consumers will feel it too. It will feel different. It will feel famous.”*

Capturing and maintaining the feeling of our culture was important in all aspects of our business. To facilitate collaboration, we launched Microsoft Teams and provided Associates the technology they needed to work together from home. We leveraged supervisors to check in with Associates regularly and offer continued focus on their professional development, personal strengths and career goals. Overall, we managed to maintain the collaboration that is so central to creative work.

*Creative problem-solving  
is at the*

**heart of  
innovation.**



## DIVERSITY, EQUITY AND INCLUSION

*In 2020, we committed to accelerating our diversity, equity and inclusion (DE&I) efforts and have made significant investments in related initiatives.*

### Our Diversity Statement

our differences  
are our  
strengths



✦ Photo captured pre-pandemic.



OUR  
PEOPLE

Our company was founded on the insight that people are unique. We believe the perfect fit is when an inclusive and collaborative environment celebrates every person.

We believe our company should be as diverse as the people and communities we serve, and we seek and engage talented individuals from all backgrounds, ethnicities, genders, lifestyles and belief systems.

We embrace how we do things is as important as what we do, and we need to challenge ourselves to always do better when it comes to DE&I.

We provide equal opportunity for employment and take affirmative action with respect to employment practices affecting minorities, females, veterans and individuals with disabilities.

Our values of passion, accountability, curiosity, creativity and caring will guide us in these efforts throughout our company and the communities where we live, work and serve.

We are Caleres, a diverse team working toward the shared mission of inspiring people to feel great ... feet first.

## Our DE&I Commitments

In 2020, our top priority was elevating awareness and understanding of the importance of DE&I. In the wake of George Floyd’s killing, our executive team gathered Associates’ input on ways Caleres could respond to this moment and strengthen its commitment to DE&I. We committed to six actions:

1. Refining our diversity statement, which guides everything we do.
2. Establishing a DE&I Advisory Council.
3. Providing mandatory unconscious bias training to all Associates and revisiting our Respect in the Workplace policies. Every Associate participates in this annual training.
4. Elevating our focus on recruitment of diverse candidates and expectations around development of diverse candidate slates for every open position with leadership accountability.
5. Assessing current programs, partnerships and activities to identify opportunities for improvement.
6. Identifying specific funds from our Caleres Cares Charitable Trust for community support coupled with volunteer opportunities.



*We have completed our first three actions and are making significant progress against the others, aided by our new Vice President of DE&I.*

# meet Amy Hunter DE&I VP



*In October 2020, Amy Hunter joined Caleres as our first vice president of DE&I. In this role, she leads DE&I strategy and organization, as well as overseeing Caleres’ Affirmative Action plans.*

*Amy has an extensive background in DE&I. She joins Caleres from Boeing where she was responsible for leading global Diversity & Inclusion for Boeing Defense and Space, as well as corporate groups. Prior to joining Boeing, Amy led the diversity and inclusion strategies and initiatives for BJC HealthCare’s St. Louis Children’s Hospital including supporting “Forward Through Ferguson” initiatives within the region and served as the Chief Diversity Officer for the YWCA Metro St. Louis.*

### What is the primary focus of Caleres’ DE&I efforts right now?

Diversity is a complex topic. Our DE&I efforts right now are focused on increasing awareness and understanding of how important diversity is to our business. Through investment in education, we are enabling conversations by providing a common language and offering the perspective that we all have a role to play.

### How is Caleres recruiting diverse talent?

We have an amazing recruitment team and strong relationships with community-based organizations that support individuals with disabilities, veterans and people of color. These will help us continue to attract diverse talent as we establish new goals.

### What are the next steps for Caleres to further its DE&I efforts?

We have tremendous opportunities in this area. Our leadership team is committed, and we’ve made great progress so far.

To build on our current momentum, we are gathering talent data and baseline metrics and interviewing Associates to inform our goals. Going forward, we will continue increasing accountability for our representation goals among our Associates and will be integrating DE&I education into our onboarding process. We are also communicating regularly about DE&I through an ongoing field education series called 52 Weeks of Diversity, monthly communications from senior leaders and quarterly updates from the DE&I Advisory Council.



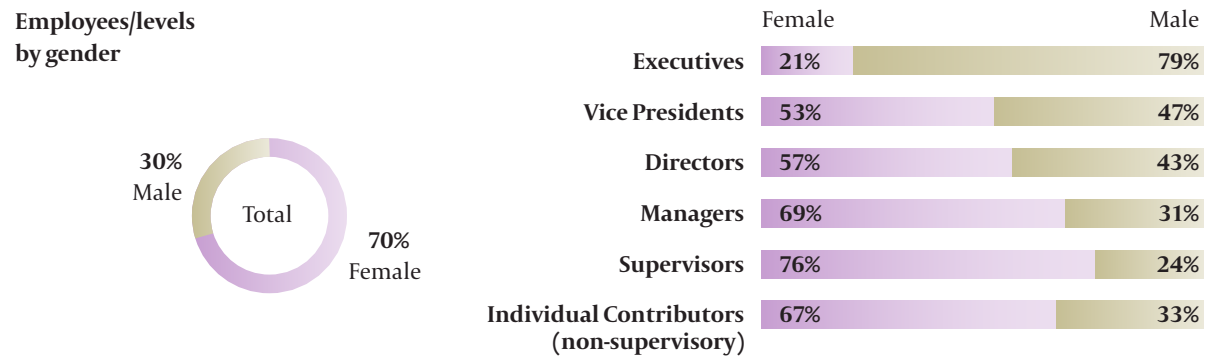
## ASSOCIATES BY THE NUMBERS

All human resources data is by fiscal year  
(Fiscal 2020 was Feb. 2, 2020 through Jan. 30, 2021).

### Global Workforce

<b>Full-time and part-time employees</b>	✦ <b>8,403</b> Total employees		
	✦ 5,055 Full time (60%)	✦ 3,348 Part time (40%)	
<b>Workforce by region/countries</b>	✦ <b>U.S.</b> 7,264 (86%)	✦ <b>China</b> 504 (6%)	✦ <b>Vietnam</b> 18 (<1%)
	✦ <b>Canada</b> 437 (5%)	✦ <b>Dominican Republic</b> 173 (2%)	✦ <b>Ethiopia</b> 7 (<1%)

### U.S. Workforce



<b>Employees by race/ethnicity</b>	✦ <b>White</b> 4,088 (56%)	✦ <b>Hispanic/Latino</b> 1,904 (26%)	✦ <b>Black or African American</b> 827 (11%)
	✦ <b>Asian</b> 282 (4%)	✦ <b>Other</b> 160 (2%)	✦ <b>Unknown</b> 3 (<1%)

Data excludes temporary employees, who account for less than 3% of all associates.

# values-driven culture

Our company values – **Passion, Accountability, Curiosity, Creativity, Caring** – inform how we work, how we treat one another, and how we live our mission. These values have run through our company’s DNA from the beginning and shaped our relationship with our customers and communities. The [Caleres Code of Business Conduct](#) sets forth the guiding principles of business ethics and certain legal requirements applicable to all Caleres Associates. The Code has been translated into Chinese, French, Spanish and Vietnamese.



## LGBTQ inclusion

Each year Caleres participates in the Human Rights Campaign Foundation’s LGBTQ Corporate Equality Index, the national benchmarking tool for corporate policies and practices supporting lesbian, gay, bisexual, transgender and queer (LGBTQ) Associates. For five consecutive years, Caleres achieved a perfect score and, since 2018, has continued to maintain near-perfect scores each year. We met or exceeded all Corporate Equality Index criteria, which include nondiscrimination workplace protections, domestic partner benefits, transgender-inclusive healthcare benefits, competency programs and public engagement with the LGBTQ community. Caleres offers benefits coverage to same-sex domestic partners, and our medical plans cover services related to gender dysphoria.



RECRUITING, DEVELOPING  
AND RETAINING

# brilliant people

*At Caleres we strive to attract creative, passionate people and help them find their fit within our organization. Through our Total Rewards program, we give Associates the opportunity to grow their careers and be rewarded for their contributions to our company's success.*

## Recruitment

By investing in technology, Caleres is improving the hiring experience for both candidates and hiring managers. In 2020, we launched a new applicant tracking system, iCIMS Talent Cloud. iCIMS is used across our business but is especially important to store managers who recruit thousands of Associates each year. Caleres trained more than 2,500 store managers to use iCIMS in 2020. Once hired, iCIMS also helps to streamline the onboarding process for new Associates. We also rolled out the new Text to Apply program, which allows candidates to find openings in their area and apply on their mobile device.

Through partnerships with nonprofit and government employment partners, we are actively working to find and hire diverse candidates. Our network of partners includes organizations serving people with disabilities, underprivileged and minority groups, and people experiencing food insecurity or domestic violence. In less than six months, Caleres hired 10 new Associates for corporate roles through these partnerships.

## Career Development

In 2020, a majority of corporate Associates completed a mid-year talent check-in with their supervisor to discuss their career aspirations, personal strengths and growth opportunities. Associates also had the opportunity to provide feedback to their managers and reflect on diversity trainings during these check-ins. Beginning in 2021, all of our Associates will be evaluated using a framework that equally weighs *what* they do (using their Position Accountabilities and Objectives) and *how* they do it (focused on our Core and Leadership Behaviors). While the formal assessment happens once a year, performance and development conversations with managers will continue to happen all throughout the year.

✦ Photo captured pre-pandemic.





## Benefits and Compensation

*We believe the rewards of working at Caleres are more than just monetary. Our Total Rewards package is made up of compensation, benefits and perks that allow our Associates to save for their future and protect their investments. To be an employer of choice, we offer competitive salaries and benefits to support the holistic well-being of our Associates.*

**Compensation:** Our compensation is set based on external market factors, internal fairness, performance and Associate potential. In addition to base pay, we offer Associates a Direct Stock Purchase Program where they can buy company stock directly from their paycheck.

**Health and Wellness:** Our benefits plans provide Associates the tools to maintain a healthy lifestyle and protect themselves from large, unexpected healthcare costs. We offer medical, vision and dental coverage options from Associates' first day – no waiting required. We also offer wellness resources and activities, as well as discounts on gym memberships.

**Retirement and Financial Protection Benefits:** We offer our Associates retirement benefits through company-funded pension and 401(k) savings plans, as well as related educational tools and resources for long-term financial planning. To protect Associates from the unexpected, we offer short-term disability insurance, life insurance, business travel accident insurance, accidental death and dismemberment insurance, and unemployment insurance. We also offer additional insurance options through our voluntary benefits, including auto, home, pet, critical illness and accidental injury insurance.

**Education Assistance:** We encourage Associates to continue developing their career through degree and certificate programs. Education Assistance is open to Associates twice a year and offers scholarship opportunities and tuition discounts through partnerships with selected institutions.

**Time Off and Holidays:** In their first year, Associates are eligible for up to 26 days off including paid time off, holidays and office closures. Associates also receive paid sick time and the option to take leaves of absence. Time-off eligibility varies by role and years of service.

**Parental Bonding Leave:** Eligible Associates – mothers, fathers and domestic partners – who have completed at least one year of service have the option to stay home with a newborn, recently adopted child or foster child. Eligible Associates receive four weeks of leave, two weeks paid and two weeks unpaid, concurrent with Family and Medical Leave. Caleres also offers six to eight weeks of paid Maternity Leave through short-term disability benefits for pregnancy and pregnancy-related conditions.

**Adoption Benefits:** Eligible Associates who are expanding their family through adoption can receive reimbursement for up to \$2,500 of qualified adoption expenses, in addition to being eligible for Parental Bonding Leave.

**Perks:** Associates benefit from various perks of working at Caleres, including our casual dress code, employee discounts and on-site amenities.

*Benefits eligibility varies by benefit. Qualifying part-time Associates have access to medical coverage, our pension and direct stock purchase programs, business travel accident insurance, discounts and paid time off.*



## PROVIDING FOR THE HEALTH, SAFETY AND WELLNESS OF ASSOCIATES

*The health and safety of our Associates is a top priority at Caleres. We hold ourselves to the highest standards of safety in our stores, manufacturing plants and distribution centers. With the onset of the global COVID-19 pandemic, new dimensions of safety were introduced.*

### Early Adopters of COVID-19 Safety Protocols

Due to our presence in Asia, we were at the forefront of mitigating the spread of COVID-19. By February 2020, we began applying safety learnings from our offices in China to other locations, including ceasing all nonessential business travel, mandating quarantines for anyone traveling for work or otherwise, establishing contact tracing and instituting new safety and cleaning protocols in line with updated U.S. Occupational Safety and Health Administration (OSHA) standards in our retail stores, manufacturing sites and distribution centers.

To enable rapid decision-making, we established an Executive Response Team (ERT) that met regularly to update

safety protocols, respond to changes in the marketplace and address business challenges related to COVID-19. As the pandemic escalated in the U.S., we shifted our corporate Associates to work-from-home arrangements and depersonalized workspaces in the office to allow for social distancing and thorough daily cleanings for those who needed to be on-site. We also rolled out multiple new digital tools, including Microsoft Teams, to facilitate our new ways of working.

Where retail stores were open, we immediately required Associates to wear masks and quickly moved to require customers to do so, as well, in some cases going above and beyond local government mandates. To enable safer shopping, we also rolled out curbside pickup at our stores.

We designed strict cleaning and safety protocols for stores, which every retail employee was required to review and acknowledge the requirements to ensure compliance. Every retail Associate must also complete a screening questionnaire before beginning each shift. As the pandemic continues to evolve, we are analyzing our next steps around COVID-19 vaccines and screenings.



### Associate Wellness

We care about our Associates' physical and emotional well-being. In addition to our Total Rewards offerings, we offer Associates a range of on-site wellness activities and benefits, as well as blood-donor opportunities.

Several of these benefits, marked with an \* below, have been on hold due to COVID-19 concerns.

- Employee Assistance Program
- \*Yoga and fitness classes
- \*Massage therapy services
- Access to a dietician
- \*Quarterly blood drives
- Mothers' rooms
- Flu shots
- Health screenings
- Second-opinion video consultations with medical specialists
- Mammography van

*Additional benefits to support Associates' physical and financial health include colon cancer screenings and retirement and financial wellness classes.*

## MANAGING OCCUPATIONAL HEALTH AND SAFETY

At Caleres, we are all responsible for making health and safety a daily priority, whether at our stores, distribution centers, offices or factories. Our Occupational Health and Safety Management System encompasses policies, procedures and plans specific to these varied work environments. Newly hired Associates are required to undergo health and safety training as part of their onboarding process and receive a variety of relevant training and information throughout the year through internal communications channels.

Our approaches are designed to proactively manage risks, educate Associates, reduce incidents and comply with health and safety regulations. All with the shared goal of safeguarding each and every Associate, customer or other stakeholder who visits or works in our facilities.

Our guidelines cover many common elements like physical safety and security, workplace violence, emergency procedures, incident reporting protocols, first-aid and other general health and safety topics. However, since our Associates work in very different settings, they are also covered by programs tailored to their circumstances. If at any time an Associate believes that their own health and safety is at risk, or that of their colleagues or our other stakeholders, they are bound to report this to their supervisor and, if applicable, cease the activity in question until it can be addressed.

## Distribution Centers and Factories

In our distribution centers and owned factories, our **Loss Prevention & Safety (LPS) Program** serves as an overarching framework for protecting both the health and safety of our Associates and our company assets. All distribution center and factory Associates and third-party contractors working in these facilities are covered by the program.

All of our distribution centers and factories have an LPS Committee comprising 11 or more Associates who represent a cross-section of functions, departments and shifts to ensure a robust and diverse array of perspectives and talents. The Committee holds monthly meetings and is charged with communicating and evaluating LPS issues raised by Associates in the workplace. At the start of each monthly meeting, each Committee member completes and submits an extensive Workplace Safety Inspection evaluation for their represented work area. The facility operations manager and the Committee then review the results together and collaborate on plans for improvement and corrective action.

Some of the topics specific to distribution centers and factories covered under the LPS Program include:

- Electrical safety
- Chemical safety
- Personal protective equipment
- Forklift operation
- Machine operation
- Portable tool use

## Incident Reporting

### **Associate**

Ensure incident scene is safe > report to and assist manager in assessment

### **Supervisors/Managers**

Tend to Associate first; remove them from task  
> complete reports and notifications > arrange for applicable services

### **EHS\* Manager**

Investigate incident > provide corrective action(s)  
> follow up with Associate

\*Environmental, health and safety.

## Retail Stores

In a typical year, more than 90 million people visit our stores. We strive to make these experiences welcoming, inspiring and, above all, safe for our customers and Associates alike. The openness inherent to the retail environment presents a unique set of health and safety considerations. All of our retail Associates are trained in and covered by our **Occupational Health & Safety Program**, which provides for both their safety and that of our customers. All Associates are given step-by-step direction in how to deal with situations that may arise in a retail environment including, but not limited to, customer injuries, civil disorder in or around the store, natural disasters and robberies.

*There is a clear delineation of responsibility for maintaining a safe work environment in our stores:*

The **District Sales Manager or Territory Manager** has responsibility for all stores under their supervision. They monitor and enforce our safety standards, ensure that all Associates understand our safety programs, perform safety audits, handle incident processing and monitor the status and, potentially, the return to work of Associates who have been involved in a safety incident.

The **Store Management Team** is responsible for the safety of all Associates under their supervision and all customers shopping in the store. They conduct safety training and orientation for all Associates, monitor the store for unsafe conditions, monitor Associate work habits for safety and notify applicable parties in the event of an incident, including the District Sales Manager or Territory Manager.

The **Store Associates** are responsible for following safety guidelines, reporting unsafe conditions and all incidents to the Store Management Team, and completing safety training.

## 2020 Safety Data

*All safety data is by calendar year.*

<i>Total Recordable Injuries</i>	<b>30</b>
<i>Recordable Injury Rate</i>	<b>0.64</b>
<i>Total Lost Days</i>	<b>21.46</b>
<i>Lost Days Rate</i>	<b>.46</b>
<i>Total High-Consequence Injuries</i>	<b>1</b>
<i>High-Consequence Injury Rate</i>	<b>.02</b>
<i>Fatalities</i>	<b>0</b>

### Safety Data Footnotes

Data covers U.S. workforce only, as reported to the U.S. Occupational Safety and Health Administration. Our U.S. workforce represents approximately 86% of our total workforce. Of the Total Lost Days reported, 63% of days lost are associated with three individuals. High-consequence injury is defined as a work-related injury that results in a fatality or in an injury from which the worker cannot, does not or is not expected to recover fully to pre-injury health status within six months. Overexertion, either when lifting objects or bending or twisting, comprise a significant plurality of injuries (46%). The Recordable Injury Rate and the Lost Days Rate are based on 200,000 hours worked multiplied by the total Recordable Injuries or the Total Lost Days, respectively, then divided by total number of hours worked for the year (approximately 9.3 million).



*Photo captured pre-pandemic.*