

# Our Company



*When inspiring people to feel great ... feet first, how we do business is as important as how much business we do. That includes creating sustainable value for all our stakeholders, which we achieve by caring about people, ethics and integrity, our shared planet, and healthy financial performance. In fact, caring is so core to our company that we champion it as one of our corporate values.*



Our Company

WALKING THE TALK: CORPORATE GOVERNANCE

At Caleres, we recognize that our leadership should reflect the diverse base of customers we serve. Women comprise our single largest consumer segment and together, footwear for women and children constitute approximately 70% of our business. Correspondingly, women hold a majority of the seats on our board of directors, more than double the average percentage for companies listed on the Russell 3000 Index, according to the 50/50 Women on Boards [Gender Diversity Index](#). Additionally, 20% of our board members self-identify as racially and/or ethnically diverse.



Caleres Board of Directors

Assuming election of all director nominees, as of our May 2022 annual shareholders meeting our board of directors will be comprised of 10 members, including six women and two members who self-identify as racially and/or ethnically diverse.

<b>60%</b> women	<b>20%</b> racially/ethnically diverse
<b>9 of 10</b> directors are independent	<b>62.9</b> average age of directors
<b>9.6 years</b> average tenure of directors	<b>Full Board oversees ESG topics</b>



**CEO Diane Sullivan** – We’re fortunate to have Diane Sullivan as our board chair and CEO. She leads not only with knowledge, wisdom, and experience, but with empathy and compassion. Sullivan, who joined the company in 2004, is a passionate advocate for women in leadership. For four years, the Women’s Forum of New York has honored her and the company for our commitment to gender parity. She was also a co-founder of Two Ten Women in the Footwear Industry (WIFI), a forum for women to connect and grow their professional network.

“We salute Caleres for their impressive success to achieve greater gender balance in their corporate boardroom. As part of the Women’s Forum of New York’s ongoing ‘[Corporate Board Initiative](#),’ we’re proud to honor Caleres as an important member of the 2021 class of Corporate Champions who are determined to lead the way.”

— Janice Reals Ellig, CEO, The Ellig Group and Breakfast of Corporate Champions Founder and Chair





Our Company

A SOLID FOOTHOLD: ESG GOVERNANCE

Caleres has long embodied the principles of ESG excellence. We view our ESG efforts as integral to our enterprise risk management function and a way to position Caleres advantageously in the marketplace and drive long-term value commitments to sustainability and DE&I.

Our cross-functional, senior-level ESG Steering Committee, composed of our CEO and other top executives, oversees our enterprisewide approach to ESG and is responsible for developing programs, goals, and metrics to support our initiatives and ensuring that we meet our targets. This committee keeps our board of directors apprised of ESG trends and developments that have the potential to impact our company and our stakeholders. In 2021, the Steering Committee engaged with the board and certain of its committees regularly on ESG topics such as compliance with our [Code of Business Conduct](#), [Caleres Production Code of Conduct](#), and other guiding principles; DE&I initiatives; human capital management strategies and disclosures; enterprise risk management; charitable giving; and progress against our ESG targets.

Focusing Our Efforts: ESG Materiality

In 2019, Caleres engaged an expert third-party consultancy with deep experience in the footwear industry and its supply chain to assess the topics our internal and external stakeholders believed to be most important from an ESG perspective. This materiality assessment included a review of key ESG reporting and performance frameworks, peer research, and one-on-one interviews with 20 key stakeholders. Through this process, we narrowed a field of about 20 potential topics to the eight that are most material to Caleres and our stakeholders, as shown below and as defined in the Reporting Index section starting on Page 34.

- Brand Portfolio
- Packaging
- Materials Recovery/Waste Reduction
- Facility Energy and Emissions
- Sustainable Product Offerings
- Supply Chain Labor Standards
- Associates
- Community



2025 ESG Targets

In early 2020, based on the results of our materiality assessment and growing stakeholder expectations of our business, we developed a portfolio of ESG targets that we seek to achieve by 2025 (baseline year: 2019). We are pleased to report significant progress in 2021 against these targets.

Definitions of terms such as “environmentally preferred materials” and others are provided in applicable sections of this report.

After further examination, Caleres identified that our target to transport 90% of our shoeboxes as ship-in-one containers (as reported in our 2020 ESG report) was not conducive to a long-term environmentally preferred materials strategy. As such, we have eliminated it from our 2025 ESG targets.

\* This target combines two of the targets we stated in our 2020 ESG report, given the close interrelationship between the original two goals (see Page 32 for more information):

- 100% of strategic factories will be socially compliant by 2025
- 100% of strategic factories will employ leading global social working standards.

† We will report progress against this goal in a future report.

‡ We will report progress against this target once we have achieved 100% participation of our strategic sourcing supplier base, as we expect the waste reduction percentage to fluctuate as new suppliers are brought into our waste reduction program.

TARGET

= 2021 PROGRESS

100%	52% of goal	of Caleres' products will use environmentally preferred materials
50%	11% of goal	of products will be designed/developed using 3D technology, reducing physical samples by 35%
25%	5.4% of goal	of footwear units sold in Famous Footwear stores will use environmentally preferred materials
90K	100% of annual goal	pairs of shoes will be reclaimed/recycled/refurbished each year
100%	100% of shoeboxes goal	of the shoeboxes for our owned brands will use environmentally preferred materials
25%	56% of goal	reduction in energy use achieved in Caleres-owned retail stores and distribution centers
100%	25% of goal	of our strategic sourcing supplier base will contribute to waste reduction
Annual review	Achieved annual goal	of Caleres Cares Charitable Trust in support of ESG
100%	96.5% of goal	of our strategic factories to comply with our heightened labor standards, including fair wage programs and social working standards*
100%		of Caleres Associates will actively support environmental/social initiatives†
50%		reduction of waste into landfill and incineration achieved in our strategic sourcing supplier base‡



Our Company

Sharing in the Solution

# All of our brands share a common supply chain.

*This gives us greater control over how our shoes are made and enables us to shift to a more sustainable portfolio at a scale that reduces our impact in meaningful and measurable ways.*



SHRINKING OUR FOOTPRINT

Reading lightly to protect our planet is nothing new at Caleres. But now our company and our brands take more measures than ever to reduce the environmental impact of putting quality, style, and fit at the feet of our customers. These actions range from changing the materials that go into our shoes to how they're designed, developed, packaged, delivered, and sold.

Designing in a New Dimension

By 2025, 50% of footwear produced by our Brand Portfolio will be designed/developed using 3D technology, affording the following benefits:

**Conserves** material by refining aspects of shoe designs on-screen with 3D modeling software rather than making adjustments to a physical model. By reducing the number of line samples created by more than 1,100 (baseline year: 2019), we've avoided more than 15 metric tons of CO<sub>2</sub>e.

**Reduces** the carbon footprint associated with shipping physical prototypes by sending electronic files for the recipient to print on a 3D printer.

**Enables** easier recycling of prototypes printed from a 3D printer.

Knowing What We're Made Of

By 2025, we will use environmentally preferred materials to produce every product in our Brand Portfolio:

**All fabrics** will either be a minimum of natural (greater than 20% certified organic) or contain more than 50% recycled content, based on the rigorous [Global Recycled Standard](#) (GRS), an internationally recognized set of requirements for third-party certification of recycled input and chain of custody. In 2021, 37% of all fabric we purchased met these standards, up from 12% in 2019 and 28% in 2020.

**All leather** will be composed of more than 20% GRS certified recycled material or meet the Gold or Silver standards of the [Leather Working Group](#)

(LWG), a protocol that assesses the environmental compliance and performance capabilities of leather manufacturers and promotes sustainable environmental practices. In 2021, 74% of the leather we purchased met these stringent standards, up from 63% in 2019 and 65% in 2020.

**50% of synthetics** will contain >5% bio-based content and be manufactured using water-based, low-dimethylformamide (DMF) processes. In 2021, 8% of the synthetic material we used met this standard, up from 4% in 2019 and the same as 2020.

**25% of shoe bottoms** (insoles, midsoles, and outsoles) will be made from material that is greater than 10% natural-based and more than 5% recycled. In 2021, 5.4% of shoe bottoms met this standard.



Our Company

**Packaging it Down**  
By 2025, all of our shoeboxes will use environmentally preferred materials.  
All shoeboxes for our owned brands used environmentally preferred materials in 2021, meaning they contained at least 75% recycled content. We reached our 2025 target many years early.

*“The choices we make today will lessen our impact tomorrow and all along the way. It’s gratifying to see the progress we’ve made just one year into our 2025 targets. What we’re doing will help contribute to the entire footwear industry and its global supply chain. That’s what excites me most about the work we’re doing.”*  
— Andee Burton, Senior Manager, Sustainability, Product Sourcing, R&D



**~164K Shoes**  
and accessories reclaimed, refurbished, or recycled by Caleres and our brands in 2021, nearly doubling our 2025 target.  
**59M**  
plastic bottles diverted from landfills in 2021 by Caleres brands, associated with our use of recycled polyester.

The polyester used in Caleres-owned brands is currently composed of 37% environmentally preferred materials.

That’s nearly two-and-a-half times the fashion industry’s average for recycled polyester, according to the [Textile Exchange Preferred Fiber & Materials Market Report 2021](#).

In addition to reducing our use of finite, virgin materials, this choice of material delivered the following advantages:  
**13K+**  
metric tons of CO<sub>2</sub>e emissions avoided  
**~77K**  
gallons of water saved





Our Company

25%  
of all shoes sold in our  
Famous Footwear stores  
will use environmentally  
preferred materials  
by 2025

Choosing Sustainably

For today's eco-conscious consumer, it's important the shoes they purchase are a great fit not only for their feet but also for their values and lifestyle. That's why we're doing more than ever to offer them the choices they want and deserve and letting them know how and where to find them.

**25% of all shoes** sold in our Famous Footwear stores will use environmentally preferred materials by 2025, whether our brands or those of other companies.

**All Famous Footwear locations** now feature in-store signage providing information about the sustainability considerations that have gone into our product offerings.

**Many of our Brand Portfolio e-commerce sites** identify shoes and shoe collections with sustainable and/or socially responsible characteristics.



Facilitating Environmental Improvements

Caleres owns and leases a variety of facilities, including offices and distribution centers across the U.S. and in China, Dominican Republic, Vietnam, Canada, and Italy. To varying degrees, each location represents an opportunity to lessen our environmental impact.

**90% of our retail stores** will feature energy-efficient LED lighting by 2025, up from 54% in 2021, and 75% will be equipped with an automated energy management system, up from 48% in 2021 and 30% in 2020.

**All of our U.S. distribution centers** recycled at least 95% of their waste in 2021, averaging nearly 4,000 tons of corrugated cardboard and other recyclables per facility.

**All of our U.S. offices** have instituted recycling and communicated to Associates what types of items can be recycled.



MANAGING CHEMICALS

Modern shoe manufacturing involves a variety of materials and processes. Chemicals play a significant role in bringing consumers the fit and look they desire and the performance they require. At Caleres, we employ rigorous testing procedures to ensure the chemical content in our shoes is in compliance with regulatory requirements around the world. We look to a global, independent research, testing, and accreditation authority on footwear and leather for guidance, known as [SATRA](#).



SATRA publishes a list of the hundreds of restricted chemicals used in making consumer products. We have identified seven used in the manufacture of Caleres' shoes:

- Lead
- Cadmium
- Chrome (VI)
- Azo dyes
- Nickel
- Phthalates
- Formaldehyde

Our chemical testing labs, which undergo annual certification by SATRA, perform two main types of tests. At the production stage, we require all of our shoe factories to test the upper and lining materials and components to ensure compliance with regulatory requirements. Subsequently, we randomly test 20 styles of finished shoes from their first production or cutting die test each month. We test every lot of materials and components we receive, and test reports remain valid for one year. If there is a failure at the finished goods stage, our supplier or owned factory is required to send new product until it passes testing. All of our products are subject to these stringent requirements.



Our Company

LEADERSHIP IN ENERGY  
AND ENVIRONMENTAL DESIGN (LEED)

Three major Caleres  
facilities are  
LEED certified by  
the U.S. Green  
Building Council

including two of our distribution centers  
and our Vionic Group headquarters.



ENVIRONMENTAL DATA	2019	2020	2021
<b>Energy Consumption and Greenhouse Gas Emissions</b> (Caleres distribution centers, stores, offices, and company-owned factories)			
Energy Consumptions (1,000 gigajoules) (electricity, natural gas, diesel, gasoline)	512.21	420.27	439.94
Energy Intensity (1,000 gigajoules per \$1M in revenue)	0.175	0.199	0.158
Scope 1 Emissions (1,000 metric tons CO <sub>2</sub> e)	1.55	1.13	1.53
Scope 2 Emissions (1,000 metric tons CO <sub>2</sub> e)	49.94	40.94	42.40
Emissions Intensity (Scopes 1 and 2; 1,000 metric tons per \$1M in revenue)	0.017	0.020	0.016
<b>Water</b> (Caleres distribution centers, stores, offices, and company-owned factories)			
Water Consumption (1 million gallons)	41.51	52.65	55.98
<b>Materials</b> (Caleres Brand Portfolio only; supplier factories)			
Materials Used (million square feet of fabric and synthetics)	96.79	63.26	71.03
Materials Used (million square feet of leather)	33.14	17.21	27.42
<b>Waste/Recycling</b> (Caleres distribution centers)			
Waste Recycled (1,000 tons [U.S.])	-	2.83	3.81
Waste to Landfill (1,000 tons [U.S.])	-	0.137	0.103

Environmental Footnotes

All environmental data is by fiscal year (fiscal 2021 was Feb. 1, 2021, through Jan. 29, 2022). This table includes updated energy and emissions data for 2019 and 2020 to reflect changes to the US EPA Conversion Calculator and our revised calculation methodologies for our energy consumption.

Energy and Emissions

Data includes only those facilities where Caleres manages utilities, representing about 80% of our companywide facility energy and emissions footprint, which excludes our supply chain. We do not currently have data available for the remaining 20% 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 employee use of company and private vehicles for company activities to the extent that employees have submitted reimbursement for such usage.

Overall energy consumption decrease in FY21 is attributable to energy savings initiatives including LED lighting and EMS retrofit projects at our Famous Footwear stores. Scope 1 emissions were down 30.5% from baseline year of 2019. Emissions were estimated using the U.S. Environmental Protection Agency's greenhouse gas equivalencies calculator.

Materials

Materials data reflects materials purchased to produce approximately 90% of products sold within our Brand Portfolio that are manufactured by third parties. We expect to track our entire portfolio moving forward. Year-over-year increase in materials use from 2020 to 2021 is attributable to increased production, as the economy began to recover from the impacts of the COVID-19 pandemic.

Water

This table includes updated water consumption data for 2019 and 2020 to reflect our revised calculation methodologies. Year-over-year increases in water consumption from 2019 to 2021 are primarily due to the transfer of water utility management from the landlord to the Caleres I and II distribution centers in 2019 and, to a lesser extent, to increased production as the economy began to recover from the impacts of the COVID-19 pandemic.

Waste/Recycling

Data available only for 2020 and 2021. We will continue to track this metric moving forward.