

Our

Partners

Caleres strives to ensure that its global sourcing network sets a high bar for responsible and sustainable production. But we think our role as one of the world's leading footwear companies demands more than that. We're also committed to ongoing collaboration to help the entire industry set and achieve meaningful responsible sourcing targets.



100%

of our strategic factories to comply with our heightened labor standards by 2025

*including fair wage programs and social working
standards to contribute to waste reduction initiatives and*

50%
*waste reduction
achieved by 2025*

*(See Pages 12 and 32
for progress updates and
additional detail.)*

ENSURING SUPPLIERS MAKE THE GRADE

Expanding beyond stringent internal benchmarks and audits, Caleres has deployed a leading independent auditor to assess our suppliers' performance on ESG parameters.

We consider suppliers an extension of our business. That's why all Caleres brands work with the same socially and environmentally responsible Caleres contract manufacturers. It allows us to maximize our efforts to drive responsible production improvements throughout our value chain.

We have maintained long-standing policies, backed by audit programs, to help ensure that we're working with suppliers that best match our corporate values. All of our contract manufacturers are required to comply with the [Caleres Production Code of Conduct](#), which sets forth the high expectations we have on topics such as human

rights, nondiscrimination and harassment, working conditions, health and safety, environmental stewardship, and more.

In 2021, we accelerated and expanded these efforts by working with an expert independent auditor to evaluate our suppliers' performance and provide perspective on progress made toward our Caleres Cares ... Feet First 2025 targets. Through the [ELEVATE Responsible Sourcing Assessment](#) (ERSA), each supplier is evaluated and graded on criteria ranging from business transparency to hiring practices and from safety practices to wages and benefits.

This new independent auditing combines with our leather auditing efforts from the [Leather Working Group \(LWG\) Leather Manufacturer Audit Protocol](#), which sets standards for environmental performance of leather manufacturing operations.

Even as Caleres and its suppliers managed through continued challenges related to the COVID-19 pandemic, labor shortages, and overarching supply issues, ELEVATE audits concluded that notable progress had been made against our 2025 goals (see Page 12 for more information).



Looking Forward

While we are satisfied with progress made against our Supply Chain targets, we see strong potential for additional momentum in 2022. The unique combination of challenges presented in 2021 resulted in lower supplier scores in some areas. For example, average working hours increased for some factories as they worked to compensate for shortages due to the COVID-19 pandemic. Additionally, our efforts to rationalize and geographically diversify our supplier base

were put on hold as we shifted our short-term focus to managing through the pandemic and associated issues.

We believe the progress made in sustainable sourcing initiatives in 2021 demonstrates the resilience and strength of our supply chain, as well as its commitment to delivering on sustainability goals. Easing of pandemic-related challenges will enable us to make bigger, faster strides toward those goals in the year ahead.



COLLABORATING TO ADVANCE INDUSTRY SUSTAINABILITY

When advancing sustainability and social responsibility, leadership is a team sport.

We are leaning in to collaborate with industry associations to establish best practices and best paths forward for all footwear companies.

Achieving Industry Waste Reduction

Caleres' support of the FDRA Shoe Waste Program contributed to impressive outcomes in 2021:

25% of Caleres strategic factories participated in the program, a number that is expected to grow to 54% by the end of 2022.

980 Metric Tons
of CO₂e emissions avoided.



Caleres' long history of industry collaboration was advanced in 2021 with active participation in the Footwear Distributors and Retailers of America's (FDRA) [Shoe Sustainability](#) initiative, an industry effort designed to advance "shoe design, development, manufacturing, distribution, and selling processes that minimize negative environmental impacts, conserve energy and natural resources, are safe for employees, communities and consumers, and are economically sound."

Caleres directly contributes to the committee developing policies for this initiative, which will include support of carbon pricing designed to encourage reduced emissions throughout industry value chains, and other efforts to sharpen the shoe industry's focus on reducing the industry's direct and indirect contributions to climate change.

Along with this newest effort, Caleres has been instrumental in leading other FDRA initiatives focused on responsible manufacturing and waste reduction. These efforts have resulted in development of important guiding principles for the industry, such as the Footwear Environmental Preferred Material (EPM) Guide, which establishes clear standards to guide materials decision-making throughout the manufacturing process, and the FDRA Shoe Waste Program (SWP), which seeks to mitigate one of the industry's biggest sustainability challenges in optimizing the efficient use of materials throughout the manufacturing process.

In addition to helping define and codify these industry benchmarks, we also take advantage of our size and scope to help ensure they become realities across the 88 core Tier 1 factories we work with today. Our factories are incentivized to participate in programs like SWP, providing them opportunities to see both direct financial returns, as well as future business opportunities with Caleres. And our scope and scale allow us to procure recycled materials at competitive prices to support their use throughout manufacturing.

