Final Report for Caleres

Governance

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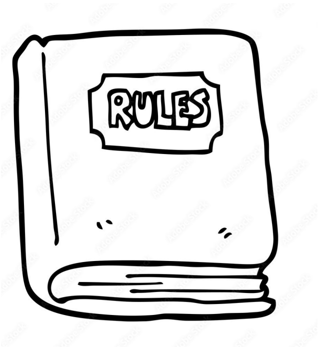
Overview of Governance



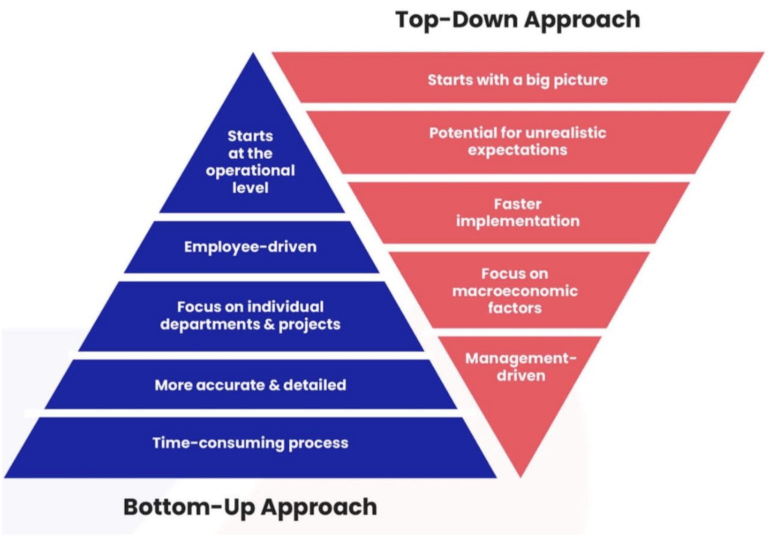
Governance: system of rules, practices and processes

Sustainability challenges and opportunities

- Challenges: time and resources to implement; engagement from employees
- Opportunities: better brand image; setting standards

Assessment of Framework Worksheet

- [Recommendation Worksheet]
- Key takeaways from work in Governance
    - Quality governance results in quality + effectiveness in other topic areas
    - With changing regulations and guidelines, there needs to be timely and reliable information available.



Recommendation #1:

Climate-Related Disclosures

Create Climate-Related Disclosures starting with CDP report

How: Add an ESG Reporter position in the company

Resources: SEC guidelines, EY services

Recommendation #2:

Aligning Mission with ESG

- Refine the mission statement to reflect sustainability and social impact goals(with stakeholder input and adherence to corporate governance procedures)
- Implementation:
  - Collaborate with leadership and stakeholders
  - Gather input through surveys and focus groups
  - Embed the revised mission in internal and external communications
- Resources: Branding consultants, employee engagement tools, NPO partnerships

Recommendation #3:

Stakeholder Engagement

Shouldn't sustainability take center stage?

- Create and share brand stories that display Caleres as not only socially conscious, but aggressively innovative
- Leverage marketing resources to highlight tech innovation that socially conscious investors are looking for
- Create channels for stakeholders to engage with novel sustainability strategies
- Provide shareholders a non-binding advisory vote on future "Sustaining Our ESG Strategy" plans going forward
- This guide to investor engagement can help with implementation

Recommendation #4:

Internal Communication Strategy

Implement a system that allows different teams to converge on goals.

How: Start a trial phase with key groups within the corporate headquarters. If the program is successful in producing positive results, continue to scale out to suppliers and manufacturers.

Resources: document, provided by B Corp.

Final Thoughts on this Topic

1	2	First Steps
Implement/Enhance climate-related and Human Capital Disclosures	Update mission statement to integrate ESG and social impact goals	Understand how different ESG measurements are reported (ie CDP) Bottom-up approach vs. top-down approach.