

Caleres Canada Inc.

Report Prepared Pursuant to

Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act

1. Introduction and Identity

This Report is prepared by Caleres Canada Inc. (collectively, “■”, “our”, “us” and “we”) for the financial reporting year ended February 3, 2024 (the “**Reporting Period**”) and sets out the steps taken to prevent and reduce the risk that forced labour and child labour is used at any step in the production of goods in Canada or elsewhere or of goods imported into Canada.

This Report has been prepared and filed pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

2. Steps Taken During the Reporting Period to Prevent and Reduce Risks of Forced Labour and Child Labour

We primarily operate retail stores selling third party branded footwear and accessories, and we also act as a wholesaler of certain footwear brands in Canada. While we are the importer of record of the vast majority of footwear we sell at retail and through our wholesale operations, we rely upon the product procurement and supply chain compliance activities of the third party brands we sell in our retail stores and such activities of our affiliated companies that procure the branded footwear we sell through our wholesale operations, to prevent and reduce the risks of forced or child labour in our supply chains.

We have provided a summary of our affiliates' activities as reported in the Caleres ESG Report 2023 (found at www.caleres.com) below. *Note: excerpts from the ESG Report are found in Sections 3-9 below.*

3. Structure, Activities and Supply Chains

Structure:

We are a corporation that does business in Canada and has assets in Canada. We are principally located in Ontario and are engaged primarily in importing into Canada and selling goods which are produced outside of Canada.

Activities:

We primarily operate retail stores that sell third party branded footwear and accessories in Canada. We also act as a wholesaler of certain footwear brands in Canada. As such, we are the importer of record for certain goods produced outside of Canada.

Supply Chains:

As noted above, to prevent and reduce the risks of forced or child labour in our supply chains, we rely on the product procurement and supply chain compliance activities of the third party brands we sell in our retail stores. In addition, we rely on similar activities of our affiliated companies that procure the branded footwear we sell through our wholesale operations .

With respect to our wholesale operations and our affiliated companies' efforts, "we partner with 118 Tier 1 factories, 86 of which are considered core and represent 95% of our sourcing volume. Of these, 27 are considered strategic and represent 77% of our sourcing volume. Our strategic factories receive a higher percentage of order volume (business), greater access to innovations, direct support, and technical benefits."

4. Policies and Due Diligence Processes

"Transparency into our supply chain is vital to our Environmental Social Governance ("ESG") and risk management strategies. Through a combination of on-site factory audits, partner self-assessments, and advanced data tools, we strive to maximize our visibility into our supplier footprint.

Central to our activities is the direct business relationship we hold with the Tier 1 factories across our global sourcing network, enabling visibility across our shoe suppliers, as well as suppliers of fabric, polyurethane, and leather. Tier 1 factories all agree to comply with Caleres' Production Code of Conduct as part of their contractual agreements and are expected to ensure that Tier 2 and Tier 3 suppliers contracted by our Tier 1 partners are made aware of and comply with the labor and our compliance practices defined within our Production Code of Conduct.

To help ensure compliance with our Production Code of Conduct, we work with leading independent auditor, ELEVATE Responsible Sourcing, to audit new and existing suppliers on practices ranging from transparency and regulatory and environmental compliance to hiring practices, wages, and benefits in accordance with our Production Code of Conduct. Additionally, ELEVATE's EiQ analytics platform supplies data to evaluate and manage against country supply-chain risks, sector risks, and specific issues in global supply chains covering key environmental, social, and governance topics. Together, these micro and macro strategies provide supply chain transparency that is industry leading.

All Tier 1 facilities are evaluated through an ERSA/EiQ or another accredited audit. Core Tier 1 factories are also assessed twice a year on five key areas: supply chain risk, speed and agility, quality, sustainability, and operations. This assessment, combined with EiQ analytics and other inputs, enables segmentation of core Tier 1

factories based on risk scores incorporating their role in the supply chain, product category, spend volume, contract type, and strategic importance.

Within our 118 Tier 1 factories, we have designated 27 as strategic, representing 77% of our sourcing volume. To be considered strategic, these factories are subject to further screenings, including on qualitative factors such as:

- Commitment to ESG goals
- Contribution to our business and success
- Innovation capabilities
- Shared values and level of collaboration

Since 2018, we have worked to deepen supply chain visibility through self-assessments for all Tier 1 and Tier 2 suppliers, as well as third-party subcontractors, inquiring about upstream suppliers. These surveys have helped further our understanding of the sources for critical raw materials, as well as supplier capabilities and their participation in ESG initiatives.

In Fiscal Year 2023, we conducted factory assessments across our 86 core Tier 1 factories that comprise 95% of our volume. Whenever we identify areas of noncompliance, we provide our partners with corrective action plans with increasing degrees of intensity depending on the type and seriousness of violations. These plans include a number of required response actions, such as required training, additional reviews, and follow-up audits. We are expanding these protocols in 2024 to include additional disciplinary actions for serious or repeat violations.”

Relevant Policies include:

Caleres Production Code of Conduct (located at www.caleres.com)

Caleres Code of Business Conduct (located at www.caleres.com)

Caleres Step Up For Integrity Hotline (located at www.caleres.com)

Caleres Human Rights Policy (located at www.caleres.com)

5. Forced Labour and Child Labour Risks and Steps Taken to Assess and Manage These Risks

“We take our responsibilities to uphold human and labor rights, business ethics, and environmental sustainability seriously, and when we identify problems through our auditing program, we take immediate steps to correct them.” Please see Section 4 above for more detailed information.

6. Remediation Measures

As noted above, “whenever we identify areas of noncompliance with our requirements, we provide our partners with corrective action plans with increasing degrees of intensity depending on the type and seriousness of violations. These plans include a number of required response actions, such as required training, additional reviews, and follow-up audits.” These protocols are being expanded in 2024 to include additional disciplinary actions for serious or repeat violations.

7. Remediation of Loss of Income to the Most Vulnerable Families

N/A

8. Training

The Caleres Code of Business Conduct sets forth the guiding principles of business ethics and certain legal requirements applicable to our Associates (employees). All of our Associates are periodically required to review and acknowledge the Caleres Code of Business Conduct.

9. Assessing Effectiveness

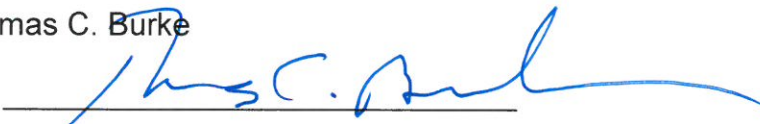
As noted above, “our core factories are assessed twice each year on five key areas: supply chain risk, speed and agility, quality, sustainability, and operations. In Fiscal Year 2023, we conducted factory assessments across our 86 core Tier 1 factories that comprise 95% of our volume. In 2023, we experienced a 14% improvement in audit scores, underscoring the effectiveness of our supply chain strategy.”

10. Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the Reporting Period listed above.

Date: May 30, 2024

Name: Thomas C. Burke

Signature: 

Title: SVP, General Counsel and Secretary

I have authority to bind the corporation.