



CALERES

Caleres comes from the Latin word *calēre* – to glow with passion or intensity. The company’s passion for providing affordable, fashionable footwear focused on the perfect fit dates back to the 1800s, when the company would put a stamp on the bottom of all shoes. The company agreed to pay the wearer \$5 if the stamp ever wore out. That stamp is now the company’s ★5★ logo, and that focus on quality continues today with a diverse wholesale brand portfolio that includes: 5 of the top 15 women’s footwear brands – Sam Edelman, Naturalizer, Dr. Scholl’s, LifeStride and Franco Sarto; other popular brands, including Allen Edmonds, Via Spiga and Vionic; and the Famous Footwear brand of retail stores. Caleres continues its quest for the perfect fit through investments in technology, trend research, sourcing, manufacturing, and sustainability.

Caleres’ commitment to supporting the community traces back to 1921 and its founder George Warren Brown. He established a trust fund for charitable organizations that aligned with the core values of Caleres and supported the local St. Louis area where the company is headquartered. The company also recognizes that giving back goes beyond charitable efforts and includes playing a role in ensuring the health of the planet for generations to come. Caleres is greatly committed to the journey of sustainability, and they work to demonstrate that commitment through actions taken across their operations.

- Sourcing – Caleres works to partner with suppliers whose practices align with the company, including environmental considerations and proper disposal of all waste generated from their operations.
- Materials – Caleres sources materials from tanneries that belong to the Leather Working Group, which promotes sustainable environmental business practices of leather manufacturers. Caleres has also set standards with suppliers to use textile materials that have at least 20% recycled yarn and increased use of fabrics made with natural fibers versus synthetic compositions.
- Packaging – The company made the decision to remove all plastic from packaging, resulting in 5,700 lbs. of plastics waste reduction, and has reduced the amount of paper used in shoe boxes.
- Facilities – Caleres has two California distribution centers that have achieved LEED Gold Certification, and the Vionic Group headquarters has achieved LEED Platinum Certification. Distributions centers recycle over 2,200 tons of used corrugate annually.

Caleres’ commitment to sustainability extends to its products, as the company recently launched a Dr. Scholl’s Sustainability Collection. Some of the materials used include rice husks, algae, recycled bottles, and re-purposed leather. The shoes also include 100% cotton linings which are decomposable. The Dr. Scholl’s brand has also pledged to plant trees throughout communities to offset the carbon emissions created in the production, distribution, and sale of footwear.

The focus on culture, community, and sustainability at Caleres isn’t just about doing good for the world; it’s also about driving greater stakeholder returns. Caleres’ market research suggests that 60% of millennial consumers are aware and concerned about the impact footwear production can have on the environment. Caleres plans to use its Sustainable Collection to gain insights on consumer tastes around sustainable footwear design and performance for use in future sustainable product offerings. These sustainable efforts are a key component of developing deeper customer connections and driving higher sales and operating margins into the future.

Important Disclosure Information

Past performance is not indicative of future performance. This Company was not selected for performance-based reasons, and was instead selected to emphasize the types of issuers that Zeo Capital Advisors, LLC (“Zeo”) seeks to invest in based on its sustainability mandate.

The methodology for initially preparing a Sustainability Profile for an issuer requires the issue to be among the Sustainable Credit Strategy’s largest holdings as of quarter-end. As of June 30, 2020, Zeo’s clients owned securities issued by this Company. Sustainability Profiles are shared to provide information about the sustainability selection process and may be used even after an issue is no longer one of the largest holdings in the strategy.

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A copy of the Zeo’s current Form ADV Part 2A and Form CRS are available upon request.

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