

# SUSTAINABILITY THAT GRIPS

SUSTAINABILITY REPORT | 2021



## DEAR READER,

Climate change and sustainability have become the main social topics of our time. *Shoes For Crews* aims to be at the forefront of developing products that are friendly to our planet and produced in a sustainable way without compromising our core mission and vision—to keep the workforce safe on the job and fitting the world with safety footwear.



But of course, great things aren't done just on impulse. *Shoes For Crews* wants to be proactive in setting itself the challenge of establishing long-term goals and achieving demonstrable improvements in this regard year after year. We have set ourselves ambitious targets in the areas of greenhouse gas emissions, circular thinking and eco-design, sustainable transport and social responsibility, and developed a plan of how to achieve these targets. All our business activities will be impacted by this change—how our products are pro-

duced, how they are packaged and shipped, how we travel to our customers, how we communicate.

The biggest impact will be the way we produce and distribute our goods. While today we are still using mainly virgin raw materials, our goal is to reduce this by 50% by 2027. Our first ECO shoe range, with up to 90% recycled material, is to be released in early 2023, and we are constantly developing ways of replacing parts of our shoes

with recycled options. This way, we can use excess material that would normally have been thrown away, and also use PET bottles that would otherwise end up in landfill. A lot of effort goes into the development of new materials and production methods that have a significantly smaller footprint than what we have been using up to now.

Circular production methods are not only good for *Shoes For Crews* but help the wider community to improve their living conditions by creating new jobs and cleaner living spaces.

*Shoes For Crews*, like almost everybody, has been affected by the consequences of Covid-19, the supply chain challenges, and now the conflict in Ukraine. We also realised that our supply chain has a big impact on our carbon footprint and environmental impact. Currently, most of our production is located in Asia, whereas our customers are predominantly situated in Europe. It makes sense, therefore, to move parts of our production closer to our customer base, and we will achieve this by collaborating with production facilities in Portugal and Italy going forward. This will reduce our carbon footprint and reduce our exposure to unfavourable world events.

While we think globally, we aim to act locally. We recognise the impact our day-to-day business activities have on our immediate environment, and we are committed to sustainable travel for our sales force, reduce flights to a minimum and use electric cars wherever possible. We support local conservation and environmental initiatives, and we support our employees in all their personal sustainability initiatives.

With best regards,

**Don Watros**

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## ABOUT THIS REPORT

In 2021, our Senior Management Team committed to taking the company's sustainability just as seriously as the quality and safety of the footwear we produce—not only in theory but also in practice. To do so, we have developed a comprehensive roadmap that safeguards the sustainable development of our company. With this report, we take an important step in our journey towards sustainability. We intend to give this publication the same grip that we give to our shoes.

The report highlights our initiatives and accomplishments in key environmental, social and governance areas in the year 2021. It also documents the innovations in our production practices, in our footwear design and in our supply chain, which we plan to adopt in order to improve our sustainability impact. At *Shoes For Crews*, we are committed to doing our part to protect the planet just as we protect millions of workers from accidents in their workplace. The disclosures in this report are with reference to the Global Reporting Initiative (GRI) Standards for *Shoes For Crews* (Europe) Ltd., which is headquartered in Shannon, Ireland. The GRI indicators and disclosures in this report cover the period from January 1<sup>st</sup>, 2021, until December 31<sup>st</sup>, 2021. From here on, we will publish our sustainability report on an annual basis.

» GRI 2-1  
2-2  
2-3

# 2021 IN FIGURES

## INTERVIEW WITH STEPHAN HUBER, GENERAL MANAGER EUROPE

**How can *Shoes For Crews* sustain and create even more value for its stakeholders?**

|| Covid-19 made it very clear how fragile our economy can be and how quickly successful businesses can reach their limits. Over the last number of years, *Shoes For Crews* has not only proven that we can analyse situations quickly, but also that we are able to implement changes very fast to offer the best value for our employees, our customers and our business partners. One of our biggest values remains day-to-day safety for thousands of workers worldwide by creating outsoles that significantly limit the risk of injuries due to slips and falls. In an increasingly competitive labour market, it is even more crucial for businesses to retain their employees. A key element to retaining staff is preventing injuries and sick leave, something our shoes are designed to do.

**In your opinion, what is the most important aspect in *Shoes For Crews*' business with regards to ESG (Environmental, Social, Governance) issues?**

|| The most important aspect for us is a holistic approach, our vision is to transform the entire business—not just certain elements. We are implementing sustainability measures across our product range, our supply chain and within all departments of *Shoes For Crews*. In 2022, we are going to address the material inputs that are used to create our shoes, moving towards recycled materials and water-based solvents. We will systematically review our supply choices to reflect our ambitious environmental aspirations.

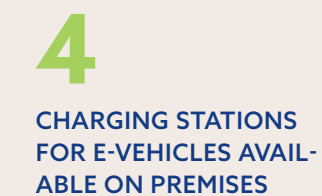
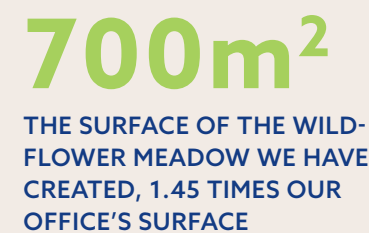
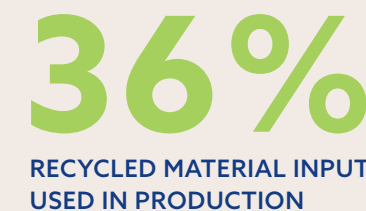
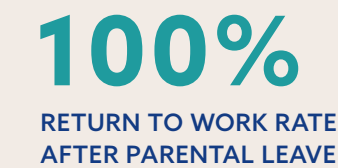
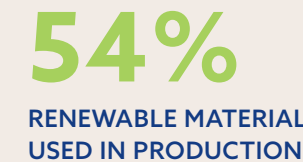
In relation to our own workforce, we have been providing our staff with private health insurance, life insurance and maternity leave support and we work closely with the community in Shannon to recognize and

support local initiatives. Responsible governance is key for *Shoes For Crews*, our suppliers and our partners. Thus, we have been implementing corporate governance measures for many years.

**What are *Shoes For Crews*' next steps for staying future-proof?**

|| During Covid-19, *Shoes For Crews* saw the urgency for transforming our business model. When other businesses reduced staff and stock levels, we acted by employing additional staff members and increasing stock levels to offer our customers the best service possible. Since the beginning of 2022, we have been changing our whole organization, increasing our workforce and implementing new sales channels to get the best coverage for each of the different industry channels. The key feature of our approach, which has guided us throughout our history and turned out decisive during critical times, is innovation.

To us, innovation means embracing three pillars: The first one is safety, which in our case primarily concerns providing our customers with the best slip-resistance footwear solutions. The risks from wet, greasy, and oily surfaces have always been our core focus, yet we recently developed an outsole which has an excellent grip even on icy surfaces. The second pillar is fashion: We design fashionable shoes that employees gladly wear to work. So safety is given without sacrificing looks—which makes us even more special in the world of occupational footwear. The third pillar is comfort: Employees wear our shoes for working long shifts where they walk up to 15 kilometres a day. Wearing comfortable shoes is, therefore, fundamental not only to keep up staff motivation, but also to avoid long term health problems. That is why we always strive to develop the best insoles and midsoles—to ensure that our customers feel protected and secure day after day.



# ABOUT SHOES FOR CREWS

## OUR COMPANY

» GRI 2-1

In 1984, our founder Stan Smith created our company, *Shoes For Crews*, with the aim of addressing the increasing number of workplace injuries and of the financial damage caused by slips and falls. Since its invention almost 40 years ago, our first slip-resistant outsole technology has improved the safety of millions of workers worldwide and has helped thousands of businesses save money on workers' compensation costs.

Since 2001, we have expanded our activity to the European market as *Shoes For Crews (Europe) Ltd.* Based in Ireland, we have gradually established sales teams in the United Kingdom, the Netherlands, France, Italy and Germany. Currently, *Shoes For Crews* upholds the highest industry standards and has become a trusted leader in safety footwear solutions for more than 150,000 businesses around the world.

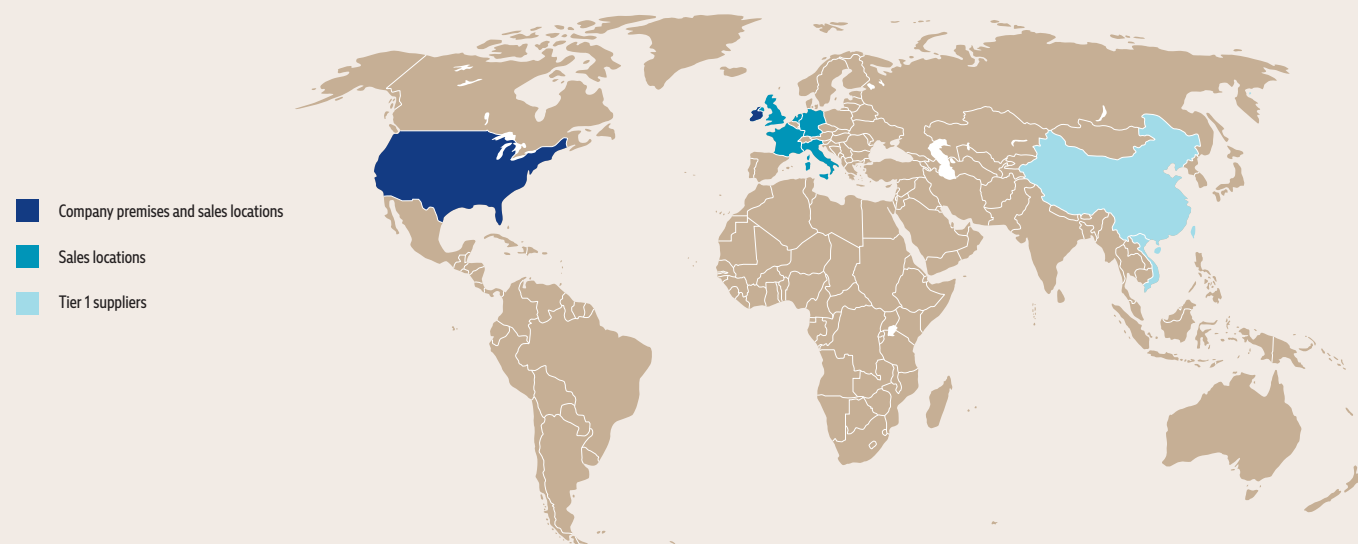
## OUR IMPACT

Year after year, *Shoes For Crews'* footwear by far exceeds the global standards in slip resistance. We are constantly developing innovative solutions to improve the comfort and safety of our shoes, in order to keep workers on their feet and performing at their highest potential. The three key areas that distinguish us from competitors are our:

- > Tread Design,
- > Proprietary Compounds, and
- > Manufacturing Processes.

With over 110 slip-resistant shoe styles in our portfolio, we take employee safety of our customers to a new level. We satisfy the needs of businesses from a wide range of industries such as healthcare, catering, retail, public transport, manufacturing and heavy duty. As of 2021, we have been actively seeking our customers' input to improve our business model and to make our products and supply chain more sustainable.

## OUR LOCATIONS



## OUR VISION, MISSION STATEMENT AND GOALS

Since *Shoes For Crews* was founded, our vision has been to equip workforces around the world with safe occupational footwear. It is our mission to keep workers safe on the job with high-quality, yet comfortable protective footwear solutions—thus preventing accidents and saving costs. The values upon which we base our work are defined by a Customer-Focused P.A.T.H.:

- > CUSTOMER FOCUS
- > PROFESSIONALISM
- > ACCOUNTABILITY
- > TEAMWORK
- > HONESTY

The goals we have set ourselves with regard to sustainability are detailed throughout this report. Our operational goals are listed, along with corresponding target dates and the status of achievement, at the end of each chapter on our areas of impact. Further context is provided within the chapters.





# SUSTAINABILITY AT SFC

## THE FIRST CSR-SUSTAINABILITY STRATEGY

» GRI 2-29

A sustainability strategy is key for any company to progress effectively towards sustainable development. It provides structure and direction to all actions and initiatives that an organisation undertakes. The sustainability strategy starts from the current status of the organisation and can be considered a living document that is refined and improved as needed. It involves dynamic thinking, stakeholder engagement and meticulous measurement mechanisms to monitor the company's progress.

Our CSR-Sustainability Strategy contains a list of goals for each material topic, which are to be accomplished according to schedule. Each goal is to be achieved by specific actions. Indicators help us monitor the progress and show when intended goals are not achieved effectively by the actions.

To make sure that our CSR-Sustainability Strategy integrates a wider perspective, we regularly engage with our stakeholders, involving employees, clients, business partners, public institutions, international organisations, NGOs and civil society. Maintaining such a dialogue provides us with important insights and helps us align the company's progress with our stakeholders' expectations, for example regarding the ecological and social impact of our business activities.



## MATERIALITY ANALYSIS AND STAKEHOLDER DIALOGUE

» GRI 3-1  
3-2

Over the course of 2021, European companies were faced with numerous challenges, from the backlashes of Covid-19 to difficulties in sourcing raw materials, to temporarily disrupted supply chains. Before this global landscape, *Shoes For Crews* seized the opportunity to rethink our production processes and to adopt a systemic approach to sustainability. We appointed external consultants to support us in developing our CSR-Sustainability Strategy and Management System, and to assist us in publishing our first Sustainability Report. In this publication, we reflect on our systemic approach towards people and planet and we mark a renewed commitment to our customers and to the environment.

At the very core of our CSR-Sustainability Strategy lies a materiality analysis, which is an established tool for planning industrial development and for highlighting an organisation's priorities. The materiality analysis accounts for both the stakeholders' and the internal management perspectives. The two perspectives on the company's most relevant material topics are then paired to produce a materiality matrix.

To design the CSR-Sustainability Strategy, the first step was to assess and analyse all existing documents, certifications, and sustainability-related initiatives. This process helped us internalise our efforts and move from past to present to future undertakings. Furthermore, we identified potential material topics by looking at relevant sustainability standards, in particular those of the Global Reporting Initiative (GRI) and industry topics from the Sustainability Accounting Standards Board's (SASB) Materiality Map. The pertinent topics of Shoes For Crew's competitors were also included in our analysis.

The long list of material topics was then narrowed down by our managers and specialists, who selected and prioritized the listed topics in an internal materiality workshop. In this process, we considered opportunities and risks from an inside out and outside in perspective, following the requirements of double materiality. This resulted in a shortlist of 20 material topics. In the next step, external stakeholders were asked to rate, comment, supplement and to qualitatively assess the listed topics through an online survey. The results of the stakeholder dialogue complement the materiality matrix (page 10).

The top three material topics (top right corner of the materiality matrix on page 10) are Business Ethics and Exemplary Leadership, Product Quality and Safety and Regional and Transparent Supply Chain—which are all classified under different areas of impact. In addition, there was strong consensus among the internal and external stakeholders regarding the materiality of a vast majority of topics. This is reflected by the number of topics located around the corridor from the bottom left to the top right of the materiality matrix.



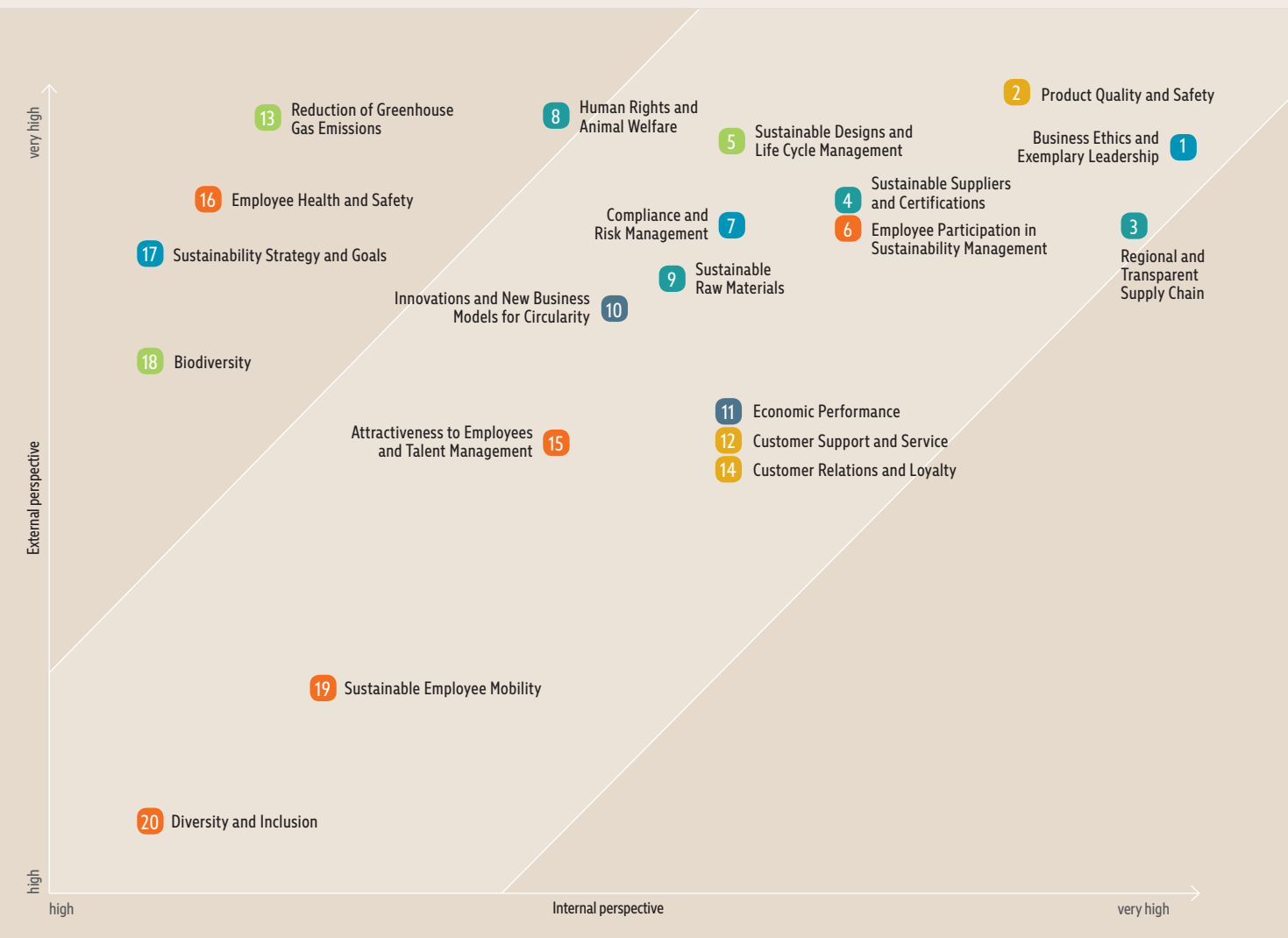
# MATERIALITY MATRIX

» GRI 3-2

The materiality matrix is a juxtaposition of the external stakeholders' perspectives and the internal company perspectives regarding the most relevant material topics for *Shoes For Crews*. The horizontal axis represents the internal, and the vertical axis the external stakeholder perspective, presenting the topics according to their relevance—from high to very high. Each material topic is assigned to one of the six areas of impact described above.

## AREAS OF IMPACT

- Business Model and Innovation
- Good Governance
- Sustainable Production and Environment
- Customer Value
- Human Capital
- Sustainable Supply Chain



# OUR SIX AREAS OF IMPACT IN DETAIL

» GRI 3-3

## BUSINESS MODEL AND INNOVATION:

We believe that we must revamp our production processes and business operations to be able to adjust to the challenges of the future and to improve our positive social and environmental impact. In doing so, we strive to create a business model that will put us on a path of sustainable economic growth. In addition to the research on making our business model more circular, we are also investing in research and development of sustainable material options for our production processes.

## CUSTOMER VALUE:

We cultivate customer relationships based on trust, reliability and credibility. Delivering on the quality and safety of our products is paramount to our business. Customer feedback and satisfaction is essential to maintaining sustainable growth of our company. We transparently communicate our vision, which is aligned with the needs of our customers and our shared values.

## GOOD GOVERNANCE:

One of our core goals in our sustainability strategy is conducting ethical business and displaying exemplary leadership in the industry. Preventing illegal and corrupt activity and complying with the laws and regulation is a significant pillar in our vision. We are committed to bringing about positive change as we conduct honest, forward-looking business.

## HUMAN CAPITAL:

For us to achieve our sustainability goals and to set new targets, we need our talent to completely buy-in to our vision. To do so, we are actively engaging our employees in our sustainability initiatives. Our diverse workforce has been instrumental to the working environment in our company and in developing our sustainability goals. The physical and mental well-being of our employees, and their inputs on our sustainability mission are at the core of *Shoes For Crews'* sustainability efforts.

## SUSTAINABLE PRODUCTION AND ENVIRONMENT:

As a product manufacturer, it is essential that we are mindful of our impact on the environment. This includes reducing our greenhouse gas emissions, our impact on biodiversity and our waste generation. We prioritise recycled and renewable input materials as the basis for our durable footwear over emission offsets.

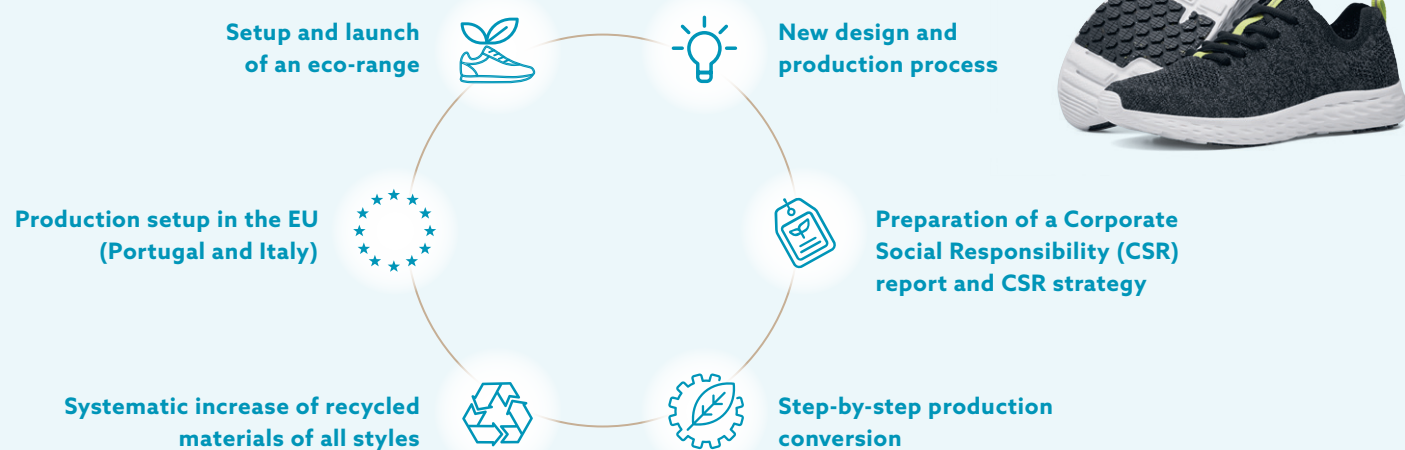
## SUSTAINABLE SUPPLY CHAIN:

As an occupational footwear manufacturer, we are taking steps to demonstrate a high standard of sustainability and transparency of our supply chain. Certification of our products and production processes is a top priority for us because we want to assure our customers that we conduct responsible business. From reducing our negative impact on the environment, to material usage and waste reduction, to responsible labour practices, our goal is to make our supply chain circular and responsible.



# TOWARDS CIRCULAR ECONOMY

## OUR STRATEGY FOR SUSTAINABLE PRODUCTS



**INNER LINING:**  
PET Bottles are granulated and used to produce fabric for the new inner lining of our shoes.

**INSOLE:**  
EVA (Ethylene-vinyl Acetate) Material is extracted from old flip-flops and converted into granulate. The granules are then used to construct the insoles of our shoes.

**OUTSOLES:**  
Old rubber tyres are separated into their constituent parts. The rubber that is recovered is then converted into granulate or powder form. Granules or powder are repurposed to produce the components that construct our outsoles.

## LAYING FOUNDATIONS

For us as a company—that is providing 49 people and their families with a meaningful occupation, stable income, and insurance coverage—sustainability also means sustaining our company’s economic well-being in the long run. To this end, we take action to grow our client network. We are continuously improving our product line while streamlining our manufacturing processes and thereby enhancing our price-performance ratio. At the same time, we align our business model imperatives with environmentally sustainable value creation, most notably by setting out to transform our production processes towards models of circularity.

As far as our financial performance is concerned, we are already getting very close to living up to our ambitions. In 2021, our revenue grew from €13.2 million to €18.7

million. This is a 42 per cent increase year on year. Within the same period, our tax load decreased by 40 per cent. As a result of our efforts, we could afford to reward our employees 22 per cent more in salary, even though our operating costs increased by more than half, from €10.4 million to €15.6 million. We were also able to increase our share of voluntary community investments by 17 per cent, from €1,580 to €1,861.

All things considered, our joint efforts paid off. With € 113,015 in the balance at the end of 2021, our business model seems to work out not only for our clients but also for our employees and the future of our company. To make that success long-lasting, we set ourselves the target of achieving 40 per cent growth in gross sales per year until 2027, by expanding our portfolio of clients and tapping into new markets.

For our company’s prosperity, another critical prerequisite is our shareholders’ satisfaction. With 42.5 per cent in revenue growth in 2021, we have already outperformed our operational target by 2.5 per cent. However, to get closer to our target of delivering an EBIT (earnings before interest and taxes) of at least eight percent annually to our shareholders, we need to continue on this growth trajectory. With only 0.6 per cent in 2021, we recognize that there still is ample room for improvement. Therefore, we have set ourselves an ambitious time frame: we pledge that, by 2027, we will attain this goal.

We have enjoyed a close partnership with *Shoes For Crews* for many years. Such relationships are also an example of sustainability because both partners trust each other and understand the industry we work in. Our association and its members rely on the support of their partners, like *Shoes For Crews*, to adopt more sustainable solutions in their business practices, that add onto the existing individual actions like reducing packaging and food waste.

Bund der Systemgastronomie e.V. (German trade association of the food service industry)

## CONTINUING OUR SUSTAINABILITY TRANSFORMATION

GRI 201-1

In our journey to a more sustainable future, we will reinvest five per cent of our revenues into material-based sustainable product development until 2023. The reinvested amount will then be used for research and development of sustainable and custom material options.

In 2021, we started the development of our first shoe with recycled components with the aim of delivering it to our customers in 2023. Furthermore, we plan on involving at least 20 per cent of our existing customers in our efforts towards achieving a circular value chain, whether it is by reducing the number of unproductive product returns, or by reclaiming and reusing used products. Our customers can rely on us in delivering top-notch quality occupational footwear for their everyday work, and our co-workers can be sure of not only stable wages and insurance coverage but also ample opportunities for development and self-actualization. In pursuing our three-pronged strategy of enhancing customer outreach, improving shareholder satisfaction, and transforming our business model towards circularity, we will pave the way for long-lasting, naturally sustainable growth for our company.

### OUR GOALS IN A NUTSHELL

GRI 3-3

Material Topic	Goal	Until	Status
Economic Performance	• Achieve 40% growth in sales per year	2027	Ongoing
	• Maintain stakeholder satisfaction by delivering EBIT of 8%	2025	Ongoing
Innovations and New Business Models for Circularity	• Work with minimum 20% customers on a circular supply chain	2025	Planned
	• Reinvest 5% of revenue in product development of sustainable material	2025	Ongoing
	• Maximize sustainable content of all SFC products within timeframe	2025	Ongoing



# SAFETY FIRST

## COMPANY HISTORY



### 1984

In the US, Stan Smith observes an increase in workplace injuries caused by slips and falls. By inventing the first slip-resistant outsole technology, he provides a solution to the problem: the brand *Shoes For Crews* is formed.

### 2011

Upon expansion of the company, the Irish-based branch moves to a larger office space and distribution centre.



### 2017

While already offering catalogues and customer support in English, French and German, a Dutch team is added.



### 2001

Originally founded in Florida, USA, *Shoes For Crews* opens a branch in Ireland, thereby entering the European market.

### 2013

The business in Europe grows and the distribution centre is being moved to the Netherlands.

### TODAY

Further markets are being developed. *Shoes For Crews* offers 110+ styles in different categories, serving 150,000 enterprises around the world to contribute to workplace safety.



## SAFE AND TRUSTED FOOTWEAR

Customer satisfaction and loyalty are essential factors in the economic performance of an occupational footwear manufacturer. The prerequisites are products and services that stand out in terms of quality and reliability. Therefore, we are not surprised to see that our materiality analysis resulted in Product Quality and Safety, Customer Support and Service and Customer Relations and Loyalty being the three topics most important to *Shoes For Crews*, within the area of impact Customer Value.

Applying careful thought and execution into creating and providing a high-functioning, durable, and safe product to our customers has always been of paramount importance to our work. However, we always strive to achieve more—especially in terms of safety. We assess all our products for health and safety impacts, ensuring that our wearers rely on trusted and safe shoes. Based on rigorous internal assessment, we work relentlessly towards enhancing our products' safety. Over the course of 2021, there were 17 incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services globally, eleven of which were in violation of voluntary codes and one of which resulted in a warning. None of those incidents resulted in a fine or penalty. These incidents give further momentum to our efforts in minimising any potential hazards to health and safety, caused by our products.

These efforts are rewarded whenever chemical hazard testing turns out negative. In 2021, 70 per cent of our product portfolio was made of personal protective equipment (PPE). In addition, all of the chemical safety spot tests we conducted had a negative result. Our focus on product safety drives our ambition: By 2025, we aim to raise the share of products with PPE certification from 70 to 85 per cent. Additionally, we plan to improve our chemical hazard testing procedures for all other shoes and to implement a testing structure in cooperation with Notified Bodies.

Lastly, to ensure that we fully live up to our aspirations of delivering superior quality, we work towards obtaining a Quality Management System Certification by 2030. Consequently, to improve the transparency of our supply chain, particularly regarding the sourcing of our material inputs, we pledge to establish a QC (Quality Control) tracing system at shoe level by 2025.

## CONNECTING WITH THE CUSTOMER

Our customers are at the very heart of our business. We, therefore, strive towards offering first-class support and services to them. Over the course of 2021, it took our customer support and service team an average of five working hours to reply to phone queries, and an average of eight working hours to reply to online queries. Given our goal of an average response time for phone and online queries of no more than eight working hours, we are within the scope of our goal and will continue to ensure sufficient staffing and qualification of our customer support and service team.

Furthermore, to make it even easier for our customers to reach out to us, we are developing a customer feedback system and are optimizing technical solutions for our customer service by 2025, introducing an online in-person chat function and a WhatsApp customer service function.

At Mitchells & Butlers, we're committed to our responsibility to the environment and have set ourselves ambitious targets designed to contribute towards the global issues we are facing. Working closely with our suppliers is essential to the delivery of those targets and therefore collaboration is a very important part of our strategy."

Mitchells & Butlers

GRI 416-1  
416-2



## BUILDING SUSTAINABLE RELATIONSHIPS

We cultivate our customer relationships based on trust, reliability, and credibility. Therefore, it makes us very proud to report that globally in 2021, 61,652 out of 63,652 items were recurring purchase orders, accounting for 97 per cent of all orders. Thus, in 2021, we went beyond our goal to achieve 85 per cent repeat orders by 2025. However, the market in 2021 was still under exceptional conditions. Therefore, we hope to continue to exceed our goal of having at least an 85 per cent share of recurring orders when business goes back to normal in post-pandemic times.

This report is a testament to our ambition to transparently communicate and to align our vision and values with the needs of our clients. We pledge to take further measures in order to engage our clients in our sustainability-related initiatives—with the goal of creating greater value for the community and for the environment. What do these measures entail? Firstly, we will engage our customers' decision-making bodies to foster awareness and discussion on sustainability-related topics. Secondly, as of 2023, we will dedicate a Corporate Social Responsibility (CSR) section on our corporate website to the company's sustainability performance and to relevant CSR initiatives. Thirdly, also starting in 2023, we will publish two website articles per month on sustainability topics related to the footwear industry and to Shoes For Crew's engagements and initiatives. Lastly, we plan to collaborate with customers on new initiatives, for example regarding circularity, and to share our results in order to highlight the importance of partnerships and cooperation in tackling sustainability challenges. These communication efforts will also benefit our larger ambition of redirecting 30 per cent of our sales' volumes towards sustainable alternatives by 2025.

### OUR GOALS IN A NUTSHELL

» GRI 3-3

Material Topic	Goal	Until	Status
Product Quality and Safety	• Obtain quality management certification	2030	Planned
	• Establish QC tracing on shoe-level	2025	Planned
	• Obtain 85% of products with PPE certifications	2027	Ongoing
	• Establish chemical hazard testing for non-PPE products	2025	Planned
Customer Support and Service	• Optimize technical solutions for customer service	2025	Ongoing
	• Reply to customers and address queries within 8 working hours	2025	Ongoing
	• Create a customer feedback system	2025	Planned
Customer Relations and Loyalty	• Ensure at least 85% of accounts repeat orders	2025	Ongoing
	• Reach 15% of the customers' decision-makers	2025	Planned
	• Create a CSR section on the corporate website	2023	Planned
	• Host customers' content on website and create partnerships	2025	Planned
	• Post 2 articles per month on sustainability	2023	Planned
	• Migrate 30% of volume to sustainable alternatives	2025	Planned

At Burger King UK, we understand that our supply chains can have significant ethical, social and environmental impacts. To ensure these are positive impacts, we pride ourselves on establishing close working relationships with key suppliers like Shoes For Crews who share our approach and commitments towards delivering our sustainability strategy Burger King for Good.

Burger King UK

# CREATING POSITIVE, LONG-TERM IMPACT

## SUSTAINABILITY STRATEGY PROCESS



## FOUNDATION OF OUR SUSTAINABLE BUSINESS MODEL

As a leading company in the occupational footwear industry, we see it not only as our responsibility but also our duty to set an example in transforming our business model to integrate environmental and social aspects of sustainability. We pledge to do so based on the three pillars—ethics, honesty, and integrity—which are the prerequisites for sustainable business conduct in the first place. Therefore, we have made sure that our processes for developing Shoes For Crews' sustainability strategy and goals are in line with good governance standards.

A vital part of ethics, honesty and integrity is transparency. With this sustainability report, we disclose the current state of progress on sustainability at Shoes For Crews. In our two Codes of Conduct, which respectively address our employees and our suppliers, we emphasise the importance of ethics, honesty, and integrity in our everyday business operations. Our corporate principles are informed by the laws and regulations of the countries we do business in: the United States, Canada, Europe, and China. Employees and suppliers alike are made aware of the content and scope of our principles on a regular basis.

» GRI 2-9  
2-14  
2-16  
2-19  
2-20  
2-21  
2-23

Provisions are mandatory and non-compliance may result in the termination of either employment or supplier contracts.

One of the guiding principles enshrined in our corporate philosophy is the protection of human rights. To make sure that human rights are respected and complied with across our value chain, our Code of Conduct requires all our suppliers to provide decent working conditions, a safe and discrimination-free workplace, and fair remuneration policies for their workers. We strictly forbid use of child labour as well as other forms of forced labour. Suppliers are also obliged to ensure that their subcontractors comply with our principles. To make sure that our suppliers implement these provisions, we reserve the right to make unannounced inspections of their facilities and records.

In 2021, the median annual compensation for employees was € 53,500. This brings the compensation ratio between the highest paid individual and the median employee to 4.9. In addition, all our employees benefit from standard pension arrangements to help them remain financially autonomous in old age.

In 2021, sustainability-related remuneration policies for our CEO and other senior executives were not in place yet. As of 2022, however, the bonuses and promotions of our European Management Team will also depend on their achievements in relation to our sustainability-related operational targets.

## ADHERING TO RULES AND LAWS

A key imperative which guides our business conduct is compliance with laws and regulations. In view of strengthening our resilience against any unethical business conduct, particularly against corruption, we have set in place whistle-blower procedures, completed by a penalty catalogue. In continuing to spread awareness on these issues, we commit not only to communicating our anti-corruption principles regularly to governance's body members, employees, and business partners. We also commit to providing our employees with structured trainings. The minimum training requirement will be four hours per year. We also pledge to enforce existing penalties should the occasion arise—and we are ever inspecting possible breaches throughout our value chain. In 2021, no instances of non-compliance with laws and regulations were reported.

## OUR GOVERNANCE STRUCTURE

Our European Management Team is made up of six managers who, together, report to the CEO. The CEO of *Shoes For Crews* Europe reviews and accounts for all strategic decisions. He is also accountable for the adequacy and accuracy of the information stated in this report. In case of any concerns regarding the business, the members of the Management Team can communicate those concerns to the CEO on a weekly basis. No such concerns were raised in the reporting period.

Our employees, including our CEO, are paid on a contractually fixed basis. In addition, they may be eligible for performance-based bonuses at the end of the year if long-term strategic goals have been achieved. To determine the remuneration levels, our human resources department conducts independent benchmarking exercises every four years. Once our new recruits' salaries have been updated on this basis, our existing employees' wages are adapted accordingly.

» GRI 2-27  
205-1  
205-2  
205-3

## GIVING BACK TO OUR COMMUNITIES

Lastly, in addition to aligning our internal practices with ethical business principles, we liaise with communities neighbouring our premises and act as a good corporate citizen. For us, this entails hands-on, voluntary social work, which in 2021 amounted to four hours per employee, as well as direct donations to local communities and organisations. In 2021, we donated € 1,861, which is a 17 per cent increase compared to the amount donated in 2020. Furthermore, we are expanding our community engagement by partnering with associations and organisations—see the infobox beside—to create shared value for the surrounding communities. By 2023, we want to double the amount of volunteering time per employee to eight hours per year and deliver on our promise of increasing donations by 15 per cent per year.

### 2021 COMMUNITY ENGAGEMENT PARTNERSHIPS

- > Team Hope's Christmas Shoebox Appeal: Delivering Christmas presents to children living in poverty.
- > Milford Hospice: Honouring the work of those who help relieve the suffering of terminally diagnosed patients and their families.
- > Pieta House: Providing therapeutic support to people who engage in self-harm.



### OUR GOALS IN A NUTSHELL

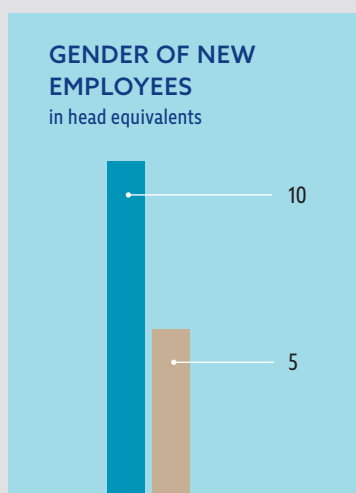
Material Topic	Goal	Until	Status
Sustainability Strategy and Goals	• Create a strategy and detailed, quantifiable goals	2025	Ongoing
	• Create mechanisms to collect and evaluate data on progress	2025	Ongoing
	• Establish a sustainability management system	2025	Ongoing
Compliance and Risk Management	• Increase training hours on compliance and anti-corruption to 4 hours per year per employee	2023	Planned
	• Prevent any illegal and corrupt activity	2023	Ongoing
Business Ethics and Exemplary Leadership	• Define company values in the code of ethics	2023	Planned
	• Improve the suppliers' codes of conduct	2023	Planned
	• Improve the employees' code of conduct	2023	Planned
	• Increase social engagement to 8 hours per employee per year	2023	Ongoing
	• Increase donations to local communities and community projects by 15% per year	2023	Ongoing
	• Increase partnerships with community engagement associations	2023	Ongoing

» GRI 3-3

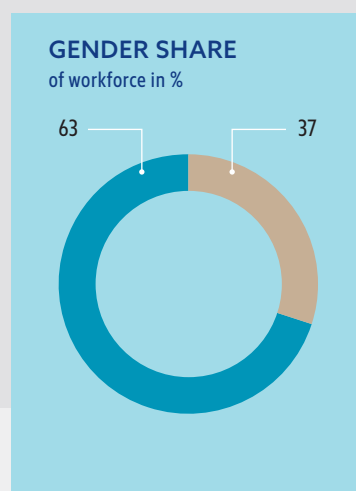
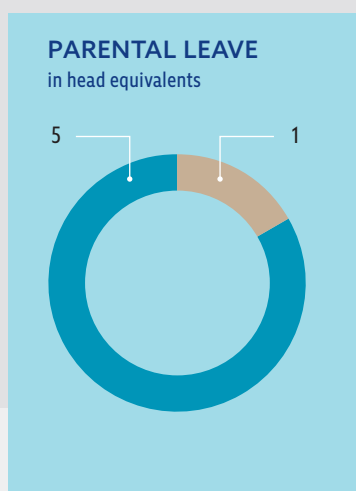


# PEOPLE BEHIND SHOES FOR CREWS

For us to achieve our sustainability goals and to set new targets, we need complete buy-in from all people in the *Shoes For Crews* family. To earn that commitment of our employees, we put in all our efforts to create a safe working environment for them, to actively engage them in the vision and growth of our company, to make their workplace more diverse, equitable and inclusive, and to make *Shoes For Crews* a hub of talent for present and prospective employees. We also encourage our employees to take the initiative themselves on how to reduce their negative environmental impact.



The European headquarters of *Shoes For Crews* is geographically located on an island—our spirit is not. We are made up of a multinational team to offer the best possible service to our customers and to create a great, diverse workforce that has generally proven to be the most successful.



## SAFE AT WORK

To reduce the risk of workplace accidents, we are currently in the process of establishing auditing systems across all our suppliers' factories with the support of an external consultancy. As of today, 100 per cent of our tier 1 suppliers are regularly assessed for the quality of their health and safety management systems. In 2021, almost all of them were audited in accordance with the Sedex Members Ethical Trade Audit (SMETA). Due to complications from the pandemic, this share did not reach 100%. However, we continuously work with our partners to ensure that workers can enjoy a safe and healthy workplace. As part of our adaption measures in response to the pandemic, we offered ergonomic trainings and self-assessments to staff members working from home.

Apart from the specific and exceptional needs brought about by the pandemic, we firmly believe that an effective onboarding of staff is key for us to keep our promise: providing the best possible conditions to keep our employees healthy and safe at work. This implies that Shoes For Crew's policies and procedures regarding occupational safety and health are clearly communicated from the outset. In every country that we operate in, we ensure compliance with the respective national health and safety regulations. In addition, monthly town hall meetings and daily manager meetings are being organized, allowing for our members of staff to share their observations in the workplace to members of management. This exchange allows us to draw important conclusions regarding adequate equipment for better health and safety for our employees.

To further complement our efforts towards providing the best possible conditions to keep our employees healthy and safe at work, we pledge to appoint a Health & Safety Officer in 2021 to oversee all incidents within the scope of occupational health and safety. The person in charge will also be tasked with updating our current practices and designing a structured training program on occupational health and safety, which will become the routine training program

for all *Shoes For Crews* employees. We are delighted to report that in 2021, no work-related injuries or cases of ill-health were registered—a performance that we are keen to maintain.

» GRI 403-1  
403-5  
403-7  
403-8

## THE SHOES FOR CREWS FAMILY

A cornerstone of our human capital policy is to make every employee feel welcome at the company and valued for who they are. As part of our efforts to make *Shoes For Crews* a truly diverse and inclusive workplace, we have begun staff awareness trainings that convey our talent first and talent only policy for all company activities. We are very pleased to report that in 2021, no cases of discrimination were registered.

» GRI 401-2  
401-3  
403-9  
403-10  
406-1

As an employer, we try to consider every employee's individual situation in finding an arrangement that will work out for the both of us— the company as well as our employees. In many situations, full-time jobs are the way to go. Sometimes, working part-time serves both sides better. In 2021, a large majority of our employees—44 out of 49—were working full-time. The remaining five colleagues were working part-time.

» GRI 2-7  
405-1

Workforce	Absolute value	Relative value
Total workforce	49	100%
Female	31	63%
Male	18	37%
Under 30 years old	1	2%
30-50 years old	31	63%
Over 50 years old	17	35%

Needless to say, we welcome employees of all genders and ages in our organisation. Representing almost two thirds of our staff, women make the strength of our company. However, we do lack young talent. To become more attractive as an employer among young professionals who already have or are planning to have a family, we make sure

they know that taking parental leave will not be detrimental to their career at *Shoes For Crews*. In 2021, six out of our 49 employees that were entitled to take parental leave took off for or returned from it. Without exception, all employees who took parental leave in the past year, still work with us today.

## WELCOMING TALENT

» GRI 401-1  
401-2  
404-2

Not only providing a welcoming, diverse working environment, but also improving the recruitment process and the general working environment is essential for us to attract and retain talent. In 2021, we welcomed fifteen new employees and parted ways with four, expanding our team from 38 to 49 members.

Remuneration policies have and will always form a cornerstone of human capital management. A case in point is our collected data on remuneration and hiring: In 2021, with an average gross wage of € 29.29 within the European Union and £ 26.34 in the UK, our remuneration was on average 152 per cent above the respective living wages.

» GRI 404-1  
404-2

Along with our remuneration policy, we pledge to offer attractive benefits to our employees. In addition to an extensive insurance coverage—including life insurance, health care, disability and invalidity coverage, parental leave, and retirement provision—we set up two new benefit schemes in

2021: First, we introduced a Personal Day as an additional day of annual leave, recognising the fact that our employees might have other than Christian holidays to celebrate. Second, we launched an Employee Recognition Scheme, an online platform where we can thank colleagues for jobs well done or for help received. Employees can then convert any points they have been awarded with into *Shoes For Crews*-branded, high quality garments, gift cards, donations, or prepaid credit cards, to name just a few examples.

To facilitate or help manage career endings after retirement or termination of employment, we offer our employees the support of a pension representative. This representative will meet with the respective employee to discuss and plan her or his retirement. On a different note, our Permanent Health Insurance covers the contingency of death in service and pays out a sum of money to dependents if an employee dies while working for the company.

## INVESTING IN OUR TALENTS

Providing excellent training opportunities to our employees and connecting with local universities as an investment in talent sourcing is of crucial importance to our future as a company. In 2021, we organized two traineeship and internship programs. By 2025, we aim at upscaling our engagement with local universities to raise the number of programs offered and sponsor numerous opportunities for tomorrow's young professionals.

In 2021, we provided several up- or reskilling programs to our employees, either conceived for the mastering of new skills or the transition towards new methods of work. With our Netsuite launch, all our employees completed training on how to navigate our cloud-based enterprise software. In addition, we conducted product training for all customer-facing staff, an introduction into our internal workflows for all new hires, data protection training, and security awareness training. We plan to continuously upgrade our training opportunities, thus ensuring that our workforce has access to lifelong learning.

The idea of sustainability in everything we do originates from an initiative by our Employee Engagement Team, and our employees take great interest in the development of this sustainability report. They are also encouraged and celebrated for making their own contributions to sustainability—by planting wildflower seeds in their gardens, supporting conservation causes or changing the way they commute. Not only is this good for the environment, it also contributes to employee health and wellbeing.

Irmgard Considine, Sales Support  
Manager at *Shoes For Crews* (Europe)

## ENGAGING OUR STAFF FOR SUSTAINABILITY

While drafting the current sustainability report, we greatly appreciated the input and participation of our *Shoes For Crews* family members. We wish to genuinely thank them for their work and for their contributions to our CSR-Sustainability Strategy and Management.

Some of the measures we agreed on include organising and implementing four sustainability initiatives per year and enhancing our regular employee newsletter—*CrewsNews*—by publishing it quarterly and including a sustainability section. With the newsletter, we seek to inspire even more employees to follow the lead of their peers, several of which are already actively engaged in the sustainable transition. In 2020, we organised our first sustainability initiative: every employee was offered wildflower seeds to sow in their own gardens as a personal contribution to biodiversity. The

initiative was very successful, which is why we replicated it in 2021.

We also strongly encourage our employees to transition to cleaner and more sustainable modes of transportation such as e-vehicles, bicycles, trains etc., in order to reduce their environmental footprint. In 2021, the first alternative for our sales team when not traveling to customers by car was to travel by train. Our CSR-Sustainability Strategy and Management Scheme also provides for charging stations at the office premises. In 2021, *Shoes For Crews* put this commitment into practice: In cooperation with other neighbouring companies, we set in place four charging stations for e-vehicles at the location of our headquarter. Regarding their level of mobility, members of the sales team were first to be provided with charging cards.

» GRI 2-2  
2-29

### OUR GOALS IN A NUTSHELL

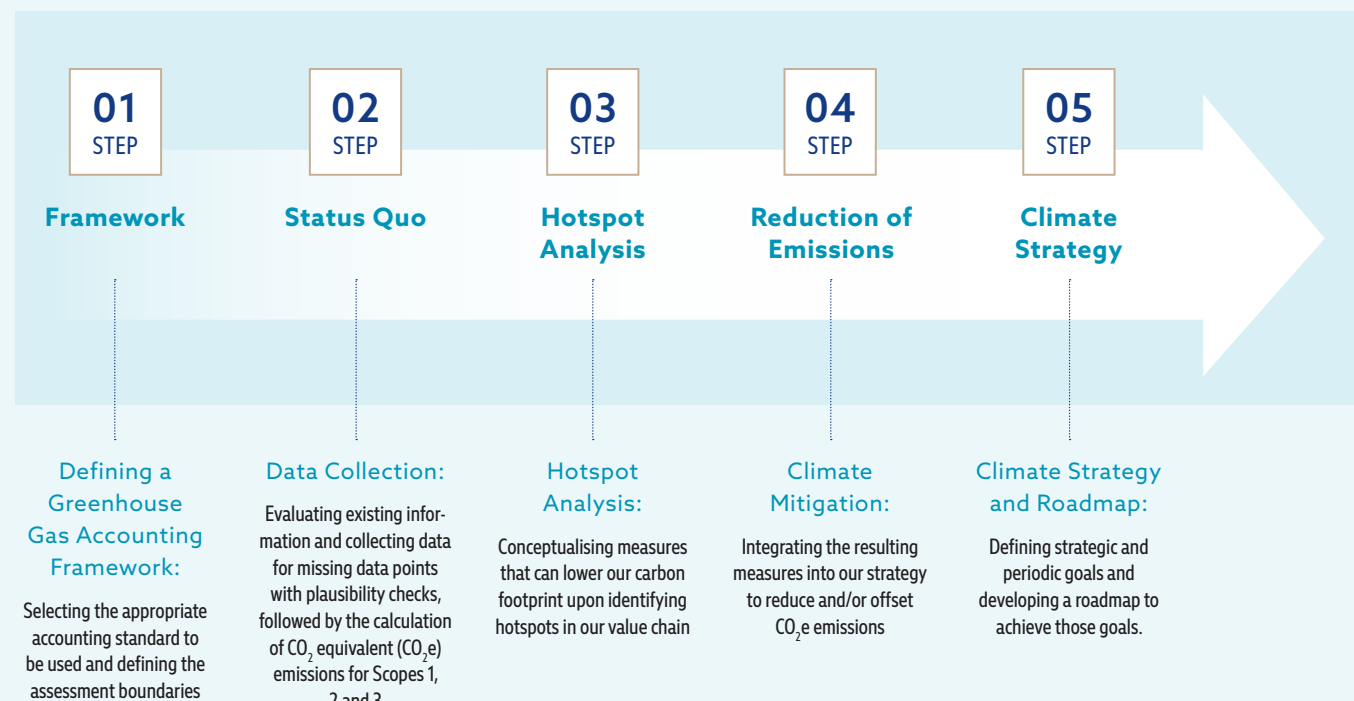
Material Topic	Goal	Until	Status
Employee Health and Safety	• Establish auditing systems in the factories to reduce accidents risk	2023	Ongoing
	• Train 100% of employees in occupational health and safety	2023	Ongoing
Employee Participation in Sustainability Management	• Organize 4 sustainability initiatives per year	2023	Planned
	• Create a quarterly employee newsletter	2023	Ongoing
Diversity and Inclusion	• Ensure inclusive recruitment practices	2023	Ongoing
	• Quarterly training sessions against discriminatory practices in the company	2023	Planned
Attractiveness to Employees and Talent Management	• Invest in talent sourcing	2025	Ongoing
	• Pay fair wages for employees	2025	Ongoing
	• Improve and develop one or more benefits/amenities for employees	2025	Ongoing
	• Offer at least 2 training opportunities for each employee per year	2025	Planned
Sustainable Employee Mobility	• Increase share of sustainable transportation in salespersons' travel kilometres by 20% per year (e-vehicles, train, modal split)	2025	Ongoing
	• Support options for charging stations for e-vehicles used by employees	2025	Ongoing

» GRI 3-3



# ADDRESSING OUR IMPACT ON THE ENVIRONMENT

## DEVELOPING OUR CLIMATE STRATEGY



Like in any other production industry, we need resources to have our shoes produced. However, it is the extensive growth in goods production that has happened over the past decades that contributes most to pollution of water and soils and that drives climate change. To improve the carbon and environmental footprint in our reach, we are taking ambitious measures along our entire value creation process.

## CLOSING THE LOOP FOR OUR SHOES

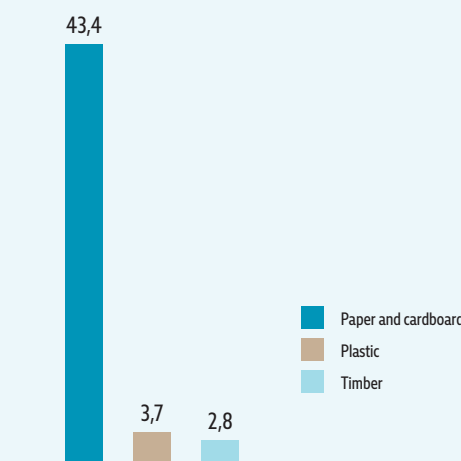
As an occupational footwear manufacturer, we need to think about the different components of our shoes in terms of their respective material life cycles if we want to reduce our use of resources. We have set up an ambitious action plan to transform our products in line with circular economy principles. Starting in 2022, we are devising measures to reduce the consumption of resources in the production of our shoes. These measures include designing shoes that last even longer than they already do, replacing virgin materials with recycled ones, investigating possibilities for remanufacturing our shoes after their use phase, and promoting re-use and upcycling in general.

In all our efforts, we pay special attention to recyclability, e.g., we aim to increase the share of recyclable materials used for our shoes, establish cooperation mechanisms with customers for reclaiming old shoes, and remanufacture used overshoes into different products, such as slip-resistant door mats.

We also need to keep a close eye on packaging. Having registered with Irish and German recycling systems in 2018, we are now officially recognized as packaging recyclers. This means that we are allowed to display well-established recycling labels on our packaging, which guide users in recycling our packaging properly. At the end of each year, we report the overall amount of packaging sold to the relevant institutions. Another topic of interest is the waste that is produced directly by our manufacturers and by ourselves. For the waste produced at our premises, we are currently working on monitoring procedures which will yield more information in the future. The waste generated during our shoes' manufacturing includes chemicals, plastic, rubber, paper, and cardboard. Paper and cardboard are the waste segments largest in volume. In 2021, we were able to divert 49 metric tons of recyclable waste from disposal in the two countries where we are registered as recyclers. Furthermore, we pledge to reduce single-use plastics by 40 per cent and packaging components per pair of shoes by 15 per cent across our product portfolio by 2025.

» GRI 306-1  
306-2  
306-3  
306-4  
306-5

WASTE GENERATED IN IRELAND AND GERMANY (IN METRIC TONS)



» GRI 306-3

## REDUCING OUR DIRECT GREENHOUSE GAS EMISSIONS

» GRI 302-1  
302-4  
305-5

To achieve our ambitious commitments, we also tackle our carbon footprint. As illustrated by the info box on our climate strategy, we have started assessing our carbon footprint, including Scope 1, 2 and 3 emissions. So far, we finalised calculations for Scope 1 and 2, while Scope 3 is going to be included in a future document, our climate strategy, which will be completed in 2023. We pledge to avoid, reduce, or compensate our direct and indirect Scope 1 and 2 greenhouse gas emissions, and work with our partners to minimise upstream emissions as far as possible. Key leverage points for our emissions reduction are longer product use cycles for our shoes, the reduction of single-use packaging materials, moving our production sites closer to our customers, and working with our partners on further improving the carbon footprint of our logistics.

Since 2018, we have been powering our own offices with electricity from 100 per cent renewable energy sources. We want our partners and suppliers to join us in this effort. That is why we are happy to announce that, since 2021, all our nine suppliers have been using renewable energy in their energy mix. Still, reducing energy consumption in our value chain remains a

key focus point for us. Therefore, we will continue to assess our consumption and emissions data annually to identify hot-spots in production and distribution.

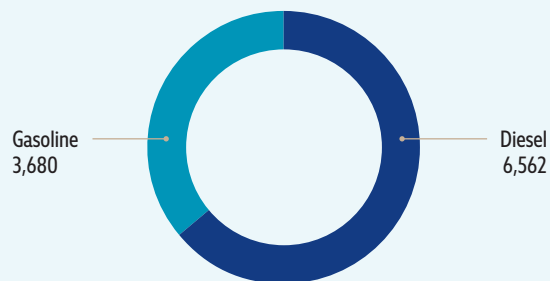
In 2021, our logistics partner shipped about 4,000 pairs of shoes per container using 40 foot shipping containers. The vast majority (approximately 99%) of our orders were delivered by cargo ships, the rest was shipped by air and only the last mile was covered by land carriers. Even though transport through cargo ships is already a rather efficient transportation mode, we want to improve our environmental performance here even further. We have set ourselves the target of shifting 15 per cent of our fleet of road carriers to more sustainable modes of transport. To achieve this, we plan on increasing the number of products per order, among others. Furthermore, we have committed ourselves to reducing our Scope 1 emissions by 40 per cent by 2025.

### GREENHOUSE GAS EMISSIONS (IN METRIC TONS OF CO<sub>2</sub> EQUIVALENTS)

Direct (Scope 1) GHG emissions	52
Energy indirect (Scope 2) GHG emissions	0

**100%**  
RENEWABLE ENERGY USED  
IN COMPANY PREMISES

### FUEL CONSUMPTION OF SALES TEAM (IN LITRES)



## PROTECTING BIODIVERSITY

Protecting our planet also means preserving its biodiversity. As a shoe manufacturer, we can contribute mainly by reducing the amount of virgin leather used in our shoes. Leather production contributes—among other environmental impacts—to grazing pressure and agricultural runoff, and thus increases the burden on natural ecosystems. By 2025, we aim at reducing the use of virgin leather by 20 per cent across our product range. To that end, we are investigating alternative designs and material components, while still delivering on our high-standing performances.

Another aspect that we are considering is the unintended transport of invasive species in our shipping containers. They can be

transported by container vessels from one continent to the other, enter local ecosystems and outcompete domestic species. In gradually moving to regional production facilities in Europe we are reducing the need for intercontinental shipping and are thus reducing this risk as well.

We have also taken direct action towards protecting and restoring natural habitats close to our company premises. Rallying behind the All-Ireland Pollinator Plan, we have set up two beehives and a pollinator patch. We also helped turn a grazing field of roughly 700 square meters into a wild-flower meadow—which is 1.45 times the size of our headquarter offices in Europe. Additionally, we submitted a report to Biodiversity Ireland for an independent assessment of our project's success. Lastly, starting in 2023, we plan to engage further in the protection of biodiversity by teaming up with *Wildlife Trust, Irish Whale and Dolphin Group, Irish Seed Savers*, and *Birdwatch Ireland*.

» GRI 304-2  
304-3

» GRI 3-3

### OUR GOALS IN A NUTSHELL

Material Topic	Goal	Until	Status
Reduction of GHG Emissions	• Switch electricity supply to renewable-only	2017	Implemented
	• Increase the number of suppliers and partners that use renewable energy	2027	Ongoing
	• Ensure property owners and building managers are aligned with SFC sustainability vision	2023	Planned
	• Assess greenhouse gas emissions from all Scopes following the Greenhouse Gas Protocol	2025	Scope 1 and 2 implemented, Scope 3 ongoing
	• Reduce Scope 1 emissions by 40% (baseline 2021)	2025	Planned
	• Minimize impacts from logistics: 15% of carriers use more sustainable forms of transport	2025	Planned
Biodiversity	• Increase average pairs of shoes shipped per shipment	2025	Ongoing
	• Reduce virgin leather in SFC product portfolio by 20% across the whole range	2025	Ongoing
	• Increase engagement in local and/or national initiatives on biodiversity	2025	Ongoing
Sustainable Designs and Lifecycle Management	• Engage in direct actions to protect local biodiversity	2022	Implemented
	• Embed more sustainability in design: insole from recycled material, design to minimize scraps, improve durability	2025	Ongoing
	• Reduce single use plastics in packaging by 40%	2025	Ongoing
	• Reduce packaging per pair of shoes (in weight or volume) by 15% across product range	2025	Ongoing
	• Test project for overshoes and injection footwear: collect used footwear and try to remanufacture into mats	2025	Ongoing



# SHOES FOR CREWS BEYOND BORDERS

## THE JOURNEY OF A SHOE



## CHALLENGING THE STATUS QUO

In a globalised world, the division of labour could, ideally, lead to overall welfare gains for society and the environment. This promise is the very bedrock that our economies were built upon. However, supply chains continue to be linked to damages done to the environment, the surrounding communities, and to the people involved along the various processing stages of a product. If we want to tap into the benefits of open market economies where everyone can improve upon the way things were done in the past, we need to simultaneously conceive of ways to collectively produce our goods without causing harm to people or our planet. We at *Shoes For Crews* want to do our part by creating best practices for a more sustainable shoe industry. Our ambition is to remodel our supply chains on the two pillars of accountability and circularity. As an occupational footwear manufacturer, we rely greatly on raw input materials such as cotton and leather, as well as processed input materials such as rubber, fabrics, and foams. These materials must be packed and transported to our factories, where they are processed into highly performing, slip-resistant shoes.

## STARTING FROM THE SOURCE

To make our supply chains more sustainable, we traced back the supply chain of our raw and processed input materials and carefully evaluated how they are obtained. We took into consideration environmental as well as social implications. We also analysed the logistics of how the shoes are delivered to us. In conclusion of the evaluation, we have been taking measures to redesign the structure of our supply chain, particularly the materials and suppliers that we work with, in order to make our manufacturing processes more sustainable.

In applying this approach, we found four goals to be of particular relevance:

1. Shortening transport routes by prioritising regional procurement
2. Enhancing our own transparency in the procurement process and demanding transparency in partnerships with our suppliers
3. Making the protection of human rights a prerequisite for trade
4. Choosing more sustainable raw materials and suppliers depending on their efforts towards sustainable development.

## OUR PLEDGE TO LOCAL SOURCING AND TRANSPARENCY

With the goal of reducing the overall distance material supplies and manufactured goods need to travel, we are planning to increase our share of regional suppliers. By investing in the redirection of our supply chains towards regional markets, we want to reduce our impact on the environment through logistics considerably and have even better control of the production process. In 2022, we will move part of our production to Europe—to three factories in Portugal and Italy, in addition to our current 9 factories. Therefore, by 2025 we will bring the total number of pairs of shoes produced in European production sites to 300,000.

Since transparency is a prerequisite for taking deliberate and effective action for sustainability, another step in making our supply chain more sustainable is the improvement of our supply chain-related communication and accountability practices. In 2019, we implemented an online portal through which we can provide information on our supply chain to our customers. To be able to feed the system the necessary

GRI 301-1

GRI 204-1  
308-1  
414-1

information, we screen all our new suppliers, using recognised environmental as well as social criteria. Existing suppliers are screened according to Sedex Members Ethical Trade Audit (SMETA 4 Pillars) on an annual basis.

## AUDITS IN THE SUPPLY CHAIN

- » GRI 301-1
- 302-1
- 308-2
- 407-1
- 408-1
- 409-1
- 414-1
- 414-2

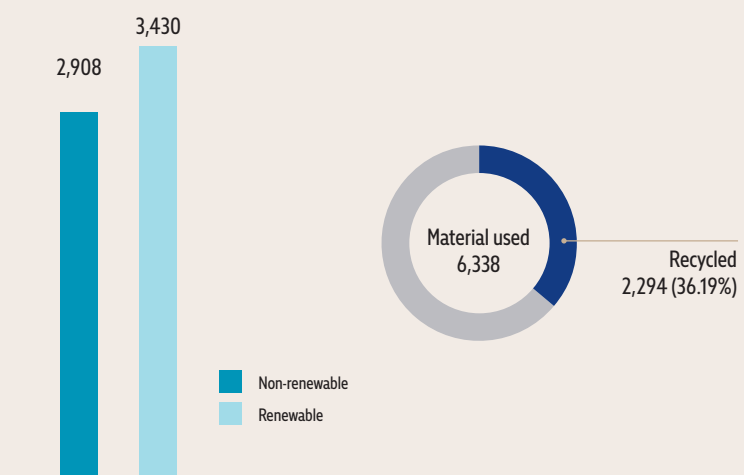
We firmly believe that compliance with human and labour rights is the baseline for decent working conditions, independent of economic interests. To ensure that our suppliers uphold human and labour rights and comply with national regulations and international conventions, we have them conduct regular SMETA 4 Pillars third-party audits.

In 2021, we screened nine suppliers, including all our new suppliers, in accordance with the SMETA 4 Pillars assessment. None of the assessment which directly concerned our supply chain were identified as having significant actual and potential negative social or environmental impacts. The assessment includes audits regarding freedom of association, collective bargaining rights, child labour and forced or compulsory labour. We also want to minimize the negative impact on the environment caused by the production of our goods, such as emissions, water pollution or waste. To further reduce emissions in pollution and waste along our value chain, we pledge to ensure that by 2027, 50 percent of our material supply will be certified to environmental standards, including adherence to the EU's Ecolabel for shoes.

To push our ambitions forward, we set ourselves the target to have 100 per cent of our suppliers certified to social standards by 2027.

- » GRI 301-1
- 301-2

### INPUT MATERIALS BY CHARACTERISTICS (IN METRIC TONS)



## SOURCING MORE SUSTAINABLE MATERIALS

Another key factor in becoming more sustainable throughout our supply chain is to decide what kind of materials we want to use in the production of our shoes. To reduce our environmental impact, we invest in closing the loop of our materials, gradually replacing synthetic and fossil fuel-based raw materials with renewable or recycled ones. In 2021, out of 6,338 tons of material used globally to produce and package our high-quality occupational footwear, 54 per cent was from renewable sources. While we are very proud of this achievement, we, like the many people wearing our shoes never

stand still. This is why we plan on continuing to do our research for more sustainable materials and implement further changes in our production processes.

In transforming our production processes towards circularity, our main challenge is to maintain our economic performance while changing the materials used. We first need to find suppliers for alternative materials and then make sure that the materials delivered to us fulfil basic criteria such as safety and longevity, as well as our high-standard performance requirements. Further down the line, we also need to factor in how recyclable material can later be reused in our production processes. To gear up our efforts in closing the loop, we pledge to increase the quantity of recyclable raw materials within our product mix to 90 per cent and that of recycled raw materials to 50 per cent by 2027.

### OUR GOALS IN A NUTSHELL

Material Topic	Goal	Until	Status
Regional and Transparent Supply Chains	• Open 3 production locations in Europe	2022	Planned
	• Increase number of regionally produced (in Europe) products to 300,000 pairs	2025	Ongoing
	• Increase information linked to the existing QR codes on all our shoes	2030	Planned
Sustainable Suppliers and Certifications	• Prepare for incoming EU due diligence law	2025	Planned
	• 50% of tier 1 suppliers certified according to the chosen certification(s)	2025	In planning
Sustainable Raw Materials	• 50% of material supply certified to environmental standards	2027	Ongoing
	• 100% of tier 1 suppliers certified to social standards	2027	Planned
	• Increase quantity of recyclable raw materials to 90%	2027	Ongoing
	• Increase quantity of recycled raw materials to 50%	2027	Ongoing
Human Rights and Animal Welfare	• Carry out human rights audits at all tier 1 and tier 2 suppliers	2021	Planned
	• Carry out human rights audits at all key tier 3 suppliers	2025	Planned

- » GRI 3-3



# GRI INDEX

## STATEMENT OF USE

Shoes For Crews (Europe) Ltd. has reported the information cited in this GRI content index for the period January 1<sup>st</sup> - December 31<sup>st</sup>, 2021, with reference to the GRI Standards.

## GRI 1 USED

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
<b>GRI 2: GENERAL DISCLOSURES 2021</b>		
GRI 2-1	Organizational details	3, 6
GRI 2-2	Entities included in the organization's sustainability reporting	3, 23
GRI 2-3	Reporting period, frequency and contact point	3
GRI 2-5	External assurance	
GRI 2-7	Employees	21, 36
GRI 2-9	Governance structure and composition	17
GRI 2-14	Role of the highest governance body in sustainability reporting	17
GRI 2-16	Communication of critical concerns	17
GRI 2-19	Remuneration policies	17
GRI 2-20	Process to determine remuneration	17
GRI 2-21	Annual total compensation ratio	17
GRI 2-22	Statement on sustainable development strategy	2
GRI 2-23	Policy commitments	17
GRI 2-27	Compliance with laws and regulations	18
GRI 2-28	Membership associations	
GRI 2-29	Approach to stakeholder engagement	8, 23
<b>GRI 3: MATERIAL TOPICS 2021</b>		
GRI 3-1	Process to determine material topics	9
GRI 3-2	List of material topics	9, 10
GRI 3-3	Management of material topics	11, 13, 16, 19, 23, 27, 31
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>		
GRI 201-1	Direct economic value generated and distributed	13, 35
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>		
GRI 204-1	Proportion of spending on local suppliers	29

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
<b>GRI 205: ANTI-CORRUPTION 2016</b>		
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# DATA ANNEX

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<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</b>		
GRI 416-1	Assessment of the health and safety impacts of product and service categories	15, 35
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	15, 35

## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (IN €)

	2020	2021
Revenues	13,156,647	18,748,693
Operating costs	10,351,357	15,551,132
Employee wages and benefits	2,511,939	3,054,924
Payments to governments	46,702	27,761
Community investments	1,580	1,861

» GRI 201-1

## ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

Content	Value
Number of significant product and service categories in Shoes for Crews portfolio	39
Number of significant product and service categories for which health and safety impacts are assessed for improvement	35
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	89.74%

» GRI 416-1

## INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES

Content	Value
Number of incidents of non-compliance that resulted in a fine or penalty	0
Number of incidents of non-compliance that resulted in a warning	6
Number of incidents of non-compliance that were in violation of voluntary codes	11
Number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services over the course of 2021	17

» GRI 416-2

## OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

Content	Value
Share of operations assessed for risks related to corruption	100%

» GRI 205-1



### COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

» GRI 205-2

Content	Value
Percentage of governance body members, employees and business partners of Shoes for Crews that the organization's anti-corruption policies have been communicated to	100%
Percentage of governance body members and employees of Shoes for Crews that have received training on anti-corruption, broken down by region	0%

### CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

» GRI 205-3

Content	Value
Number and nature of confirmed incidents of corruption	0

### EMPLOYEES (IN HEADCOUNTS)

» GRI 2-7

Content	Value
Total Number of Employees (Head Count)	49
By age:	
Under 30 years old	1
30 - 50 years old	31
Over 50 years old	17
By gender:	
Female	31
Male	18
Total permanent employees	49
Total full-time employees	44
Full-time employees by age:	
Under 30 years old	1
30 - 50 years old	28
Over 50 years old	15
Full-time employees by gender:	
Female	26
Male	18
Total part-time employees	5
Part-time employees by age:	
Under 30 years old	0
30 - 50 years old	3
Over 50 years old	2
Part-time employees by gender:	
Female	5
Male	0

### DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

» GRI 405-1

Content	Value
Percentage individuals within the organization's governance bodies	6.12%
Total number of individuals in the governance bodies	3
By age:	
Under 30 years old	0
30 - 50 years old	2
Over 50 years old	1
By gender:	
Female	0
Male	3

### NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

» GRI 401-1

Content	Value
Total number of employees at the beginning of the reporting year	38
Total number of new employee hires during the reporting period	15
Employee turnover rate	10.52%

### PARENTAL LEAVE

» GRI 401-3

Content	Value
Number of employees that took parental leave in 2021	6
Return to work rate	100%

**MATERIALS USED BY WEIGHT OR VOLUME (IN METRIC TONS, ESTIMATES) FOR SHOES AND PACKAGING**

» GRI 301-1

Non-renewable materials used		2,908
Rubber and EVA sole		1,577
Synthetic leather, fabrics and polyurethane (PU) foams		757
Steel toe		524
Single use plastic		3.7
Others		50
Renewable materials used		3,430
Virgin leather		631
Cotton fibers		505
Carton box		286
Inner box		1,434
Packing paper		474
Others		100

**WASTE DIVERTED FROM DISPOSAL (IN METRIC TONS)—IN IRELAND AND GERMANY\***

» GRI 301-1

Total weight of waste diverted from disposal		49
Reuse		0
Recycling		49
Other recovery options		0
Total weight of hazardous waste diverted from disposal		0

\* Ireland and Germany are the two countries where SFC is registered as packaging recycler.

**ENERGY CONSUMPTION**

» GRI 302-1

Content	Value
Total fuel consumption within the organization from non-renewable sources (in Gigajoules)	830,73
Total fuel consumption within the organization from renewable sources (in Gigajoules)	0
Electricity consumption (in Gigajoules)	69,12
Heating consumption (in Joules)	0
Cooling consumption (in Joules)	0
Steam consumption (in Joules)	0
Total energy consumption within the organization (in Gigajoules)	899,85

**ENERGY INTENSITY**

» GRI 302-3

Content	Value
Energy intensity ratio for the organization (in kWh/m <sup>2</sup> )	39,75
Organization-specific metric (the denominator) chosen to calculate the ratio	SFC office surface
Total office surface (in m <sup>2</sup> )	483
Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all	Electricity consumption of the office space over the surface of the office space
Whether the ratio uses energy consumption within the organization, outside of it, or both	Within the organisation

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