



**LET'S  
GET  
REAL**

**STEVE MADDEN**  
SUSTAINABILITY REPORT 2020



# CONTENTS

**OVERVIEW 03**  
**OUR SUSTAINABILITY STRATEGY 09**  
**LET'S THINK ABOUT YOU 12**  
**LET'S MAKE FOR ALL 23**  
**LET'S CHANGE THE GAME 28**  
**LET'S KICK THE WASTE 35**  
**SUSTAINABILITY GOVERNANCE 39**

## ABOUT THIS REPORT

This report covers Steve Madden's progress toward our sustainability goals for the year 2020 (January 1, 2020 – December 31, 2020) and outlines new sustainability targets, reflecting our ambition to accelerate sustainability at Steve Madden. Our sustainability targets and strategic framework were informed by a materiality determination process and are aligned with the UN Sustainable Development Goals (SDG).

The scope of this sustainability report primarily focuses on our footwear business but also addresses our apparel and accessories business. It covers our corporate offices, distribution centers, warehouses, and retail stores directly owned and operated by Steve Madden in the United States and its subsidiaries, unless otherwise indicated. Any reference to "Steve Madden" is a reference collectively to all of its business units and brands.

We take responsibility for the completeness, accuracy, and validity of the metrics contained in this report and for the conformity of the metrics with our reporting criteria. No external assurance has been obtained for this report.

# A WORD FROM OUR CHAIRMAN AND CEO



## A REMARKABLE AND CHALLENGING YEAR

The most challenging year in our Company’s history was, at the same time, a year of remarkable progress in advancing our corporate social responsibility strategy. The extraordinary challenges we faced in 2020 emphasized how important it is to leverage our resources to create value for all our stakeholders – including our employees, partners, communities, consumers, and investors.

So we drove forward with a greater commitment to our sustainability goals and, through the power of our global workforce, made substantial progress across many key diversity, equity, and inclusion (DEI), environmental sustainability, and community engagement initiatives.

When the pandemic began in March 2020, our most urgent priority was protecting the safety and well-being of our employees, customers, and the local communities in which we operate. I’m proud of the steps we took – including proactively closing our stores earlier and keeping them closed longer than most of our industry peers – and how we supported our communities through donations of medical grade masks to hospitals, non-medical face coverings to homeless shelters, meals for healthcare workers, financial assistance for organizations combating hunger, and more.

“

**I am extremely proud of the resilience and ingenuity that our teams demonstrated this last year.**

”

ED ROSENFELD

We also made significant strides across a number of environmental sustainability and DEI initiatives, many of which were underway before the COVID-19 pandemic and before the global protests that were sparked by the murder of George Floyd. Key among our initiatives: initiating a company-wide dialogue about inclusion, equity, and allyship; supporting the work of organizations like Voto Latino and Black Lives Matter to advance social justice; providing a range of accessible and affordable footwear for people with disabilities; expanding our efforts to use recycled and renewable materials across our product offerings and in our packaging; significantly reducing waste in our operations; and continuing our work to achieve aggressive carbon reduction targets.

Our 2020 Sustainability Report marks the next step in our ongoing journey of leveraging the power of fashion to become a global force for good. In this report, we follow up on the targets that we set last year and introduce our Let’s Get Real strategy, a new framework that will guide our long-term approach to the environmental and social issues that are most relevant to our business and stakeholders.

I am extremely proud of the resilience and ingenuity that our teams demonstrated this last year and am inspired by the ways that they came together to help us grow and evolve as a business. Looking ahead, we are committed to remaining steadfast in the pursuit of our sustainability goals and are excited to explore new opportunities to add value to the lives of our employees, customers, and local community members. For the entire Steve Madden organization, doing all of this is both our responsibility and our incredible privilege.

Sincerely,

ED ROSENFELD  
CHAIRMAN & CHIEF EXECUTIVE OFFICER



# ABOUT STEVE MADDEN

**What began as a modest investment in 1990 has become one of the most iconic brands in footwear.**

From its roots in Queens, New York, Steve Madden has revolutionized the shoe industry with unique and creative designs.

Our vision – to provide stylish women and men with the opportunity to be innovative and inspiring in expressing their individuality – has intrigued and satisfied millions of customers worldwide and propelled the company’s designs to the forefront of the fashion world.

With this foundation, the company has expanded the Steve Madden brand into a lifestyle beacon for footwear, handbags, accessories, and apparel, sold in more than 80 countries around the world. There are just over 120 Steve Madden stores across the United States, and more than 220 stores worldwide.

Today, the company is leveraging the power of fashion as a global force for good, taking an industry lead in developing and supporting sustainable products. While we’re still in the early stages of this effort, we are committed to incorporating better materials into our footwear and packaging, reducing and offsetting carbon emissions across our supply chain, and reclaiming used products once they’ve served their purpose.

In short, we take our responsibility as a global corporate citizen seriously, expanding our efforts to protect and enhance the well-being of our employees, our partners, our suppliers, our communities, and the planet as a whole. It is our promise, therefore, to:

- Make products that are safe and accessible – and offer fashionable choices for those with disabilities.
- Offer footwear that is not only stylish and affordable but also manufactured responsibly with materials that are better for the environment – democratizing sustainable fashion.
- Create intentionally safe environments for each and every person working in our stores, offices and factories, across our entire supply chain. At Steve Madden, our company and our people are one and the same.
- Engage and invest in the communities where we live and work, contributing resources and time to causes that are meaningful to our employees and society, and responding to national and global disasters.
- Ensure that people from all walks of life feel welcome in our stores and are reflected in our brand imagery and workforce.
- Influence our entire value chain on sustainability, including our suppliers, factories and their employees around the world.

# HIGHLIGHTS

# 2

# 0

# 2

## \$200k

DONATED \$200,000 WORTH OF MEDICAL SUPPLIES, MASKS AND SHIELDS TO LOCAL HOSPITALS AT THE HEIGHT OF THE COVID-19 PANDEMIC

→ SEE PAGE 20

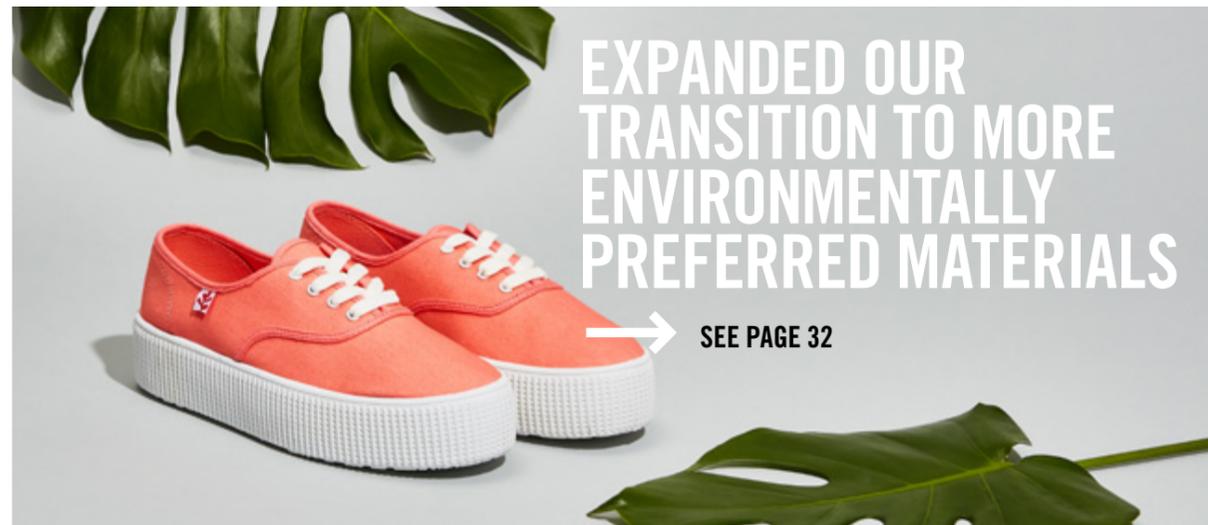
Piloted a factory waste reduction program with the

## FDRA

→ SEE PAGE 31

## Designed our first Steve Madden Kids Adaptive collection

→ SEE PAGE 25



## EXPANDED OUR TRANSITION TO MORE ENVIRONMENTALLY PREFERRED MATERIALS

→ SEE PAGE 32

## HIVE

PARTNERED WITH HIVE DIVERSITY TO LAUNCH A DIVERSE RECRUITMENT PLATFORM

→ SEE PAGE 15

## \$250k

DONATED \$100,000 TO BLACK LIVES MATTER, \$50,000 TO THE NAACP, AND \$100,000 TO THE TREVOR PROJECT

→ SEE PAGE 20

## Launched the Steve Madden Sustainable Design Group

→ SEE PAGE 11

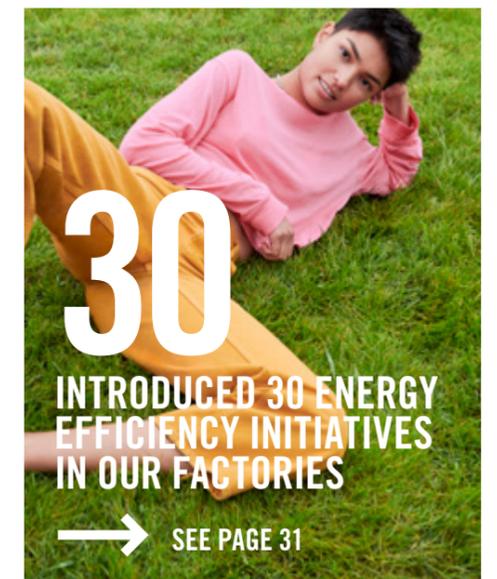
## SIGNED THE BLACK IN FASHION ACTIVE ALLYSHIP PLEDGE

→ SEE PAGE 15

## Fearless Fund

Partnered with the Fearless Fund to support women entrepreneurs of color

→ SEE PAGE 15



→ SEE PAGE 31

# KEY TRENDS

**We continually monitor the external landscape to understand the evolving trends that impact our world, to stay well informed and remain at the forefront of needed change.**

**We have identified four key trends that we follow carefully, which will help us move toward a more transparent, sustainable and equitable world.**

## DIVERSITY, EQUITY & INCLUSION

Since our founding as a nation, opportunities for a full and free life have not been afforded to all Americans. The senseless death of George Floyd in 2020, and the intensified protests of the Black Lives Matter movement that ensued, painfully demonstrated how much further we have to go to reverse racial discrimination in all its ugliness. Steve Madden has always had a zero-tolerance policy toward discrimination of any kind, but we began to ask ourselves what more we can do to help create a safer and more just society. In this report, we outline the steps we're taking and the goals we're pursuing to do our fair share, especially in making sure our workplaces provide opportunities for all people to succeed and reach their full potential – from recruiting to retaining people who reflect the diversity of the world we live in.

➔ FOR MORE ON OUR DEI INITIATIVES, GO TO PAGE 14

## CIRCULARITY

Getting rid of waste that degrades our natural environment is no longer an option; we as a society cannot put it off any longer. Case in point: The average American citizen will throw away 81 pounds of clothing each year. That amounts to 26 billion pounds of textiles and clothes ending up in landfills. This is why the fashion sector is dealing with the challenge by moving from a linear to a circular economy, where waste is considered a resource. It means that everyone at Steve Madden must work fearlessly toward reintegrating and re-using materials to reduce waste sent to landfills.

➔ FOR MORE ON OUR WASTE REDUCTION PROGRAMS, GO TO PAGE 37

## SUPPLY CHAIN TRANSPARENCY

There are no boundaries for human rights. Yet there are human rights abuses in the fashion industry's often fragmented supply chains. What's more, the impact of the COVID-19 pandemic not only resulted in significant supply chain disruptions but it also put a spotlight on the lack of healthcare systems and social safety nets in developing countries. Governments, non-governmental organizations (NGOs) and others are demanding transparency and solutions. We believe supply chain workers around the world must be able to express themselves openly and work productively in a safe and fair environment.

➔ FOR MORE ON TRANSPARENCY AND WORKERS' RIGHTS IN THE SUPPLY CHAIN, GO TO PAGE 21

## CLIMATE CHANGE

Although global carbon emissions fell by 6.4% in 2020 due to pandemic lockdowns, NASA analysis shows that 2020 tied with 2016 as the warmest year on record. Immediate action is undoubtedly required to limit global warming to 1.5°C in line with the Paris Agreement. At Steve Madden, we know that textile production is one of the most polluting industries, producing 1.2 billion tons of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) per year. As such we are committed to being carbon neutral across our value chain by 2030.

➔ FOR MORE ON OUR CARBON REDUCTION INITIATIVES AND GOALS, GO TO PAGE 31

# SUSTAINABILITY TODAY AND TOMORROW

**Gregg Meyer, Vice President, Corporate Social Responsibility, outlines his views and vision for driving sustainability forward at Steve Madden.**



**...Cool Planet has truly become a sustainable innovation brand that will shape the way we develop products across our entire portfolio for years to come.**

**GREGG MEYER**



**Q. WHY DID STEVE MADDEN DECIDE TO MAKE A BROAD, COMPANY-WIDE COMMITMENT TO SUSTAINABILITY?**

A. We decided to make our commitment to sustainability public because we realized how powerful it would be to share our values, priorities, and vision with the world. By sharing the ways that we have given back to our local communities and cared for our employees over the last 30 years, we've given our employees and our customers even more reasons to proudly support our brands. By sharing the goals that bring our vision for the future to life, we've contributed to larger industry conversations about sustainable fashion and have done more to keep ourselves accountable. By speaking up and being transparent about the ways our business is becoming more sustainable, we're doing our part to secure a better world for future generations.

**Q. SUSTAINABILITY, OR CSR, CAN MEAN MANY THINGS TO MANY PEOPLE. WHAT DOES IT MEAN TO STEVE MADDEN?**

A. To us, corporate social responsibility means getting real and keeping it real about our impact on our world. Sometimes it's about maximizing our positive impacts – like deepening our ties to our local communities or doing more to open up career pathways for employees of every gender, race, ethnicity, sexual orientation, and ability. Sometimes it's about minimizing our negative impacts – like replacing energy and resource-intensive materials with those that tread lighter on the environment. Whether we're maximizing our positive impacts or minimizing our negative ones, we're further solidifying who we are as a global brand, we're building stronger relationships with our employees, customers, shareholders, factory partners, and local communities and we are better positioning Steve Madden to meet an ever-changing landscape. Knowing who we are, being mindful of our impact, and building trusting relationships – it's all smart business.

**Q. SINCE IT'S BEEN A RELATIVELY SHORT TIME SINCE THE COMPANY MADE THIS COMMITMENT, HOW WOULD YOU DESCRIBE STEVE MADDEN'S EVOLUTION AND HOW THE COMPANY POSITIONS ITSELF NOW?**

A. Our company has done so much to care for its employees and local communities over the last 30 years. When we established the CSR department in 2018, we took the next step in our sustainability journey by formalizing our existing efforts and by organizing our future priorities and objectives around the issues that are most relevant to our business. Today we are clear-eyed and committed to our journey. We're much more focused on environmental stewardship, we're poised to launch a charitable giving strategy that aligns with our larger business objectives, and we have ambitious equity and inclusion goals.

**Q. YOU'VE OVERSEEN THE LAUNCH OF MANY SUSTAINABILITY PROGRAMS OVER THE LAST TWO YEARS, WHAT DO YOU THINK ARE THE MOST IMPORTANT OF THESE INITIATIVES TO THE COMPANY?**

A. The launch of Cool Planet by Steve Madden and our Diversity, Equity & Inclusion workshop with Amber Hikes were both monumental accomplishments and strong indicators of the direction in which our company is headed.

For more than a year, talented people across our design, production, marketing, and social compliance teams worked together to create the first Cool Planet collection, which required collaborating in new ways and reimagining how we design products and tell a brand story. In this way Cool Planet has truly become a sustainable innovation brand that will shape the way we develop products across our entire portfolio for years to come.

The Diversity, Equity & Inclusion Workshop was a landmark event for a couple of reasons. First of all, the workshop was a truly powerful two-hour event where we all came together, at the exact same moment, to learn about how we can each play a role in creating a more welcoming and equitable workplace culture at Steve Madden. The enthusiasm and open-mindedness with which our employees approached the session was both unsurprising and inspiring.

### **Q. HOW DO YOU SEE SUSTAINABILITY – AND ALL THESE EMERGING PROGRAMS – CHANGING THE CULTURE OF STEVE MADDEN IN THE FUTURE?**

**A.** I think we've seen an evolution of the culture already. As we continue to define our broader sense of purpose, and we all become more connected to that purpose, we are becoming more mindful than ever before of the impact our business has on the world around us. We're already at a place where, in meetings across all aspects of our operations, groups will reach a decision point and then someone will inevitably ask, "Which of these choices is more sustainable, more responsible, more inclusive?". Being able to ask those questions and to be in a position to do something about it – that's meaningful work. And it's a way of thinking about business that we're fully committed to.

### **Q. IN ADDITION TO THOSE SUSTAINABILITY IMPROVEMENTS THAT COMPANIES IN ALL INDUSTRIES ARE TRYING TO ACHIEVE, WHAT ARE THE SPECIFIC GOALS FOR THE FASHION INDUSTRY THAT STEVE MADDEN WANTS TO LEAD ON?**

**A.** We believe Steve Madden is uniquely poised to create more opportunities across the fashion industry for people of all ethnicities, genders, sexual

orientations, abilities, and socio-economic backgrounds. Our company was founded by a diverse group of people, and we've placed an enormous amount of value on diversity and freedom of expression over the years. We look forward to living those values with an even deeper commitment and to collaborating with our peers in the fashion industry to do the same. We also believe there is a particularly urgent need to move the fashion industry toward a circular economic model, and we intend to be at the forefront of circular design and product life-extension in the years to come.

### **Q. WHAT SUSTAINABILITY AMBITIONS OR COMMITMENTS ARE YOU MOST EXCITED ABOUT FOR STEVE MADDEN?**

**A.** Since the bulk of our CO<sub>2</sub>e emissions originate from the production materials that we use, I am especially excited to see the impact of our Environmentally Preferred Materials (EPM) Strategy as it is implemented across our branded portfolio.

I am also excited for our partnership with Howard University to come to fruition this year and to evolve over the years to come. When we first connected with Howard professors and administrators, we were inspired by their deep commitment to providing their students with a retail business education that is rooted in the realities of the ever-evolving retail landscape. We fully recognize the level of responsibility that comes with moving beyond the transactional engagement and checking of boxes to the more transformational and authentic way of retaining diverse talent across the organization.

“ Our company was founded by a diverse group of people, and we've placed an enormous amount of value on diversity and freedom of expression over the years.

GREGG MEYER

VP, CORPORATE SOCIAL RESPONSIBILITY

”





# LET'S GET REAL ABOUT FASHION.

It starts with you, the trendsetters that rock Steve Madden – let's get real about your freedom of expression. It's through fashion that we tell our stories, show what we care about, manifest our goals, and relate to others. And we'll stop at nothing to ensure that we're making fashion accessible and affordable for you.

Let's get real about everyone who makes Steve Madden. It's the people behind the legend that makes the company legendary – and every person counts. The more diverse we are, the better we are. The better we are, the more we can do – not just for ourselves but for our communities.

And let's get real about what's happening in our world today. We know that our planet is in danger, and we can't back away from the effort that is required to be part of the solution. We're going to use our muscle, creativity, influence, and smarts to make sure that whatever we make, we make it count – for people and our planet.

We're getting real with an even more ambitious sustainability strategy as we meet today and plan for tomorrow. Let's do this.



Creating safe, diverse and equitable opportunities for people across our stores, offices and factories

BY 2025

- Represent BIPOC, LGBTQ+, and diverse body types and abilities in all Steve Madden owned and licensed brand advertising and communications.
- Expand compliance training across Tier-1 strategic suppliers.
- Raise and advance all levels of underrepresented groups with a focus on leadership progression opportunities for all.
- Invest \$500,000 in local, national, and global programs that are making the fashion industry more inclusive and equitable.
- Continue to map our top-level supply chain factories and share our findings.



Setting trends to ensure that fashionable products are made responsibly, sustainably, affordably – and are accessible to people of all shapes, sizes and abilities

BY 2025

- Train 100% of designers on inclusive and sustainable design principles.
- Offer accessible options, adaptive styles and extended sizes across Steve Madden’s branded portfolio.
- Make sustainable fashion obtainable by using sustainable materials across Steve Madden’s brand portfolio and a variety of price points.



Transitioning to more sustainable materials and reducing the environmental impacts in our supply chain

BY 2025

- 100% of our packaging to be made with recycled or renewable materials.
- 50% of products will be made with environmentally preferred materials.
- Establish water use baseline and partner with strategic suppliers to reduce water usage and support local solutions in water stressed communities.
- 100% of our strategic suppliers to be trained in waste reduction.
- Achieve carbon neutrality across our own operations and set science-based targets for scopes 1, 2 & 3.



Working hard to keep shoes and products out of landfills by extending their life and designing with circular principles in mind

BY 2025

- Establish multiple channels to recycle, resell, or repair pre-loved shoes.
- Introduce a range of innovative products designed with circularity in mind.



# STAKEHOLDER ENGAGEMENT & MATERIALITY

We are continuing to build on our existing governance structures (see Sustainability Governance, page 39, for further information) to advance our CSR and sustainability strategy and goals by engaging with external and internal stakeholders for strategic guidance and further integrating CSR and sustainability into our business operations.

## INTERNAL DIVERSITY COUNCIL

In 2020, we formed an internal Diversity Council, made up of senior management from Human Resources, CSR, Legal, Design, Marketing, and other areas of the company to enhance and expand our existing diversity efforts in hiring, promotion, and sourcing.

## INTERNAL EMPLOYEE RESOURCE GROUPS (ERGS)

We have two existing ERGs – “SM Pride,” representing our LGBTQ+ community, and “Black Sole,” representing our Black employees – with more on the way, including one for Latinx employees. ERGs are key sources of feedback and guidance for the company on diversity issues and opportunities to help us reinforce our commitments, create more accountability, and ultimately reach our goals. We believe ERGs are becoming essential to the Steve Madden community.

## INTERNAL SUSTAINABILITY DESIGN GROUP

We have established an internal Sustainability Design Group with designers and senior leadership from all divisions to enhance communication and advance our goals for more sustainable design, sourcing, and production. Subjects of the Action Group’s work will include supporting the transition to EPMs to reduce the environmental impacts of materials in our supply chain.

## ACCOUNTABILITY STRUCTURES

The company also focuses on formalizing accountability structures, including policies and procedures that encourage employees at all levels to find their inspiration and fully engage in taking part in advancing our CSR and sustainability agenda. Those policies and procedures will ensure that employees are knowledgeable about the larger challenges that the fashion industry faces, aware of the company’s short, medium, and long-term goals, and incentivized to meet their personal sustainability goals. Altogether, our accountability structures make it possible for senior leadership to work in partnership with our entire workforce to ensure that CSR and sustainability goals and targets are advanced throughout our operations in a timely manner.

## MATERIALITY

The 14 issues below were identified as material to our business through internal stakeholder engagement:

PRIORITIZATION	ISSUE
<b>High Priority</b>	Materials Sourcing and Efficiency (use of low impact/ recycled materials – material switching, more efficient use of materials)
	Emissions (across the value chain)
	Water Consumption and Discharges (in the supply chain)
	Treatment and Disposal of Chemicals/Hazardous Waste (in the supply chain)
	Labor Conditions (in the supply chain)
	Product Recovery (circular business models, reclamation/ reuse of products at end of life)
	Diversity and Talent Well-Being and Development
<b>Medium Priority</b>	Governance
	Waste Management (in our operations and the supply chain)
	Product Design and Quality
	Employee Engagement
	Social Investment
	Customer Privacy
Economic Value Creation	



# LET'S THINK ABOUT YOU

IN THIS SECTION

**DIVERSITY, EQUITY AND  
INCLUSION (DEI)**

SEE PAGE 14

**INVESTING IN  
COMMUNITIES**

SEE PAGE 19

**EMPLOYEE ENGAGEMENT  
AND WELL-BEING**

SEE PAGE 18

**FAIR & INCLUSIVE  
SUPPLY CHAIN**

SEE PAGE 21

# LET'S THINK ABOUT YOU

**YOU'RE HUMAN, WE'RE HUMAN —  
AND IT'S OUR DIVERSITY THAT  
MAKES US UNIQUE, BEAUTIFUL,  
UNSTOPPABLE.**

We will use that power to move us all forward together as individuals, teams, supply chains, and communities — and as a company. It's who we are.



## IT'S ABOUT RESPECT AND THE OPPORTUNITY TO BE OURSELVES

We're all about honoring and celebrating individuality — yours, everyone's. It's simple, really: we all have the right — and must have the opportunity — to be ourselves and to make a positive contribution in life, however we can. For our colleagues around the world, that means being able to express ourselves openly, work productively and grow professionally in a safe and equitable environment — whether you work in a store, office, or factory.

### THE OFFICIAL LANGUAGE IS A MOUTHFUL, BUT CRITICALLY IMPORTANT FOR EVERYONE TO KNOW

We treat all employees fairly and provide equal employment opportunities without regard to race, color, sex, religion, national origin, age, physical or mental disability, genetic disposition or carrier status, AIDS or HIV-positive status, veteran or military status, citizenship, sexual orientation, gender identity or perceived identity, marital status, familial status, pregnancy or pregnancy-related conditions, status as a victim of domestic violence or any other characteristic protected by federal, state or local law.

# DIVERSITY, EQUITY AND INCLUSION (DEI)

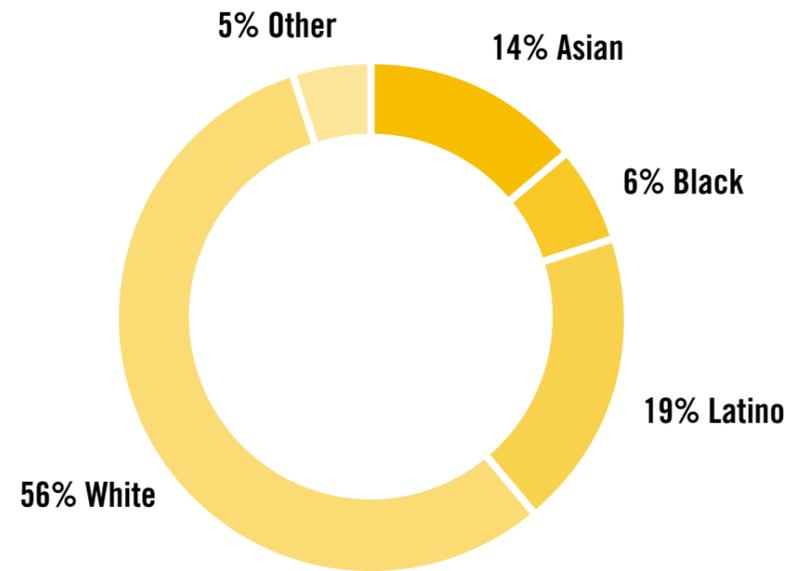
## WE'RE ALL DIFFERENT AND WE LOVE IT!

The world is a big place with lots and lots of different people – all sizes, shapes, races, ethnicities, lifestyles, and belief systems. Viva la difference! And many of those people are customers or potential customers. So, to build our global business, we employ and retain people from all walks of life who understand and can meet the needs of our diverse consumer base.

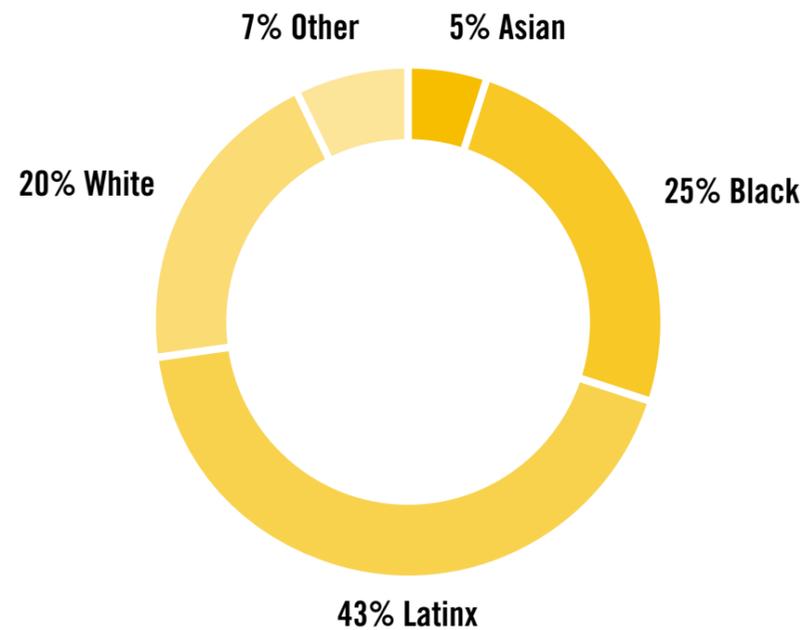
The key is to create a workplace that provides opportunities for all of us to succeed and to reach our full potential – no matter who we are, where we're from or what we believe. That's diversity and inclusion, and we're firmly committed to it.

**67%** OF OUR TOTAL WORKFORCE IS NON-WHITE

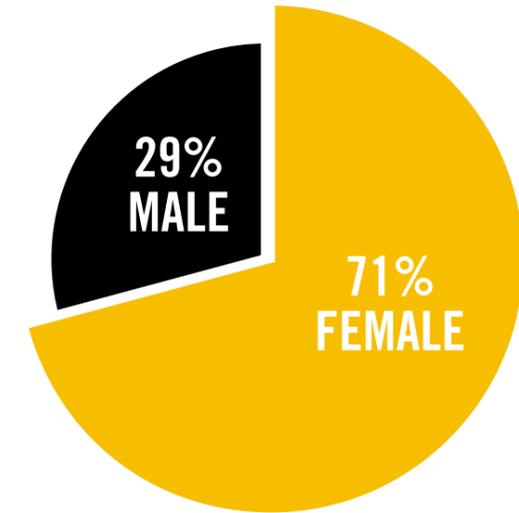
## ETHNICITY: CORPORATE



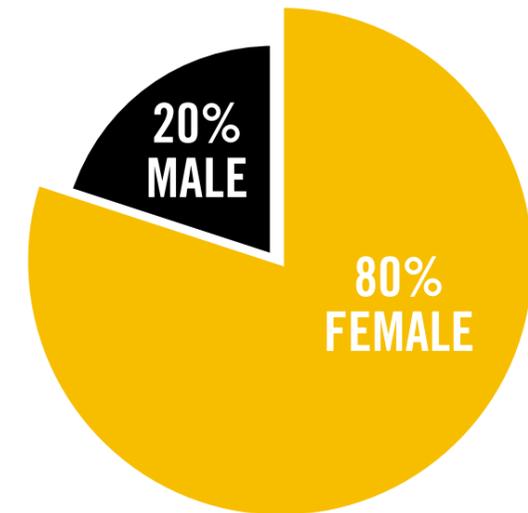
## ETHNICITY: RETAIL



## GENDER: CORPORATE



## GENDER: RETAIL



### DEVELOPING THE DEI ROADMAP

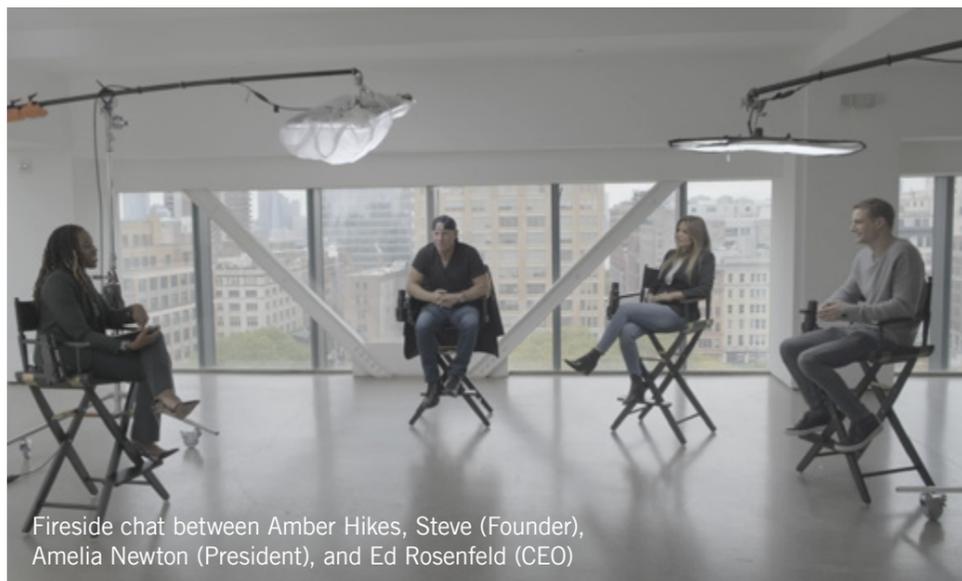
In late 2019, we conducted a DEI gap assessment, which served as the basis for our comprehensive DEI strategic plan. The plan was officially introduced at the start of 2020, and an internal DEI Council was established shortly thereafter to oversee and advise on the implementation of the plan.

The council engages people from diverse walks of life and at all levels of the organization, to bring new ideas and perspectives to the table.

### A LONG-OVERDUE CONVERSATION

The first item on the agenda was a no holds barred dialogue about DEI with everyone at the company. We partnered with Amber Hikes, the Equity & Inclusion Officer at the American Civil Liberties Union (ACLU) and an immensely talented social justice advocate and community organizer, to guide our conversations.

To start, Steve (Founder), Ed Rosenfeld (CEO), and Amelia Newton (President) sat down for a fireside chat with Amber to discuss the company's commitment to equity and progress. Then Amber led two virtual DEI Workshops, one for the Executive Team and one for our global workforce.



Fireside chat between Amber Hikes, Steve (Founder), Amelia Newton (President), and Ed Rosenfeld (CEO)

The company-wide workshop was attended by 500 employees live, and distributed to all retail associates nationwide. The two-hour curriculum covered topics of allyship – understanding privilege, listening to and believing others, speaking up, navigating mistakes, and taking action to change systems. It's a model to help us create more learning opportunities and encourage a curious, open-minded approach that will contribute to the evolving culture of Steve Madden.

“

**So proud of our executives for supporting this workshop and for pushing us forward to be better.**

ANONYMOUS EMPLOYEE

”

Here's what our employees had to say:

“The diversity/inclusion training helped to reshape my thinking about how to be an effective ally. I feel much more confident in my ability to respectfully promote a diverse, inclusive, and representative environment.”

“The seminar was fabulous. I wish my whole family could do it!”

“So proud of our executives for supporting this workshop and for pushing us forward to be better.”

### REALITY CHECK – HOW ARE WE ALL FEELING AND DOING?

In November 2020, the company distributed a survey to measure employee engagement and inclusion, collecting responses from over 300 corporate employees and retail associates. The takeaways: Our employees are deeply loyal to our company and brand. But to keep employees of all backgrounds engaged, we need to do more to recruit Black employees at the corporate level, to hire and promote employees from within, to include more voices in decision-making, and to promote positive and supportive leadership styles.

### BROADENING OPPORTUNITIES IN THE FASHION INDUSTRY FOR PEOPLE OF COLOR

At the end of 2020, we began to engage with the nation's top Historically Black Colleges and Universities (HBCUs), starting by participating in career fairs at Clark Atlanta University and Spelman College. Building upon this initial groundwork, Steve himself also spoke about entrepreneurship and the evolution of the fashion industry with students at Howard University.

We look forward to contributing to the education of students at HBCUs and to promoting opportunities to bring their talents to Steve Madden.

In addition to strengthening our ties to HBCUs, we signed the Black in Fashion Active Allyship Pledge with the **Black in Fashion Council** in October 2020, designed to create opportunities for Black individuals striving to advance in the fashion industry. We also established a partnership with **Hive Diversity**, a digital platform that builds meaningful engagement between businesses and a diverse community of next-generation talent, and democratizes both the job hunt and early-career pathways for students. And in another related initiative, we partnered with the **Fearless Fund** in December 2020 to provide 50 women of color entrepreneurs with free enrollment in the fund's 12-month Get Venture Ready Program, which is designed to help them acquire training, knowledge, mentorship, and skills needed to gain access to capital. The company also featured seven Fearless Fund portfolio companies through Steve Madden's social media channels.

### THE AWESOME POWER OF OUR PEOPLE

Something magical (and radical) can happen when we come together to take action. This is what was behind the creation of our first two Employee Resource Groups (ERGs), **SM Pride** in January 2020 and **Black Sole** in August 2020. To propel these young organizations, Amber Hikes brought her extensive knowledge to the effort, working directly with the leads of SM Pride and Black Sole ERGs to help them forge their future plans.

- **SM Pride’s mission** is to create a more equitable workplace for LGBTQ+ employees and engage the broader community in a meaningful way. We aim to accomplish this through strategic and organized efforts, including educational opportunities, community-building events, volunteering, and addressing HR policies/procedures in recruiting, onboarding, and healthcare. Long-term ERG goals: internship partnerships with LGBTQ+ youth organizations, and integrating LGBTQ+-specific diversity training into our HR programing.
- **Black Sole’s mission** is to provide a comfortable, safe, and equitable experience for our POC (people of color) employees. Through professional, mental, and social networking platforms, it aims to make sure employees of color feel seen, heard, and respected. Black Sole is focused on the hiring, retention, promotion, and career advancement opportunities for employees through education, training, and support networks.

Our work with ERGs was spearheaded by a single employee who was inspired to go above and beyond to strengthen the Steve Madden culture and community.

Michelle Arrowood, Senior Director of Design and Innovation, received a grant from the company to attend a conference centered around LGBTQ+ rights in the workplace, where she was introduced to innovative ideas that could make Steve Madden an even better place to work for LGBTQ+ employees. Following the conference, Michelle founded SM Pride and laid the essential groundwork for all ERGs that followed.



**I was inspired by the work other organizations were doing and came back fired up to start our very first ERG.**

**MICHELLE ARROWOOD**

FOUNDER OF SM PRIDE



**Sometimes people just need to see one person step up and take the leap.**

**ANGIE PEARSON**

FOUNDER OF BLACK SOLE



“When I attended the annual Out & Equal Workplace Summit, I was inspired by the work other organizations were doing, and came back fired up to start our very first ERG,” says Michelle. “I was always supported as a queer woman at the company, and was aware of the many ways the company was already supporting the broader LGBTQ+ community, but I was able to identify the opportunities to do even more, both internally and externally.

“Through research and networking, I was able to jumpstart our first ERG just a month later, complete with a mission statement, organizational pillars, and a roadmap for both short and long-term goals. With a few major initiatives under our belt, I’m excited to see what the group will accomplish in the coming years.”

After the killing of George Floyd in May 2020, Angie Pearson, Social Media Manager, came together with other Black employees to form Black Sole.

“I took the leadership position because the work needs to get done, plain and simple,” says Angie. “Sometimes people just need to see one person step up and take that leap. ERGs are extremely important at Steve Madden, or any other company for that matter, just for the simple fact that we are such a diverse company and we want to make sure we are creating a company culture that makes our employees feel heard, seen, and respected. My plan is to cultivate a work environment for new and current Black employees where they feel like they’re being heard and are given the same opportunities and experiences as everyone else.”

ERGs are an important resource for the company to successfully attract and retain diverse talent and to appeal to a diverse customer base. We will continue to invest in the success of our current ERGs and in the development of additional groups in the days ahead.

### BUILDING OUR PARTNERSHIP WITH HOWARD UNIVERSITY

Howard University remains one of the top-ranked Historically Black Colleges and Universities (HBCUs) in the United States. So, in addition to leveraging the typical university recruitment channels like career fairs, we knew we wanted to do more to contribute to the educational experience of Howard University students. To start, Steve spoke about entrepreneurship and the evolution of the fashion industry with a group of marketing students early in 2021.

“Steve Madden was such a different person than I imagined,” said Marlon S., one of the students in attendance. “He was very personable which made his presentation very interesting. Additionally, I liked his emphasis on keeping the right people in your work circle. Overall, he gave me really authentic vibes which I was not expecting from a corporate executive.”

“

**[Steve Madden] gave me really authentic vibes which I was not expecting from a corporate executive.**

**MARLON S.**

HOWARD UNIVERSITY STUDENT

”

Moving ahead, we will partner with Howard to refresh their retail business curriculum, connect the students with guest speakers from within Steve Madden, and provide hands-on experiences across Steve Madden corporate and retail facilities.



### DIVERSIFYING OUR BOARD OF DIRECTORS

Maria Teresa Kumar, the Founder and CEO of Voto Latino, agreed to join the Steve Madden Board of Directors, starting in 2021, which not only diversifies our leadership and oversight but also brings to the company a prominent and widely respected community activist to help guide us going forward.

“We were delighted to welcome Maria Teresa to our Board of Directors,” says Ed Rosenfeld, Chairman and Chief Executive Officer. “Her expertise in connecting and engaging with young audiences, particularly through digital communications, social media and influencers – combined with her passion for creating positive change in the world – make her well-suited to assist us in executing our strategy and enhancing value for all of our stakeholders.”

“

**[Maria Teresa’s] expertise make her well-suited to assist us in executing our strategy and enhancing value for all of our stakeholders.**

**ED ROSENFELD**

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

”

# EMPLOYEE ENGAGEMENT AND WELL-BEING

## LIVING BALANCED, HEALTHY LIVES

Like most people today, Steve Madden employees lead busy and complicated lives, so we try to lend a supportive hand to help them successfully balance the daily challenges of work and home life – especially during the perilous times we're living through.

In 2020, this support took shape in a number of ways, from an additional tuition reimbursement program for career advancement to an online resource that helps parents find suitable childcare to restorative wellness activities that help employees feel balanced and calm.

## FINDING THE RIGHT SUPPORT

Because finding the right ongoing care for your family can be hard, especially when you're balancing the demands of work, Steve Madden employees now have unlimited access to Care.com, the world's largest online community for finding all kinds of care. Employees can search and connect with local caregivers 24/7 to care for children, adults, and pets, as well as to find housekeepers, tutors, and more.

## PRACTICING MINDFULNESS

Starting in October 2019, we partnered with be.still to offer 15-minute guided meditation sessions for employees, which were moved to a virtual platform during the pandemic. During the sessions, employees learned meditation micro-practices that can help them manage stress, maintain focus, and approach interactions with colleagues, friends and family with compassion and presence of mind. Over 150 employees participated in these programs in 2020.

## CREATING A CULTURE OF LEARNING

Building upon the success of our DEI Workshops, we will continue to offer year-round development events for employees and managers to expand their interpersonal and technical skills. Starting in 2021, we've formalized these development efforts into the **SM Learning Sessions**, an ongoing series of workshops led by both externally and internally sourced experts on subjects ranging from "Finding Stability While Navigating Change" to "Mandarin 101." In the short period of time that we've held SM Learning Sessions, more than 200 employees globally have tuned in and participated via Zoom.

For people looking to broaden their education in their particular field, **Tuition Reimbursement** is available to all full-time corporate employees who have completed six months of employment. The coursework must relate to the employee's position and be approved in advance by the company, which will reimburse up to \$2,500 per calendar year. The Full Tuition Grant Program is another educational benefit provided by Ashford University in partnership with our Tuition Reimbursement Program, which provides up to \$5,000 in tuition reimbursement per calendar year.

## CELEBRATING OUR PEOPLE

SM People is a monthly email digest spotlighting outstanding employees who have been nominated by their peers for going above and beyond. We also reserve space in each SM People email to recognize employees who have achieved tenure milestones. Some employees have been with our company since the beginning – for 30 years!



# INVESTING IN COMMUNITIES

**We couldn't function, let alone succeed, without strong, thriving communities.**

So we participate, connect, donate, share, and help where we can – engaging and investing in the places where we live, work, and play.

And with the devastating impact of the COVID-19 pandemic and the urgent call for social justice in the U.S. in 2020, we were more motivated and doubling-down on supporting the people in our communities at such a difficult time and helping to create positive change where it's needed most.

## EXPANDING OUR DEMOCRACY

Supporting participation in the democratic process aligns with our values of speaking up, standing up for what's right, and disrupting the status quo. That's why we've partnered with Voto Latino over the last two years to encourage participation in the democratic process, and particularly to increase voter registration and turnout throughout the Latinx community.

In November 2018, we participated in Voto Latino's "The Ride To Vote" initiative by sponsoring Lyft rides for those in need of transportation to the polls. The initiative provided over 9,000 free Lyft rides in states like Arizona, California, Colorado, Georgia, Florida, New Mexico, Nevada, Texas and Wisconsin. Going into the 2020 election, we wanted to do all that we could to get voters to turn out in record numbers. To accomplish this, Steve Madden himself and the company donated \$500,000 to Voto Latino. We also launched an in-store voter registration campaign in January 2020, which evolved into an ongoing social media campaign once the pandemic hit.



Within our own organization, the company gave our employees the day off on Election Day to make sure everyone who was eligible could exercise their right to vote.

## EXTENDING A HELPING HAND TO PEOPLE IN CRISIS

There is no shortage of people who need help, and we are extending our hand, doing whatever we can to make their lives easier.

Since 2010, for example, we have contributed to the **Two Ten Footwear Foundation**, which provides financial assistance, resources, counselling, and scholarships for people working in the footwear industry and their families. As a proud supporter of the Foundation, we have helped them improve the lives and careers of employees across the industry. In 2020, we donated \$100,000 to help footwear industry families in need. For Steve Madden employees, the foundation remains a valuable resource and provides an extra level of safety and support.

**BY 2022**

**WE WILL INVEST \$100,000 IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) AND HISPANIC-SERVING INSTITUTIONS (HSI) FOR PARTNERSHIPS AND A PAID INTERNSHIP PROGRAM WITH AN OPPORTUNITY FOR EMPLOYMENT UPON COMPLETION.**

To support our brave first responders early in the COVID-19 crisis, we donated \$200,000 worth of medical supplies, masks, and shields to local hospitals, including Elmhurst Hospital in Queens. We also donated at least 60,000 fashion masks to various hospitals, organizations, and homeless shelters throughout Brooklyn, Queens, Manhattan and Seattle (WA). And Dolce Vita, a Steve Madden fashion footwear brand, donated \$12,500 to No Kid Hungry and \$2,500 to Feeding America to support those in need of aid during the pandemic.

For the many LGBTQ+ youth who are disproportionately challenged during these troubling times, Dolce Vita also began partnering with the **Trevor Project**, the leading national organization providing crisis intervention and suicide prevention services to LGBTQ+ young people under 25. Dolce Vita has given over \$100,000 to the organization to date.

### STANDING IN SUPPORT OF SOCIAL JUSTICE

Black people are three times more likely than white people to die at the hands of law enforcement even though they are 1.3 times more likely to be unarmed. With the number of deaths mounting, the Black community continues to struggle to gain the equality and justice everyone deserves. To provide support and show our solidarity, Steve Madden gave \$100,000 to Black Lives Matter in 2020 and committed to matching employee donations to social justice and civil rights organizations. Dolce Vita also donated 15% of its profits from its online orders to **Black Voters Matter**, and GREATS donated \$50,000 to the NAACP and matched employee donations to organizations that empower and support the Black community. In total, Steve Madden donated \$250,000 to show our support for this critically important issue.



### REPOPULATING FORESTS IN NEED OF RENEWAL

Cool Planet by Steve Madden, launched in Spring 2021, is a sustainable innovation brand within Steve Madden that strives to make fashionable shoes more sustainably.

To take its commitment to protecting the planet one step further, Cool Planet is also partnering with [One Tree Planted](#), a non-profit organization committed to reforestation around the world. For every pair of shoes purchased, Cool Planet will plant a tree to help repopulate forests in vital need of renewal.

To start, we planted 10,000 trees in national forests across Texas, with a portion directed to the storm-damaged area along the Toledo Bend Reservoir. By regenerating the vegetation in this area, we helped maintain the integrity of the local ecosystem, which will benefit the health of the forest for years to come.

# FAIR & INCLUSIVE SUPPLY CHAIN

## SUPPLIER SOCIAL COMPLIANCE AND TRANSPARENCY

There are no boundaries for human rights. For our supply chain workers around the world, that means being able to express themselves openly and work productively in a safe and fair environment. As such, we manage our supply chain in accordance with the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the United Nations (UN) Guiding Principles on Business and Human Rights.

In this regard, we have developed Steve Madden Social Compliance Standards based on industry best practices and our Vendor Code of Conduct. These standards provide guidelines for measuring supplier social responsibility performance and should aid the factories in implementing sustainable improvements. We encourage open, ongoing discussion of compliance challenges and encourage transparency and continuous improvement.

## MINIMIZING RISK IN OUR SUPPLY CHAIN

The greatest labor risks in the supply chain are: underage/forced labor, discrimination and harassment to ethnic minorities, in addition to health and safety risks. To address these significant concerns in our supply chain facilities, we will increase our review of the hiring procedures of Tier-1 factories to avoid employing illegal workers, while ensuring that any kind of discrimination and harassment is not tolerated. To mitigate health and safety risk, we plan to require our strategic suppliers to enhance workers' training on the use of PPEs.

For the past 30 years, Steve Madden has valued strong supplier partnerships that have contributed to the success of the company. For these reasons, we are investing in our associates in Asia to work with the strategic footwear factories in implementing and elevating compliance to the Steve Madden Social Compliance Standard. We will also require each strategic factory to submit an annual third-party social compliance audit report to validate the work done in partnership with our Asia team, and to monitor labor, health and safety, and environmental conformity.





**THE VENDOR CODE OF CONDUCT**

We have established a compulsory requirement for all our vendors to disclose their production factories and comply with our Vendor Code of Conduct, which incorporates international human rights principles.

We expect all vendors to not only commit to the Code, but to permit ongoing monitoring in order to maintain compliance with our standards.

The Vendor Code of Conduct requires compliance with issues such as Human Trafficking, Forced and Child Labor, Wages and Benefits, Working Hours/Overtime, Freedom of Association and Collective Bargaining, Non-discrimination, Harassment and Abuse, Health and Safety, Protection of the Environment, Anti-Corruption and Bribery, and Transparency.

**OUR 2025 TARGETS**

TOPIC	TARGET
<b>Diversity, Equity and Inclusion</b>	Represent BIPOC, LGBTQ+, and diverse body types and abilities in all Steve Madden owned and licensed brand advertising and communications.
	Raise and advance all levels of underrepresented groups with a focus on leadership progression opportunities for all.
<b>Investing in Communities</b>	Invest \$500,000 in local, national, and global programs that are making the fashion industry more inclusive and equitable.
<b>Fair and Inclusive Supply Chain</b>	Expand compliance training across Tier-1 strategic suppliers.
	Continue to map our top-level supply chain factories and share our findings.



# LET'S MAKE FOR ALL

IN THIS SECTION

**ADAPTIVE &  
ACCESSIBLE FASHION**  
SEE PAGE 25

**DEMOCRATIZE  
SUSTAINABLE FASHION**  
SEE PAGE 27

# LET'S MAKE FOR ALL

## DEMOCRATIZING FASHION IS THE WAY WE PUT IT.

**We honor everyone's individuality and strive to make fashion for anyone who wants it.**

This effort requires forward-thinking design and partnerships that will help us make accessible fashion possible for millions of individuals currently left out.

We want to make sure our products are safe and accessible and that all people from all walks of life are welcomed in our stores, can find products that look and feel good, and see themselves reflected in our brand.



# ADAPTIVE AND ACCESSIBLE FASHION

## EASY IN. EASY OUT. FASHION FORWARD.

Equal access means a lot to us. And for many people living with disabilities, finding accessible shoes, let alone stylish accessible shoes, has been nearly impossible. So before the pandemic, we worked with our friends at Zappos Adaptive to design adaptable shoe prototypes for kids who use mobility aids or who have dexterity challenges. We then assembled a focus group to gain honest feedback on the designs directly from children with disabilities and their families.

What did we learn? That features like extra long velcro, additional hook and loop closures, and elastic laces make it easier for kids to get in and out of their shoes independently. And that removable insoles and wider widths can make it possible for those who use Ankle Foot Orthoses (AFOs) to wear the same fashion forward sneakers as their friends.

## GOING TO MARKET

We took these findings and debuted our first Steve Madden Kids Adaptive collection in April 2021. Our adaptive styles highlight comfort and safety with unique shapes and innovative features that aid in putting on shoes easily. Outsoles have extra wide widths to maximize comfort and accommodate assistive technology, along with our easy-on-and-off zippers with pull tabs, velcro closures, longer Velcro straps, and elastic on uppers, etc.

### ADAPTIVE FOOTWEAR FEATURES



Elastic gore in back for easy on and off

Removable sock for extra space

Elastic laces to accommodate all widths

Sole and upper made in wide width

Elastic dual zippers and extra long pull tabs

### NOAH'S STORY

Noah is an active 10-year-old who loves hanging out with his brothers. His dad, Rick, explained that stylish, accessible shoes don't only help Noah express himself, but also empower him to be self-assured and independent.

"Noah is ten and tying his shoes is something that he is still working on, but not there... yet. These shoes from Steve Madden have a zipper and Velcro strap around the back to help people like Noah who may need a little extra help with putting on their shoes. Not only are they easier to take on and off, they look great! Above all, I'm just thankful for companies like Steve Madden who take the time to thoughtfully create products that allow others to be included. In this day and age, including others is always a win in my book."

“

**I'm just thankful for companies like Steve Madden who take the time to thoughtfully create products that allow others to be included.**

**RICK SMITH**

FATHER OF NOAH SMITH

”



### DONATING ADAPTIVE SHOES

Steve Madden donated 1,200 pairs of adaptive shoes to the St. Mary's Hospital for Children (120 pairs), Frisco SAGE (600 pairs), Variety Boys and Girls Club of Queens (240 pairs), and Shoes That Fit (240 pairs).

Our debut collection is currently sold at Zappos, Amazon, Dillards, Nordstrom, Ross, select independent retailers, and at SteveMadden.com. The response so far has been overwhelmingly positive. As we get into gear with even more choices, we will continue testing our design concepts, assess the customer response, and then apply our learnings to a broader selection across the Steve Madden brand portfolio.

### BY 2025

**WE WILL ENSURE THAT THE ENTIRE ONLINE AND IN-STORE SHOPPING EXPERIENCE IS ACCESSIBLE TO AND WELCOMING FOR ALL AUDIENCES AND ABILITIES.**

# DEMOCRATIZE SUSTAINABLE FASHION

## A MAGIC COMBINATION: SUSTAINABLE AND AFFORDABLE

More often than not today, sustainable footwear made with earth-friendly materials is expensive. We want to make products that are sustainable AND affordable – and use our scale and purchasing power to continually build on this effort.

**Cool Planet** by Steve Madden was born out of this mission to create stylish shoes made with environmentally preferred materials (EPMs), but also at a price point our customers can afford. Again, it's about democratizing fashion – democratizing sustainable fashion, specifically. The first collection, launched in April 2021, includes 19 casual sneakers and sandals, all made with recycled and/or renewable materials, marking an ambitious new chapter for the company. We consider **Cool Planet** to be our sustainable innovation lab, giving us the opportunity to develop new approaches to sustainable manufacturing that will eventually be integrated into our other brands.

“We want everyone to have access to sustainable products. With **Cool Planet** by Steve Madden, we are taking steps to reduce the impact of the industry on the planet by using eco-friendly materials, such as recycled plastic bottles and outsoles left over from the footwear industry. This environmentally conscious collection features playful sneakers, platforms, sandals, and more. And **Cool Planet's** look and vibe are just that: cool!”, said Gerry Bonomi.



“

We want everyone to have access to sustainable products.

GERRY BONOMI

PRESIDENT OF COOL PLANET

”

→ FOR MORE ON OUR ENVIRONMENTALLY PREFERRED MATERIALS, SEE PAGE 32

## OUR 2025 TARGETS

TOPIC	TARGET
<b>Adaptive &amp; Accessible Fashion</b>	Train 100% of designers on inclusive and sustainable design principles. Offer accessible options, adaptive styles and extended sizes across Steve Madden's branded portfolio.
<b>Democratize Sustainable Fashion</b>	Make sustainable fashion obtainable by using sustainable materials across Steve Madden's branded portfolio and a variety of price points.



LET'S  
**CHANGE  
THE GAME**

IN THIS SECTION

**GREENER OPERATIONS &  
MANUFACTURING**  
SEE PAGE 30

**BETTER  
MATERIALS**  
SEE PAGE 32

# LET'S CHANGE THE GAME

**THESE DAYS, STYLISH MEANS BEAUTIFUL...AND BETTER FOR THE ENVIRONMENT.**

**We believe fashion should only be a positive pursuit – for our customers, our employees, and our planet.**

That means we're going to push ahead, full force, to reach a time when all of our products are sustainable – responsibly made and ethically sourced with materials that are better for the environment – as well as stylish and great value.

Today, the world is counting on companies like ours to support sustainable development in the fashion industry. While our journey is in the early stages, we've committed ourselves to incorporating better materials into our products and packaging, reducing and offsetting carbon emissions across our supply chain, and reclaiming used products once they've served their purpose.

Collaborating with our industry is key – peers, suppliers, and partners – to measure our environmental impact across the supply chain and generate industry innovations that address our most pressing environmental challenges. The knowledge we gain from these initiatives will inform and strengthen our own plans for greener operations in the years ahead.



# GREENER OPERATIONS AND MANUFACTURING

## BOLD BUT NECESSARY: GETTING TO ZERO WASTE

It's vitally important that we become more mindful of how we create and dispose of waste. The fashion sector, in particular, is dealing with the challenge by moving from a linear to a "circular economy," where waste is considered a resource. Everyone must work diligently toward reintegrating and re-using materials to reduce waste sent to landfills.

That's why we signed up to be one of three sponsoring brands of the **FDRA (Footwear Distributors and Retailers of America) Shoe Waste Program**, which ran from November 2019 through November 2020. The FDRA is an industry trade group that created a forum for footwear industry members to collaborate on advancing broad-based sustainability goals. Of the 20 participating factories, seven were in our supply chain.

## A CRITICAL COMPONENT: GETTING SUPPLIERS ONBOARD

In the initial data from the FDRA Shoe Waste Program, we found that factories did not separate most non-hazardous waste – 50% of it was declared "non-recycling" waste and was sent to landfills. Most factories lacked awareness of how to manage this waste or what happens to the waste when it's discarded.

As a first step, the FDRA focused on reducing waste-to-landfills/incineration in the footwear manufacturing processes.

In Phase One of this new program, we reduced total waste to landfills or incineration by 54.6%. We also drove a 6.7% increase in waste recycled, an 8.4% increase in diversion rate, and an increase of more than 15 types of waste being captured and recycled.



The intended outcomes of the project:

- Provide tools, resources, and services to train and implement best-in-class practices in our factories that maximize material use and reduce waste output.
- Develop a baseline on waste management in footwear factories that captures how they currently manage waste and measure improvements.
- Develop a business case for each factory with a financial plan, including return on investment (ROI) to drive better waste management.
- Drive industrial demand on waste recycling and connect manufacturers to formal waste handlers.

## PARTNERING WITH THE FDRA

Steve Madden achieved a 55% reduction of waste to landfills or incineration of the factories participating in the FDRA collaborative pilot project.

## PRODUCT TESTING AND COMPLIANCE

In 2020, we also issued a revised vendor compliance manual that outlines general product testing procedures, lab testing protocols for restricted substance requirements, as well as other federal and state regulatory requirements and new procedures for validating certification of environmentally preferred materials. We issued new Restricted Substances List (RSL) policies as required to ensure compliance in our products. All Tier-1 suppliers are required to communicate RSL requirements to Tier-2 material suppliers to ensure their compliance.

Restricted substance lab test reports are reviewed for every purchase order, style and color prior to shipping; products that do not pass are not authorized for shipping. In 2021, we will conduct training for the related internal teams and suppliers/vendors to cascade their knowledge to the Tier-1 production factories and Tier-2 material suppliers on restricted substance and other Steve Madden requirements.

### TACKLING OUR CARBON FOOTPRINT

To complete our inventory on reducing greenhouse gases (GHG) in our facilities, we are following an accepted three-step process to analyze our impact:

- Scope 1: Direct emissions from sources we own or control – U.S. warehouses, fleet vehicles and distribution centers.
- Scope 2: Indirect emissions (electricity and natural gas, etc.) from sources we own or control – U.S. warehouses, U.S. retail stores and Steve Madden offices.
- Scope 3: All other indirect emissions from sources we do not own or control, such as production facilities and material suppliers. We are currently running a pilot program to collect emissions in three strategic Tier-1 factories, which account for nearly 20% (by volume) of our footwear business. Our goal is to learn from these processes to overcome the challenges we face.

Building on the success of Phase One, FDRA launched Phase Two, which expands the data collection to include scopes 1 and 2 carbon emissions, allowing us to calculate and verify the carbon footprint of the participating factories. Today eight of our factories are participating in the project.



### WALMART PROJECT GIGATON

Project Gigaton is Walmart's program to work with suppliers to eliminate one billion metric tons (giga) of GHG by 2030. In early 2021, Walmart awarded Steve Madden with the highest recognition level – GigaGuru status – based on our achievements thus far.

Steve Madden joined Project Gigaton in 2018 and has since set SMART (Specific, Measurable, Achievable, Relevant and Time Limited) goals every year. Since then, we have been working diligently with Tier-1 facilities to implement sustainability projects in three of the pillars: Energy, Waste and Packaging.

We also worked in partnership with multiple private-label customers to support select factories in reporting their environmental data through the **Higg Facility Environmental Module (FEM)** and **SupplyShift**. The Higg is a suite of tools developed by the Sustainable Apparel Coalition to measure sustainability performance. SupplyShift THESIS (THE Sustainability Insight System) is a platform designed to understand the sustainability performance and transparency of the supply chain through a set of key performance indicators that help identify hotspots and opportunities for supply chain improvements.

Those of our factories that produce products for Walmart, Target, Nordstrom, Kohl's and The Gap Inc. have completed the Higg Facility Environmental Module (FEM).

The collected information will support our understanding, pave the way for our own projects, and expand the fashion industry's collective ability to address sustainability goals. Our teams will promote training and work with our suppliers to establish a consistent process for collecting factory data on air emissions, energy, waste, water, wastewater and chemicals management – a critical step in reducing environmental impact.

To expand our emissions reduction effort into the supply chain and incorporate the use of renewable energy, we assisted five factory partners with the launch of energy efficiency initiatives – some 30 projects in all – including the installation of solar power systems, which represent a total lifespan saving of more than 310,000 kWh, and the reduction of nearly 10,500 metric tons of CO<sub>2</sub>e emissions.

**BY 2030**

**OUR GOAL IS TO BECOME CARBON NEUTRAL ACROSS OUR VALUE CHAIN.**

# BETTER MATERIALS

## AN ESSENTIAL TRANSITION TO MORE ENVIRONMENTALLY PREFERRED MATERIALS (EPMs)

At Steve Madden we define EPMs as products that:

- Use recycled inputs.
- Avoid use of toxic chemicals in manufacturing/production.
- Use more efficient, less polluting production methods requiring less energy.
- Use bio-based inputs from plant-based renewable materials.

An important effort now fully underway is the realization of an EPM Transition Plan for the entire company. Our **Cool Planet by Steve Madden**, **Mad Love**, **Dolce Vita CLEAR**, and **GREATS** product lines are pioneers in working with factories to transition to EPMs and have established processes with suppliers to reduce their environmental impact.

Cool Planet by Steve Madden, Mad Love, Dolce Vita CLEAR, and many GREATS products are held to rigorous certification with the Organic Content Standard (OCS) used to confirm the authenticity and quality of organic materials, and the Global Recycled Standard (GRS) setting requirements for recycled content, chain of custody, social and environmental practices, as well as lab testing to validate the elimination of harmful substances.

### CHOOSING RECYCLED

Recycled materials not only preserve non-renewable resources and give a second life to materials that could otherwise end up in landfills, they also use less energy to create products. That's why we're prioritizing materials made with recycled inputs over those that are made with virgin materials.

Take VALERYYY and ELECTRIK from Cool Planet by Steve Madden, which were designed with a recycled polyester fly-knit upper material made from post-consumer plastic bottles. All polyester used across the Cool Planet Spring 2021 collection, from uppers to linings to laces, were made from post-consumer recycled plastics.

GREATS, Mad Love, and Dolce Vita CLEAR also introduced multiple products made with recycled materials. The Flex Knit from GREATS puts its recycled knit upper front-and-center, and The Wythe and The McCarren are sewn together with recycled polyester mesh. Dolce Vita CLEAR puts recycled polyester to use in the shoelaces and grosgrain bindings of their Bryton sneaker.



VALERYYY from Cool Planet by Steve Madden



The McCarren from GREATS

**RECYCLED & RENEWABLE MATERIAL**

In 2020, the Cool Planet by Steve Madden production team began sourcing recycled and renewable materials, including recycled polyester uppers and linings, recycled synthetic rubber outsoles, recycled latex memory foam insoles, water-based polyurethane and algae-blended EVA shoes.

**MAKING BETTER LEATHER**

We use a lot of leather – both genuine and faux. But we can reduce the impact of those materials by choosing vegan leather options that are free from harsh chemicals or genuine leather that’s sustainably tanned or made with recycled materials.

In its Spring 2021 collection, all Cool Planet by Steve Madden products were made with vegan leather made from water-based polyurethane (PU). Compared to traditional polyurethane, water-based PU is free of harsh solvents that cause pollution risks to local ecosystems. Water-based PU also takes less energy to produce and creates less waste in the manufacturing process.

Dolce Vita CLEAR made its iconic LOTTIE combat boot and JAYLYN wedges with chrome-free leather. Most leather is tanned with chemical solutions that contain chrome which, if not managed properly, can pollute local waterways. Chrome-free leather is tanned without these potentially harmful chemicals.

GREATS added another sustainable leather alternative to the mix when it launched its Royale Eco Leather sneaker. The Royale Eco Leather blends leather scraps and other fibers to make a recycled material that is indistinguishable from typical leather.



LOTTIE from Dolce Vita

**RESTORING OUR SOLES (SOULS) AND MUCH MORE**

In 2020, despite disruptions caused by the pandemic, we built a strong relationship with OrthoLite, a pioneer in manufacturing earth-conscious insoles engineered with repurposed materials. Our goal was to find and develop new materials for insoles that meet accepted sustainability requirements, as well as the performance and safety standards of our retail customers. In November 2020, we began incorporating OrthoLite insoles made with recycled rubber and castor bean oil, beginning with the Anne Klein and Blondo brands. Other brands are following suit.

GREATS also introduced The Wythe and The Eco cushioned with an insole made from BLOOM algae-blended EVA foam – made with algae biomass that would otherwise pollute vital water sources.

**PROGRESS AGAINST OUR 2025 MATERIALS TARGETS**

TARGET	PROGRESS
<b>50% of our products to contain Environmentally Preferred Materials</b>	Cool Planet by Steve Madden and Mad Love launched with every style containing at least 50% EPMs in Spring 2021.  In 2020 we began sourcing DMF-free (water based) PU mostly for shipping in 2021.  Dolce Vita developed chrome-free leather footwear.

**BY 2025**

**50% OF THE LEATHER WE USE WILL BE MADE WITH ENVIRONMENTALLY PREFERRED TANNING METHODS BY 2025.**

## DESIGNING SUSTAINABLY AND COLLECTIVELY

In September 2020, we assembled a collective of 40+ designers and product developers, who now meet monthly, to discuss and apply internal and external developments in sustainable design and material repurposing, including end-of-life product recovery.

With our EPM foundation taking shape, we're increasing the number of sustainable products available in the market. In 2021, for example:

- Our **Mad Love** brand will be using over 50% environmentally preferred sustainable materials in all its products.
- Our accessories designers are developing private label handbags made with EPMs, including recycled polyester and organic cotton.
- For mass merchants, we are incorporating sustainable design elements into footwear and, with their scale and reach, the environmental impact is expected to be significant.



### BY 2022

**WE WILL TRAIN ALL STEVE MADDEN DESIGNERS ON SUSTAINABILITY, LIFE CYCLE IMPACTS AND CIRCULARITY, AND SHARE KNOWLEDGE THROUGH THE SUSTAINABLE DESIGN ACTION GROUP.**

## WE DIDN'T FORGET THE PACKAGING

Packaging is another important sustainability focus for us. Since 2018, we replaced all of our retail shopping bags with reusable bags made with recycled polyester. By the end of 2025, all of our women's, men's, and kid's shoe boxes will be 100% recyclable, made of 90% post-consumer waste and 10% virgin pulp farmed from sustainably managed forests. The boxes also incorporate only natural dyes and adhesives, with no chemical finish, and all paper products are printed on with plant-based ink. In fact, all the paper we use comes from trees that are farmed sustainably without disturbing natural eco-systems through deforestation.

### BY 2025

**WE WILL CONTINUE OUR PARTNERSHIP WITH THE FDRA AND USE OTHER TOOLS AVAILABLE IN THE MARKET TO IDENTIFY AND SCALE UP MORE SUSTAINABLE MATERIALS IN THE FOOTWEAR INDUSTRY. IN ADDITION WE PLAN TO BECOME A MEMBER OF THE SUSTAINABLE APPAREL COALITION IN ORDER TO GAIN ACCESS TO THEIR TOOLS.**

## OUR 2025 TARGETS

TOPIC	TARGET
<b>Greener Operations and Manufacturing</b>	Establish water use baseline and partner with strategic suppliers to reduce water usage and support local solutions in water stressed communities.
	100% of our strategic suppliers to be trained in waste reduction.
<b>Better Materials</b>	Achieve carbon neutrality across our own operations and set science-based targets for scopes 1, 2 & 3.
	100% of our packaging to be made with recycled or renewable materials.
	50% of products will be made with environmentally preferred materials.



LET'S  
**KICK  
THE WASTE**

IN THIS SECTION

END OF LIFE RECOVERY  
AND LONG-LASTING FASHION  
SEE PAGE 37

# LET'S KICK THE WASTE

**WE LOVE WHAT WE MAKE AND  
WE WANT TO MAKE WHAT WE  
LOVE LAST LONGER.**

**It starts with rethinking what happens to our products once our customers are finished loving them.**

Why? Because we want to minimize, if not eliminate, waste from beginning to end, including solutions for shoes and fashion that have reached the end of the road.

The average American discards 81 pounds of unwanted clothing, shoes, and other textiles per year. But only 15% of these products are recycled. The remaining 85% – 26 billion pounds of textiles and clothes – end up in landfills. We can and must do more to reverse this long-standing environmental challenge.



# END OF LIFE RECOVERY AND LONG-LASTING FASHION

## HAPPILY EVER AFTER

After initiating conversations with companies specializing in end-of-life product recovery and circularity, we piloted the “SHOECYCLE” shoe take-back program in early 2020 across three of our New York City retail locations. The program was planned in partnership with I:CO, a respected global innovator in the collection, reuse and recycling of used clothing and shoes. Through the program, customers can drop off pre-loved shoes of any brand at the collection boxes staged in our retail stores, which were then sent to I:CO to be recycled or resold into secondary markets.

While our efforts were initially curtailed by the COVID-19 lockdown, the “SHOECYCLE” program is once again operating in select New York City locations. Looking ahead, we plan to expand the program across retail and outlet stores nationwide.



We have also explored opportunities to leverage our e-commerce channels to incentivize customers to either resell or recycle their shoes instead of throwing them away. We plan to launch our first e-commerce product recovery program in Fall 2021.

Other waste reduction initiatives include:

- Our partnership with **Soles4Souls**, a non-profit organization that puts unwanted shoes and clothing to good use. From disaster relief to supporting homeless kids, the organization distributes shoes and clothing in the U.S. and around the world. The organization also helps people in developing countries launch and sustain their own small businesses selling donated shoes and clothing. In September 2019, Steve Madden donated 75,246 pairs of women’s sneakers to the organization that would have otherwise been landfilled or incinerated.
- Our collaboration with **FABSCRAP**, a Brooklyn-based non-profit organization that keeps fabrics out of landfills. Since its founding in 2016, FABSCRAP has diverted 655,710 pounds of fabric from landfills, serving 503 businesses in the fashion, interior and entertainment industries. Much of it is sorted by trained volunteers. By donating fabric scraps and swatch books leftover from the design process to FABSCRAP, we have recycled 1,575 pounds of materials, which saved an estimated amount of 11.5 tons of CO<sub>2</sub>, the equivalent of planting 173 trees.
- Our use of **3-D Computer-aided design (CAD)** minimizes the expense and impact of manufacturing samples abroad and shipping them to the U.S. Perhaps most important, producing samples from 3-D CAD reduces waste since most samples are one-offs that typically end up in landfills. Currently we produce around 150,000 samples annually. With the increasing acceptance of 3-D CADs we expect to reduce sample waste significantly in the years ahead.

BY 2025

INTRODUCE A RANGE OF INNOVATIVE PRODUCTS DESIGNED WITH CIRCULARITY IN MIND.



**BY 2025**

**WE PLAN TO LAUNCH RENTAL, RESALE AND/OR REPAIR PROGRAMS TO EXTEND THE LIFE OF AS MANY PRODUCTS AS POSSIBLE.**

With each of these efforts, we move closer to playing a larger role in the circular economy, which is an approach to economic development designed with resource reuse and regeneration at its center. In the long run, we aspire to collect pre-loved shoes and apparel and to use them as feedstock for new products, which will help reduce the extraction of virgin resources and reduce waste.

**OUR 2025 TARGETS**

TOPIC	TARGET
End of Life Recovery and Long Lasting Fashion	Establish multiple channels to recycle, resell, or repair pre-loved shoes.
	Introduce a range of innovative products designed with circularity in mind.

# SUSTAINABILITY GOVERNANCE

## BOARD COMMITTEES

Our Board of Directors has four committees to help guide its oversight and decision-making responsibilities in advancing the company’s commitments and values – the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and, most relevant to this report, the Corporate Social Responsibility (CSR) Committee. The purpose of the CSR Committee is to assist the Board in its oversight of our initiatives, plans, and practices.

## ETHICS & INTEGRITY

Our Chief Executive Officer and all senior financial officers comply with the Code of Ethics For The Chief Executive Officer and Senior Financial Officers, which outlines how to address conflicts of interest, compliance and reporting. Our Board of Directors adheres to its own Code of Business Conduct and Ethics For The Board of Directors, which addresses its fiduciary duties to shareholders, confidentiality, legal compliance, and reporting.

## PRODUCT QUALITY & SAFETY

We currently test all products for chemicals and restricted substances in compliance with federal and state laws and regulations. Our Quality Control teams also ensure that products meet the highest quality standards that we have set for our brands and that our customers expect when they buy our products. In addition, we have established a robust process to ensure that no shipment leaves the factory without validating compliance with Steve Madden protocols.

## INFORMATION SECURITY & TECHNOLOGY

The privacy of our customers’ information is paramount to us. We have a robust, proactive, and multi-pronged approach to ensuring the safety and privacy of our customers’ information. We implement best practices around security, which include compliance, training and awareness, constant monitoring, and the use of advanced security tools with redundancies. We continue to strengthen these practices as we go forward. We hold annual security awareness trainings during October, which is CyberSecurity Awareness Month. All onboarded employees are automatically enrolled in the security awareness training program and meet with senior security staff personally. The Audit Committee, among other matters, is responsible for reviewing and overseeing our information security and technology. Our Chief Information Security Officer presents quarterly updates on cybersecurity to the Audit Committee.

## OUR CODE OF CONDUCT

Our Code of Conduct ensures that we live up to our culture and values of Individuality, Teamwork, Respect, Passion, and Responsibility, which are also at the center of our CSR and sustainability efforts. The Code reflects our commitment to operate responsibly and ethically, to protect the interests of our stakeholders and to support our local, national, and global communities. It applies to all officers, directors and employees, and to our global business partners, subsidiaries, and all their respective employees.

## GRIEVANCE MECHANISMS

All employees may report their concerns through a 24/7 whistle blower hotline operated by an independent third party at 1-877-446-4612 ext. 10777, or through internal channels to Human Resources and the General Counsel’s office. We have a strict policy of non-retaliation for any concerns reported. The hotline is free, confidential and available 24 hours a day to every Steve Madden employee around the world. Calls are reviewed daily.

## STRENGTHENING CSR AND SUSTAINABILITY MANAGEMENT

In 2019, we formally committed to building upon our long-standing efforts in CSR and sustainability by establishing a CSR Department. A corporate Vice President heads the department, reporting directly to the CEO, and has broad authority to shape and advance our CSR and sustainability strategy. The CSR Department is the driving force behind the ongoing initiatives outlined in this report.



**CSR BOARD COMMITTEE**

As noted above, we have established a CSR Committee at the Board level dedicated to overseeing and directing all of our initiatives and practices with respect to (a) diversity, equity and inclusion, (b) talent development and well-being, (c) ethical and sustainable sourcing, (d) international and local labor and employment conditions, (e) global climate change, (f) community partnerships, (g) charitable giving and others. The committee is comprised of knowledgeable and invested individuals with extensive corporate and retail experience and with a passion for sustainability and social responsibility.

**GLOBAL HUMAN RIGHTS POLICY**

Provides guidance to our employees and partners around the world to ensure that our business practices and processes reflect our commitment to human rights.

**ENVIRONMENTAL, HEALTH & SAFETY POLICY**

Demonstrates our commitment to sustainable development, caring for the environment, and providing a safe and healthy workplace for all our employees and partners based in the U.S. and throughout the world.

**SOLID WASTE, RECYCLING & WATER POLICY**

Demonstrates our commitment to managing our waste responsibly, reducing the volume of waste sent to landfills, and maximizing reuse and recycling where possible.

**CARBON & CLIMATE POLICY**

Demonstrates our commitment to help mitigate global warming trends and environmental degradation. All policies apply to all our employees and global business partners, vendors, and suppliers, and align with international standards for responsible business from the United Nations, the International Labor Organization and others.

# STEVE MADDEN

[WWW.STEVEMADDEN.COM](http://WWW.STEVEMADDEN.COM)

[INFO@STEVEMADDEN.COM](mailto:INFO@STEVEMADDEN.COM)

[INVESTOR.STEVEMADDEN.COM](http://INVESTOR.STEVEMADDEN.COM)

[INVESTORRELATIONS@STEVEMADDEN.COM](mailto:INVESTORRELATIONS@STEVEMADDEN.COM)