

# A step in the right direction



**Our Mission to 2025**

**2023/24**

Steel Blue's journey towards achieving our sustainability and social responsibility goals.



**InOurStride<sup>®</sup>**  
Steps towards a sustainable future



# A message from our CEO

Thank you for your interest in Steel Blue's sustainability and corporate social responsibility goals.

We embarked on this journey in late 2019 when, inspired by the UN's Sustainable Development Goals, we developed a series of goals of our own, tackling the environment, human rights, diversity, climate change and community.

In setting those goals, we made sure they were quantifiable, so we could measure our achievements. We released our first corporate social responsibility report in 2022, explaining the goals and outlining the work already done. This report, our 2023 update, is all about providing transparency in that process. It details the progress we've made in the past year.

## Highlights from the past year include:

- + Raising more than A\$700,000 for our charitable partners
- + Winning Western Australian Business of the Year, and Medium Business of the Year, at the prestigious RISE Business Awards
- + Prioritising inclusivity in our human resources approach, to exceed our diversity target
- + Diverting 30% of our waste (13,000 kg) away from landfill and towards recycling
- + Ensuring our New Zealand operations are carbon-neutral (to Australian Climate Active standards)
- + Implementing an ethical sourcing policy with our suppliers.

The footwear industry has a big impact on the climate, both on the production side and end-of-life. We don't have all the answers today to reduce our footprint, but we are working on it with all our stakeholders. This was never a "set and forget" project for us. Our 2025 goals are a genuine commitment from Steel Blue to do what society expects from us—not just to do the right thing, but to be a leader in corporate social responsibility.

Our commitment to these goals isn't just embedded in our business processes, but in the culture. We want to be at the forefront of ethical, responsible, fair, and sustainable business. We want to feel like we're making a difference.

Of course, there have been some challenges, as this update outlines, but we feel we are on the right track. There's still work to do but we have made great strides towards achieving our goals and, in many areas, we're well ahead of our 2025 target.

In this update of our *A Step in the Right Direction* report, you can read all about what we're doing, the progress we've made, and the challenges ahead. We hope it'll show you just how much we care about what we do, about our people, about our environment and climate, and about you, our customers.

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## Peter Bell

Steel Blue Chief Executive Officer



# UN goals

Steel Blue’s sustainability road map identifies five strategic goals to help us overcome the challenges we face today and into the future. Our goals are aligned to the UN Sustainable Development Goals.

These are a collection of 17 global goals designed to be a guide to achieve a more sustainable future. Set by the UN General Assembly in 2015, they provide a universal call to protect all people and our planet.

**1.**

**We care about community**

**2.**

**We care about diversity & inclusion**

**3.**

**We care about the environment**

**4.**

**We care about climate**

**5.**

**We care about human rights**

Please note: Product range varies by region. Visit [steelblue.com](http://steelblue.com) for regional availability.



# About Steel Blue

Steel Blue is a 100% Australian-owned premium safety footwear manufacturer. We continually innovate to ensure our boots are as comfortable, safe, and durable as possible.

Established in 1995, Steel Blue is Australia's leading supplier of safety work boots and the only one to receive the Australian Physiotherapy Association endorsement. We began exporting in 1996 and now service more than 40 countries including New Zealand, Europe, the UK, the USA, Papua New Guinea, South-East Asia, Africa, Israel, and the Middle East. Steel Blue produces over one million pairs of boots per annum.

Steel Blue's headquarters and Australian manufacturing operations are based in Malaga, Western Australia. We have an exclusive partnership with a manufacturer in Indonesia to meet global demand for our boots. We work closely with them to ensure our values and our commitments to human rights protections and supporting local communities extend to all parts of our business.

Steel Blue has a long history of embracing and leading on matters of corporate social responsibility. We do it because we care—and caring is part of our culture.

**“We want to be at the forefront of ethical, responsible, fair, and sustainable business. We want to feel like we’re making a difference.”**

# Our top 5 priority areas

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By 2025, we will have provided over A\$3.0 million in donations and support to community organisations and projects.

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## 5. **Human Rights** ...32

By 2025, we will have eliminated any risk of modern slavery within our supply chain.







# Community

## Our community goal for 2025.

**By 2025, we will have provided over A\$3 million in donations and support to community organisations and projects.**

Steel Blue is extremely proud of our many longstanding relationships with charitable and community organisations, which we support in various ways. So far, we have raised more than A\$2.2 million for our growing list of community partners. Our community involvement is anchored by two long-term partnerships, with Breast Cancer Care and Beyond Blue.

Steel Blue donates \$10 from every pair of boots sold from our charity ranges to Breast Cancer Care (ladies' pink and purple boots) or Beyond Blue (men's and ladies' blue boots). These eye-catching colours are a deliberate feature, standing out amongst typical safety boots. As the first boots of their kind, their arrival in traditionally masculine work environments started conversations about mental health and breast cancer detection—conversations that continue on worksites today.

But it's not just the sale of special boots that raises funds and awareness. We're also heavily involved in supporting other fundraising events and initiatives for our charitable partners.





### Our partnership with Breast Cancer Care

The relationship with Breast Cancer Care started in 2007 when the charity’s founder asked us to make purple boots to raise funds for the cause. In the years since, Steel Blue’s activities have raised A\$1.8 million to create education initiatives for awareness and early detection of breast cancer:

- + A youth education program designed to reduce fear, raise awareness, and highlight support services
- + Online campaigns to improve community knowledge of breast cancer, dispel outdated myths, and teach people how to be breast aware
- + A PhD research project to develop a national online community supporting people affected by breast cancer, particularly those in regional and remote areas

In 2022, NZ breast cancer charity Sweet Louise also became a Steel Blue partner. (See [2023 Communities Update](#) for details.)

### Our partnership with Beyond Blue

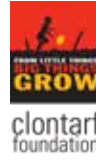
Our relationship with Beyond Blue started in 2014 with a similar strategy to Breast Cancer Care. Evidence shows men don’t readily discuss mental health, which is a barrier to men accessing help. We knew we could help change that

Sales of Steel Blue’s men’s and ladies’ blue boots have raised more than A\$400,000 for the Beyond Blue 24/7 Support Service for those affected by anxiety, depression, and suicide. The money has funded the handling of more than 6,150 contacts to the service and our team takes comfort in knowing our boots make such a valuable contribution

Additionally, the packaging of our blue boots includes a brochure from Beyond Blue with information about their services and how to seek help if you’re experiencing a mental health crisis. Every August, Steel Blue also raises awareness for Beyond Blue as part of Tradies’ National Health Month



# We believe in doing good in the world.



Steel Blue's charitable contributions, product donations and employee volunteer efforts are a key part of our company culture. Together with our employees, our factories and our suppliers, we believe in doing good in the world.

## Our partnership with Clontarf Foundation

Clontarf is a not-for-profit foundation providing mentoring to young Aboriginal and Torres Strait Islander men, to improve their education, discipline, life skills, self-esteem, and employment prospects.

## Sponsoring Swan Districts Football Club

In 2024 Steel Blue will celebrate 20 years as a major sponsor of the Swan Districts Football Club. Our support helps the club run many community programs to connect and engage marginalised people and communities, including at-risk youth, seniors, people with disabilities, and First Nations peoples and culturally diverse communities.

## Supporting our staff to support worthy causes

Through our Community Days program, staff can receive a paid workday to volunteer for one of Steel Blue's charity partners.

Steel Blue also sponsors our employees to volunteer, help tin rattle and collect donations for Breast Cancer Care's annual Purple Bra Day fundraising event in the Perth CBD. And each year, Steel Blue employees participate in Movember. This is a staff-owned activity and Steel Blue matches the funds raised by the team, dollar for dollar.

## A range of other initiatives we're pleased to support

Steel Blue supports a range of worthy community initiatives each year, including:

- + Providing specially discounted products to Ngalla Maya, a not-for-profit helping to transform the lives of vulnerable First Nations peoples, particularly those who are getting their life back on track after time in prison
- + Sponsoring a soccer academy in Jakarta, Indonesia, where many factory workers live
- + Making ongoing contributions to and a long-term partner of WA Charity Direct, a not-for-profit organisation that channels funds to where they are most needed, including supporting the homeless

+ Providing footwear to the top students at the Enstruct training schools in the UK, which teach young people construction skills

+ Providing footwear and funding for environmental disaster recovery initiatives

+ Supporting a 'Community Days' initiative, where staff receive a paid workday to volunteer on projects with our charity partners

## Recognition for Steel Blue's work in the community

Steel Blue's community efforts have been recognised with two major awards in the past two years.

In 2021 Steel Blue won the Excellence in Corporate Social Responsibility Award at the Australian Institute of Management's Pinnacle Awards.

The AIM WA Pinnacle Awards are Western Australia's premier business leadership excellence awards, recognising and rewarding outstanding organisations across the corporate, government, community and not-for-profit sectors. Award winners receive A\$20,000 worth of learning and development towards the charity of their choice. Steel Blue's win benefited Breast Cancer Care.

In late 2022, Steel Blue won West Australian Business of the Year at the RISE Business Awards hosted by Business News.

The RISE Business Awards recognise businesses for their resourcefulness, imagination, sustainability, and excellence. They are among the most prestigious awards available to businesses in Western Australia and the WA Business of the Year is the top award offered.

+ Achieving our 2025 goal will take Steel Blue's total contribution to community organisations and projects to well over A\$3 million

+ Steel Blue has already raised more than A\$1.8 million to support awareness and early detection of breast cancer

+ We've raised more than A\$400,000 for mental health charity Beyond Blue, funding their 24/7 Support Service

+ We support the Clontarf Foundation, a not-for-profit organisation mentoring young Aboriginal and Torres Strait Islander men



**“Steel Blue is proud to continue our partnership with Swan Districts Football Club. At the core of our 20-year partnership is not just football, but the work we do together in the community. It’s all about building and giving back to the community we live in, every single day.”**

Ross Fitzgerald, Steel Blue Founding Director & Chief Sales Officer



# 2023 Communities Update

In the past year, Steel Blue has raised more than A\$700,000 for our charitable partners, including A\$300,000 for Breast Cancer Care and A\$100,000 for mental health charity Beyond Blue, through the sale of our popular coloured boot ranges.

## **New charity partners in 2023**

We have also welcomed new charitable partners, including New Zealand breast cancer charity Sweet Louise, which is the only organisation in NZ working to support Kiwis with incurable, stage four breast cancer, also known as advanced, secondary or metastatic breast cancer. Sweet Louise currently supports 760 women and their families across NZ by providing one-to-one emotional and practical support. We're proud to partner with such a fabulous organisation and have so far raised more than NZ\$7500. That's enough to provide a full year of support to five women—or provide 30 families with special memory-making experiences, or to cover the costs of 30 support meetings across NZ.

In July 2022, Steel Blue became a partner of Jobortunity, supporting young people in Tanzania to break the cycle of generational poverty. Our support helps 10 students from vulnerable backgrounds to access education, acquire twenty-first century skills and change the course of their lives.

## **Building on success**

Our established partnerships continue to achieve great things. For example, next year is the twentieth anniversary of Steel Blue's sponsorship of the Swan

Districts Football Club. That partnership helps the club run programs that support at-risk youth, people with disabilities, First Nations peoples, and others. We've extended our commitment to the club so this vital work can continue.

Steel Blue also supports the Annisa Pratama Soccer School in Jakarta, which is a community where many of our Indonesian team members live. The school has about 200 students aged between six and 17 and each year it hosts the Steel Blue Cup. The event started in 2017 with around 450 players. Our sponsorship started the following year. It now has more than 2000 players each year. Former participants have gone on to play for Indonesia's national team and the soccer school has grown so large it now provides training at two different locations, to give young people the chance to be a part of it.

## **Looking ahead to 2024**

We also have new partnerships starting in the year ahead, including supporting the Stephen Michael Foundation, which helps young people in need in Western Australia to thrive, regardless of cultural background, gender or ability, by providing a range of school, community and capability building programs. The foundation works with 7000 young people each year and Steel Blue will provide \$10,000 in support in 2024.





# Diversity & Inclusion

## Our diversity & inclusion goal for 2025.

### By 2025, a third of our workforce will be female.

Like many of the industries where our boots are popular, manufacturing can be a traditionally male-dominated field. So, when we were developing our diversity and inclusion goal for 2025, it made sense to see what the industries we work alongside were doing. Many companies, including some big mining companies, had a 33% gender diversity target, so we adopted that as our starting point.

The introduction of a couple of key policies specifically designed to attract a diverse range of candidates has been key to our early success on gender diversity.

#### Paid Parental Leave Policy

Our Paid Parental Leave Policy is available to both men and women and includes parental leave payment for the primary carer as well parental leave payment for the non-primary carer. This is in addition to the Australian Federal Government's 20-week parental leave scheme which can be shared between partnered couples as part of the new legislation effective from 1st July 2023, which many of our team members would be entitled to receive. Staff are also entitled to unpaid parental leave of up to 12 months, which is a Federal Government entitlement.

#### Working From Home Policy

We've introduced flexible working practices, including a Working From Home Policy, to make working at Steel Blue more attractive to a diverse range of candidates, including parents returning to the workforce.

#### Equal Opportunity Policy

As an equal opportunity company, Steel Blue takes a zero-tolerance approach to discrimination and harassment in all aspects of employment, including hiring, promotion, pay, and termination, based on any protected characteristic.

We use gender-neutral language in our recruitment practices and welcome applicants of all genders, ages, abilities, and backgrounds.

#### What progress have we made?

In 2020, at the time we set our target, 28% of our colleagues were women. In 2023, 34% of our team members are women. That number fluctuates, so it's important we don't take our foot off the pedal, but we're feeling confident about reaching our goal by 2025—and we're hoping to go well beyond it.



# What else is Steel Blue doing to encourage diversity and inclusion?

## Respecting First Nations peoples

Steel Blue is committed to creating opportunities for Aboriginal and Torres Strait Islander people and to “close the gap” between First Nations peoples and other Australians.

The first step was introducing an Aboriginal and Torres Strait Islander Reconciliation Action Plan in 2020, which complements our work with Indigenous not-for-profit organisations, including the Clontarf Foundation and Ngalla Maya. We’re continuing to consult with Indigenous community representatives to update this action plan annually, because we know there’s always room for improvement.

As part of our commitment to respecting our First Nations peoples, Steel Blue colleagues have received cultural awareness training. We have also made a traineeship available to a Clontarf alumnus, and we’re working hard to create more opportunities for members of Indigenous communities.

## Celebrating our diversity

Steel Blue is a global brand with a wide range of cultural backgrounds across our teams. We have colleagues with heritages from Burma (Myanmar), Somalia, India, Vietnam, Scotland, England, the Netherlands, the USA, New Zealand, the Philippines, Indonesia, and more.

We believe our diversity is a real strength, so each year we celebrate it by taking part in Harmony Day activities. It’s a chance for colleagues to get together and experience each other’s cultures and have a conversation about where we’ve all come from and how our experiences make us unique.

## Encouraging and supporting inclusion

Steel Blue has very inclusive recruitment practices (including working with Indigenous employment services) and strong company policies against bullying, harassment, and discrimination, all of which help to make Steel Blue a supportive workplace for our team.

We also have an Employee Assistance Program to support colleagues who are experiencing challenges personally or professionally. It’s completely confidential and can help with a wide range of services, from financial coaching and retirement planning to support with LGBTQI and family matters to dealing with substance abuse. The program is available, free of charge, to colleagues and their immediate family members.

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- + We’ve introduced flexible working practices including a Working From Home Policy, to make working at Steel Blue more attractive to a diverse range of candidates, including parents
  - + Our gender-neutral Paid Parental Leave Policy includes a superannuation top-up that helps address aspects of the gender wage gap
  - + We use gender-neutral language and images when we advertise job vacancies and invite applicants of all genders, ages, abilities, and backgrounds

**“We believe that by supporting diversity and inclusion in our workplace, we can create a more innovative, productive, and positive work environment for all of our employees.”**

Pamela Morrow, Steel Blue Human Resources Manager





# 2023 Diversity & Inclusion Update

In the past year, Steel Blue has not only met but exceeded our gender diversity target of 33%. In 2023, our gender diversity stands at 34%. This is a significant achievement but the work goes on. We are committed to continuing to foster a culture of respect, inclusivity and accountability, to create a workplace where all employees can thrive and achieve their full potential.

We believe a diverse workforce brings unique perspectives and ideas that are critical to our success as a company. We have taken several steps to support our diversity and inclusion commitments in the past year, including:

- + Establishing clear and consistent communication of our commitment to diversity and inclusion throughout the company
- + Creating a diverse hiring process that seeks out a wide range of candidates to ensure fair and equitable hiring practices
- + Ensuring that our policies and practices are inclusive of all employees, including those with disabilities, LGBTQ+ individuals, and people from different racial, ethnic and cultural backgrounds

- + Encouraging open and honest feedback from employees on how we can improve our diversity and inclusion efforts

To ensure that all employees feel valued and included, Steel Blue provides a range of resources and support systems. This includes offering training and education on diversity, equity, and inclusion topics; promoting open communication channels; and a free Employee Assistance Program.

We also strive to accommodate the needs of employees across different time zones and cultural backgrounds. This may include offering flexible work arrangements, providing translation services for important company communications, and ensuring company policies and practices are culturally sensitive and appropriate.

By prioritising inclusivity across our global remit, Steel Blue has been better able to attract, retain, and engage top talent from all over the world and create a workplace culture that fosters innovation, creativity, and collaboration.





# Environment

## Our environmental goal for 2025.

**By 2025, we will source our leather exclusively from the Leather Working Group gold-rated suppliers.**

The leather that goes into every pair of Steel Blue's work boots is incredibly important to us. But it's not just the quality of the leather we care about, we also want to make sure the leather we're sourcing and using has been processed in the most ethically and environmentally responsible manner possible.

That's why we're working towards ensuring all our leather is sourced from Leather Working Group gold-rated suppliers.

### What is a Leather Working Group gold rating?

The Leather Working Group (LWG) is a not-for-profit organisation that since 2005 has worked with the leather industry to ensure companies throughout the leather supply chain comply with environmental standards.

It doesn't just promote compliance, performance and sustainable practices; it also audits leather businesses, like tanneries, to ensure they're meeting minimum standards in various areas of production, including:

- + Water and energy use
- + Solid waste and effluent management
- + Air and noise emissions
- + Traceability
- + Health and safety
- + Chemical management
- + Restricted substances, compliance and chromium VI management

A gold rating is the top rating leather businesses can achieve. To get a gold rating, businesses must achieve at least a 75% score in all seven areas listed above. If they fall below 75% in any one category, they automatically drop to a silver rating.

### Our journey towards LWG gold rating

We've worked with our tannery suppliers to get them registered with LWG and we're supporting them towards achieving their gold rating.

Ecco Leather, a major supplier of cow leather for Steel Blue's work boots, has already achieved their gold rating for their tannery process. Tasman Leather, a New Zealand tannery, has achieved its silver rating and is working towards their gold rating at their next audit in late 2023.

Together, Ecco and Tasman account for 90% of the leather used to make Steel Blue's work boots. A third tannery we source a small amount of leather from already has a gold rating with LWG.



# What else we're doing to reduce our environmental impact.

We are actively working to reduce our environmental impact, including our energy, water and chemical use in both our supply chain and our manufacturing process. We're also committed to reducing and eliminating waste and to recycling wherever possible. It's a journey, but we're making good progress in a variety of areas. Here's some of what we're doing.

## Cleaning up our chemicals

We're doing whatever we can to eliminate solvent-based chemicals in our production process. We've introduced a Restricted Substance Policy to guide our decision-making, which has resulted in a significant reduction in solvent-based adhesives (used in preparing our boot uppers) towards a hot melt application which doesn't use solvents in the cement. By comparison, we have gone from using 5000 kg of solvent-based adhesives per annum to just 125 kg, a reduction of 97.5%. That not only reduces the release of carbon into the atmosphere during the process, but it also reduces the risk to our operators. So, it's a win-win.

## Streamlining our returns process

We've also streamlined our boots returns process, to help reduce the amount of waste we're sending to landfill. All our footwear returns or warranty claims used to be sent to the Steel Blue head office for assessment. Now, instead of freighting the boots back, the boots are assessed close to where they were sold (with the goal of reducing the carbon footprint of each pair of returned boots). We're also doing whatever we can to reutilise boots that might otherwise end up in landfill. Newer boots might be donated to charity, while vintage products might be salvaged.

## Reducing boot end-of-life waste

In Australia, Steel Blue has been leading an industry-wide end-of-life solution to tackle this waste, in partnership with footwear recycler Save Our Soles and the Australian Sporting Goods Association's Treadlightly boot recycling program. In 2022, we joined a Victorian based pilot program, which allows consumers to return their used safety boots to selected retailers for collection and recycling. The recycled materials will be used to manufacture retail flooring and anti-fatigue mats. This will reduce waste

going to landfill. We believe it's a more responsible end-of-life outcome for our boots. If the pilot goes well, we expect it to become a national program in the near future. We are currently identifying similar programs in other markets, so we can expand our end-of-life recycling efforts globally. We're particularly interested in finding ways to upcycle our products.

## Reducing the impact of our packaging

Steel Blue is an active member of the Australian Packaging Covenant Organisation (APCO). The covenant has its own goals for 2025, which we're working to meet. These targets are:

- + 100% reusable, recyclable or compostable packaging
- + 70% of plastic packaging being recycled
- + 50% average of recycled content included in packaging (revised from 30% in 2020)
- + The phase-out of problematic and unnecessary single-use plastics packaging

We're making great progress against these goals. There's very little single-use plastic in our production process or packaging. Where there is, we're introducing alternatives. For example, tags with Steel Blue's warranty information have traditionally been attached to a boot via a plastic loop through an eyelet. We can't be sure the end user will dispose of that plastic properly. By replacing those plastic loops with string or a biodegradable product, we can save 1.5 million plastic loops (90 kg of plastic) from potentially ending up in the environment each year.







**“Environmentally, one of our biggest achievements of the past year has been our retail packaging. We’ve eliminated all plastic and solvent-based adhesive. We’ve reduced the amount of paper and cardboard we’re using, and not only is everything 100% recyclable, but the recycling information has been included, too.”**

Dwayne Sewell, Steel Blue Head of Manufacturing & Sustainability

## Responsible waste management

Across the business we have implemented a Responsible Waste Management Policy, which includes but is not limited to:

- + Waste separation
- + Recycling
- + Composting
- + Reduced packaging through carton and pallet re-use
- + Reduced pallet wrapping
- + Using compostable mailers
- + Diverting 30% of our waste (13,000 kg) away from landfill and towards recycling

Our waste management has been audited by Encycle, an independent waste consultancy that helps companies improve the efficiency, safety and effectiveness of their waste management systems. It has made a major difference to our decision-making and our approach to waste management. [\(See the 2023 Environment Update for the latest information.\)](#)

Some of those changes are small but important, like banning disposable cups; others are much larger and more obviously impactful at scale. At Steel Blue facilities we now have five different colour-coded bins to recycle different materials, like organic waste and soft plastics, to ensure our waste goes to the right place. For example, organic waste goes into our garden mulch and cardboard and plastic go to specialist recycling centres.

Our waste management plan incorporates a strategy for dealing with electronic waste and we're working towards end-of-life opportunities and partnerships in this area.

## Reducing our paper usage

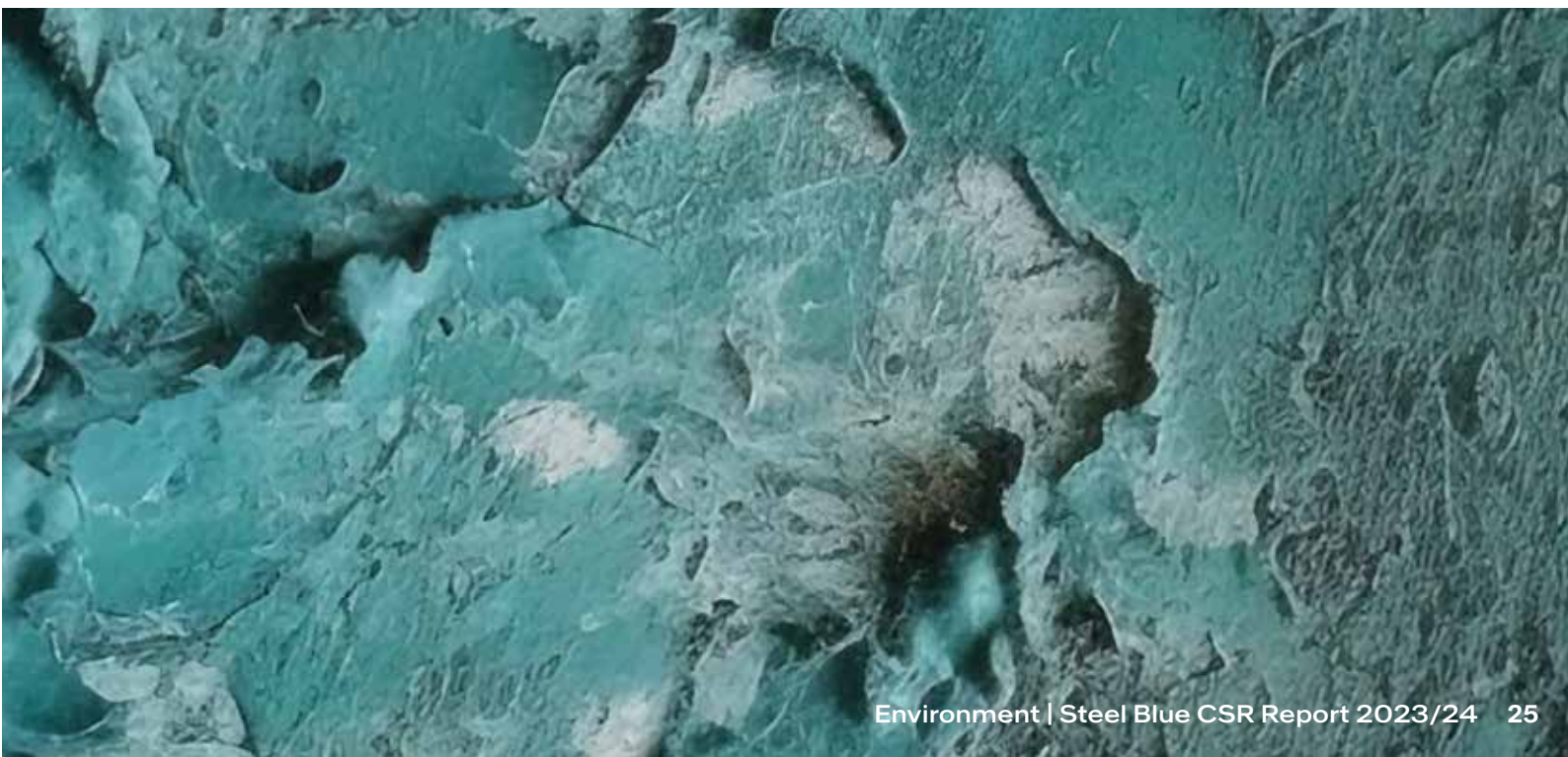
We've paid particular attention to reducing our paper usage by switching to electronic record keeping and making finance and customer service functions paperless. That has reduced our printer use significantly, from two million copies a year to just 60,000.

## There's still work to do

We're really proud of what we've been able to achieve for the environment in recent years, but the work is ongoing. We're working hard to reduce our use of cardboard and on solutions to recycle plastics and polyurethane.

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- + We've eliminated solvent-based chemicals from our production process, which is better for the environment and our people
  - + We're signed up to the Australian Packaging Covenant Organisation's goals and we're reducing our waste wherever possible

**Clean Away is a third-party provider that supplies the landfill data. Owen Bridge provides the cardboard and plastics data.**





# 2023 Environment Update

Protecting the environment is one of those areas where there is always more that can be done, but we are pleased to be making great strides wherever we can. But, over the past 12 months, Encycle's third-party audit of the environmental impact of our operations has allowed us to make changes in an efficient and orderly way, as quickly as possible.

## Reduce, reuse, recycle

In the past year we've implemented a waste management policy for our head office operations and we've made plenty of changes. We've been able to divert 30% of our waste away from landfill and towards recycling or reuse. That includes 4000 kg of manufacturing waste, including polyurethane, which can be sent for recycling to make anti-fatigue mats.

We've also reduced waste for our customers by eliminating plastic from all our retail packaging from June 2023. It will take a little while for the plastic to disappear from the packaging that is already in the marketplace, of course, but at least we're no longer adding more plastic to the global waste problem. We've also reduced the amount of paper in our shoeboxes and made our shipping satchels compostable. Our new shoeboxes are made from recycled cardboard and all the elements of our

packaging have the correct recycling logos on them, and further recycling information can be accessed using a QR code. We've also eliminated solvent-based adhesives from our packaging.

## Eco alternatives

The work continues as we strive for further improvements. We're currently investigating bio-based soling materials and options for bio-based polyurethane for the footbed of our boots. We're also looking into using production materials that contain recycled content, and already have a recycled elastic in a wear trial.

We will continue to partner with industry and environmental stakeholder groups where we can. Steel Blue is taking an active leadership role on environmental matters affecting the footwear industry. For example, Our Sales Director for Europe, the Middle East and Asia, Flavio De Hass, has recently joined the board of the Circular Footwear Alliance, which is working towards a waste-free footwear industry.



# Climate

## Our climate goal for 2025.

**Our goal is to be a carbon-neutral organisation across the business operations of our major markets which include AU, NZ, USA and EMEA. Our progress is we are a carbon-neutral organisation across the business operations in AU and NZ. We are 50% complete in our progress.**

We see doing the right thing by the climate as an important part of doing business in the modern world, and Steel Blue is determined to be a market leader in climate action for the footwear industry.

### Carbon-neutral certifications

Steel Blue's business operations in Australia have been certified carbon-neutral with Climate Active since October 2021. Climate Active is a partnership between the Australian Government and Australian businesses, designed to drive voluntary action on climate. Certification is awarded to businesses and organisations that have credibly reached a state of achieving net zero emissions (or carbon neutrality). That means there are no net negative impacts on the climate from our business operations.

Although we could not identify an equivalent certification agency in New Zealand, we've ensured Steel Blue's New Zealand operations also meet Climate Active's certification standards. Our plan is to have our operations certified carbon-neutral with the appropriate bodies internationally by 2025. We're halfway towards meeting that goal.

**ConstructZERO**  
The Construction Industry's Zero carbon change programme



### Steel Blue's scope 3 certification

Steel Blue has achieved the highest level of scope 3 certification from Climate Active on our business operations for Australia. This is renewed annually to ensure compliance. We have also achieved the equivalent of scope 3 certification in New Zealand.

Scope 1 is for emissions directly generated by a businesses' operations, like burning gas or driving cars. Scope 2 emissions are caused indirectly by consuming electricity. These emissions are generated outside an organisation (e.g., at a power station). Scope 3 emissions are also indirect but these happen upstream or downstream from a business (e.g., waste, air travel, consumptions of goods and services, contractor emissions).

Steel Blue's scope 3 certification means that with the exception of our third-party overseas manufacturing, our international offices, our global freight (outside Australia) and our third-party-owned warehouse (which is beyond our operational control), all our carbon and greenhouse gas emissions have been accounted for and we have a strategy in place to either offset or eliminate those emissions.

### Where to from here for our carbon-neutral goal?

We're working towards carbon neutrality for our business operations by 2025, which means we're working to eliminate or offset all our emissions across global business operations. We're doing it because businesses globally have an important role in leading change to protect our environment for future generations.

**“We want to be viewed as a responsible brand and rolling out Scope 3 certification for our operations globally is an important part of that. We’re also starting the journey of achieving life cycle certifications for our product. That involves a really advanced assessment process, going down the entire supply chain. So, it’s only the start, but it shows that we’re listening. It’s about being a business leader and acting accordingly.”**

Peter Bell, Steel Blue Chief Executive Officer

### How we’ve been making a difference on climate

While today we are not yet operating a circular business model, our climate and carbon-neutral strategies are focused on reducing our greenhouse gas emissions, investing in low-emissions technologies, promoting product stewardship, and managing climate-related risk and opportunity.

### Our carbon-neutral strategy

Achieving carbon neutrality has meant making some big changes to the way we do business. Our strategy has involved the following initiatives, which are either already complete or in progress:

- + Reducing our per-pair freight emissions by 20% by June 2025 (we’ve increased our minimum order to four pairs, we’re reviewing our warehouse locations and we’re moving to electric freight vehicles)
- + We’re reducing vehicle emissions by 20% by 2025 (fully transitioning to hybrid or EV by 2030)
- + Our main premises are powered by renewable energy (we’ve also switched to LEDs to save energy)
- + All our forklifts will be electric by 2025 (we have one gas forklift left to replace)

### Steel Blue’s carbon offsets

Our Certified Emissions Reductions (CERs), as calculated by Climate Active, are 1,552. While our emissions reduction strategy is our key area of focus,

we recognise it is a long journey. Therefore, we have committed to offset the emissions we have not yet been able to eliminate. Through the accredited carbon offset scheme partners, we’re able to support the Yarra Yarra reforestation project in southwest Australia (designed to create habitat for rare and endangered flora and fauna, improve water and soil quality, and create a conservation area).

Steel Blue achieved Climate Active certification in 2021 and this certification is renewed annually. Achieving certification is an intensive process but we believe it’s worth doing not just because it’s good for the planet, but because the process ensures transparency, consistency and accountability. It sets a benchmark, and once you have that in place you can really start to see what’s working, where there’s room to improve, and what’s really making a difference.

- + We’ve installed a 99 kW solar power system at our head office and manufacturing facility in Perth
- + Steel Blue has Scope 3 carbon-neutral Climate Active certification for our Australian and NZ operations and we’re working towards carbon neutrality for the entire organisation
- + We’re committed to continually improving our emissions reductions through a range of strategies, including switching to electric vehicles
- + Steel Blue was chosen as a CO2nstruct Zero Business Champion in the UK



# 2023 Climate Update

## Scope 3 certification

Becoming carbon-neutral by 2025 is no small commitment and although we remain on track, identifying reputable third-party accreditation organisations in the markets where we operate around the world has been no small task. In the past year, we've come across some challenges.

In Australia, carbon neutral certification was straightforward because the Government has Climate Active as its certifying body and it is widely recognised as being the benchmark for credible carbon-neutral certification.

But in New Zealand we were unable to find an equivalent certifying body. Wanting to continue to make progress on our goal, our solution was to put our NZ operations through the Australian certification process, ensuring it meets all the Climate Active standards, then having that audited by independent third-party consultancy, Carbon Neutral. Carbon Neutral has given us an assurance that the work we've done meets Australian Scope 3 benchmarks.

This year, our plan is to complete Scope 3 carbon-neutral certification for our business operations in the UK and the Netherlands, with the USA to follow.

While we're still identifying credible certification partners, our goal of being carbon-neutral by 2025 remains alive and achievable.

We are also in talks with our service providers (for example, our logistics and distribution partners) about solutions that will allow us to reduce our offsets by genuinely reducing our carbon emissions at their source.

## Life Cycle Assessments

While our 2025 goal and our Scope 3 certification is about our business operations, we're also investigating life cycle assessments for our products.

A life cycle assessment looks up and down the supply chain to determine the full impact of products, activities, and processes, including greenhouse gas emissions, land use and water use.

We are in the very early stages of the life cycle assessment process, having this year engaged a Netherlands-based company called Ecochain to help us begin that journey. This is an industry-leading step.



# Human Rights

## Our human rights goal for 2025.

**By 2025, we will have eliminated any risk of modern slavery within our supply chain.**

Under the United Nations Guiding Principles on Business and Human Rights, every business has a responsibility to make sure both their operations and their supply chain respect human rights and take action to combat modern slavery. It's a commitment we take very seriously.

### What is modern slavery?

Australia's Department of Home Affairs defines modern slavery as any situation where a person or organisation uses coercion, threats or deception to exploit victims and undermine freedoms. Practices that are considered modern slavery can include:

- + Human trafficking
- + Slavery
- + Servitude
- + Forced labour
- + Debt bondage
- + Forced marriage
- + The worst forms of child labour

### What are we doing to combat modern slavery?

We fully comply with the requirements of the Australian Government's Modern Slavery Act 2018. We submit regular Modern Slavery Statements to the Government.

This means we have policies and procedures in place to require our suppliers to agree to, and adhere to, certain standards and regular audits (including third-party ethical trade audits—or SMETA audits—by an independent body called Sedex).

In December 2017, Steel Blue received Footwear Distributors & Retailers of America (FDRA) Responsible Factory accreditation—one of only 20 companies in the world to receive the classification. The FDRA is the peak industry footwear body in the USA. Their Responsible Factory Program was designed to enhance factory compliance across global footwear factories and ensure dignified working conditions for all workers throughout the supply chain.

Although that accreditation has now expired, we do remain committed to the standards that ensured we achieved the original certification. We find the SMETA audits through Sedex a better fit for our business as we expand into more regions.

### We're on track to meet our targets

There's no place for modern slavery anywhere in our operations or supply chain, and we have done (and will continue to do) everything we can to ensure Steel Blue is 100% free of modern slavery. We will continue to improve our policies, systems and procedures to eliminate even the risk of modern slavery.





**“Steel Blue values, and seeks to work with, suppliers, vendors, contractors, tanneries, manufacturers and other business partners who commit to, and conduct business with, the same degree of ethical integrity we have committed to ourselves.”**

Dwayne Sewell, Steel Blue  
Head of Manufacturing &  
Sustainability



## Workplace health and safety

Manufacturing can be a dangerous occupation so Steel Blue takes a very proactive approach to occupational health and safety. We start with developing the right policies to ensure our workplaces are as safe as possible.

Then we provide training to all staff, issue the right personal protective equipment (PPE), and regularly stress test our systems and training through drills and training exercises. For example, at our partner factory in Indonesia we have established emergency response teams which perform regular drills, ensuring team members understand evacuation procedures, muster points, and so on.

We perform regular inspections of our tools and equipment to ensure the correct safety guards are in place on machines, that they're put back if they've been removed for some reason (for example, servicing) and to ensure the team member using that machine is aware of the health and safety procedures and have and are wearing the correct PPE.

## The domino effect of caring for your team

We have a very close relationship with our partner factory in Indonesia, so we visit our team there often. What we've found is that by ensuring worker health and safety, our factory team feels and understands that we care for them. That has had a positive domino effect throughout the business, because workers who feel safe are happier, so morale improves, and that ultimately leads to a better quality product leaving the factory floor.

## What's next for Steel Blue's commitments on human rights

As we head towards achieving our 2025 goal, we're looking for ways to expand our human rights audits across our supplier base. So, for example, we want to ensure there's no modern slavery or human rights concerns at the companies that supply our staff uniforms, our office stationery, and so on. That way we can be sure that Steel Blue is not, even inadvertently, contributing to a horrendous trade that is completely against everything we believe in as a company and as a team.

# Our achievements on human rights to-date



- 
- + We submit Modern Slavery Statements to Australia's Department of Home Affairs
  - + Steel Blue is a member of Sedex, which regularly audits our operations and supply chain for modern slavery and other social and ethical issues





# 2023 Human Rights Update

## Ethical Sourcing

In the past year we have developed and implemented an ethical sourcing policy, which covers human rights and environmental considerations. It includes considerations like ensuring no child labour or forced labour, paying at least the minimum wage required in the region our suppliers operate, ensuring safe working conditions, and not using restricted substances.

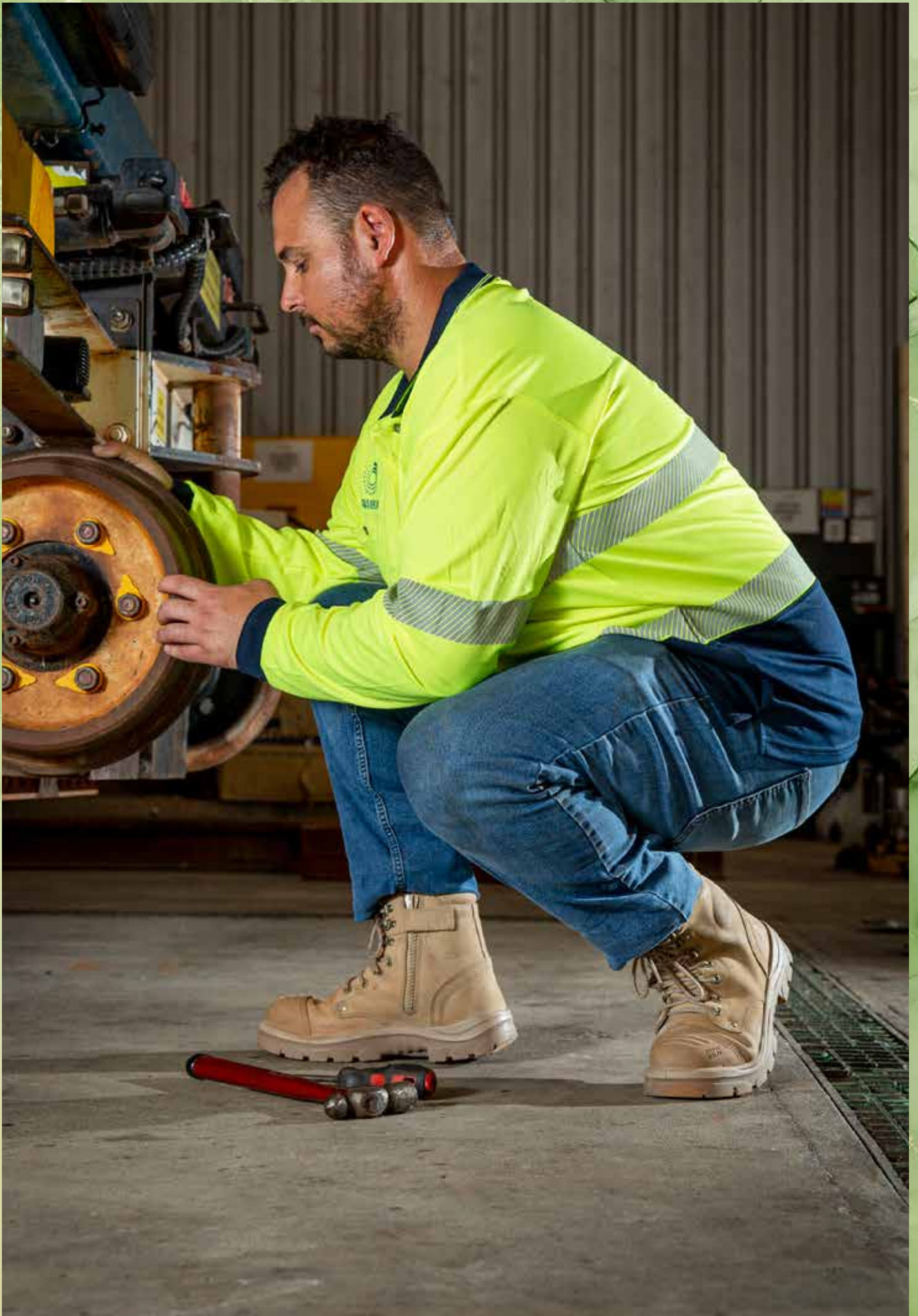
This policy has been sent to all our suppliers to ensure they're aware of our expectations and to set a minimum standard. All our suppliers have had to agree to, sign and return the policy in order to continue working with Steel Blue.

## Human Rights Audits

We have conducted internal human rights audits from 16 of our 19 Indonesian-based suppliers. This process is ongoing, but we consider the high level of early compliance a very positive sign. Where we aren't convinced by the evidence supplied, we are committed to seeking a third-party audit. This work is ongoing.

Our main production facility in Jakarta is regularly audited by independent third-party against the Sedex Smeta audit. Steel Blue quickly and systematically works to address any issues raised in the resulting reports.

We see the workers in our partner factory in Indonesia as a part of our extended work family, so what we want to do for them is, wherever possible, emulate what we do for our workers in Australia. We want to look after them when it comes to wages, working hours, health and safety, and mitigating any potential risks.



# Beyond 2025: The journey isn't over.

Steel Blue has set some ambitious goals across our five key areas—community, diversity and inclusion, environment, climate, and human rights.

We believe we've made excellent progress towards achieving those goals and we've done much of the heavy lifting required to make a lasting impression. Achieving certifications and accreditations for some of these major schemes and programs, like Climate Active certification, requires a massive investment of time, effort and funding (and paperwork). But it's just the beginning.

While there's still plenty to do—like transitioning completely to electric vehicles and optimising our warehouse locations—we've already achieved so much. We've raised millions of dollars for charity, made real differences to the life opportunities of people in our First Nations communities, committed to rooting out and eliminating modern slavery from our entire supply chain, reduced our waste, and made an important contribution to biodiversity and wildlife habitat through our carbon offset contributions.

Our goals are within reach, but our goals are not the end of the journey. They are just the first step towards making a lasting impression, but they're ***a step in the right direction.***

Thank you for taking the time to read about Steel Blue's sustainability and corporate social responsibility goals.



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