

# WOLVERINE

responsibility



## Wolverine Worldwide 2014 Corporate Responsibility Report

# LETTER FROM THE CHAIRMAN

I have had the great privilege to be associated with Wolverine Worldwide for more than 20 years, and while much has changed, one key value has remained constant – always do the right thing.

Dating back to the Company's humble beginnings in 1883, the goal of building a profitable business was always underscored by Wolverine's efforts to enrich our communities and improve the lives of our employees and consumers. It is with this mindset that the Company was founded, and this mindset still guides us today.

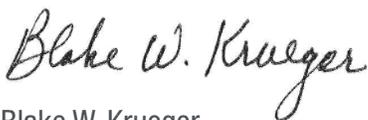
At Wolverine, we have always emphasized hard work, fairness, integrity and innovation. Today, we have seven core values that guide our teams, our brands and our global operations in over 200 countries and territories:

1. Consumers First
2. Play to Win
3. Be a Great Partner
4. Do the Right Thing – Always
5. Make the World a Better Place
6. Our People are the Difference
7. Innovation – Think Forward and Think Big

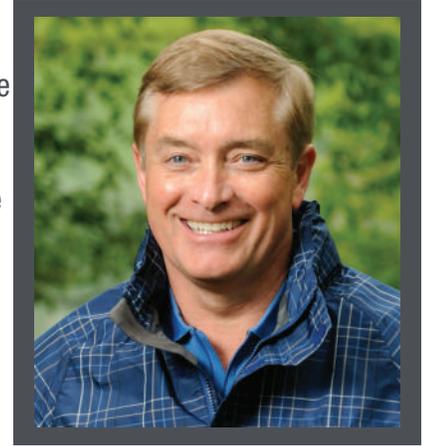
These values shape who we are as a Company and how we approach every aspect of our business. While we've quietly made a positive impact on people and our communities for many decades, this is the first time we've endeavored to provide a public report addressing some of our key initiatives and our philosophy of striving to continually improve our Company, our associates, our communities and our world. This initial report focuses on our efforts around social compliance, environmental impact and philanthropic endeavors. We are excited to provide a view into our efforts today, and most importantly, a look forward to tomorrow and beyond. In the coming year, we intend to establish measurable baselines for some of our key initiatives so we can share our progress on this journey of continual improvement with you.

I am proud of the positive impact that Wolverine Worldwide has had in the communities in which we live and work, and looking forward to what we will accomplish together in the future.

I invite you to review our progress to date and follow our journey going forward.



Blake W. Krueger  
Chairman, Chief Executive Officer and President



# COMPANY OVERVIEW

est. **1883**

Founded in 1883, Wolverine Worldwide is a leading global marketer of branded footwear, apparel and accessories.



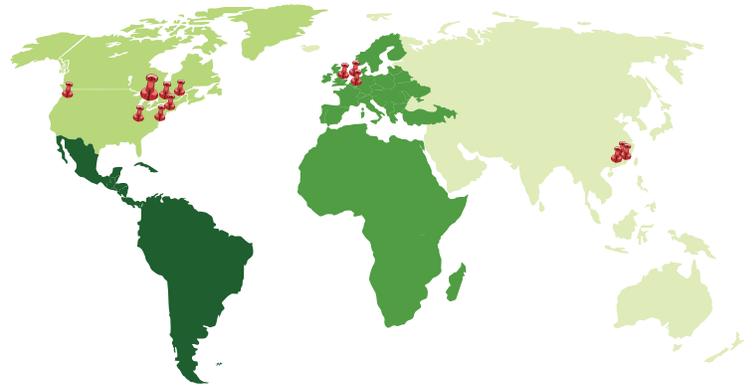
We are a family of 15 brands covering all ages, passions and pursuits. With over 1,000 years of brand heritage, we are continually striving to achieve our vision "To build a family of the most admired performance and lifestyle brands on earth".

**OWNED**

**LICENSED**

We were among the first in our industry to leverage the global potential of powerful and inspiring brands, and today we have a global footprint spanning approximately 200 countries and territories. In 2014, our global portfolio generated approximately \$2.76 billion in revenues.

**200 COUNTRIES AND TERRITORIES**  
**37 GLOBAL LOCATIONS**



We believe in empowering, engaging and inspiring our consumers, associates, and the communities in which we work and live. We have always emphasized hard work, fairness, integrity and innovation, particularly when it comes to social compliance, environmental impact and philanthropic endeavors.



We know our people are one of our biggest assets, which is why we continually seek opportunities to improve and enrich their lives and well-being. This is why we offer a wide variety of personal and professional development opportunities, as well as health and welfare programs designed to encourage a healthy and productive lifestyle.

**6,600 EMPLOYEES**



# WORKING WITH OUR PARTNERS

Wolverine's *Production Code of Conduct* establishes the minimum standards factories manufacturing products for us (our "Production Partners") are expected to satisfy in conducting their business. Our Code of Conduct emphasizes voluntary labor, fair wages, clean and safe working and living environments, legal compliance, minimizing adverse environmental impact and maintaining accurate records. We seek to engage Production Partners who are aligned with our strategic goals and with whom we can cultivate long-term productive relationships. We utilize a multi-tiered monitoring system that includes inspections by our internal team, third party audits, training events and written agreements to ensure our Production Partners are focused on continuous improvement.

## The Production Code of Conduct Addresses:



Ethical Standards



Health & Safety



Environmental Responsibility



Employment Practices



Freedom of Association



Security



Legal Compliance



Records & Inspections

## SELECTING PRODUCTION PARTNERS

Wolverine considers numerous factors in selecting new Production Partners, such as location, manufacturing capabilities, reputation, and the ability to comply with our Code of Conduct. We carefully consider geopolitical, infrastructure, human rights, and similar risks associated with regions where we have or are seeking to expand production to ensure alignment with our long-term sourcing strategy. Many of our Production Partners have operations in multiple locations to minimize potential production disruptions.

## ENGAGING PRODUCTION PARTNERS

After a new Production Partner is identified, our assessment process commences and a series of inspections are carried out by our internal teams and third parties. These inspections review manufacturing capabilities, compliance with our Code of Conduct, and the ability to satisfy our C-TPAT (Customs - Trade Partnership Against Terrorism) Tier III status. If a deficiency is discovered, we work with the Production Partner to establish a measurable corrective action plan and conduct periodic reassessments to ensure it is continually improving.

## MONITORING PRODUCTION PARTNERS

Wolverine is committed to long-term partnerships rooted in trust, open communication and a shared vision that fosters continual improvement and compliance with our Code of Conduct. We value all of our Production Partners, particularly our 39 core Production Partners who account for a significant majority of our footwear production, and are in constant communication with them regarding current events impacting the industry and best practices. We also hold an annual summit with our core Production Partners. In addition to open communication, we routinely conduct social compliance audits through our internal teams and third parties to monitor compliance with our Code of Conduct. In 2014 we conducted more than 180 third party and 150 internal social compliance audits. We also proactively work with our Production Partners to address issues such as geopolitical and regional risks.

# ENVIRONMENTAL EFFORTS

## REDUCE AND RECYCLE

Over the past several years, Wolverine has made significant progress shifting our manufacturing and packaging processes to more efficient and less wasteful practices. Likewise we are constantly seeking ways to improve energy efficiencies and “reduce, reuse and recycle” in our places of work. Our growing environmental engagement also reflects our heritage as a Company dedicated to community betterment.

By doing our part to protect the environment, we make the world a better place for our families, our communities and our customers. We also help preserve our planet’s precious resources for the generations to follow.

***Below are only a few of the green practices, energy initiatives and waste reduction efforts that our global team is implementing:***



- Non-recyclable materials collected at our U.S. distribution centers are taken to waste-to-energy plants instead of a landfill, and cardboard is baled on-site, reducing the need for pickups.



- We created a corporate recycling program for batteries, electronics, printer cartridges, paper, plastic, metal and glass. Our Michigan-based cafeteria also utilizes a third-party to compost any waste.



- Our Michigan-based headquarters, factory and distribution centers are powered by renewable energy, placing us in the top tier of renewable energy users in the state.



- Our Chaco brand repairs customer shoes to minimize what may end up in a landfill. In 2014, Chaco revitalized more than 20,000 pairs of shoes at its “Re-Chaco” facility. Since 2010, the brand has extended the life of over 70,000 pairs by repairing long worn customer shoes.



- Our buildings are lit by energy-efficient bulbs, that were responsibly recovered and recycled at end-of-life.



- We re-engineered some of our footwear packaging by moving away from traditional methods and materials in favor of 85% post-consumer recycled cardboard for boxes. We also encourage one piece box design and adhesive-free construction to minimize materials usage, and use 100% post-consumer recycled paper for a majority of the wrapping tissues.



- Over the past several years, we’ve implemented computer-based energy management systems in our main facilities to reduce gas and electric usage.



- We regularly participate in tree planting activities both on our own property and within the communities where we have facilities.

# SOCIAL PURPOSE

Wolverine and its associates take seriously our responsibility to contribute positively to the communities in which we work and live. Together, we contribute not only to our success as a Company but also to the betterment of our global communities. Our mutual commitment of time, talent and financial support provides a multitude of charitable groups and organizations the resources they need to support and enrich our communities. Each year our associates donate countless hours to various charitable endeavors and organizations. In addition to their time, together our associates and Wolverine donated more than \$774,000 to the United Way in 2014 making us the third largest corporate donor to the Heart of West Michigan chapter of the United Way. A few of our other charitable endeavors are described below.

## WOLVERINE WORLDWIDE FOUNDATION

The Wolverine Worldwide Foundation was established in 1959 on the belief that as we help each other, we build stronger communities and nurture brighter futures. The Foundation actively supports a multitude of charitable organizations that are committed to safeguarding the environment, promoting education and strengthening the lives of children and their families. In 2014, together Wolverine and the Foundation provided over \$1.1 million in donations, support and sponsorships to more than 100 organizations.

## SAUCONY'S RUN FOR GOOD FOUNDATION

Saucony established the Run for Good Foundation in 2006 to help combat the alarming rise in childhood obesity by supporting community organizations that promote running and healthy, active lifestyle programs for our youth. Since the Foundation's inception, Saucony has donated over \$1.1 million to more than 120 organizations.

## KEDS BRAVE LIFE PROJECT

In 2014, Keds kicked off the Brave Life Project for the purpose of inspiring girls to follow their dreams. The Keds Brave Life Project provides girls with opportunities to take positive risks, develop the confidence to be true to themselves, and build supportive networks. In 2014, the Keds Brave Life Project provided girls with tools, resources and more than \$133,000 in grants to support their goals and dreams.

## TWO TEN FOUNDATION

In 2014, Wolverine, its associates and the Wolverine Foundation, contributed more than \$260,000 to the Two Ten charitable foundation, which offers financial assistance, counseling, community resources and scholarships to those working in the footwear industry.

## MEGA SHOE SALE

One of our annual keystone fundraising events for the United Way is the Mega Shoe Sale. In 2014, we contributed more than 10,000 pairs of shoes that were sold to the public raising over \$300,000.

## UPCYCLING FOOTWEAR

Wolverine participates in an "upcycling" program that donates gently worn footwear to the underprivileged in local communities.



# OUR ONGOING COMMITMENT

Although Wolverine has been doing the right thing for many decades, this is our first public report explaining some of our social, environmental and philanthropic activities. Every journey begins with a first step and we realize there is always room for improvement. We also know that our stakeholders – employees, community members, shareholders and thought leaders – are interested in our progress. This is why, in 2014, we formed a Responsibility Council to drive our environmental and social engagement efforts.

Moving forward, we are looking to improve how we track, measure and report progress on key initiatives such as the number of social compliance audits conducted, ranking our production partners' social compliance programs, reduction of energy consumption, total charitable dollars donated and volunteer hours contributed by our associates

The bottom line is important for every company, but we know that investing in people and the planet is equally important. As is stated in our values, we take seriously our commitment to do the right thing, make the world a better place, be a great partner and think forward and think big. For a company driven by innovation, we wouldn't have it any other way and are excited to share our journey with you.



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