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Feature interview Business Leader

Garry Johnson Chief Executive Officer at Steel Blue (Australia)



Why is making progress on Net Zero important to your business?

At Steel Blue, we recognise the interconnected nature of global issues and our operations across the world. Businesses globally have an important role in leading change to protect our environment for future generations. That's why Steel Blue proudly launched the **In Our Stride Sustainability Roadmap**, an initiative that identifies five strategic priorities to help us overcome environmental and societal challenges we face today and into the future.

One of these key goals is to be Scope 3 Carbon Neutral by 2025 globally, aligning to Net Zero. Taking action is something we are all responsible for, and can be achieved with tangible, measurable goals that make business sense and can be done in ways that do not impact competitiveness.







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Which of the 9 priorities are more relevant to your business and clients and why?

As part of our **In Our Stride** Sustainability Roadmap, Steel Blue is taking steps to proactively develop, implement, manage and audit our carbon output.

Steel Blue has engaged independent third parties, including <u>Carbon Neutral</u>, to help us measure our carbon output as a business and identify ways to reduce it, including utilising carbon offsets where elimination may not be possible right away.

We are continually exploring ways and innovations to reduce our impact on the environment, including utilising Graphene in our GraphTEC[™] range of work boots that can increase durability through an increase in abrasion resistance.

Steel Blue have also engaged <u>Encycle Consulting</u>, which is exploring the following:

- Identification of potential circular economy opportunities
- Improved recycling rate
- Reduction in waste
- Identification of relevant, applicable, and credible environmental accreditations schemes and logos

As part of these processes, we will be seeking <u>Climate Active Certification</u>.

NB: for editorial team, Steel Blue's **In Our Stride** Sustainability Roadmap aligns to the following priorities listed.

7. Implementing carbon measurement, to support our construction projects in making quantifiable decisions to remove carbon

8. Become world leaders in designing out carbon, developing the capability of our designers and construction professionals to design in line with circular economy - shifting commercial models to reward measurable carbon reductions

9. Support development of innovative low carbon materials as well as advancing low carbon solutions for manufacturing production processes and distribution.







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What are doing to make progress against the relevant priorities (of the 9) in the short and long-term? (Could include targets or milestones)

Steel Blue's **In Our Stride** Sustainability Roadmap was developed and set to our commitment to implementing five key sustainability initiatives by 2025. These initiatives increase our responsibility across our supply chain with tangible and measurable goals to have a positive environmental and societal impact.

One of the key goals is to be Scope 3 Carbon Neutral. Steel Blue have engaged independent third parties, including <u>Carbon Neutral</u>, to help measure our carbon output as a business, providing ongoing auditing and identify ways to reduce our output.

To date, Steel Blue has implemented the following, aligning to our **In Our Stride** Sustainability Roadmap:

- Installation of a 100kw solar panel system at our Head Office and Manufacturing facility that generates 71% of our power during peak operation periods, and 100% during off-peak operation periods.
- Installation of LED lighting in our warehouse and factory to further reduce our energy usage
- Implementation of a hybrid car policy to update our fleet by 2025

Footwear manufacturing has historically been heavily reliant on solvent-based chemicals. In June 2011, we started a project to eliminate solvent based chemicals from our production process.

Release agents for moulding were substituted for water-based equivalents and adhesives in the construction of uppers were replaced with hotmelt alternatives. As a result, we have reduced our environmental impact through a reduction in VOC release and improved the working conditions of factory employees.

Since 2012, our solvent based adhesive consumption has reduced from 4,000 kilograms per year to 300 kilograms per year; a reduction of 92.5%.

How have you helped your supply chain understand what is required against the 9 priorities?

We continue to work with our key goal partners in our supply chain to focus on areas where we can drive the greatest amount of change and support the globally accepted UN Sustainable Development Goals. We have an important role in achieving these goals, championing them to







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create a positive impact for our people, suppliers, and local communities alike. We take our commitment to corporate social responsibility seriously.

Steel Blue has developed a Restricted Substance Policy (RSL) under which suppliers sign a declaration with a commitment that no restricted substances will be used. Random 3rd party testing is conducted as an audit to declarations.



Our leather is exclusively sourced from members of the Leather Working Group (LWG), which is focused on producing a sustainable product using methods that align with environmental protocols. One tannery has achieved the LWG Gold Rating and Steel Blue is working with the second tannery, which is expecting to receive Silver to Gold Rating status.

Steel Blue are a proud and active member of the APC, an organisation that aims to partner with Government and industry to reduce the detrimental impact of packaging on the environment. Part of our commitment is an emphasis on recycling. With extensive recycling practices at our Perth office, warehouse and manufacturing premises, and product packaging being made of recyclable materials, we divert away from landfill. View our APC action plan here: https://steelblue.com/gb/sustainability/environmental-achievements/

As a business leader what do you think the biggest challenge is and how are you working to overcome it?

One of the bigger challenges is to help business leaders understand the impact their leadership role plays in moving to Net Zero. There is often a business case to make the capital investment







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to achieve these goals and it is easier than many would think. Doing the right thing can have positive benefits for all stakeholders. One challenge is getting downstream suppliers to understand the role they can play and the importance of adapting to societal and consumer demand for more sustainable products.

The other challenge is so called "green washing". When you are doing the right thing, it's important to have third party accreditations, like with organisations such as Climate Active or the Leather Working Group, to give consumers further confidence that their purchase is making a difference.

In your view what is the one innovation or change that is going to have the biggest impact on carbon or progress in our industry?

The one innovation that will have the biggest impact on carbon and progress in our industry is the use of renewable energy and new technology to help carbon capture. We will never be able to fully eliminate carbon outputs, so an efficient form of capture is vital.









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Interview emerging leader

Scott Davis Territory Manager at Steel Blue (England)

What do your peers and wider employees within your company think about the businesses' approach to Net Zero?

Becoming a Net Zero company is a natural progression for any business looking to build. The environment and wellbeing is a key



goal for all of us to help protect which happens person by person. We are constantly working towards our 5 key sustainability goals and reaching our target by 2025.

How are the younger generation within your business engaged in this?

It is not just the younger generation who are engaged in becoming Net Zero but everyone within the company. We are all looking at ways to cut down on travel and vehicle usage. Orders/deliveries are also a big thing that brings issues in becoming Net Zero, which at Steel Blue we are consolidating orders from Europe which saves on emissions by shipping smaller orders together.

What more do you think your business could be doing against the 9 priorities?

For our business, the priorities that are most relevant are:

7. Implementing carbon measurement, to support our construction projects in making quantifiable decisions to remove carbon

8. Become world leaders in designing out carbon, developing the capability of our designers and construction professionals to design in line with circular economy - shifting commercial models to reward measurable carbon reductions

9. Support development of innovative low carbon materials as well as advancing low carbon solutions for manufacturing production processes and distribution.







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We measure all our emissions for all regions, have these audited/validated by a 3rd party. The other regions could learn from the progress the Australian offices and manufacturing has already accomplished. By 2025, our entire organisation aims to be Carbon Neutral. We have reduction measures implemented and we continue to identify other opportunities to reduce emissions.

A Youth Voice COP climate is being organised in Milan to bring together young people globally- what would be your key issue to raise?

Personally, I would want all individual products to show the amount of emissions and damage they are doing to the environment, it would ideally be a rating to make it easy for consumers to understand.

What do you do in your daily life/job that makes a difference?

Journey planning is a priority in keeping the values as well as being conscious of everyday activities. Reducing waste, travel and meat consumption all helps towards achieving the priorities.









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For reference:

https://steelblue.com/gb/sustainability/climate

https://www.leatherworkinggroup.com

https://apco.org.au/

https://www.outbackcarbon.com.au/



OUR GOAL FOR 2025: By 2025, we will be Carbon Neutral as an organisation.









