



Chaco Sustainability 2006

Your Feet, Our World

Since 1989, Chaco has been building the highest quality sports sandals on the market. With our eyes focused on comfort and performance and our hearts focused on being kind to our planet by creating durable, resole-able footwear, your feet and our world are our two highest priorities.

Introduction

To run our business in a sustainable way, we recognize that without people, and without the earth's abundant, yet finite resources, profits are not possible. While many businesses focus only on profits, Chaco has decided to measure our success using the Triple Bottom Line (TBL) approach: focusing on Profits, People, and Planet. We see these as three stepping-stones to sustainability:

- **Profits:** Profits result from our careful use of the environment and the diligent work of our people. Without profits we cannot provide long-term support for either people or the environment. Both care of the environment and support for people depend upon sustainable profits.
 - By using Geo-exchange instead of fossil fuels for heating and cooling we increased profits by \$7,500 in 2005
 - We donate 3% of after tax profits to environmental causes

- **People:** The Chaco community of people develop, make, and sell our products; provide us with services or raw materials; buy our products; and live nearby as our neighbors. The people step ties environment and profits together.
 - Safety: Chaco's Distribution Center was awarded SHARP certification by OSHA in 2005. Of nine million employers nationwide, only 900 (29 in CO) have received this award. OSHA cites these facilities among the safest in the US and exempts them from inspections
 - People are paid one dollar a day to ride a bike, car pool, or walk to work
 - Chaco pays employees 20 hours per year to volunteer for the non-profit of their choice
 - We pay our employees above the living wage standard for and include medical, dental, life insurance and a full benefit package

- **Planet:** We all share our environment and are dependent on our planet for our air, water, and materials for our products.
 - We offset 100% of our electrical use with certified Green Tags from wind farms in Wyoming and Kansas
 - Our headquarters uses geo-exchange for our HVAC system relying on the natural heating and cooling of the earth
 - We have joined the Leather Working Group – creating certification for environmental standards of tanneries and leather processors
 - We formed a partnership with Bainbridge Graduate Institute to provide internship opportunities for MBA students pursuing Sustainability