



Promise Policy

INTRODUCTION

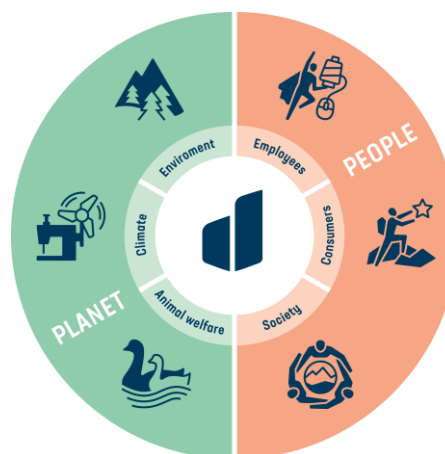
We are pioneers in mountain sports. As the leading backpack manufacturer in Europe and sleeping bag expert, we've been shaping the global alpine sports market for over 120 years.

We strive to preserve what we love for future generations by accepting responsibility for both people and the planet, carefully using resources in our manufacturing processes, creating products made to last, and treating our workers fairly.

Innovative product development, a history of German craftsmanship, and influential design make our products unforgettable, while our passion for the mountains drives us forward. deuter empowers you to experience the freedom of the mountains.

THE DEUTER PROMISE STRATEGY

In 2020, deuter revised the company's entire CSR strategy in a cross-departmental committee and transformed it into a holistic project plan with risk-based selected measures. Measurable sustainability goals were formulated, considering the 17 UN Sustainability Goals. With our deuter Promise we take into account the entire supply chain and develop strategies for the circular economy. Our vision here is "Together for 360° Responsibility", which entails that we work according to an integrated sustainability approach - CSR takes place in every department at deuter and every employee makes their contribution. This means forward-looking product development, resource-saving production and environmentally friendly transport, long product life cycles, responsible treatment of employees, conscientious behavior in our private lives. This is a matter close to our hearts and part of our DNA. We assume responsibility for both people and our planet. We want to preserve what we love for future generations - that's why we ensure careful use of resources and eco-friendly production as well as fair working conditions. To do so, we uphold the highest standards and cultivate lasting relationships with our manufacturing and development partners.



We have assigned three fields of action to each of the two pillars Planet and People, under which we combine our measures. Under the Planet pillar, we have defined the fields of action environmental protection, climate protection and animal welfare. The People pillar covers the areas of action customers, employees/workers, and society.

In each field of action, we have defined measures to meet our corporate and social responsibility.

We PROMISE to take care of our PLANET and the PEOPLE.



THE DEUTER PROMISE POLICY

Our Promise Policy is based upon this premises discussed above and outlines the most important principles and rules for all our activities – transparently, openly, and bindingly.

This document and its related Guidelines (Planet & People Guideline) are specifically geared toward the needs of deuter's supply chain, including raw material & chemical suppliers, mills, dye houses, trim & packaging suppliers, screen-printers, factories, any other entity involved in the manufacturing of our finished goods, as well as service providers and all other business partners. It is intended to be a guideline for a successful implementation of a management system handling the deuter guidelines and standards. This document defines deuter's expectations towards direct and indirect suppliers in deuter's supply chain, to reduce the risk of harmful practices. We also want to draw attention to the point that suppliers will be liable for damages, in fact the information given to deuter is not correct or incompliant with deuter's standards.

HOW DOES THE PROMISE POLICY AFFECT THE SUPPLY CHAIN

At deuter we consider sustainability to be an essential component of our business processes.

Our vision is to continuously decrease our environmental impact, to comply and exceed social standards and communicate transparently and publicly about our achievements.

Ensuring the principles of sustainable development in our supply chain is important to us. In all our procurement activities, we take into consideration constant quality of raw materials, the adherence to legal requirements, supply reliability, competitive prices, innovative strengths as well as essential social and ecological factors.

We expect our suppliers to fully comply with applicable laws and to adhere to our promise policy, which is based on the ten principles of the UN Global Compact Initiative, the United Nations Guiding Principles on Business and Human Rights and the International Labor Organization and other internationally recognized environmental, social, and corporate governance standards.

The standards set in our deuter promise policy has worldwide application and is directed at both product suppliers and service providers.



SUPPLIER COMMITMENT

Suppliers may acknowledge the principles stated above either by applying our deuter promise policy or by ensuring that their own code of conduct and current sustainability practices towards their supply chain embrace these standards. Suppliers are committed to passing on these requirements to their employees and suppliers, and to making every effort in implementing these standards with their own subsidiaries, suppliers, and subcontractors. Our shared commitment is the key to securing a sustainable future for our industry.

We have the right to conduct an audit at the supplier's premises upon a written notice of 14 days in advance, making sure to safeguard any intellectual property. The supplier shall allow access to its premises as well as the inspection of documents required for this purpose. A partial refusal is only permissible in case of justified confidentiality interests.

Safeguarding the deuter Promise is a long-term learning and development process. In case of identified risks along the supply chain, both parties undertake to immediately develop and implement an effective concept, including a dedicated time schedule. If the implementation of the measures does not provide remedy, clear steps of action will follow.

Suppliers are obligated to fill out the questionnaires necessary for risk assessment completely and truthfully within a reasonable period of time.



I. PEOPLE

We bear responsibility as a brand. To our customers: We want to provide high-quality, long-lasting product. To our employees: We aspire to be fair to everyone involved in the development of our products. And fair to everyone in the society to which we belong.

1. BUSINESS PRACTICES

1.1. LAW AND COMPLIANCE

All suppliers are expected to comply with and will be monitored to: (1) all relevant and applicable laws and regulations of the country in which workers are employed, including those at the federal, state/provincial, and local community levels, as well as regulations including but not limited to antitrust, trade controls, sanction regimes, and rules governing anti-money-laundering (2) our Promise Policy, and (3) where applicable, Collective Bargaining Agreements.

Suppliers respect the privacy and confidential information of all employees and business partners as well as protect data and intellectual property from misuse.

1.2. TRANSPARENCY

Suppliers are expected to share information about their supply chain. deuter expects transparent disclosure about the suppliers used during periodic requests. Suppliers shall allow the disclosure of their factories on the [Open Supply Hub](#).

deuter has the right to conduct an audit at the supplier's premises upon a written notice of 14 days in advance, making sure to safeguard any intellectual property. The supplier shall allow access to its premises as well as the inspection of documents required for this purpose. A partial refusal is only permissible in case of justified confidentiality interests.

1.1. PROCUREMENT PRACTICES AND DUE DILIGENCE

We value long-term partnerships built on trust and mutual respect. This is true at our headquarters, with our distributors and, of course, with our production partners. We commit to responsible purchasing practices: We are in close contact with our suppliers regarding collaborative planning, we rely on long lead times and joint pricing. We are expressly committed to the ILO Core Labour Standard¹ and the Code of Labour Practices² of the Fairwear Foundation. We implement these consistently and also demand this from all our suppliers. We carefully select our suppliers based on the criteria of various standards that ensure respect for human rights and minimise negative impacts on the environment. A regular risk analysis is carried out for our activities and cooperation with relevant suppliers.

We base our holistic approach to due diligence and risk analysis on the OECD guidelines³. The risk analysis follows this methodology: First, a supplier list is created and a fiber volume analysis is carried out. Subsequently,

¹ International Labour Organisation – International Labour Standards
<https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12000:0::NO::>

² Fairwear Foundation – Code of Labour Practices
<https://api.fairwear.org/wp-content/uploads/2016/06/fwfcodeoflabourpractices.pdf>

³ OECD – Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector
<https://www.oecd-ilibrary.org/docserver/9789264290587-en.pdf?expires=1621429311&id=id&accname=quest&checksum=2088512431F00DF5B188516F59B4437B>



gross risks are determined on the basis of NGO reports/studies, publications of governmental organizations and press articles, country- and product-specific. The OECD sector risks are used as a guideline. We cross-check this analysis with internal information and mitigation measures to obtain a differentiated risk profile. Likewise, our business model and purchasing practices are reviewed for potential risks. Based on the risk profile, we identify and measure potential risks and link measures with smart goals and KPIs in order to minimize them effectively. A risk analysis tool developed by the Green Button is used.

The OECD sector risks include environmental and chemical risks, labor rights and human rights, corporate ethics, and good governance. At deuter, we observe that environmental and chemical sector risks are more prevalent in the deeper tiers of the supply chain and in raw material-producing countries, where the extraction and processing of raw materials take precedence. We recognize the climate crisis and environmental degradation as a risk and commit ourselves and our suppliers to minimize the impact on our environment and to continuously reduce greenhouse gas emissions. In the labor-intensive stages of our supply chain, particularly in our production countries, social sector risks such as labor rights and fair working conditions play a more significant role. We have conducted our risk analysis on all relevant levels with a gender lens to address this cross-cutting issue comprehensively, ensuring that all potentially affected vulnerable groups are adequately considered. deuter prioritizes the most severe risks based on their scale, scope, and irreversibility, and derives country-specific as well as factory-related action plans, which are consistently monitored and reported.

deuter has a top management strategic approach for the realization of all due diligence processes. We see it as our duty to counteract negative impacts preventively, but should negative impacts nevertheless occur, we are committed to mitigating and remediating them. In particular, we are committed to protect the rights of vulnerable groups such as children, refugees, women, migrant workers, homeworkers, and ethnic and religious minorities. deuter identifies in its risk analysis whether these vulnerable groups are present both in the supply chain and in its own company and takes responsibility for their specific needs through our due diligence processes. Vulnerable groups are more precisely considered in the People Guideline.

2. Labour Practices

All suppliers must comply fully with all legal requirements relevant to the conduct of their businesses and must adopt and follow practices which safeguard human rights, workers' employment rights, safety, and the environment.

deuter is committed to respecting human rights⁴ and the ILO International Labour Standards⁵ and will refrain from any activity or relationship with any company that assists, solicits, or encourages others to violate human rights. deuter involves collective worker voice when working on prevention of risks and remediation of adverse impacts, we include voices of those who are affected by adverse human rights impact structurally. We derive specific measures based on our risk assessment and report them in our annual Promise Report. deuter expects all its suppliers to do the same and, in the event of a perceived risk of a human rights violation, to properly inform us of this and of the steps being taken to prevent or mitigate such violation and, where this is not possible, for the supplier to ensure that the negative human rights impact is remedied where they have caused or contributed to it. For the purposes of these Workplace Standards, human rights and labor standards are a set of rights that

⁴ United Nations – Universal Declaration of Human Rights (2015)

https://www.un.org/en/udhrbook/pdf/udhr_booklet_en_web.pdf

⁵ International Labour Organisation – International Labour Standards

<https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12000:0::NO::>



recognize the inherent dignity, freedom, and equality of all human beings, as expressed in the United Nations International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

As a supplier of deuter you support the protection of internationally proclaimed human rights, fight forced and child labor, uphold the freedom of association and right to collective bargaining, provide a workplace free of harassment and unlawful practices of discrimination, comply with regulations of minimum wages and working hours and ensure a living wage according to local living conditions.

In particular, suppliers support, embrace and enact the following standards:

2.1. CORRUPTION AND ANTI-BRIBERY

deuter has zero-tolerance against corruption. Suppliers are not allowed to provide for, request or receive anything that can be defined as corruption. All suppliers shall agree to condemn and act against corruption in all its forms, including extortion and kickbacks. Suppliers shall forbid gifts to private or public officials that aim to influence business decisions or otherwise encourage them to act contrary to their obligations. However, no actions should put lives at risk due to strict adherence to the guideline and regulation for anti-corruption. The supplier shall have its own written anti-bribery and anti-corruption policies, maintain these and enforce them with the intent to avoid breaches of national and international, cross-border anti-bribery and anti-corruption acts.

2.2. PROTECTION AGAINST UNLAWFUL LAND DEPRIVATION

The business partner does not permit any unlawful evictions or unlawful taking of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person.

2.3. FORCED LABOR

There shall be no form of forced or compulsory labor. Forced or compulsory labor is any form of service that is required of a person under threat of any penalty and for which the person has not volunteered. No employee may be compelled to work through force or intimidation of any form, or as a means of political coercion or as punishment for holding or expressing political views. Human trafficking is prohibited. Employees are not required to lodge deposits or identity papers upon commencement of employment, and all are free to leave the company following an agreed term of notice. (ILO Convention 29, 105 and 182)

2.4. CHILD LABOR

No child younger than 15 years of age or under the age of compulsory school attendance, whichever is higher, may be employed. Youth workers (15-17 years of age) may not perform work that, given their circumstances, is detrimental to health, safety, or morale (ILO Convention 138 and 182).

2.5. DISCRIMINATION, SEXUAL HARASSMENT, GENDER SPECIFIC VIOLENCE

Each person shall be treated with respect and dignity. No employee shall be the target of physical, sexual, psychological, or verbal harassment or abuse, monetary penalties, or degrading actions as a disciplinary measure. No person shall suffer discrimination in any aspect of employment, including recruitment, hiring, compensation, benefits, work assignments, access to training, advancement, disciplinary action, termination, or retirement on the basis of race, religion, color, sex, pregnancy, childbirth, age, national origin, ancestry, sexual orientation, physical or mental impairment, medical condition, disease, genetic characteristics, family support,



marital or socioeconomic status, political opinion, union membership, ethnic group, and all others protected under the law. All hiring decisions must be based on the principle of equal employment opportunity and shall include effective mechanisms to protect migrant, temporary or seasonal workers against any form of discrimination. (ILO Convention 100 and 111) deuter's due diligence process includes a gender lens.

2.6. WAGES/LIVING WAGES

All legal requirements relating to wages and benefits must be met. Rules on minimum wages, social security costs, benefit laws and further local regulations are complied with. Wages must equal or exceed the minimum wage required by law or the prevailing industry wage, whichever is higher. In addition to compensation for regular working hours, employees must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate.

Every worker has the right to be paid sufficiently for a regular work week to meet the basic needs of workers and their families and to provide some disposable income. Where compensation does not meet workers' basic needs and provide some disposable income, suppliers must take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programs and other services. Deductions from wages are not to be made for disciplinary purposes. (ILO Convention 26 and 131)

2.7. OVERTIME

The working time of employees may not exceed the regular working time plus overtime allowed by law. Excessive overtime may not be imposed. The regular working time may not exceed 48 hours per week, or the maximum given by law, whichever is lower. In a seven-day week, employees must receive at least one break of at least 24 consecutive hours. All overtime must be mutually agreeable. The total of regular and overtime hours may not exceed 60 hours in a week, or the maximum allowed by law, whichever is less. Overtime shall not be required on a regular basis and shall be compensated at a premium rate. (ILO Convention 1)

2.8. HEALTH AND SAFETY

Employers are required to provide safe and healthy working conditions to prevent accidents or adverse health effects resulting from work or the work environment. This includes protection from fire, accidents, and toxic substances. Lighting, heating, and ventilation systems must be adequate. Employees must always have access to sanitary facilities which should be adequate and clean. Employers must proactively address health and safety issues and implement effective policies, systems, and trainings to prevent accidents and injuries and protect workers' health. Our suppliers ensure that security arrangements protect physical integrity and are consistent with International Standards. Furthermore, we expect our suppliers to set up systems to detect, avoid or neutralize any threat to their employees' health and safety and to comply with all applicable local health and safety laws and regulations. The same principles will apply to our suppliers who provide housing to employees (ILO Convention 155).

2.9. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Workers must be granted the right to join independent organizations of their choice. Freedom of association and collective bargaining must be recognized and respected. An effective grievance mechanism must be available to all employees to resolve internal disputes, employee grievances and to ensure effective, respectful, and transparent communication between employees, their representatives and management (ILO Convention 87, 98 and 135).



Private or state security forces may not be used to protect the supplier's company if there is a risk that the use of the security forces violates the prohibition of torture and cruel, inhuman or degrading treatment due to a lack of instruction or control by the supplier, or that there is a risk to life and health or to freedom of association and the right to collective bargaining.

2.10. LEGALLY BINDING EMPLOYMENT RELATIONSHIP

Obligations to employees under labor or social security laws and regulations arising from regular employment shall not be avoided through the use of labor-only contracting arrangements or through apprenticeship schemes where there is no real intent to teach skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programs.

2.11. GRIEVANCE MECHANISM

It is mandatory that in every Factory an effective grievance mechanism is in place and functional. The mechanism must be known by the workers and easily accessible. External grievance mechanisms are available for Tier 1 suppliers via the Fairwear Foundation. deuter takes effort in implementing an app-based grievance mechanism in the deeper supply chain. deuter has a responsible person managing complaints and if necessary, deriving mitigation measures.

2.12. SUBCONTRACTORS

Wherever subcontractors are commissioned, the minimum requirements for cooperation in terms of fair labor practices apply (Section 2.1-2.11). If a supplier wishes to use a subcontractor, this must be made transparent in advance and agreed on with deuter. All suppliers are required to sign the Policy for Use of Subcontractors in deuter Supply Chain.

II. PLANET

Our planet as our source of life provides us with food, water, oxygen, and precious resources. In addition, with its unique beauty, it offers fascinating places where not only outdoor sports enthusiasts and nature lovers can recharge their batteries and enjoy life. The focus for us is the conservation of natural resources and the contribution to preserving our planet and thus our livelihood through responsible daily action. Our vision is to preserve what we love so that future generations can also live in an intact environment. On this basis we expect from all our suppliers to make progressive improvement in environmental performance in their own operations and require the same of their partners, suppliers, and subcontractors. This includes integrating principles of sustainability into business decisions; responsible use of natural resources; adoption of cleaner production and pollution prevention measures; and designing and developing products, materials, and technologies according to the principles of sustainability. deuter has set goals to continuously increase the use of sustainable materials.

Suppliers should comply with all applicable national and international laws, regulations, and standards to protect the environment, health and safety.

All suppliers promote the safe and environmentally sound development, manufacturing, transport, use and disposal of their products. We encourage our suppliers to establish and maintain a sustainable management system (e.g., in accordance with ISO 50001, ISO 14001, or national equivalent) to minimize environmental impact on our planet and to improve environmental protection in the way of doing business.

The suppliers' employees whose work has a direct impact on the environment are properly trained, competent and have the necessary resources to do their jobs.

1. CHEMICAL MANAGEMENT

The use of hazardous chemicals is to be minimized. Where this is not possible, the use as well as the disposal must be organized according to the best available technologies and standards.

2. WASTE MANAGEMENT

Responsible consumption of water and prevention of water pollution shall be ensured according to the best available technologies and standards, considering local legislation.

The supplier will develop and implement policies and procedures to minimize hazardous waste generation and to minimize risks to human health and the environment associated with hazardous waste management and disposal. The supplier will develop and implement processes and procedures for selecting licensed and qualified hazardous waste transporters, recyclers, and disposal facilities, and verifying that they exercise responsible environmental management practices. Examples include not allowing open disposal to land or water.

3. AIR EMISSIONS

The supplier will make sure that air emissions are characterized, routinely monitored, controlled, and treated according to the legal requirements and deuter-accepted industry standards. The supplier minimizes indoor and outdoor air pollution through program development, policy implementation, and regular training for the entire facility and process generated air emissions.

4. CLIMATE CHANGE

We are committed to reduce greenhouse gas emissions that are within our scope of responsibility so that we are compliant with the 1.5° target of the Paris Climate Agreement⁶. The supplier will demonstrate a consistent and competent approach to GHG (greenhouse gas) emissions management at facilities. Efforts to quantify, track, reduce and report GHG emissions will be consistent with best practices and international standards.

5. BIODIVERSITY

The dramatic loss of biodiversity is a big threat to humanity. Human survival heavily depends on functioning ecosystems and intact nature, whether fertile soil, clean water, or fresh air. We must minimize our impact on habitat loss, overexploitation of resources, pollution, and the introduction of invasive species.

6. ANIMAL WELFARE

Everywhere it is possible deuter renounces animal products. Where this is not possible, animal welfare must be respected. Suppliers of animal products treat animals ethically and respectfully, thereby minimizing pain and stress. Animals must be protected from any form of cruel or harmful treatment. Likewise, progressive efforts must be made to establish humane and healthy practices towards animals based on the best available technologies and standards.

For further information, guidelines and explanations please see the related documents:

[People Guideline](#) & [Planet Guideline](#)

Adopted by the managing director

A handwritten signature in black ink, reading 'R. Schieferle'.

Robert Schieferle

⁶ United Nations – The Paris Agreement
https://unfccc.int/sites/default/files/resource/parisagreement_publication.pdf