

PROMISE REPORT



deuter

JULY 2022 - JUNE 2023

#deuterforever

**SINCE
1991**
VINA DUKE
EXCLUSIVELY
MANUFACTURES ALL DEUTER
backpacks and accessories



105
ARTICLES
bluesign®
PRODUCT

WE CARRY PRODUCTS CERTIFIED WITH THE
**GREEN
BUTTON**
GOOD FOR PEOPLE.
GOOD FOR NATURE.

+/- 220
PARTS
= 1
BACKPACK



10x *FAIR*
WEAR LEADER

16
PRODUCTS
with TÜV approved safety

125 TRAILBLAZER
for hundred and twenty-five years

deuter down sleeping bags
100%
RDS CERTIFIED DOWN



DEUTER
HEADQUARTERS



2003
START OF COLLABORATION
with sleeping bag manufacturer
BELLMART

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ORGANISATION STATEMENTS

MARKETING

I see the deuter Promise as a pledge that we make to our customers and to ourselves. It provides the framework for so many of our decisions and actions, and that's a good thing.

The deuter Promise is a collaborative and holistic undertaking. Each department within the company was involved in its creation and therefore played a significant role in how it was shaped. Because it is only by collaborating and facing challenges together that we will find solutions for achieving our ambitious goals.

Christina Völlinger - Head of Marketing

COMPLIANCE & RISK MANAGEMENT

In my mind, the deuter Promise is a driver for sustainability that helps us assume responsibility toward our employees and business partners, but also in terms of climate protection and animal welfare.

Not only does it demonstrate that deuter fulfills regulatory requirements such as legislation or regional regulations, but also that it is a responsible partner for society and the environment.

Beatrice Stamp - Compliance & Risk Manager, Equal Treatment Complaints Representative

PROCUREMENT & SUPPLY CHAIN

There are many processes, particularly within the areas of production and procurement, which require a responsible approach to people and the environment. And doing so together is by far the best way.

Sebastian Schmidt - Head of Procurement & Supply Chain

PRODUCT MANAGEMENT

For me, the deuter Promise is a promise for the future, and a shared commitment to sustainability across all areas of the company. The environment, climate and society must be at the center of everything we do.

Sebastian Schwager - Head of Product Management

PRODUCT DESIGN

Here in the development team, we lay the foundations for products that are functional and sustainable, with everything that this entails. We are well aware that it is not a finite process and are constantly on the look-out for innovative and sustainable solutions.

„It is not only for what we do that we are held responsible, but also for what we do not do.“
Molière

Thomas Hilger - Head of Product Design & Development

HUMAN RESOURCES

Fairness has always been close to my heart and is at the core of my role in human resources. Fairness is deeply embedded at deuter, at times hard won, but always genuinely strived for. I am proud of the fact I work at deuter!

Bettina Vogt - Head of Human Resources

CSR STRATEGY TEAM



deuter CSR Team



deuter repair service team



FOREWORD

Dear deuter family, customers and business partners,

I am pleased to present the second edition of the deuter Promise Report, for the financial year 2022/23. It proved to be another challenging year, which tested our mettle. But it was also a year in which we proved that in times of uncertainty and change, we can adapt and react effectively as a business. And that working closely with our partners means we can achieve what we set out to do: fulfilling the deuter Promise and progressing it further.

Our long-term sustainability strategy is the foundation block from which all our actions stem. We are proud to develop and manufacture evermore sustainable products that not only meet the needs of our customers, but also meet our responsibility commitments toward people and planet. This second Promise Report is a transparent account of all OECD sector risks within the textile industry, that emphasizes our commitment to sustainability and minimizing our impact.

The aftermath of the Covid-19 pandemic saw our supply chains and markets continue to be impacted. The pandemic brought home how important it is to develop and maintain resilience within our supply chains. We all saw how changes in global health could affect logistics and the availability of raw materials. But thanks to our highly-motivated teams and strategic partnerships, we were able to overcome these challenges and continue to supply our customers worldwide.

Another major event in the last financial year was the outbreak of the Ukraine war, which led to a global energy crisis and soaring inflation. These developments heavily impacted our business and remaining competitive proved challenging. Our ability to respond quickly and adapt to changing market conditions, while at the same time providing quality products to our customers, has proven vital.

These difficult times reaffirmed that our sourcing strategy, which looks to build lasting partnerships, truly is the key to success. Our suppliers are highly instrumental partners in our

value chain, and we really appreciate their cooperation and support. Together, we have come up with solutions to minimize production bottlenecks and safeguard the quality of our products, protect jobs and wages, and ensure good working conditions.

A particularly important aspect we focus on is that of employees within our supply chain. We are proud that we have been able to support our employees both on site and throughout the supply chain to ensure that they are healthy and protected.

People are at the very core of our business. Their determination and resilience through these challenging times have been instrumental in maintaining our continued success. We understand the importance of employee satisfaction not just in the workplace itself but also for our customers. Which is why we continue to promote healthy work environments and provide our customers with excellent service.

And so, the 2022-2023 financial year was truly full of challenges, but it also helped us grow as a team and emerge from it even stronger than before. We will keep on working hard to bolster our supply chains, nurture our supplier relationships and support our employees for continued success in the future.

I would like to thank each and every one of you for your dedication and hard work. Only together, can we accomplish our mission and shape the future of deuter.

Yours sincerely,

Robert Schieferle
deuter CEO

MYANMAR RESPONSIBLE EXIT STRATEGY STATEMENT

deuter's risk assessment on human and workers' rights in Myanmar has identified a significant disparity between the potential for mitigating risk and the likelihood of these risks occurring, given the persistently challenging and volatile political situation in Myanmar. This makes it difficult for us to ensure that we continue to meet our human rights obligations in their entirety and at all times. The situation in Myanmar is also unlikely to improve in the near future. And so, after lengthy and careful deliberation of all aspects and available options, we have decided to implement a responsible exit strategy from our business dealings in Myanmar.

In November 2022, deuter commenced its exit strategy in close collaboration with the manufacturing partner affected, Bellmart. In February 2023, we also enlisted the assistance of Smart Myanmar through the MADE in Myanmar project (the Multi-stakeholder Alliance for Decent Employment in Myanmar, an EU-financed project), to ensure we continue to meet our due diligence requirements throughout the exit procedure. This is of greater importance given that our partners at the Fair Wear Foundation are no longer able to carry out on-site visits or factory audits at this time. Several employees working for our manufacturing partner have already taken part in MADE training courses on labor and human rights, and an on-site inspection of the production facility is scheduled for November 2023. Bellmart has assured us that they will also continue to embrace measures implemented by the MADE project. In June 2023, deuter placed a final order from Myanmar for a full year's production, which for the time being secures the jobs and salaries of the employees at the production facility and its affiliated printing plant. It also gives the supplier the opportunity to find new clients to fill its freed-up capacity and to inform its employees of the change well in advance. Delivery of this last order of deuter sleeping bags is scheduled for January 2024. The deuter team will remain in close contact in the run-up to January to carefully follow any training and factory inspections carried out by MADE Myanmar, and to support Bellmart in communicating deuter's

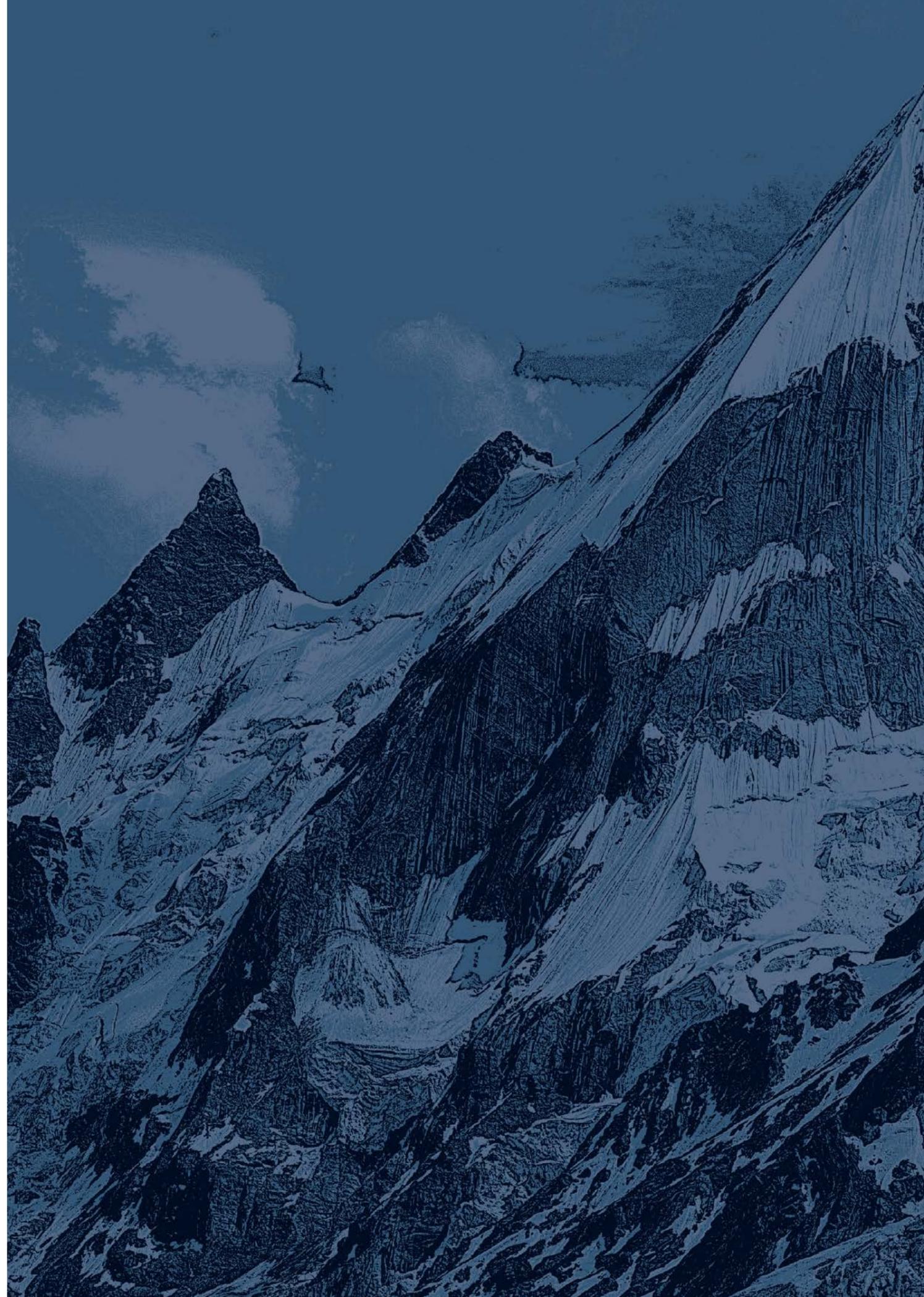
withdrawal to its employees. deuter will uphold its grievances management system through the FWF hotline, in accordance with FWF guidelines.

In 2015, after the political transition in Myanmar towards democracy and more freedom, deuter chose to support its long-standing sleeping bag supplier in the opening of a production facility in Myanmar and to guarantee a certain level of capacity usage. The decision was made after careful consideration of all pertinent risks, and with the objective of supporting the country and its people as they embark on this new era. deuter has had a very successful working relationship with Bellmart's Taiwanese management since 2003 and enjoyed a stable business relationship with them based on partnership for many years, even before the Myanmar factory was opened.

deuter Sport GmbH



Robert Schieferle,
deuter CEO



ABBREVIATIONS USED IN THE TEXT

ACT	Action, Collaboration, Transformation (Foundation)
BPC	Brand Performance Check
BSI	Bundesverband der Deutschen Sportartikel-Industrie e.V.
CAP	Corrective Action Plan
CCF	Company Carbon Footprint
CMT	Cut, Make and Trim
CoLP	Code of Labour Practices
CSR	Corporate Social Responsibility
EOCA	European Outdoor Conservation Association
EOG	European Outdoor Group
FWF	Fair Wear Foundation
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GRS	Global Recycled Standard
ILO	International Labour Organization
MRSL	Manufacturing Restricted Substances List
NGO	Non Governmental Organisation
NUG	National Unity Government
OECD	Organization for Economic Co-operation and Development
OHS	Occupational Health and Safety
RDS	Responsible Down Standard
RSL	Restricted Substances List
SDGs	Sustainable Development Goals
ZDHC	Zero Discharge of Hazardous Chemicals

INITIATIVES AND PARTNERS

WE MANUFACTURE ACCORDING TO BLUESIGN® STANDARDS, TO PROTECT PEOPLE AND PLANET

Even the most conscientiously made outdoor equipment creates an ecological footprint. At deuter, we want to keep that footprint as small and light as possible. That's why we have adopted the bluesign® system - the world's strictest standard for environmental protection, occupational safety and consumer protection in the textile industry - to guide us

in our production. By using the bluesign® system, which deuter adopted in 2008, we aim to make our products and the entire production cycle progressively more resource efficient and more environmentally friendly. And we're improving all the time. 100% of our manufacturing partners are bluesign® system partners and the number of bluesign® products in our collection is steadily rising.

FAIRNESS FROM A TO Z - WITH THE FAIR WEAR FOUNDATION

deuter has been a member of the Fair Wear Foundation for twelve years, and this year was awarded Leader Status for the tenth year in a row. It's a milestone in our efforts to achieve fair working conditions throughout the entire production and supply chain. The FWF is a multi-stakeholder initiative that

works together with companies and factories to improve working conditions in textile and garment factories, particularly on the ground in production countries. Recognition of our efforts confirms we're on the right path: Focusing on just two manufacturing partners, FWF Leader Status every year since 2013 and FWF Best Practice award in 2015.



WE CARRY PRODUCTS CERTIFIED WITH THE



PARTNERSHIPS FOR SUSTAINABLE TEXTILES - UNITED FOR GREATER SUSTAINABILITY

We want to make outdoor equipment in an environmentally friendly, sustainable way, under fair working conditions and within socially responsible manufacturing and supply chains. These chains are long and complex, and often hard for one company alone to clearly assess. That's why we have teamed up with other manufacturing partners and businesses

through our membership of the Bündnis für nachhaltige Textilien (Partnership for Sustainable Textiles). Our aim is to improve social, environmental and economic conditions along the whole supply chain. The Partnership for Sustainable Textiles was set up in 2014 by the German government and brings together stakeholders from business, society, standards organizations and trade unions under one umbrella.

GREEN BUTTON FOR GREEN PRODUCTS

Policy makers have also recognized that textile manufacturing cannot become more sustainable without cross-border standards. Since 2021, deuter has collaborated with the international "Green Button" (Grüner Knopf) standard initiated by the German government. It is the world's first state-supervised

certification mark to establish compliance standards for sustainably produced textiles. This global seal of approval sets mandatory requirements to protect people and the environment. A total of 46 stringent social and environmental standards must be met, such as wastewater limits and the prohibition of forced labor.

RESPONSIBLE DOWN STANDARD - FOR THE LOVE OF ANIMALS

Even sustainable natural materials have to be produced in an environmentally sound way. That is why, since 2015, we've exclusively used high-quality feathers that are Responsible Down Standard (RDS)

certified for all of our down sleeping bags. In order to obtain RDS certification, animal welfare and farming practices have to be traceable throughout the entire production chain and meet the strictest requirements - from fledgling all the way through to finished sleeping bag.

SUSTAINABLE DEVELOPMENT GOALS

Can you imagine a world without poverty or famine? Fewer natural disasters and diminished impact from climate change? A world where humans and animals are less vulnerable? It's a worthwhile ambition, but one that's only possible if we all pull together. In 2015, member states of the United Nations adopted the

2030 Agenda, which serves as a comprehensive roadmap to a peaceful, sustainable and prosperous world for us all. It's built around 17 Sustainable Development Goals (SDGs). We have joined this collective group and use the SDGs to guide us in shaping our 'deuter promise' agenda.

CLIMATEPARTNER

Each EU citizen generates 8 to 9 tons of CO₂ emissions per year. To limit global warming to less than two degrees, that figure needs to be just 1 ton. Energy-intensive manufacturing and transportation of products means that businesses account for greater

CO₂ emissions. But that also means that we're in a position to make a particularly important contribution to reducing carbon emissions. That's why we work closely together with Climate Partner, who specialize in calculating and offsetting CO₂ emissions and supporting worldwide climate projects.

HIGG INDEX

deuter has worked with Higg Index Tools since the 2021/22 financial year. They are a standardized calculation for the sustainability performance of businesses, manufacturers and suppliers, as well as products from the textile industry. At deuter, we use

these tools to help with sustainable product design and monitoring efforts lower down the supply chain. This makes the environmental impact of materials and manufacturing processes easier to compare and understand.

SUMMARY OF THE MAIN ACHIEVEMENTS IN THE 22/23 FINANCIAL YEAR

LEADER STATUS

For the reporting period from 1, July 2021 to 30, June 2022, deuter scored 94 out of a possible 100 points, which means it achieved the Fair Wear Foundation's Leader Status for the 10th time in a row.

WEPC TRAINING IN VIETNAM

In this financial year, Duke was able to finalize the Worker Empowerment and Communications Training which it started in 2019, at both of its production sites: Cu Chi and Count Vina. The training scheme usually lasts one year. But due to restrictions imposed during the pandemic, they suffered repeated delays in delivering this relatively intensive training program.



Checks that members respect human rights in their supply chains (implementation of CoLP)

Trainings & Stakeholder involvement

Provides worker complaint hotlines in 15 production countries

Checks the working conditions in factories

Code of labour practices (CoLP)

- 1  No forced labor
- 2  Freedom of association and the right to collective bargaining
- 3  No discrimination in employment
- 4  No child labor
- 5  Payment of a living wage
- 6  Reasonable hours of work
- 7  Safe and healthy working conditions
- 8  Legally-binding employment relationship

GREEN BUTTON 2.0

deuter continues with the German government's Green Button (Grüner Knopf) standard. The Green Button is the world's first state-run certification mark to establish compliance standards for sustainably produced textiles. During the reporting period, we prepared for company certification according to the Green Button 2.0 standard, and successfully passed the certification process at the beginning of the new financial year.

DEUTER PROMISE POLICY - SUPPLIER HANDBOOK

During the 2022/23 financial year, we communicated the deuter Promise Policy and our specially formulated Supplier Handbook to our tier 1 and tier 2 suppliers. This was an important step in deuter's due diligence efforts and also in terms of supply chain transparency, since the communication process allows us to gradually query and disclose suppliers further down the supply chain.

IDEA COMPETITION BY THE PARTNERSHIP FOR SUSTAINABLE TEXTILES – COMPLAINTS MECHANISMS IN THE DEEPER SUPPLY CHAIN IN VIETNAM

The project "Digital Complaints Management and Capacity Building" is a collaboration between deuter, atlat GmbH, Ortovox Sportartikel GmbH and CARE Germany Ltd. and was established

under the guidance of the Partnership for Sustainable Textiles. As one of the selected winning projects in the idea competition, its aim is to strengthen workers' rights in the deeper supply chain through targeted worker training and access to effective complaints mechanisms. In FY 2023/24 the project will be launched and piloted with up to 10 fabric and materials suppliers in Vietnam. This project builds on an existing pilot project conducted by deuter and atlat GmbH. Since 2020, deuter has worked together with atlat to improve access to (digital) complaint mechanisms for workers in the deeper supply chain.

PARTICIPATION IN THE EUROPEAN OUTDOOR GROUP'S (EOG) SUPPLY CHAIN DECARBONISATION PROJECT

The aim of the project is to support a group of outdoor brands and their shared manufacturing suppliers in reducing greenhouse gas emissions and increasing renewable energy usage. The project will identify potential savings at the production sites, set reduction targets and develop action plans to achieve these targets.

In the FY 2022/23, assessments were successfully carried out at two of our tier 2 manufacturing partners in Taiwan. In the coming financial year, the second round will begin, with further suppliers in China and Taiwan taking part.



Production facility Duke, Vietnam



INFORMATION MANAGEMENT

TRANSPARENCY AND COMMUNICATION

deuter has published its Social Report every year since 2017, to provide information on sustainability strategies and targets, and all the challenges faced within each financial year. The 2021/2022 report marked the start of replacing our Social Report with the deuter Promise Report, to better portray the holistic and all-encompassing approach we take to doing business sustainably. Based on the actionable areas of the deuter Promise, our sustainability strategy, this new report covers not only social issues but also environmental issues at our own sites, in the supply chain, and in the context of our philanthropic activities.

In addition to the deuter Promise Report, we are also more transparent across our social media accounts. So that any questions about our manufacturing processes and our commitment to sustainability can be put directly to us. This year, for instance, we have taken part in the "Who Made Your Clothes" initiative once again, as part of Fashion Revolution Week. We published images from our manufacturing partners Duke, in Vietnam, to highlight working conditions within the textile industry. Together with the Fair Wear Foundation (FWF), deuter is committed to improving textile workers' rights, pay and benefits.

PEOPLE FRIENDLY FASHION AND GREEN FRIDAY

People Friendly Fashion is an initiative set up by the FWF in response to Black Friday, and to encourage more responsible, sustainable purchasing behavior. It also demonstrates how to help create a more equitable world for textile workers. We took part in the initiative and replaced Black Friday with [Green Friday](#). Instead of encouraging greater consumption through discounts, we decided to support an environmental project and donated 10% of the revenue from online sales in the period 25-27 November 2022.

This year, the "[Strengthening Human-Elephant Coexistence](#)" project will receive support from deuter which is a founding member of the [EOCA](#) since 2006. The Kakum National Park in West Africa

is home to the endangered African forest elephant, but human conflict and habitat loss are threatening its numbers. The project aims to raise awareness and educate 5,000 people, train 500 farmers on better practices, and restore 20 hectares of habitat through tree planting, with the ultimate goal of strengthening human-elephant coexistence and protecting the environment.

STAKEHOLDER ENGAGEMENT (PARTNERSHIP FOR SUSTAINABLE TEXTILES, EOG, BSI...)

Collaborating and exchanging ideas with a range of stakeholders is very important at deuter, in order to implement proven practices throughout our supply chains. The deuter CSR team regularly attends stakeholder meetings arranged by FWF, the Partnership for Sustainable Textiles or bluesign®. At these meetings stakeholders from the public sector, NGOs, trade unions or from industry discuss key social and environmental issues in the textile industry and share their experiences at overcoming challenges and implementing best practice measures in manufacturing countries.

deuter is also a member of the [BSI](#) and [EOG](#), both of which are industry associations that deliver training and conferences on CSR-related issues. And deuter is a member of several working groups that aim to develop solutions on CSR-related issues such as the payment of a living wage, grievance procedures and the reduction of Scope 1-3 emissions. In addition to attending industry meetings, deuter regularly compiles risk assessments in order to better evaluate and assess the situation in its manufacturing countries. Among others, they consult the websites and reports of relevant NGOs as well as websites such as www.mvorisico-checker.nl/en and www.wageindicator.org. We will go into the specific risks and ways in which these are dealt with later in this report. A media warning system has been set up to stream any news about politics, business, and society in the manufacturing countries of Vietnam, China and Myanmar. Annual reports on human rights in high-risk countries are also reviewed.



Participation in the Fashion Revolution Week



Support for EOCA's „Strengthening Human-Elephant Coexistence“-project

BUSINESS & PROCUREMENT PRACTICES

SOURCING STRATEGY

deuter sets store in long-term partnerships based on trust and mutual respect. This helps us foster high levels of motivation, creativity, quality and reliability - from our head office in Gersthofen through to our retailers and, of course, our manufacturing partners. In line with our commitment to responsible sourcing, we actively incorporate the principles of the [Common Framework of Responsible Purchasing Practices](#) (CFRPP) into our sourcing strategy.

We have been working with our backpack manufacturer, Duke, since 1991. Duke has produced our entire backpack collection since 1994 and manufactures almost exclusively for deuter (99%). We have been working with our sleeping bag manufacturer, Bellmart, for 20 years. With our decision to terminate our business in Myanmar, as outlined in the Myanmar Exit Strategy Statement, we are now faced with the challenge of bringing on board a new tier 1 supplier. This will be carried out in compliance with our sustainability criteria and with the view to creating a long-standing business partnership.

PRICING

Purchasing practices like benchmarking the price of different suppliers in order to find the cheapest offer is not the way deuter conducts business with its partners. The cost of materials as well as local wages and wage increases are taken into consideration

during these pricing negotiations. We know that our partners offer fair prices, because both sides strongly believe that trust is the best foundation and pays off in the long run. Since we depend on our suppliers for their reliability, know-how and quality, and since we are dependent on them to a certain extent, we need to be sure that their business is running well and is financially resilient. We also provide our manufacturing partners with all the information and tools they need to be able to set prices and therefore wages in a transparent and fair way.

Taking into consideration quality, sustainability and lead times, Duke nominates suitable suppliers or works together with suppliers that deuter has nominated. Changes in materials must be made with appropriate lead times to allow timely purchasing, well before production begins, and in order to eliminate any knock-on effects to production schedules and working hours.

Given the nature of its procurement practices, deuter does not have a special Sourcing Department and associated costs. It is the Supply Chain Manager who is responsible for production planning and who works closely together with our suppliers. And when it comes to worldwide shipping of goods, there is also close collaboration. But should the need ever arise for a new supplier to be added to the portfolio, the CSR team are involved from the outset and have the power to veto any decision if there are concerns.

DEUTER'S SOURCING STRATEGY IS TO OBTAIN ALL OF ITS PRODUCTS FROM JUST TWO SUPPLIERS:

SINCE 1991

the highly specialized manufacturing business Duke has exclusively been sewing all our backpacks and accessories in Vietnam

2003

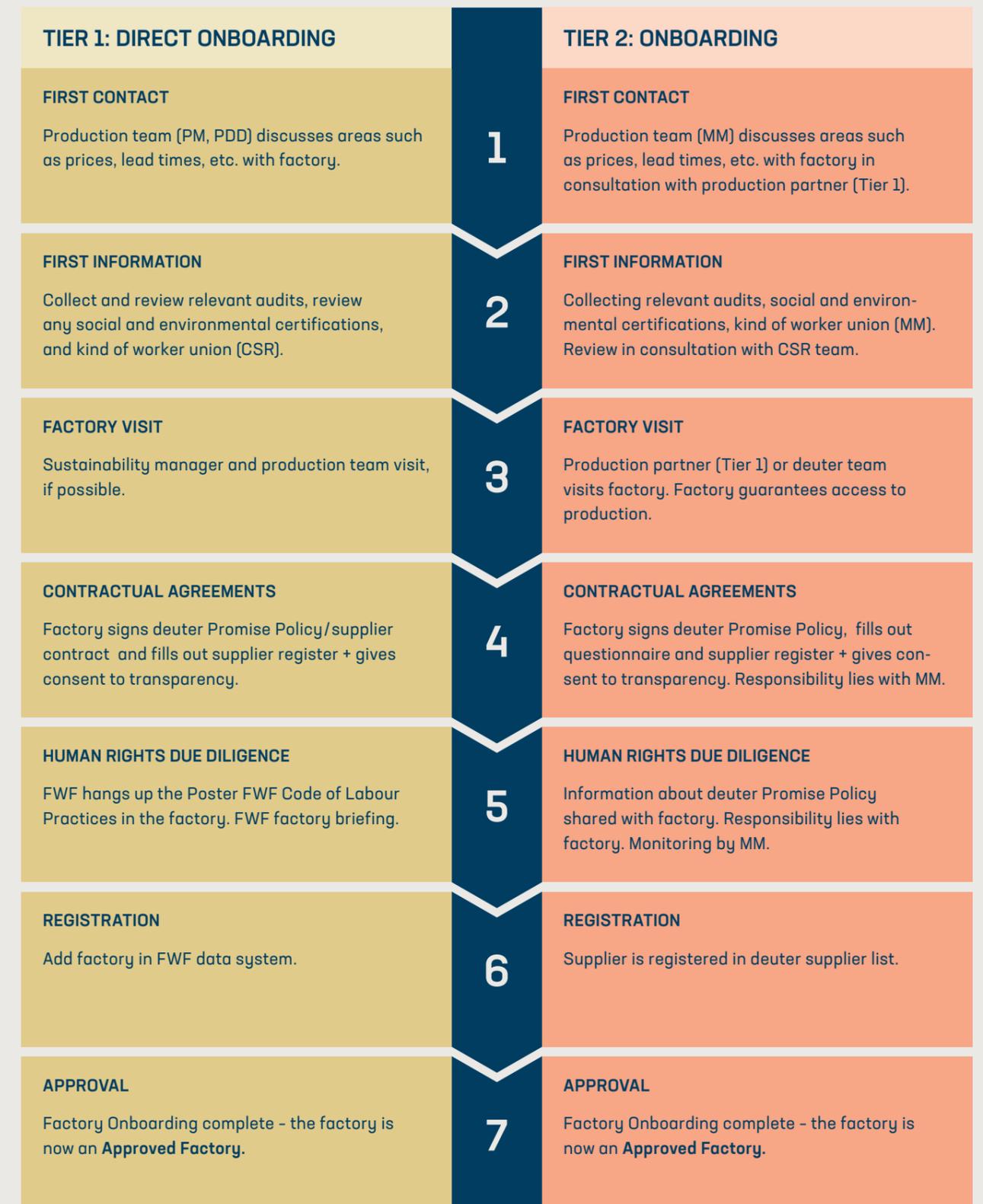
we teamed up with our sleeping bag production partner Bellmart, initially in China

SINCE 2015

we have been manufacturing our sleeping bags together with Bellmart in Myanmar



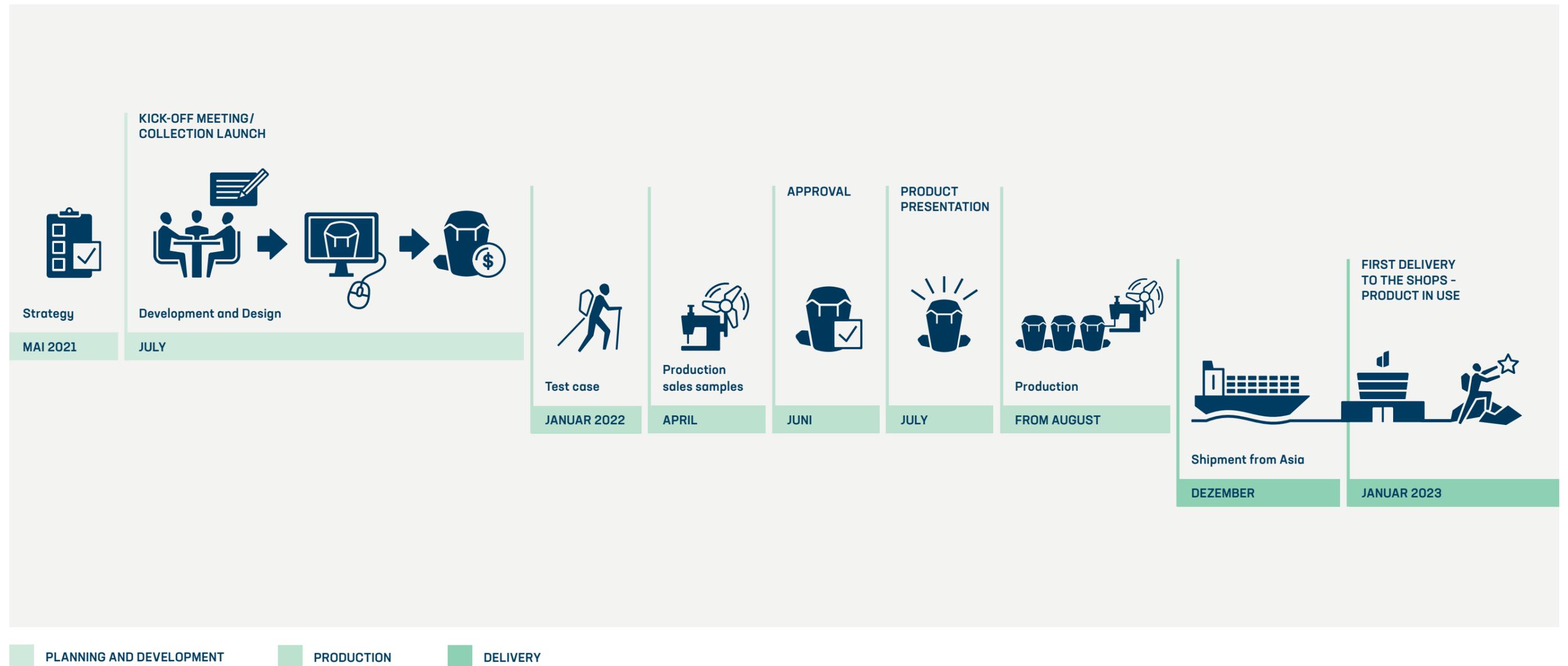
DEUTER ONBOARDING PROCESS FOR NEW PRODUCTION PARTNERS



PRODUCTION CYCLE

deuter produces one main collection each year, plus a smaller winter range. The main collection is usually showcased in summer at the OutDoor by ISPO international sports trade show in Munich, Germany. The winter collection is showcased at ISPO in February. Each year, new products make up around one third of the collection. Bar minor adjustments or color changes, most products remain in the collection for a minimum of three years. A deuter classic like the Trans Alpine bike backpack, for instance, has been part of the collection for over 20 years now.

SIMPLIFIED PRODUCTION CYCLE (SAMPLE MAIN COLLECTION 2023)



MAP OF PRODUCTION SITES

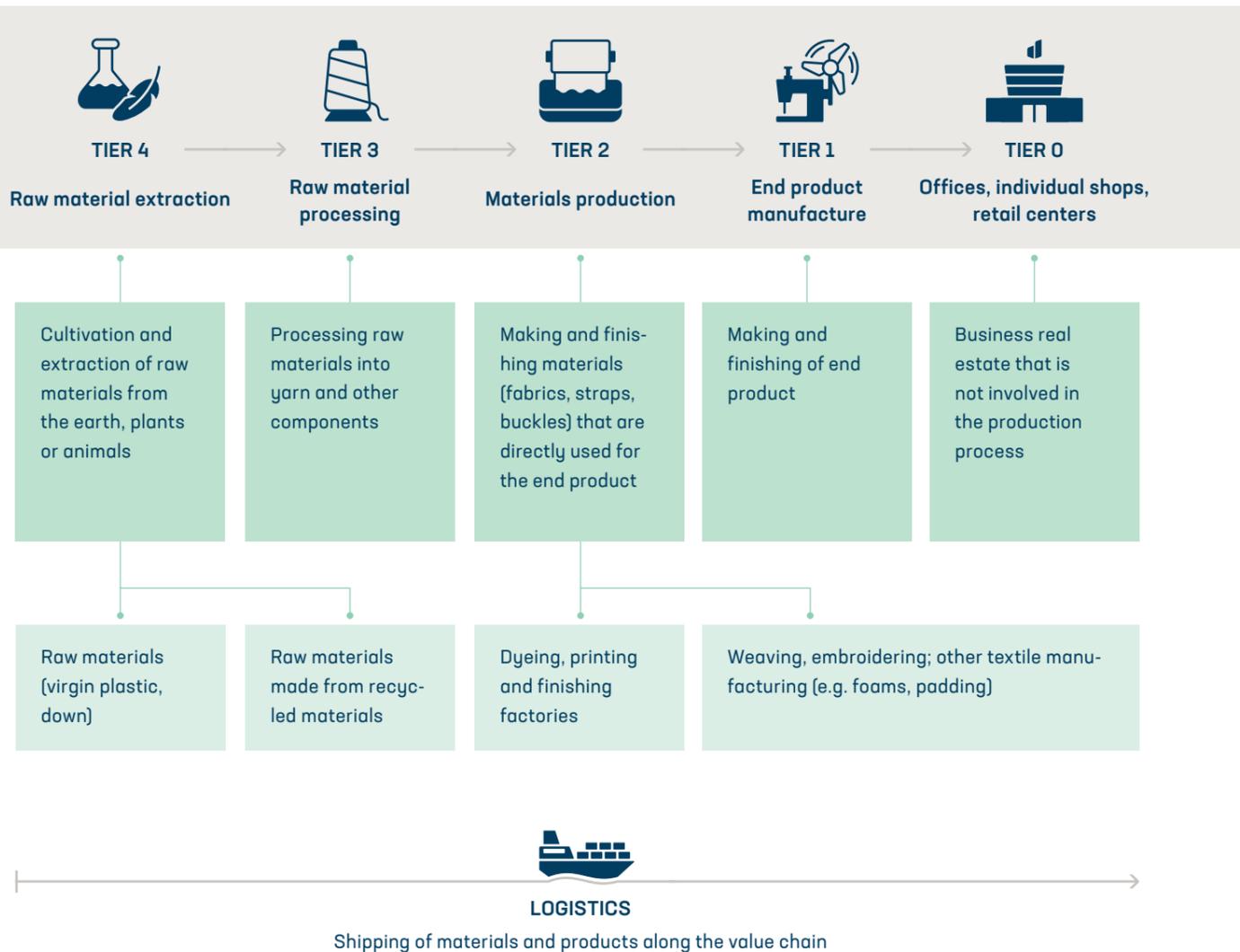
At deuter, suppliers can be divided into direct and indirect supplier categories. For cutting and sewing services there is a direct business relationship (tier 1), while deuter is also significantly involved in selecting materials suppliers (tier 2). For these, and those further down the supply chain (tier 2-4), there is an indirect business relationship. Materials are used by cutting and sewing staff to create the final deuter product.

We have achieved full transparency with our tier 1 and tier 2 suppliers and are constantly developing this. A key area we focus on is the 'wet processes'.

We share our deuter [Promise Policy](#) with all our suppliers and these are bound to uphold the standards outlined within. Our policy stipulates deuter's requirements and recommendations regarding social and environmental sustainability issues for all manufacturing partners so that we can minimize the risk of harmful practices being adopted.

Through our close collaboration with [bluesign® and the Fair Wear Foundation](#), as well as applying the HIGG Index Tools, we have a comprehensive overview of the status quo and possibilities for further improvement and development with many of our suppliers and materials suppliers. These collaborations help us achieve a deeper understanding of working conditions and sustainability issues in our supply chain. To ensure transparency, we provide information on the countries and regions of manufacture and the materials used for our products.

TEXTILE SUPPLY CHAIN



COUNTRY MAP OF PRODUCTION FACILITIES

TIER 1: VIETNAM¹



LANGUAGES

Vietnamese, English, French, Chinese, Khmer, mountain area languages

CAPITAL

Hanoi

GOVERNMENT TYPE

Communist state

AREA

331.210 km²

POPULATION

104,799,174 (2023 est.)

CURRENCY

Vietnamesischer Dong (VND)

ETHNICITIES

54 Ethnicities are recognised by the Vietnamese government (Kinh (Viet) 85.3%, Tay 1.9%, Thai 1.9%, Muong 1.5%, Khmer 1.4%, Mong 1.4%, Nung 1.1%, others 5.5%)

GDP (OFFICIAL EXCHANGE RATE)

\$1.036 trillion (2021 est.)

TIER 1: MYANMAR²



LANGUAGES

Burmese

CAPITAL

Naypyidaw

GOVERNMENT TYPE

Republic with parliamentary executive power (de jure)/

Military dictatorship (de facto)

AREA

676,578 km²

POPULATION

57,526,449 (2022 est.)

CURRENCY

Kyat

ETHNICITIES

Burman (Bamar) 68%, Shan 9%, Karen 7%, Rakhine 4%, Chinese 3%, Indian 2%, Mon 2%, other 5%

GDP (OFFICIAL EXCHANGE RATE)

\$76,606 Mrd. USD (2019 est.)

TIER 2: TAIWAN³



LANGUAGES

Mandarin (official), Min Nan, Hakka dialects, approximately 16 indigenous languages

CAPITAL

Taipeh

GOVERNMENT TYPE

semi-presidential republic

AREA

35,980 km²

POPULATION

23,588,613 (2023 est.)

CURRENCY

New Taiwan dollars (TWD)

ETHNICITIES

Han Chinese (including Holo, who compose approximately 70% of Taiwan's population, Hakka, and other groups originating in mainland China) more than 95%, indigenous Malayo-Polynesian peoples 2.3%

GDP (OFFICIAL EXCHANGE RATE)

\$1.143 trillion (2019 est.)

TIER 2: SOUTH KOREA⁴



LANGUAGES

Korean

CAPITAL

Seoul

GOVERNMENT TYPE

presidential republic

AREA

99,720 km²

POPULATION

51,966,948 (2023 est.)

CURRENCY

South Korean won (KRW)

ETHNICITIES

homogeneous

GDP (OFFICIAL EXCHANGE RATE)

\$2.289 trillion (2021 est.)

TIER 2: CHINA⁵



LANGUAGES

Standard Chinese or Mandarin, Yue, Wu, Minbei, Minnan, Xiang, Gan, Hakka dialects, minority languages, Zhuang, Mongolian, Uighur, Kyrgyz, Tibetan

CAPITAL

Peking

GOVERNMENT TYPE

People's Republic

AREA

9,596,960 km²

POPULATION

1,413,142,846 (2023 est.)

CURRENCY

Renminbi

ETHNICITIES

Han Chinese 91.1%, ethnic minorities 8.9% (includes Zhang, Hui, Manchu, Uighur, Miao, Yi, Tujia, Tibetan, Mongol, Dong, Buyei, Yao, Bai, Korean, Hani, Li, Kazakh, Dai, and other nationalities) (2021 est.)

GDP (OFFICIAL EXCHANGE RATE)

\$24.861 trillion (2021 est.)

Quellen:

¹ <https://www.cia.gov/the-world-factbook/countries/vietnam/>

² <https://www.cia.gov/the-world-factbook/countries/burma/>

³ <https://www.cia.gov/the-world-factbook/countries/taiwan/>

⁴ <https://www.cia.gov/the-world-factbook/countries/korea-south/>

⁵ <https://www.cia.gov/the-world-factbook/countries/china/>

SOURCING COUNTRIES

- TIER 1
- TIER 2
- TIER 1 & 2



SEOUL
FABRIC AND MATERIAL SUPPLIERS: 5

GYEONGGI-DO
FABRIC AND MATERIAL SUPPLIERS: 2
WET PROCESSES: 5

JEOLLABUK-DO
WET PROCESSES: 1

GYEONGSANGBUK-DO
FABRIC AND MATERIAL SUPPLIERS: 5

JIANGSU
FABRIC AND MATERIAL SUPPLIERS: 3
WET PROCESSES: 3

DAEGU
FABRIC AND MATERIAL SUPPLIERS: 5
WET PROCESSES: 12

BUSAN
WET PROCESSES: 2

FUJAN
FABRIC AND MATERIAL SUPPLIERS: 3

GUANGDONG
FABRIC AND MATERIAL SUPPLIERS: 1

TAOYUAN
FABRIC AND MATERIAL SUPPLIERS: 3
WET PROCESSES: 4

TAIPEH
WET PROCESSES: 1

TAICHUNG
FABRIC AND MATERIAL SUPPLIERS: 3
WET PROCESSES: 4

NANTOU
WET PROCESSES: 1

CHANGHUA
FABRIC AND MATERIAL SUPPLIERS: 2
WET PROCESSES: 1

CHIAYI
FABRIC AND MATERIAL SUPPLIERS: 1
WET PROCESSES: 1

YUNLIN
FABRIC AND MATERIAL SUPPLIERS: 1

BAGO
TIER 1:
ASSEMBLY: 1

TIER 2:
PRINTER: 1

DONG NAI
WET PROCESSES: 2

BINH DUONG
FABRIC AND MATERIAL SUPPLIERS: 1

HO CHI MINH CITY
ASSEMBLY: 1
PRINTER: 1
EMBROIDERY: 1

TIEN GIANG
ASSEMBLY: 1

LONG AN
TIER 1:
ASSEMBLY: 1

TIER 2:
FABRIC AND MATERIAL SUPPLIERS: 1
PRINTER: 1

SUPPLIER RELATIONS

During the reporting period deuter did not enlist any new direct suppliers nor did it terminate any relationships with current direct suppliers. In the next business year, deuter will be terminating its relationship with Bellmart in Myanmar. The reasons for this, plus the measures we will take for a responsible exit are described in our “Myanmar responsible exit strategy statement”. Our responsible exit will be conducted in line with FWF guidelines.

In order to meet our needs as well as the needs of its factories, Duke subcontracts small sections of its production, where necessary (e.g. backpack components such as shoulder straps), so that it avoids production bottlenecks and can better cope with spikes in order levels. During the reporting period, we were able to cut the number of subcontractors. The reopening of Duke’s third production facility is having an impact here.

We came to an agreement with Duke, that CMT (cut, make & trim) subcontracts would only be given to factories where we already have a working relationship.

Engaging subcontractors is the responsibility of our manufacturing partner, because deuter has no direct business relationship with these smaller factories. In such cases, deuter’s policy for subcontractors must be observed. deuter and Duke have developed a system together that helps evaluate any new and existing subcontractors and ensures the workers in these factories have access to the FWF complaints hotline and are aware of its Code of Labour Practices (CoLP). Subcontractors that are part of the pool of suppliers are regularly visited and audited, just like the main factories.

Subcontracting inevitably entails an increased risk of non-compliance with the FWF CoLP, which deuter counters through monitoring measures.

INTEGRATION OF MONITORING ACTIVITIES AND SOURCING STRATEGY

deuter’s sourcing strategy is to obtain all of its products from just two suppliers:

One supplier for backpacks, bags and accessories, and one for sleeping bags. These partnerships are closely knit and have existed for several decades now, and they are based on mutual dependence from deuter on the one side, and Duke and Bellmart on the other (especially Duke who are the biggest supplier). The commitment to these partnerships, therefore, has a direct impact on deuter’s sourcing decisions. When it was difficult for Duke to make up for production stoppages during the COVID-19 pandemic lockdown periods in the 2020/21 financial year, deuter supported Duke with special payments to help quickly restart production after restrictions were lifted.

Vietnam: deuter accounts for almost all of Duke’s manufacturing capacity. We ensure enough orders throughout the year to keep all of Duke’s production lines busy, matching our scheduling as closely as possible to the operational requirements of its factories, and vice versa.

Myanmar: Up until the military coup in February 2021, the monitoring and remedial measures worked very well in cooperation with Bellmart. But the current political climate has negatively impacted the situation. Despite difficult communication and opaque political structures, we are ensuring fair working conditions as far

as possible by working in close cooperation with our suppliers. We maintain close contact with the FWF and other FWF members to keep up to date with the situation and to keep an eye on any potential risks. We also use the MADE Myanmar project to carry out training and audits at production sites in Myanmar.

Because we do not switch or change suppliers, as is often the case in the textile industry, our monitoring activities have no influence on the general selection of our manufacturing partners.

With other supplier structures, rewarding certain suppliers with bigger orders makes sense, because this is a good way to encourage achieving their improvement goals. But we only have one manufacturing partner for each product sector. Should anything arise during the monitoring process, we will naturally work on it, but it does not affect the volume of orders we place with a manufacturing partner. We are able to make improvements effectively without the need for such incentives because our relationship is based on trust.

DUKE PRODUCTION FACILITY OVERVIEW

FWF-NO.	FACTORY NAME	PROCESS	CITY	LAST AUDIT	LAST WEP TRAINING	LAST COMPLAINT	VISITS 22/23
2442	Count Vina Co. Ltd.	CMT	Tien Giang	9/18/2020	29th & 30th of June 2020 (WEPC)	7/1/2017 <i>resolved</i>	April 2023
2421	Cu Chi Co. Ltd.	CMT	Ho Chi Minh	6/26/2020	1st and 2nd of July 2020 (WEPC)	4/1/2020 <i>resolved</i>	April 2023
2405	Vina Duke Factory (Hoc Monh) Co. Ltd	CMT	Ho Chi Minh	4/24/2023	8/28/2015 (WEP)	12/12/2014 <i>resolved</i>	April 2023

SUBCONTRACT SELECTION

deuter does not have a dedicated procurement or sourcing department because we do not swap and change suppliers. The process of selecting new subcontractors, should they be required, is the responsibility of deuter’s partner Duke because deuter has no direct business links with these smaller factories.

1 CSR STAFF ASSESSMENT FORM



2 SIGNATURE OF FWF AGREEMENT



3

FWF CODE OF LABOUR PRACTICES (COLP) MUST BE DISPLAYED



ORDERS ARE PLACED

5



ANNUAL AUDIT

4



BELLMART PRODUCTION FACILITY OVERVIEW

FWF-NO.	FACTORY NAME	PROCESS	CITY	LAST AUDIT	LAST WEP TRAINING	LAST COMPLAINT	VISITS 22/23
8561	Bellmart (Myanmar) Co. Ltd	CMT	Bago	5/9/2016	9/25/2019 (WEPC)	2/22/2023 <i>in Progress</i>	no

DEUTER PROMISE

For decades, deuter has engaged in social responsibility and worked on minimizing the negative impact of its business activities. In 2020, we revised the company's entire CSR strategy in a cross-departmental committee and turned it into a holistic, integrated plan with targeted, risk-based measures. The result was the deuter Promise.

We have developed quantifiable goals based on the UN's 17 Sustainable Development Goals (SDG) and defined time frames in which to achieve these. The guiding principles behind our actions are summarized in a [declaration](#). We will continue to focus on the deeper supply chain and on implementing strategies for a more circular economy, and work on climate protection. The vision we ascribe to is "Together for 360° Responsibility", which means we adopt a holistic approach to sustainability. Corporate Social Responsibility spans all departments at deuter and each and every employee contributes to it.

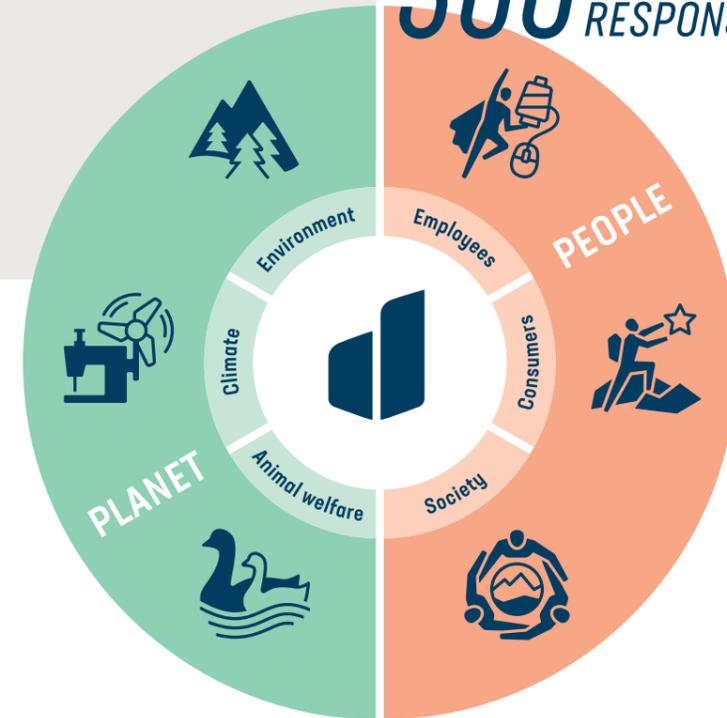
It equates to product development that looks to the future, manufacturing that uses fewer natural re-



sources and transportation that's less harmful to the environment. It means longer lasting products, a responsible approach to employees and conscientious behavior in our private lives. To help us achieve this, we adhere to strict standards and nurture lasting relationships with our manufacturing and product development partners.

We have established 3 actionable areas within each of the categories Planet and People, into which we consolidate our measures.

TOGETHER FOR 360° RESPONSIBILITY



ACTIONABLE AREAS

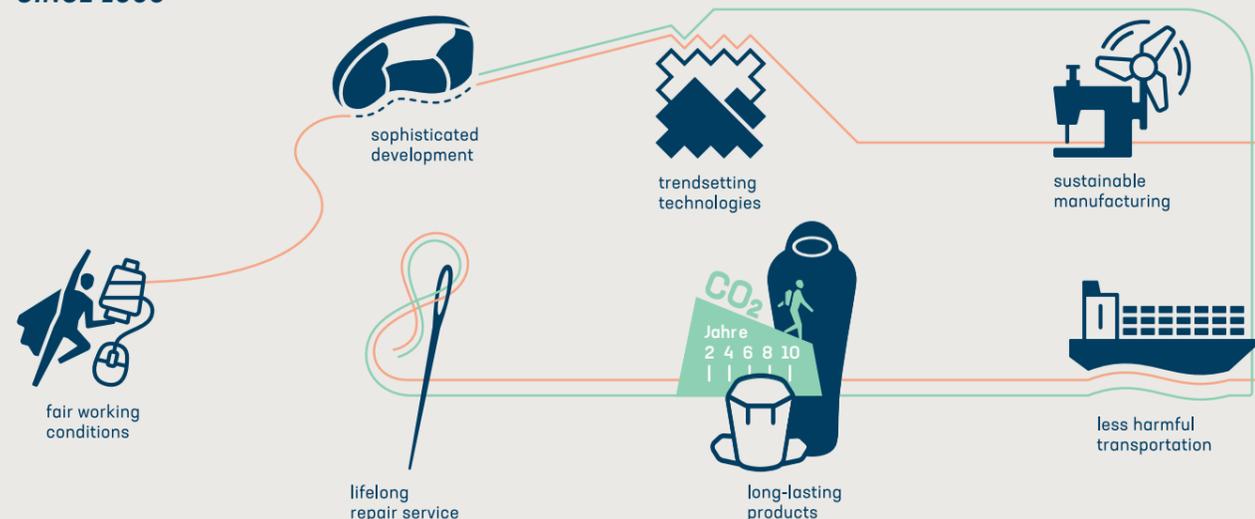
The Planet category includes the actionable areas 'environmental protection', 'climate protection' and 'animal welfare'. The People category includes the actionable areas 'customers', 'employees/employers' and 'society'.

Each [actionable area](#) has defined measures through which we can fulfill our corporate and social responsibility. We are supported along the way through our collaboration with various sustainability initiatives like the Partnership for Sustainable

Textiles or bluesign® system partnership as well as the Fair Wear Foundation. We only use materials that offer special properties, like recycled content or down feathers, if these carry certification from recognized standards, such as the Global Recycled Standard (GRS) or the Responsible Down Standard (RDS).

From 2020, none of the fabrics in our backpacks or sleeping bags was made using PFAS, which helps cut down on harmful substances in the environment.

RESPONSIBILITY SINCE 1898



WHAT IS PFAS?

PFAS (per- and polyfluoroalkyl substances) are a group of synthetic chemicals that have water, dirt and grease repellent properties and are used as a surface coating for such things as textile waterproofing or to make waterproof breathable PTFE membranes. These chemicals are useful, but they are persistent and leach into the environment through the manufacture, use and disposal of products, and are proven to be extremely harmful to humans, animals and the environment.

To protect people's health and the environment, deuter has exclusively used fabrics that are free from PFAS - but of equally high quality - since 2020.

Instead, deuter has employed a Durable Water Repellent (DWR) finish that contains no PFAS and is not harmful to people or planet. This special finish is water and dirt repellent without the use of PFAS - keeping fabrics dry and the natural environment clean.

SDGs



The 2030 Agenda for sustainable development encompasses 17 global goals and 169 targets on a wide range of issues to enable people to live decent lives and to ensure the planet can continue to sustain all life forms. The SDG Barometer indicates the SDGs that guide our actionable areas. Which of our measures contributes to the individual targets can be seen in greater detail [here](#) on the deuter website.

THE 17 SUSTAINABLE DEVELOPMENT GOALS (SDGS) TO TRANSFORM OUR WORLD:

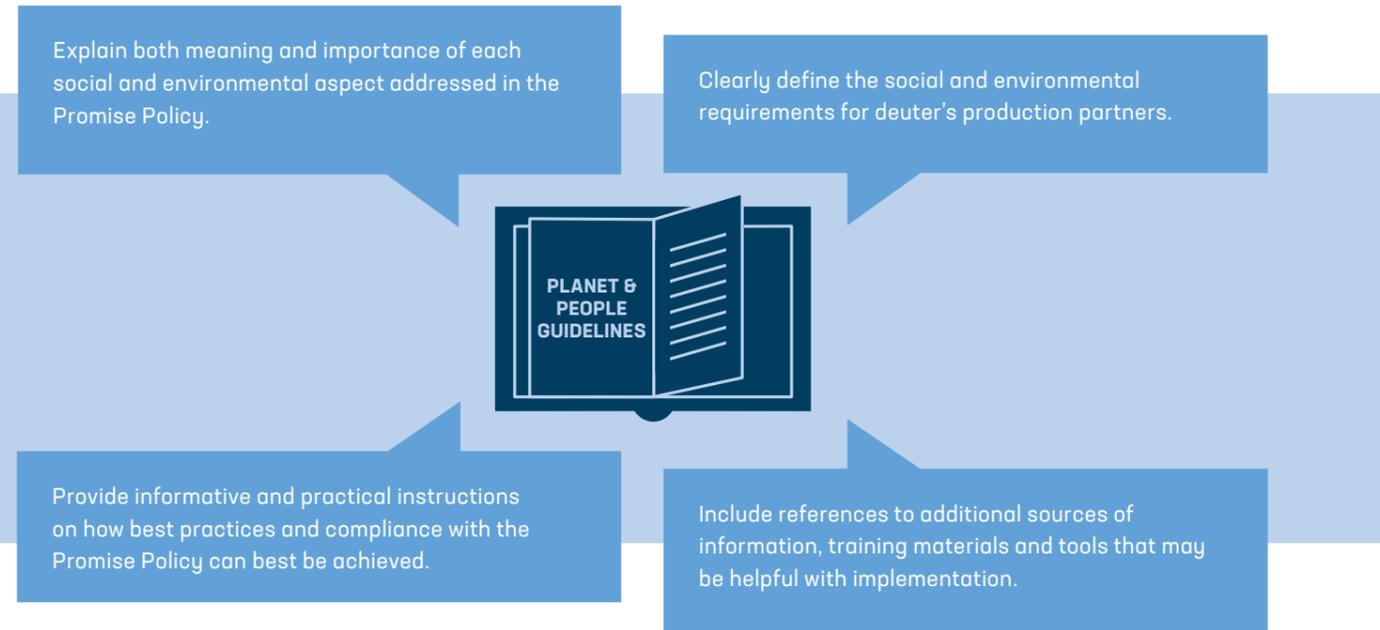


DEUTER PROMISE POLICY – SUPPLIER HANDBOOK

We published our deuter [Promise Policy](#) in July 2022. Based on our new CSR strategy, it establishes the most important principles and rules for all our activities – transparently, openly, and bindingly. These same principles apply to our manufacturing partners.

We have developed a Supplier Handbook to accompany the deuter Promise Policy so that we can meet our duty of care throughout the supply chain and because we want to empower our manufacturing partners. This includes additional guidelines ([Planet & People Guidelines](#)), which are specifically geared to deuter’s manufacturing partners, as well as the restricted substances lists (RSL), which we adhere to. Compliance with the deuter RSL (bluesign® and ZDHC compliant), ZDHC MRSL and Afirm Packaging RSL ensures that no outright or partially prohibited chemicals are used in manufacturing or in the final products.

With our Supplier Handbook, we can spread awareness further down the supply chain about social and environmental sustainability issues. The Planet and People Guidelines in particular show our manufacturing partners how they can affect change by creating safe, fair workplaces, and protecting the environment around them. The guidelines are also helpful in establishing specific measures. Because in addition to clearly defined requirements and standards that must be upheld, they also include recommendations on how to implement these and can serve as training aids for our manufacturing partners.



The social and environmental requirements are based on internationally recognized standards, such as the United Nations Universal Declaration of Human Rights and the Responsible Down Standard for animal welfare. Some of these requirements exceed national regulations and laws. Compliance with national laws and regulations as well as the Promise Policy and the deuter RSL is a mandatory requirement for any working relationship with deuter.

The Supplier Handbook is distributed to suppliers via an eLearning platform. This is where all documents can be viewed and downloaded, and where questions can be addressed to deuter’s CSR team. Going forward, any updates to the Promise Policy and useful material will also be communicated via the platform. The Supplier Handbook has also been posted on our website and can be accessed by registering [here](#).

PROGRESS IN THE 2022/23 FINANCIAL YEAR

deuter communicated its Promise Policy and Supplier Handbook to all of its tier 1 suppliers and tier 2 materials and fabric suppliers. In turn, these are responsible for communicating the Promise Policy to their subcontractors.

Creating the Supplier Handbook was an important step in deuter’s due diligence efforts, since it allows us to establish direct chains of communication with suppliers further down the supply chain and gradually disclose our supply chain.

The aim of our policy is not just about compliance, but about collaboration and mutual learning, and building on suppliers’ inherent motivation to engage with issues of sustainability. The Planet and People Guidelines create awareness about how we can influence sustainable development and what is required to achieve it.



Embroidery factory in Vietnam



Printing factory in Vietnam



HIGG INDEX

The [Higg-Index der Sustainable Apparel Coalition](#) is a suite of tools for the standardized measurement of the sustainability of businesses, manufacturers and suppliers, as well materials and products within the textile industry. The Higg Index helps companies make more informed decisions about the products they produce, reducing their quantifiable impact on people and the planet. This involves compiling and assessing data on environmental and social aspects along the entire value chain.

Following a one-year trial period, deuter decided to keep using the Higg Index at the start of the 2022/23 financial year.

Since then, the Higg Brand Module (BRM) has been used primarily for auditing ESG (environmental, social and governance) policies and practices within our company. It allows us to measure our progress so that we can keep on improving.

We continue to use the Higg Facility Environmental Module (FEM) and Higg Facility Social Module (FSLM) for monitoring our wider supply chain. During the reporting period, we began requesting the modules from our suppliers to obtain a comprehensive picture of the extent to which the measures have already been implemented. Using the Higg FEM and FSLM should help with identifying areas in which our manufacturing partners require

support. This lets us provide targeted support for improving environmental and social performance, with such things as training, projects, informative materials and tools. Starting with the deuter Planet & People Guidelines (see Promise Policy), which will be regularly updated.

The Higg Material Sustainability Index (MSI) will gradually become embedded in the product development departments to better understand and compare the environmental impacts of different materials and manufacturing processes.

The aim is to take these findings into account in the design process. The Higg Product Module measures the impact of a finished product, from the selection of raw materials to end of life and its disposal (cradle-to-grave).

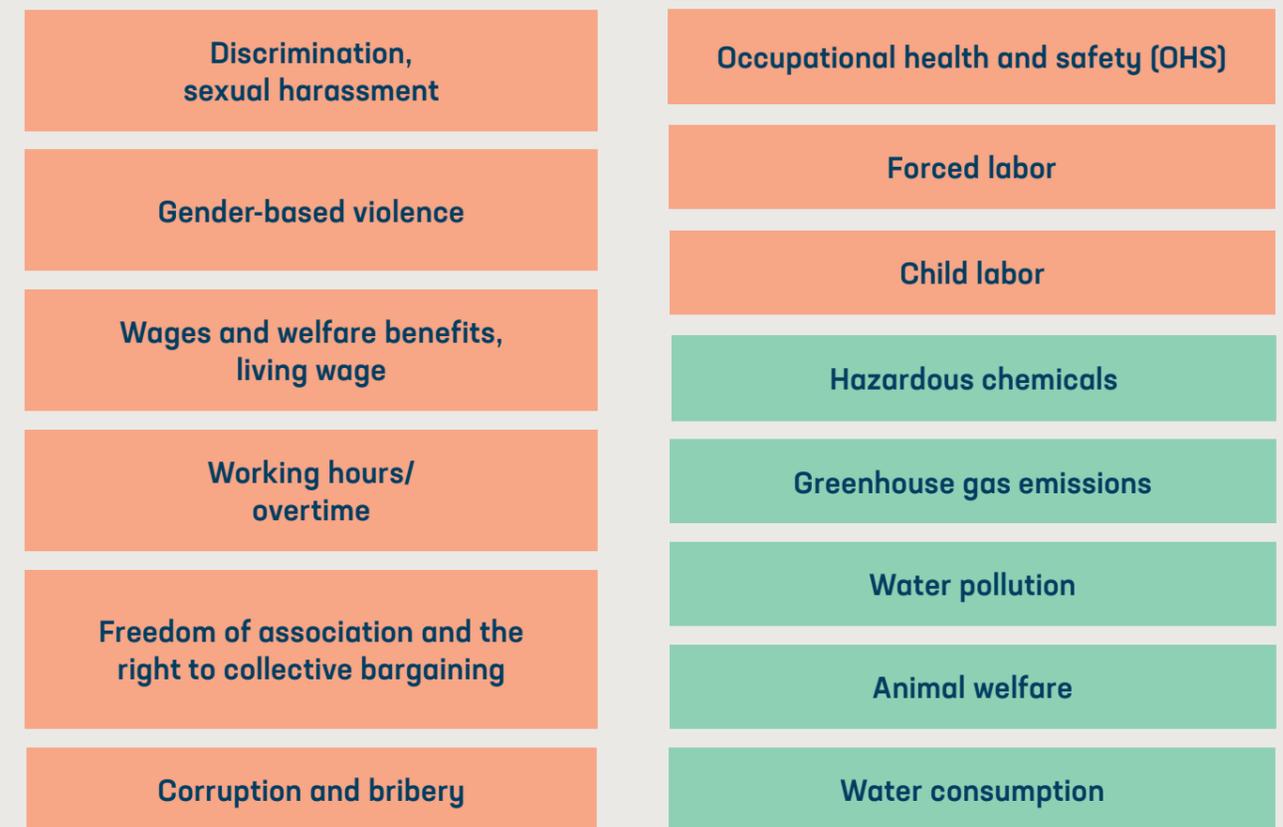


RISK ASSESSMENT OECD GUIDELINES

Our sustainability strategy is largely based on the recommendations and requirements of the OECD's 'Due Diligence Guidance to Promote Responsible Supply Chains in the Apparel and Footwear Industry' and the industry risks defined therein. Industry or

sector risks encompass human rights and environmental risks which are prevalent in the industry.

SECTORS RISKS IN TEXTILE SUPPLY CHAINS INCLUDE (BASED ON THE RISKS IDENTIFIED BY THE OECD):



By carrying out a risk assessment we can establish the likelihood of potential risks occurring along our supply chain and the subsequent severity of these. According to the OECD, the degree of severity is calculated by looking at the extent, scope and irreversibility of the risks.

The type of risk and severity can vary depending on the country/region of production, the production stage, and the product group. For instance, the use of hazardous chemicals in wet processing

of products (tier 2) poses a significantly higher risk of harm to the environmental than the cutting, sewing and finishing of products (tier 1).

And so our risk assessment is country specific and product group specific for each individual stage of the supply chain. Furthermore, we also analyze the effects of our business and procurement practices on social and environmental risks throughout the whole supply chain.

DEUTER RISK ASSESSMENT METHODOLOGY

HOW ARE RISK ASSESSMENTS CARRIED OUT?

For a risk assessment, a list of suppliers is first created, and a fiber quantity analysis is carried out. Then, based on reports/studies, publications and press articles, sector risks are identified at country and factory level. At the cutting and sewing stage, the countries Vietnam and Myanmar are analyzed; and in the upstream manufacturing stages, it is the countries China, South Korea and Taiwan (wet processes, weaving, fiber production). Here, the OECD industry risks are used as a guideline. In addition, an analysis is carried out of the social and environmental risks that may be associated with the products, processes or materials. **Particular attention is paid to potential vulnerable groups:** women, children, refugees, migrant workers, home workers and ethnic or religious minority groups. If these groups of people are identified in our supply chain, we take appropriate measures to respond to their needs.

We also analyze each OECD sector risk from the perspective of those potentially affected by gender discrimination (gender lens).

This analysis is then compared with internal information and mitigation strategies to obtain a sophisticated risk profile. We also review our business model and purchasing practices with regard to potential risks. Using the resultant risk profile, we then

prioritize areas of higher risk and determine strategies. We use a risk assessment tool developed by the Green Button. We have continued to customize the tool to meet our needs and those of our supply chain.

All industry-related risks are analyzed in as much depth as possible at gross and net level. If the net risk reveals a specific issue, we then investigate it further and derive appropriate measures. Tier 1 (cutting and sewing) is analyzed more closely through our collaboration with the Fair Wear Foundation.

In carrying out the risk assessment, information is taken into consideration from site visits and discussions with workers and trade unions. In relation to Myanmar, we are working closely with the Fair Wear Foundation, who provide information such as weekly updates on the situation on the ground. Furthermore, in-house information from worker dialogues, past complaints, audit reports, FWF country studies and peer learnings from the industry are taken into account.

We revise risk assessments on an annual basis and update new developments in the countries concerned and our supply chain. Finally, we implement and assess new targets and measures.



RESULTS OF THE RISK ASSESSMENT - PRIORITIZATION ACCORDING TO SEVERITY AND PROBABILITY OF OCCURRENCE

LOW INCREASED MEDIUM HIGH

	Child labour	Discrimination, sexual harassment, gender-based violence	Forced labour	Working hours / overtime	Work safety	Freedom of Association and Right to Collective Bargaining	Wages and benefits, living wages	Corruption and bribery	Animal Welfare	Hazardous chemicals	Water use	Water pollution	Greenhouse-gas emissions
VIETNAM	Functional Measures with the Fairwear Foundation in T1				Highest risks, and most measures addressing them: Fairwear prioritization: occupational health and safety, freedom of association and collective bargaining, living wages			Structural problem, close cooperation with the compliance department		Policy and Supplier Handbook/Higg FEM Module and Product Module, increase in bluesign® suppliers and the amount of recycled materials		Climate Strategy	
MYANMAR	highest risks due to the military coup, monitoring the situation on the ground is difficult/limited												
CHINA	Knowledge is established, Promise Policy and Supplier Handbook for the deeper supply chain, Higg FSLM Module							Structural problem, close cooperation with the compliance department	low risk: 100% RDS down, small amount	Policy and Supplier Handbook/Higg FEM Module and Product Module, increase in bluesign® suppliers and the amount of recycled materials		Climate Strategy	
SOUTH KOREA													
TAIWAN													

RISKS AND MEASURES ACCORDING TO ACTIONABLE AREAS

CLIMATE



OUR PROMISE

We will continue to identify and reduce our carbon footprint and offset any unavoidable CO₂ emissions through climate-positive projects.

Year on year, we move closer to achieving climate neutrality for our headquarters as well as our collection by 2025. We also aim to keep reducing the carbon footprint at all deuter sites and at our production facilities across the world. In doing so, we are contributing to [the goals of the Paris Climate Agreement](#).

RISK IDENTIFICATION

Greenhouse gas emissions

Analysis has identified risk in Vietnam, Myanmar, China, Taiwan, and South Korea lower down the supply chain and at the cutting and sewing level. Greenhouse gas emissions across the supply chain are too high. The supply chain tiers 2+3 in particular, and the upstream production stages are emissions heavy. The level of CO₂ emissions per product in supply chain tier 1 (cutting and sewing) is in the lower single-digit percentage range according to the Product Carbon Footprint calculation. 60-80% of emissions

are generated in the upstream production tiers (wet processes, fabric manufacture, raw material extraction).

In view of the severity of the risk and the likelihood of its occurrence, we are focussing on further mitigation strategies for fabric and yarn manufacturing operations and wet processes. Because of our long-standing partnership with our manufacturers and the increased influence this has leveraged, we are also implementing mitigation measures at the cutting and sewing stage.

OBJECTIVES AND MEASURES

	MEASURES / PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES
	Internal objectives: Further development of our climate protection strategy at the company's core.			
	Overall objective: To continue to identify and reduce our carbon footprint and offset any unavoidable CO ₂ emissions through climate-positive projects. In doing so, we are contributing to the goals of the Paris Climate Agreement and supporting implementation of the EU Green Deal.			
Scope 3 Emissionen - Reduction	Participation in EOG's Supply Chain Decarbonisation Project (SCDP) The SCDP is a collaborative initiative by ten outdoor brands to reduce carbon emissions and/or increase renewable energy use in the supply chains of the outdoor sector.	Two of our tier 2 suppliers have been nominated for the project. Key aspects of the project: <ul style="list-style-type: none"> • Reporting on baseline emissions • Defining individual reduction targets • Development and implementation of suitable CO₂ reduction plans In each production site, a combination of on-site or online assessments, workshops and training modules are adopted. These are tailored to the requirements of each production site.	In FY 2022/23 we successfully completed the project with 2 suppliers in Taiwan. In FY 2023/24, the second round of the project will begin, for which we have nominated 5 of our tier 2 suppliers in Taiwan and China.	Project continuation and results evaluation. Follow-up: Support factories in the long-term implementation of planned measures.
	Renewable Energy Project by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Project to promote solar power at production facilities in Vietnam.	We are taking part in this project together with our long-standing backpack manufacturer Duke in Vietnam. Further action is decided on the basis of feasibility analysis.	The project is currently on hold, on the part of the provider.	Continue the project as far as possible.
	Higg Index deuter uses the Higg Index from the Sustainable Apparel Coalition . The Higg Index is a suite of tools for the standardized measurement of the sustainability of businesses, manufacturers and suppliers, as well as products within the textile industry.	The Higg Materials Sustainability Index and the Higg Product Module guide us in the selection of materials with reduced environmental impact. Based on scientific data, they enable the greenhouse gas emissions to be measured for each material and therefore also for the finished product. We are currently investigating whether Higg Index tools can also be used to calculate scope 3 emissions.		Calculation and evaluation of emissions data and other environmental impacts. Determine reduction targets and improvement measures.

	MEASURES / PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES
Scope 3 Emissions - Offsetting	<p>Carbon neutral products</p> <p>Working together with ClimatePartner, the CO₂ footprint of select deuter products is calculated and then offset through certified climate action projects.</p>	<p>Approximately 13% of our SS2023 and FW2023/24 collections are climate neutral.</p>	<p>Approximately 30% of our SS2024 and 33% of our FW2023/24 collections are climate neutral.</p> 	<p>100% of the deuter collection is ClimatePartner certified. That means the CO₂ footprint of all deuter products is calculated and then offset through certified climate action projects.</p>
Scope 1 & 2 Emissions - Reduction and Offsetting	<p>Carbon neutral headquarters</p> <p>Working together with ClimatePartner, the Company Carbon Footprint (CCF) for deuter headquarters in Gersthofen, Germany, is calculated and then offset through certified climate action projects.</p>	<p>The 2020 CCF was calculated and offset.</p> <p>The 2021 CCF was calculated and offset.</p> <p>2019 will be used as the baseline year for our reduction targets. The emissions for this financial year are currently being calculated.</p>	<p>The CCF from October 2021 to September 2023 was calculated for the year and offset.</p> 	<p>Annual calculation and offsetting of Company Carbon Footprint for deuter headquarters in Gersthofen.</p> <p>Establishment of reduction targets compared to 2019 baseline.</p>
Memberships / Affiliations	<p>With the realignment of the Partnership for Sustainable Textiles our involvement in the Climate Protection Expert Group is being extended to include our commitment on the key topics of circular economies and climate.</p>	<p>Climate Protection Expert group focus themes:</p> <ul style="list-style-type: none"> • Carrying out joint measures/projects (training, product adaptations) to assess and reduce greenhouse gas emissions in the supply chain • Preparing supporting information and materials • Developing and implementing best practices • Ongoing sharing of knowledge through dialogue and discussion <p>You can find out more about the Circular Economy Expert Group here.</p>	<p>deuter takes part in the Partnership for Sustainable Textiles' training courses on circular economies and climate protection. The possibility of taking part in a collaborative project will be looked at in FY 2023/24.</p>	<p>Monitoring of the Partnership for Sustainable Textiles' activities on these focus themes and project participation where possible.</p> <p>From 2024 deuter will report on KPIs for each of the Partnership for Sustainable Textiles' focus themes.</p>

ROADMAP TO CLIMATE NEUTRALITY

We reduce CO₂ emissions throughout the entire company as much as possible. Any unavoidable CO₂ emissions are offset.

COMPANY CARBON FOOTPRINT

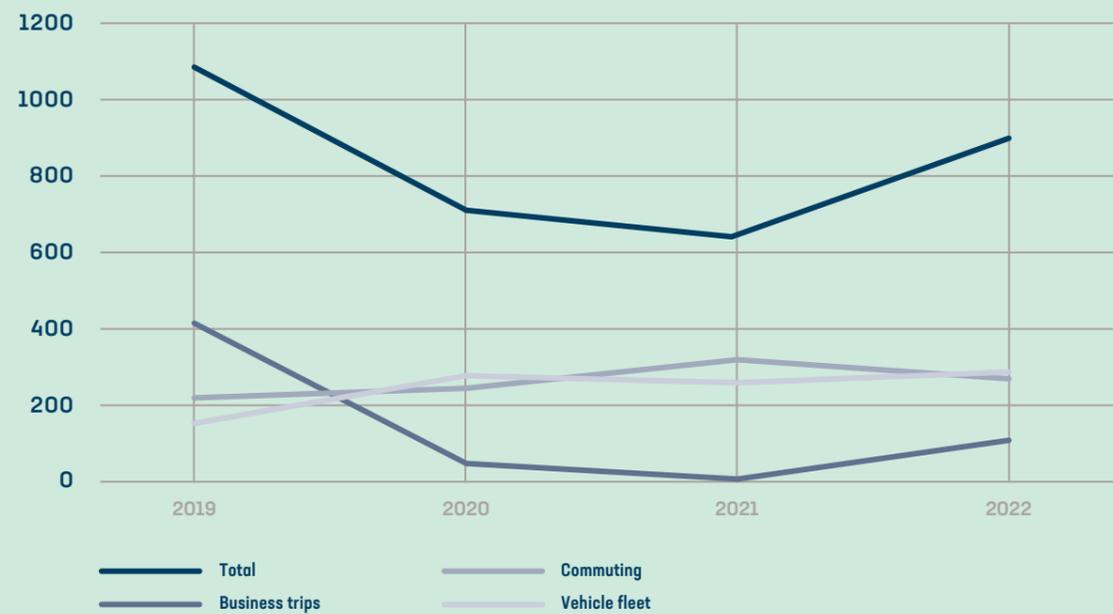
Working together with ClimatePartner, the Company Carbon Footprint (CCF) for deuter headquarters in Gersthofen, Germany has been calculated each year since 2020 using the Greenhouse Gas Protocol and then offset through financing certified climate action projects that include social components.

A CCF includes unavoidable direct emissions within a company (electricity, heating, vehicle fleets, volatile gases) and indirect

emissions from purchased energy, business trips and employee commuting.

In addition to the structural and infrastructural measures already implemented to reduce the carbon footprint of the Gersthofen headquarters site, an important step towards achieving more holistic climate protection is through offsetting CO₂ emissions. ClimatePartner recommends that companies establish continuous processes for the avoidance and reduction of CO₂ emissions and supports them with strategies such as defining scientific-based reduction targets or in the transition toward renewable energy.

CALCULATION AND DEVELOPMENT



In the interest of simplification, we will use 'CO₂ emissions' for all emissions, and provide totals in tons of CO₂. This figure includes all CO₂ equivalents, and therefore all types of greenhouse gases.

More Information: <https://www.deuter.com/de-en/responsibility/partner/climate>

PRODUCT CARBON FOOTPRINT

We are working on reducing the CO₂ footprint of products and materials as much as possible. In addition to using more recycled and bluesign®-certified materials and sustainable technologies with a reduced CO₂ footprint, according ECOS it is by extending the lifecycle of products that we can improve the footprint by 10%, while cutting 8% CO₂, 10% water and 9% waste, as well as cutting resource costs by around 9%. But despite our greatest efforts, it's impossible to manufacture products that are climate neutral.

Which is why, since 2020, with the help of ClimatePartner we have been calculating and offsetting the emissions of certain deuter products which are not manufactured in our Gersthofen base. This includes the manufacture and processing of raw materials and preliminary products, transportation to retail, indirect emissions from sources not directly attributable to products, (e.g. employee travel) and end-of-life disposal.

You can find out more about our climate neutral products and the certified climate and social projects we support [here](#) on the deuter website.



deuter headquarters in Gersthofen

ENVIRONMENT



OUR PROMISE

We will do our best to minimize the impact of our products on the environment.

To protect the environment by selecting resources carefully, reducing the amount of resources used and avoiding harmful substances. And to engage in environmental projects together with partner organizations and NGOs, and to keep expanding on these.

RISK IDENTIFICATION

Hazardous Chemicals

Analysis has identified a risk in China, Taiwan and South Korea further down the supply chain. In some cases, the risks can be mitigated to some extent through bluesign® certification of suppliers and their materials. Where factories are not certified further down the supply chain, there is a greater risk. These must adhere

to deuter's RSL (Restricted Substances List) and ZDHC MRSL standards.

In view of the severity of the risk and the likelihood of its occurrence, we are focussing on further mitigation strategies for fabric and yarn manufacturing operations and wet processes. The Higg Index tools are important aids in generating transparency and managing data.

Mitigation strategies already implemented, such as all sewing factories becoming bluesign® system partners and the minimal overall use of chemicals in the sewing stage, mean the risks here are minimized.

Water consumption and water pollution

Analysis has identified potential risk in all manufacturing countries, but particularly in Taiwan, South Korea and China (tier

2+3 of the supply chain). Hazardous chemicals and a lack of wastewater treatment are the biggest causes of water pollution. There is a further risk presented by the amount of water required for the manufacturing processes in these stages of the supply chain. In view of mitigation strategies such as the supplier's membership of the bluesign® system, the risk is minimized. We recognize, however, that the measures already taken do not prevent the risk completely. In particular, lower down in the supply chain (Taiwan, South Korea, China) the potential risk still remains. The information we have here, is limited, however.

In view of the severity of the risk and the likelihood of its occurrence, we are focussing on further mitigation strategies for fabric and yarn manufacturing operations and wet processes. Going forward, the Higg Index will help to provide a reliable baseline set of data.

OBJECTIVES AND MEASURES

	MEASURES / PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES
	Overall Objective: Responsible chemical and environmental controls further down the supply chain, in particular with fabric and yarn manufacturing operations and wet processes.			
Company level	bluesign® System Partnership We've been a bluesign® System Partner and have applied the bluesign® Standard since 2008 as part of our efforts to minimize the impact of our manufacturing processes on the environment. You can find out more about our collaboration with bluesign® here .	As a bluesign® System Partner we take part in an annual Brand Assessment. This generally takes place at our headquarters. It includes issues related to organizational structure, supply chains and materials, fabrics and chemical substances, reporting and communication, and monitoring of suppliers. The results of this assessment are documented in a Gap Analysis which forms the basis for a strategic action plan.		Continuation of bluesign® System partnership.
	Green Button 2.0 Company Certification The Green Button (or Grüner Knopf) is a state-run international hallmark for sustainable textiles. We have our company and our products certified by the Green Button label.	deuter successfully passed a company re-audit in August 2022.	deuter successfully passed company certification according to Green Button 2.0 standards in 2023.	Continuation of company certification according to Green Button 2.0 standards.
Supplier level	bluesign® System Partnership for Manufacturing Partners	100% of our manufacturing partners are bluesign® System Partners. We support our suppliers lower down the supply chain in achieving system partnership status.	bluesign® System Partnership (or similar) is a deciding factor in the choice of new suppliers, and as such defined in the deuter onboarding process.	Monitoring and supporting our manufacturing partners in implementing bluesign® System Partnership. The formalization of the criteria within the onboarding process has been completed. The proportion of manufacturing partners with bluesign® System Partnership to steadily increase.

	MEASURES / PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES
Supplier level	<p>deuter Promise Policy and Supplier Handbook</p> <p>The deuter Promise policy clearly defines requirements for suppliers with regards to environmental issues: chemicals management, water and wastewater treatment, waste management, emissions and their impact on climate change. These include compliance with deuter RSL (ZDHC and bluesign® compliant), ZDHC MRSL and Afirm Packaging's RSL. The Supplier Handbook also offers practical recommendations and advice on useful tools and training courses to help implement improvement measures (Planet Guideline).</p>	<p>In July 2022, we published our Supplier Handbook for the deuter Promise Policy.</p>	<p>During FY 2022/23, we communicated the Supplier Handbook to all our tier 1 and tier 2 suppliers. The Supplier Handbook is distributed to suppliers via an eLearning platform.</p>	<p>Regular updates to the Supplier Handbook and communicate these via the platform.</p> <p>Provide information on new training schemes and supporting materials via the platform.</p>
	<p>deuter uses the Higg Index from the Sustainable Apparel Coalition.</p> <p>The Higg Index is a suite of tools for the standardized measurement of the sustainability of businesses, manufacturers and suppliers, as well as products within the textile industry.</p>	<p>Implement the Higg Facility Environmental Module (FEM) further down the supply chain, starting with our tier 2 fabric suppliers.</p>	<p>In the reporting period, we successfully gathered the Higg FEM and Higg FSLM modules from our materials and fabric suppliers (tier 2).</p>	<p>Evaluation of the risks and occurrence likelihood of our tier 2 suppliers as identified in the FEM data.</p> <p>Prioritizing of improvement potential and joint implementation of targeted measures together with relevant suppliers. Prioritizing of suppliers according to purchasing volume (core suppliers) and severity of environmental risks.</p>
Product Level	<p>bluesign® certified Materials</p>	<p>27% of the total volume of main fabrics purchased in the period 01/2021 - 12/2021 are bluesign® certified.</p>	<p>During the period from 01/2022 to 12/2022 we increased the proportion of the total volume of bluesign® certified main fabrics to 69%. In so doing, we've nearly achieved our 2025 target.</p>	<p>70% of the total annual volume of main fabrics to be bluesign® certified.</p>
	<p>bluesign® Products</p> <p>A bluesign® product is made with a minimum of 90% bluesign® approved fabrics and 30% bluesign® approved components.</p>	<p>Approximately 17% of our SS2023 and FW2023/24 collections are bluesign® certified.</p>	<p>Approximately 30% of our SS2024 and 34% of our FW2024/25 collections are bluesign® certified.</p>	<p>Increase the proportion of bluesign® products in the collection to 70%.</p>
	<p>Green Button Products</p> <p>For Green Button product certification, another 26 criteria must be fulfilled above and beyond Green Button company certification.</p>	<p>All of our bluesign® products are also Green Button certified. This equates to around 17% of the SS2023 and FW2023/24 collections.</p>	<p>All of our bluesign® products are also Green Button certified. This equates to around 30% of the SS2024 and 34% FW2024/25 collections.</p>	<p>Progression to Green Button 2.0 compliance.</p> <p>Reassessment of product certification as requirements are announced. Evaluation of the product requirements for Green Button 2.0 products.</p>
	<p>Overall Objective: Increase proportion of recycled materials used in our products.</p>			
Material substitutions	<p>Use of recycled materials</p> <p>The recycling of already existing synthetic materials means less crude oil is used and therefore saves resources. And because less energy is required when reusing materials, fewer emissions are generated, which is better for the climate and for our environment.</p>	<p>17% of the total volume of main materials purchased in the period 01/2021 - 12/2021 are recycled.</p>	<p>During the period from 01/2022 to 12/2022 we increased the proportion of the total volume of recycled main fabrics to 20%.</p>	<p>50% of the total annual volume of main materials are recycled.</p>

	MEASURES / PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES
Material substitutions	Products made using recycled materials	Approximately 60% of our SS 2023 and FW 2023/24 collection consists partly or entirely of recycled main materials.	Approximately 65% of our SS2024 and FW2024/25 collection consist partly or entirely of recycled main fabrics.	We have thus achieved our 2025 target of 50%. The share of products made from recycled main materials is to be steadily increased.
Material usage	Pre-Consumer Waste Upcycling Using fabric remnants or offcuts from our main production to create new products makes for more optimized material usage and uses fewer resources.	The deuter Infiniti series is made from 100% functional offcuts from our manufacture. 10% of revenue from the sale of the deuter Infiniti series goes to the 1% for the Planet which supports the work of carefully selected partners across 7 core environmental areas: Climate, land, water, food, pollution, wildlife and biodiversity.		Continuation of the Infiniti series and support for 1% for the Planet.
Overall objective: Product longevity The lifespan of deuter products should be as long as possible to reduce their ecological footprint and save resources. Contributing to more sustainable, conscientious consumer behavior.				
Embedded in the design process	Design to Repair Within the framework of our 'Design to Repair' approach, we are making every effort to improve the reparability of our products.	Design for Repair workshops will continue to be initiated by the CSR team and carried out in collaboration with the Product Design & Development department and the specialists from the Repairs Department. Regular interaction allows us to take note of any repairs that we are currently unable to make, to avoid any weak points in the reparability of products when designing new ones.		Reparability firmly embedded and verifiable in the design process.
	Design for Durability Within the framework of our 'Design for Durability' approach, we are making every effort to improve the longevity of our products.	Ensuring durability is incorporated into the product design process. Choice of materials is based on durability and longevity. Field tests are carried out.		This approach is already firmly embedded in the product design process and should be maintained in future.
After Sales Services	deuter Repair Service The deuter Repair Service is all about extending the lifespan of our products. The service is especially important for products which are in good condition, but no longer functional unless repaired. By repairing these items, we are cutting down on landfill waste - of both post-consumer and pre-consumer waste, where prototypes and products with minor flaws are given a new lease of life.	Backpacks that can no longer be repaired or have been donated are inspected in our repair shop to determine if the materials can be reused. The outer fabric, lining, entire sections like shoulder straps or smaller components, which are in good condition can be used in the repair of other backpacks. This helps cut down on waste and resource consumption.		The target of publishing a repair guide was achieved during FY 2022/23. It will be regularly updated and expanded upon. Upscaling the repair service internationally remains a target.
		Around 4,000 products were repaired in the deuter workshop in 2021. In August 2022, we increased capacity by creating of another full-time position as well as an apprenticeship position for a textiles and fashion design tailor.	Around 4,500 products were repaired in the deuter workshop in 2022. In FY 2022/23, the deuter Repair Guide was created and distributed to national and international retailers and distributors. The deuter Repair Guide is specially geared to that target group and is designed to help communicate to customers the option of repairing products and raising awareness internationally. Information is provided on the various services and illustrated using before-and-after pictures on how repairs can be carried out. The examples of repairs carried out are constantly updated. The deuter Repair Guide is available in German and in English. Contents of the guide can be seen by our customer here on the website.	

	MEASURES / PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES
After Sales Services	<p>DIY Repair Options</p> <p>deuter wants to give its customers the option of carrying out smaller repairs themselves, e.g. replacing buckles, straps or replacing the chin pad on a child carrier.</p> <p>Accessories like backpack rain covers, for instance, can also be purchased separately online.</p> <p>You can see our range of accessories and replacement parts here.</p>	<p>deuter has a range of replacement parts for all its backpack models. Customers can order these via the deuter online shop, to replace a damaged part themselves.</p> <p>Retailers can order a fully-comprehensive Service Box with all our current replacement parts so they can offer these to clients in-store</p>	<p>In FY 2022/23, video tutorials were made on how to replace parts. These are available here on the deuter website, in German and in English.</p>	<p>The range of replacement parts and repair materials in the deuter online shop to increase as required.</p> <p>Instructional videos on how to replace parts updated where necessary.</p>
	<p>Product Care</p> <p>Extending the lifespan of products with correct care, cleaning and storage</p>	<p>There are instructions on how to clean, care for, and correctly store our backpacks, sleeping bags and hydration systems (+ accessories).</p> <p>You can view our advice pages here.</p>		<p>More advice on product care.</p>
Sustainable Consumerism & Social Engagement	<p>Rental Scheme</p> <p>Renting out products is very cost-effective and fosters responsible consumption.</p>	<p>We have established a free-of-charge child carrier rental service at 5 mountain cable car stations in the Allgäu region of Germany. The 20 child carriers available were loaned out 216 times during 2020. Quite something, considering the cable cars were only in operation for 232 days because of COVID-19.</p> <p>You can find out more about our Rental Scheme here.</p>	<p>We continue to provide free-of-charge child carrier rental service at 5 mountain cable car stations in the Allgäu region of Germany.</p>	<p>Expand the child carrier rental scheme to further locations across Germany.</p> <p>Establish a rental scheme for other suitable product groups.</p>
	<p>deuter Second Life</p> <p>Second Life products are backpacks with light wear and tear, or factory seconds, returns, and product samples that are no longer needed – all of which have been expertly restored by our experienced repair team. It is a way of extending the useful life of our products, reducing waste, and giving our customers fully-functional products at reduced prices – and making a significant contribution to protecting the environment.</p>	<p>deuter Outlet Store</p> <p>Our Second Life products are available to buy from the deuter Shop in Gersthofen. All products are in full working order and ready to use.</p> <p>Donation</p> <p>We're involved with some non-profit associations and organizations that promote social equality, inclusion and support for those in need. We help establish welfare facilities by providing funding, or support in the form of donations in kind.</p>		<p>Expand upon and progress these projects in collaboration with the sales department.</p> <p>Assess the feasibility of setting up a second-hand deuter online store/platform, where our B-goods (deuter Second Life) could reach a wider audience and customers could resell their good-quality used products.</p>
	<p>Overall objective: Product Recyclability</p> <p>Improving the recyclability of deuter products.</p> <p>The focus here is on recycling materials, because we can cut down on waste and conserve resources by feeding the resources we use back into the materials cycle.</p>			
Embedded in the design process / Pilot projects	<p>Design to recycle</p> <p>Within our 'Design to Recycle' approach, we are making every effort to improve the material purity and therefore recyclability of our products. A product with all elements made from the same single-origin fibers e.g. thermo-plastics, is pure and therefore recyclable. Single-origin products are better suited to value-added recycling, since products like backpacks, for example, can be made up of more than 100 individual parts that cannot always be separated from one another (in recycling processes).</p>	<p>Collaboration with Partnership for Sustainable Textiles' Recycling Working Group on its Recyclable Product Clones project. Find out more about the project here.</p> <p>Design a single-origin sleeping bag.</p>	<p>Collaboration on the Partnership for Sustainable Textiles' Recyclable Product Clones project was successfully completed in the 2022 reporting period.</p> <p>Together with Iteratif, we are working on the development of a recyclable sleeping bag. We have already achieved 70% recyclability at this stage. And the proportion will increase.</p> <p>In FY 2022/23 a strategy was established for implementing circular economies.</p>	<p>Reduce the number of different materials and material blends to improve the recyclability of deuter products.</p> <p>Substitution of materials that are hard to recycle with recyclable ones.</p> <p>Continued development of circular economy strategy.</p>

	MEASURES / PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES
Embedded in the design process / Pilot projects	Collaboration with recycling businesses	Materials recycling and evaluation of the establishment of a returns system for deuter products.	Collaboration with Iteratif started in FY 2022/23. This included circularity workshops with our product development and design teams. The project for the development of a recyclable sleeping bag, described in the previous section, was also included. Iteratif works as the mediator between deuter and recycling businesses and carries out Life Cycle Assessments (LCAs) of products.	Pilot project for recycling deuter products with a designated recycling business successfully started and is set to carry on.
Memberships / Affiliations	With the realignment of the Partnership for Sustainable Textiles our involvement in the Circular Economy Expert Group and the working group on Recycling is being extended to include our commitment to the key topics of circular economies and climate .	Key themes for the circular economy expert group and the recycling working group: <ul style="list-style-type: none"> • Sustainable designs • Examine the recyclability of current products and how to make them more recyclable • Repair, sharing, collection, reuse and recycling of textile products • Packaging • Cross-industry stakeholder dialogue <p>You can find out more about the Circular Economy Expert Group here.</p>	deuter takes part in the Partnership for Sustainable Textiles' training courses on circular economies and climate protection. The possibility of taking part in a collaborative project will be looked at in FY 2023/24.	Monitoring of the Partnership for Sustainable Textile's activities on this key theme and project participation where possible. From 2024 deuter will report on KPIs for each of the Partnership for Sustainable Textiles' focus themes.
Overall objective: More sustainable product and shipping packaging.				
Logistics and Packaging	deuter Packaging Concept	To ensure that our packaging is free from harmful substances, we comply with the Afirm Packaging's RSL for all our packaging. We examined our entire packaging concept when tackling the issue of making our product and shipping packaging more sustainable. Research was conducted into recycled polybags and other alternative materials for our plastic packaging. For cardboard packaging, the focus was on using recycled materials and avoiding plastic and adhesives throughout all application areas. We also looked at the reusability of cardboard shipping packaging.		Prepare a fact sheet about our shipping packaging.
	Plastic Packaging	In July 2022, we switched from low-density polyethylene (LDPE) bags to 100% recycled LDPE and RCS-certified poly bags. We also cut down the thickness of our poly bags by 50% to cut our carbon footprint and minimize the resources we use up. By making these adjustments and tailoring the size of our bags to individual products we are more resource efficient. At present, bio-based or biodegradable plastics are not a suitable alternative, as their environmental credentials are not significantly better than those of conventional plastics. The environmental impact is simply deferred (German Environment Agency - in German).		Assess alternatives to poly bags.
	Cardboard Packaging	We source our shipping boxes for the Gersthofen offices from a local supplier to cut delivery distances. The boxes are made using 74-100% recycled content and are 100% recyclable. Hang tags and header cards are designed with as little plastic or adhesives as possible. Instead, we use folding/creasing techniques.	In FY 2022/23 we shifted from boxes to bags made from 100% recycled paper for our accessories and smaller products. From FY 2022/23, comprehensive product information is now communicated via QR code, which allows information to be changed and updated quickly in future.	Assess the possibility of setting up a returns system for our shipping boxes. If feasible, conduct a trial with selected partners. Assess other reusability options e.g. for B2C returns boxes or for mailing to the repairs workshop.

ANIMAL WELFARE



OUR PROMISE

To consciously avoid animal-based products where possible. And to ensure, where possible, that all components used in our production chain are vegan.

That no animals will suffer or be harmed in the creation our products.

RISK IDENTIFICATION

Because all our down feathers are RDS-certified from China, the risk is virtually non-existent. And we do not use any other animal-based products.



OBJECTIVES & MEASURES

	MEASURES/ PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES
	Overall objective: That no animals will suffer or be harmed in the creation our products.			
	Responsible Down Standard (RDS) We only buy down from China that is RDS certified. The Responsible Down Standard ensures that down feathers are not sourced through live plucking and that force-feeding does not take place. Animals must be kept in conditions that are free from <i>animal cruelty</i> . RDS certificates are each valid for 14 months. Announced and unannounced assessments take place.	100% of down used by deuter is RDS certified.		We will continue to only buy down from China that is RDS certified.

EMPLOYEES



OUR PROMISE

We believe that everyone who is involved in the manufacturing of our products, either directly or indirectly, should have fair working conditions.

To ensure both our own co-workers in Germany and those of our manufacturing partners benefit from fair working conditions, fair pay, social justice, equal opportunities and the possibility of leading a healthy, balanced lifestyle.

VULNERABLE GROUPS

We are committed to respecting and protecting the rights and needs of vulnerable groups. These include refugees, female workers, children, migrant workers, home workers and ethnic or religious minorities. The needs of vulnerable groups are identified and laid out in detail in our People Guideline (see People Guideline) as part of risk analyses.

deuter identifies which vulnerable groups are represented within the supply chain, as well as its own company, and takes targeted measures to address their needs.

Implementation in the supply chain:

We have identified a heightened risk of female workers and home workers within our supply chain. For other vulnerable groups, there is also a potential risk.

Transparency and Reporting

We require our suppliers to be transparent regarding their labor practices and compliance with international labor standards and human rights laws. We will continue to demand that they regularly report on their efforts in considering vulnerable groups of people (e.g. gender-specific personnel and wage data).

Audits and Inspections

We carry out regular audits in our supply chain to ensure that workers' needs are met, including those of vulnerable persons. This includes checking that the social standards outlined in our deuter Promise policy are adhered to.

Training and Awareness

We supply our manufacturing partners' management teams with training and training materials to increase awareness on the rights and needs of vulnerable groups. For instance, all our direct suppliers have undergone training on age verification and have implemented systems in their human resources departments. deuter regularly checks their efficacy and can therefore be relatively certain that child labor is not occurring. Worker Empowerment Training programs also take place regularly at our production sites. Care is taken to ensure that vulnerable groups are proportionately represented in these.

Complaints Mechanisms in the Supply Chain

We establish an effective complaints mechanism that allows our suppliers and vulnerable groups to confidentially report concerns and complaints regarding their rights. We are committed to investigating these complaints thoroughly and taking action to resolve any issues.

Monitoring and Implementation

Compliance with the deuter Promise Policy is checked through regular audits and occasional visits. Together with our manufacturing partners, we establish measures for improving social standards, which also incorporate the needs of vulnerable groups. We also support our manufacturing partners in how they deal with vulnerable groups, through targeted recommendations, which are clearly defined in our People Guidelines.



RISK IDENTIFICATION

Child Labor

Analysis has identified a potential risk in Vietnam and Myanmar. Mitigation strategies already implemented in the cutting and sewing operations, such as deuter's guidelines for subcontractors, supplier hiring policies, workplace training and regular audits, mean the risk is significantly reduced. The FWF's Age Verification training course, which all our direct suppliers have completed, has provided the HR departments in question with extensive knowledge on how to verify the authenticity of employee documents and has resulted in enhanced vigilance when recruiting young people.

In Myanmar, the risk is higher due to the difficult political situation and limited possibilities for monitoring. Manufacturing processes lower down the supply chain are usually highly mechanized and specialized, which requires workers to be well trained, thereby reducing the risk of child and forced labor.

We are focussing on issues further down the supply chain because understanding here is still limited. Greater diligence and monitoring are necessary in Myanmar because of the political situation.

Discrimination, sexual harassment, gender-based violence

Analysis has identified a potential risk in Vietnam, Myanmar, China, Taiwan and South Korea. From mitigation strategies already in place in the cutting and sewing operations, such as Worker Empowerment Training through the FWF, as well as audit data, we know the risk is minimized in Vietnam. A study was carried out in 2019 at Duke by CARE International and the FWF. The study concluded that no systematic and overt gender inequalities were observed. There is therefore no specific risk, but the aim is to continue to raise awareness about the issue.

Unfortunately, the FWF cannot carry out any workplace training in Myanmar at the moment. For the remainder of our time in business in Myanmar we will use MADE in Myanmar's training schemes. This will help mitigate all social sector risks.

We also concede that this risk is impossible to assess through audits, and so we must assume that there is currently a risk. Especially given that there are more people, in particular women, working in cutting and sewing operations.

Lower down the supply chain, mechanized processes mean there are fewer people and therefore the risk is lower – but it is still present. In view of the potential risk lower down the supply chain in South Korea, Taiwan and China, we are focussing on further mitigation strategies for fabric and yarn manufacturing operations and wet processes. Because of the modest capacity utilization at these facilities and the limited influence we are able to exert, we are using the Higg FSLM Tool as well as our deuter Promise Policy and People Guideline to raise awareness about the issue.

Forced Labor

Analysis has identified a potential risk in Vietnam and Myanmar. Mitigation strategies already implemented in the cutting and sewing operations, such as deuter's guidelines for subcontractors, supplier hiring policies, workplace training and regular audits, mean the risk is reduced. Manufacturing processes lower down the supply chain (China, Taiwan, South Korea) are usually highly mechanized and specialized, which requires workers to be well trained, thereby reducing the risk of child and forced labor. But there is residual risk where sub-contractors are concerned or even further down the supply chain. However, information is limited. And so, we are focusing on the deeper supply chain and on greater diligence and monitoring in Myanmar because of the political situation.

Working hours/ overtime

Analysis has identified potential risk in Vietnam and Myanmar. From mitigation strategies already implemented such as planning far in advance, long production lead-times, and collaboration with the Fair Wear Foundation, the risk is reduced in Vietnam. Despite deuter's close relationship with Duke, overtime during peak periods could not be avoided. The high levels of orders in the post-pandemic period increased the risk in Vietnam in particular.

In Myanmar however, the risk dropped overall, because order volumes generally fell due to the military coup. But at factory level, there is still an increased risk, because workers are asking for overtime to help them cope with the increased cost of living.

Lower down the supply chain, the risk is minimal since processes here are less labor-intensive and therefore fewer overtime hours are likely. We recognize, however, that the measures already taken do not prevent the risk completely. Especially further down the supply chain, and in China in particular, there is still a risk.

But thanks to our long-standing relationship with our direct manufacturing partners, which therefore gives us greater influence, we can focus further mitigation measures on the tier 1 supply chain in Vietnam.

Occupational health and safety

Analysis has identified potential risk in Vietnam, Taiwan, China, Myanmar and South Korea. Thanks to mitigation strategies already implemented such as fire safety and first aid training in collaboration with the Fair Wear Foundation, as well as bluesign® System Partnership, the risk at cutting and sewing level is reduced in Vietnam. Because of the political situation in Myanmar, and since the Fair Wear Foundation can no longer operate there, the risk in Myanmar is considerably higher. But despite improvements made in recent years, worker safety still poses a challenge for the textile industry. The key issues are fire safety and worker training. Lower down the supply chain the risk is greater because this is where more chemicals are used. With bluesign® certified suppliers the risk is reduced.

Since the risk at the cutting and sewing stage is minimal, we are focussing on risks further down the supply chain.

Freedom of association and the right to collective bargaining

Analysis has revealed there is a potential risk in almost all manufacturing countries where freedom of association and the right to collective bargaining in the supply chain are concerned: in China (tier 2+3), Myanmar (tier 1), Vietnam (tier 1), South Korea and Taiwan (tier 2+3). Although we can assume that the sector risk is reduced in Vietnam thanks to our close business relationship and regular inspections, collective bargaining and freedom of association, however, are not guaranteed because of the political framework. Instead, we encourage social dialogue in the factories through FWF training, for example.

In Myanmar, the situation has deteriorated drastically since the military coup, and so there is greater need for duty of care and monitoring. The complaints mechanism is still in place and acts as an important risk indicator for deuter to act quickly. Further mitigation is supplied by the MADE Myanmar training program. We hope to gain further insight from an audit scheduled in the next financial year.

Further down the supply chain we have limited information and so potential risk remains.

But thanks to our long-standing relationship with our direct manufacturing partners in Vietnam and Myanmar, we can focus further mitigation measures on the tier 1 supply chain, in particu-

lar in Vietnam, where greater capacity is utilized. And we are also looking at the situation further down the supply chain, especially in China.

Wages and welfare benefits, living wage

Analysis has identified potential risk in Vietnam, Myanmar, Taiwan, China and South Korea. Workers in the textile industry are generally not paid a living wage. Often workers' wages are lower than the legal minimum wage in that country. The rise in cost of living poses a risk that wages will not be sufficient, especially in Myanmar where the situation is tense. Because of mitigation strategies already in place with tier 1 suppliers, such as working closely with the Fair Wear Foundation and our direct manufacturing partners in Vietnam, our direct suppliers pay wages that exceed the minimum wage in Vietnam. Thanks to the Partnership for Sustainable Textile's 'Living Wage Lab' we are currently in intensive wage discussions with our tier 1 suppliers to increase wages. With the situation in Vietnam, where we take up 100% capacity, we have a better chance of affecting positive change. Lower down the supply chain in China, South Korea and Taiwan, where information is less comprehensive, there is a potential risk because greater numbers of workers are affected in tier 1 than tier 2.

Because of our long-standing partnership with our manufacturers and subsequent increased influence we are focussing on mitigation measures at the cutting and sewing level in Vietnam and Myanmar. Greater diligence is necessary in Myanmar because of the political situation. And greater monitoring is required.



OBJECTIVES & MEASURES

	MEASURES/ PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES
	Overall objective: We believe that everyone involved in making our products should have fair working conditions. Which is why we implement the ILO's core labor standards and uphold human rights.			
Company level	Fair Wear Foundation membership (FWF)	deuter has been a member of the FWF for 12 years and in FY 2021/22 was awarded FWF Leader Status for the 10th time in a row.		Retain Leader status. Continued development in response to increased requirements.
	Green Button 2.0 Company Certification The Green Button (or Grüner Knopf) is a state-run international hallmark for sustainable textiles. We have our company and our products certified by the Green Button label.	deuter successfully passed a company re-audit in August 2022.	deuter successfully passed company certification according to Green Button 2.0 standards in 2023.	Continuation of company certification according to Green Button 2.0 standards.
	Greenteam	Introduction of a deuter Repair Cafe for employees.	In FY 2022/23 we introduced the deuter Repair Cafe for employees. It took place twice at the Gersthofen headquarters. A deuter flea market was also organized by employees for employees.	The Green Team organizes independent projects, activities and information sessions on sustainability.
	CSR training for deuter employees at the Gersthofen headquarters	Regular training sessions are held on developments in CSR and to raise awareness about CSR issues. deuter arranges bi-annual training for international deuter staff and distributors (FWF and other sustainability measures) through presentations and/or workshops during the course of international sales meetings. The CSR team offers bi-annual training for new deuter staff (as well as established staff where relevant) about the deuter CSR strategy. During the reporting period, deuter increased its CSR video training offerings to include the Green Button certification, climate neutrality and recycled materials. These are available to both retail partners and employees. In 2021, the deuter homepage was redesigned and now offers detailed information on sustainability strategies and targets for the coming years.		Carry out regular training sessions.
Supplier level	Fair Wear Foundation Audits/ Training At tier 1 level, deuter only works with two manufacturing partners . FWF audits inspect human rights and working conditions in tier 1 factories. They also assess the progress made annually in implementing remediation measures and to what extent these have led to improvements. Audits are planned at intervals of no more than 3 years and are based on the Fair Wear Foundation's regulations.	Due to the difficult political situation in Myanmar, most FWF activities (training, factory visits by local experts, audit verifications) had to be suspended. The FWF complaint mechanism remains active in Myanmar. FWF organized regular meetings with member brands to share information on the situation in Myanmar. FWF continued to provide support where wages are concerned. In Vietnam, FWF was able to resume operations following the government-imposed Covid-19 lockdown. Training, audits etc. continue as usual.	In Myanmar, the FWF's complaints mechanism is still active. But all other FWF activities remain suspended. Using SMART Myanmar, we are covering training and have an audit planned for FY 2023/24. We will follow this up until the business relationship in Myanmar is terminated. In FY 2022/23 an FWF audit took place and initial CAP improvements follow-up in Vietnam at the Hoc Mon manufacturing site.	Regular audits and CAP follow-ups to measure effectiveness of our measures and to minimize social risks in tier 1. Establishing effective dialogue between workers and management. Increase self-efficacy measures with regard to trade unions, complaints management, and wage negotiations.
	deuter CSR team visits The deuter CSR team carries out regular site visits to factories to confirm that improvements are being made and to discuss progress.	During FY 2021/22 the deuter CSR team was finally able to visit the factories in Vietnam after lengthy Covid-19 induced travel restrictions were lifted.	The CSR team also visited the production sites in Vietnam during FY 2022/23.	Carry out regular site visits to suppliers.
	Living Wages	We are taking part in the Partnership for Sustainable Textile's 'Living Wage Lab' and the FWF's 'Living Wage Incubator' and are thereby broadening our strategies and implementing measures that are identified.		70% of employees to receive a benchmark wage as determined by the Global Living Wage Coalition
		We have completed our participation in the Living Wage Lab of the Partnership for Sustainable Textiles. An action plan has been adopted. deuter is working with the supplier to implement it.		

	MEASURES/ PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES	
Supplier level	Training initiatives (Worker Empowerment)	It was not possible to carry out planned training initiatives in Vietnam because of the Covid pandemic and lengthy lockdown periods. Because of the political situation in Myanmar, no training took place.	In this financial year, Duke was able to finalize the Worker Empowerment and Communications Training which it started in 2019, at both of its production sites: Cu Chi and Count Vina. In Myanmar, we were able to use SMART Myanmar to offer training.	Implement regular training courses.	
	Our manufacturing partners' complaints mechanisms Workers in our supply chain are given the opportunity to raise grievances in the workplace and, where necessary, granted effective corrective action.	With our tier 1 suppliers in Vietnam, we have successfully implemented the FWF's complaints mechanism and applied CAPs (Corrective Action Plan) together with the management team. In Myanmar the FWF complaints mechanism is still in place, but the extent to which it is still fully representative under the circumstances needs to be reassessed. We are also supporting the software developer atlat in developing a new complaints mechanism for lower down the supply chain. We will be testing out this complaints mechanism with select tier 2 suppliers in a pilot scheme.	With our tier 1 suppliers in Vietnam, we have successfully implemented the FWF's complaints mechanism and applied CAPs (Corrective Action Plan) together with the management team. In Myanmar the FWF complaints mechanism is still active. In FY 2022/23, we received two complaints that are currently in the follow-up and verification process. In FY2022/23, a pilot test of atlat's complaints system was carried out at a printer's site in Vietnam. Results from the pilot were used to improve the complaints system. The atlat system will be upscaled further down the supply chain, through the „Digital Complaint Management and Capacity Building“ project, which we are implementing in Vietnam together with Ortovox Sportartikel GmbH and CARE Deutschland e.V. The project is being part-financed by GIZ. For further information on the project, see the following chapter on complaints mechanisms.	Continue to apply the FWF complaints mechanism at tier 1 level. Upscaling of atlat's complaints procedure further down the supply chain.	
	Overtime	We prevent excessive overtime by applying the FWF's benchmark for overtime.	Our suppliers provide transparent reports on overtime. Should high levels of overtime be found, we then carry out a root cause analysis and work together with them on making improvements.	We plan to continue in the same way.	
	Green Button Products For Green Button product certification, another 26 social and environmental criteria must be fulfilled above and beyond Green Button company certification.	Social standards include the payment of minimum wages, occupational health & safety, adherence to clearly defined working hours, the prohibition of forced and child labor, as well as the prohibition of sexual discrimination and physical or verbal abuse.	Approximately 17% of our SS2023 and FW2023/24 collections are Green Button certified.	Approximately 30% of our SS2024 and FW2024/25 collections are Green Button certified.	Progression to Green Button 2.0 compliance. Reassessment of product certification as requirements are announced. Evaluation of the product requirements for Green Button 2.0 products.
	deuter Promise Policy and Supplier Handbook In July 2022, we published our Supplier Handbook for the deuter Promise Policy. The Supplier Handbook is distributed to suppliers via an eLearning platform.	The deuter Promise Policy clearly defines the requirement for suppliers to comply with the ILO's core labor standards and the UN's human rights declaration. The Supplier Handbook also offers practical recommendations and advice on useful tools and training courses to help implement improvement measures (People Guideline).	During FY 2022/23, deuter communicated the Supplier Handbook to all tier 1 and tier 2 suppliers.	Regular updates to the Supplier Handbook and communicate these via the platform. Provide information on new training schemes and supporting materials via the platform.	
	Higg Index deuter uses the Higg Index from the Sustainable Apparel Coalition . The Higg Index is a suite of tools for the standardized measurement of the sustainability of businesses, manufacturers and suppliers, as well as products within the textile industry.	Consult the Higg Facility Social & Labor Module further down the supply chain, starting with our tier 2 fabric suppliers.	In the reporting period, we successfully gathered the Higg FEM and Higg FSLM modules from our materials and fabric suppliers (tier 2).	Evaluation of the risks and occurrence likelihood of our tier 2 suppliers as identified in the FSLM data. Prioritizing of improvement potential and joint implementation of targeted measures together with relevant suppliers. Prioritizing of suppliers according to purchasing volume (core suppliers) and severity of social risks.	

COHERENT SYSTEM FOR MONITORING AND REMEDIATION

The CSR team plans regular audits together with FWF to effectively monitor deuter's production sites. These audits are scheduled at 3-yearly intervals at most, to get a precise overview of the status of each factory. deuter uses local FWF audit teams where possible to ensure the highest standards are upheld. This is particularly important for us, since off-site worker interviews are a key element of these audits. These allow a better insight into the real situation in factories and can throw up issues which were not apparent in the factory audit. The deuter CSR team then follows up on any corrective action plans which arise from these audits with emails, Skype or video conferencing calls, and in-country site visits by deuter employees. These visits take place yearly. We do not currently share any manufacturing sites with other FWF member brands. If there is a potential for overlap, then synergies will be exploited to achieve improvements together. During the remediation process, deuter takes into account FWF country studies as well as legal regulations relevant to the

manufacturing location. Recommendations and requirements that are listed in the FWF audit report also form part of the remediation process. Audit reports form part of regular meetings (min. twice per year) between senior management teams from our suppliers and deuter. This practice adds weight to audit results and follows up on corrective action plans. Where subcontracting takes place, Duke is responsible for monitoring working conditions at its subcontractors' factories. Duke has a designated CSR team at its headquarters and at its production sites. Duke's CSR staff rank highly within the management hierarchy and are therefore able to address issues effectively together with senior management.

deuter schedules worker training on specific themes together with its suppliers, based on risk analyses results.

WHAT WEP TRAINING IS ABOUT

FWF Workplace Education Programme (WEP) aims to move companies beyond auditing and corrective action, and towards workplaces where issues are raised and resolved through open communication.

The WEP aims to provide factory managers and workers with the tools they need to start an open dialogue about issues and opportunities in the workplace and about how to improve working conditions in the factory. Increased awareness about labour standards, together with functioning grievance systems, can contribute to improve working conditions.

Fair Wear Foundation provides both general and countryspecific modules.

WHAT IS WEPC TRAINING

WEP Communications Training builds on the Basic WEP training and focuses on discussions between the leadership and workers in the factories. It is designed to help with better communication and therefore help resolve complaints and concerns before they have to be dealt with through the official grievance procedure system. This module has been developed to:

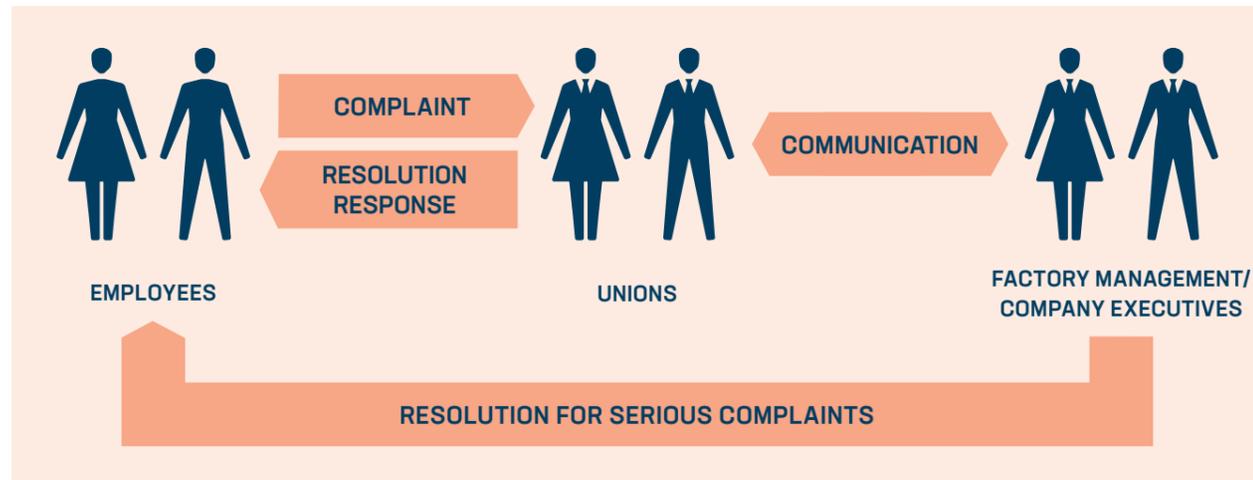
- build up worker and management communications and problem-solving skills.
- create a working environment that supports and encourages management to enter dialogue with employee representatives when problems are raised.
- improve factory management's ability to engage in dialogue with brands about their practices, which impact on working conditions in the factory.

The module takes one year to complete. It encompasses an introductory meeting, two main course units and three satellite course units, which are tailored to a specific company's needs.

Upon completion, it is expected that both parties - management and workers - can recognise the advantages of working together in bringing up and resolving workplace issues. And to view collaboration of this sort as the new norm.

COMPLAINTS HANDLING

INTERNAL COMPLAINTS MECHANISM AT DUKE'S FACTORIES



Complaints are directly addressed to the union representative.

Complaints and suggestions for improvements can also be submitted via an internal phonenumber, ideas box or email, which will also be seen by the union.

The union meets with the factory management to find a solution or at least respond to the complaint within 3 days.

Company executives are involved in finding a solution for serious complaints. In such cases a response is due within 7 days.

TIER 1 COMPLAINTS MANAGEMENT USING THE FWF COMPLAINTS SYSTEM

All manufacturing sites and subcontractors must have the Code of Labor Practices (CoLP) information sheet clearly on display in an easily accessible public area within the factory. This info sheet contains the contact details for the local complaints handler and is naturally written in the language of that country. The correct display of the workers' info sheet is verified during regular visits by deuter staff or through appropriate evidence thereof.

Two complaints were submitted in Myanmar during this financial year.

FWF complaint number 1353 was about two issues: workers were having difficulty getting their annual leave approved and were unclear on leave procedures. There was also a change in

Bellmart's work schedule whereby Saturday work was divided among the rest of the days of the working week. The workers were not consulted about this beforehand, but instead were asked to approve this change in writing and felt they were being pressured to agree. In addition, there were misunderstandings with regards to the redistribution of wages.

The complainant said they had observed the factory employing day workers in addition to its regular workers, some of which looked very young. These also had to pay a hiring fee.

Bellmart provided improved communication on leave policies and informed workers about this at an extraordinary meeting. The working hours redistribution was reversed. It was not possible to be 100% sure that all annual leave had been authorized, which is why the complaint case remains unresolved.

An exhaustive discussion was had between FWF and Bellmart's HR managers regarding day workers. The HR management is aware of the risks of child labor and insufficient documentation. The contents of the FWF's Age Verification Training materials were incorporated into the HR management's working processes. According to the FWF complaints handler, there is currently no way of verifying the complainant's statement or those of the HR management.

The second complaint, which was received shortly after the first, also concerned frustrations over leave rules, and was handled by the supplier in tandem with the first complaint. Here too, it was reported that there were problems claiming annual leave. The supplier denies this, but it could not be 100% proven. There was also uncertainty on the different types of leave, the notice period required for applications, and the communications channels through which to submit these. The supplier was able to clarify this through notices and a workers' meeting. The only reason the complaint has not been closed is due to the residual uncertainty of leave approvals.

The complaints and how they are followed up can be found in more detail here: <https://public.fairwear.org/s/complaints>.

THE FWF COMPLAINTS PROCEDURE



TIER 2 COMPLAINTS MANAGEMENT USING THE ATLAT COMPLAINTS SYSTEM

We have been working with software developer atlat since 2020 to improve workers' rights in the deeper supply chain and to give workers access to effective complaints mechanisms.

atlat offers a new digital complaint system that allows workers to submit complaints through an automated chat and enables brand employees to track and process these complaints on the associated resolution platform. atlat's digital complaints system gives deuter a direct link to workers at production sites. With the help of automated translations, any language barriers are significantly reduced. The digital complaints system also allows workers to remain anonymous and is accessible at any time.

As part of a study and testing phase at deuter's production partner sites in Vietnam, workers were involved in further improving the complaints system. The aim here was to incorporate their specific needs and to ensure better adoption of the system.



"At atlat, we have combined our passion and digital expertise to create software that has real social impact. We aim to help companies like deuter strengthen workers' rights further down the supply chain and improve working conditions beyond legal requirements. We are proud of our collaboration with deuter, which from the very first meeting has been characterized by our shared values."

Josua Ovari - atlat Co-CEO

THE ATLAT COMPLAINTS PROCESS



Workers scan the QR code with their smartphone etc. or follow a direct link to the atlat complaints chat.

Workers provide answers to automated questions in the chat. They can remain anonymous.

deuter views the complaint via atlat's resolution platform and verifies it through follow-up questions to the complainant using the chat with its translation feature and by contacting the factory management team.

Together with the factory management team, deuter develops a Corrective Action Plan (CAP) and documents this on the platform. Depending on the nature of the complaint, local experts or organizations are consulted.

deuter provides an initial response to the complainant within 5 working days of submission and formulates a plan for resolving the complaint within 30 days.

deuter has regular communications with the factory management team about CAP progress. Progress is documented on the platform.

Once an issue has been resolved, the CAP is closed, and the complainant is informed of this by deuter via the atlat chat. The complainant then confirms the problem has been resolved within their interest or alternatively will formulate a new complaint or inform deuter on further need for action.

PILOT PROJECT IN VIETNAM - DIGITAL COMPLAINTS MANAGEMENT AND CAPACITY BUILDING

atlat's digital complaints system is implemented in our deeper supply chain in a three-stage process that creates an effective grievance system and which, through targeted training, gives workers confidence and security.



Addressing and resolving concerns or complaints internally should always be the first course of action, and this requires effective internal grievance mechanisms to be in place in factories.

It is only when these internal systems are unable to find a resolution, or workers do not trust them, or when a safe place is needed to discuss sensitive topics, that atlat's anonymous external complaints system should be used. It acts as a reliable alternative or back-up system for workers.

The first step is therefore to raise awareness about the process. This is done through training on workers' rights for both factory management teams and their workers and by improving communication between them. Furthermore, both parties are made aware of the benefits and trustworthiness of complaints systems to ensure that workers file their complaints and do not have to fear any restrictions from the factory management.

Together with Ortovox Sportartikel GmbH and CARE Germany Ltd. we put forward the concept for the Partnership for Sustainable Textiles' idea competition and were selected as one of the winning projects. We look forward to piloting the project in the coming financial year with up to 10 fabric and materials suppliers in Vietnam.

This approach allows us to strengthen workers' rights, identify risks in our supply chain in good time, and take effective remedial action when needed. Complaints mechanisms are an important aspect of preventative and remedial measures for deuter and our production partners.



Test phase from deuter and atlat in Vietnam



PILOT PROJECT



FACTORY DUKE/COUNTRY VIETNAM

This financial year, following a Covid-related hiatus, it was again possible to travel to Vietnam to meet with our suppliers and sub-contractors. We are also in regular digital/ electronic contact with our representatives at Duke. For instance, we hold regular online conferences with the Duke CSR manager to discuss CAP follow-ups, factory visits or training. Following the latest CAP and BPC reports, the issues of production planning, overtime, wages and wage increases, as well as target wages, and workers' rights were discussed, and the health & safety audit was followed up.

Key points from the 2023 FWF audit report at Vina Duke Hoc Mon:

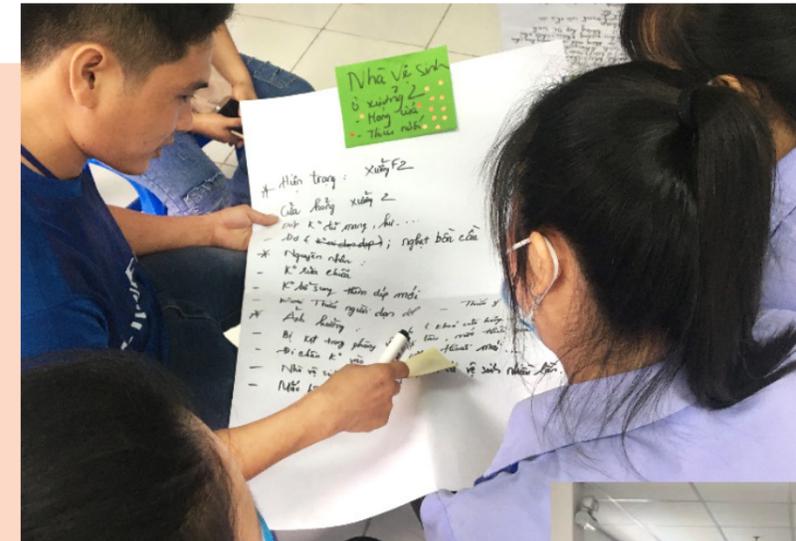
- The factory has a management system for improving working conditions, however some factory regulations which are legally required were lacking. A compliance manager has been employed to oversee the system and inspect conditions at sub-contractor establishments. Improvements include sexual harassment prevention policies, compensation for childcare, and potentially for home-based workers.
- There is a trade union, though improvements could be made where impartiality of the management team is concerned. It was noted that after the previous wage contract expired, a new version had not been put in place yet.
- Factory workers currently earn substantially more than the legal minimum wage and are in receipt of free meals and subsidized daily commuting fees. Payment of living wages according to the Anker Benchmark has not yet been fully achieved.
- Isolated safety issues were observed across various areas. Continued attention needs to be paid to health & safety regulations, machine safety, fire safety and ergonomics.

WEPC TRAINING AT CU CHI AND COUNT VINA MANUFACTURING SITES

In this financial year, Duke was able to finalize the Worker Empowerment and Communications Training which it started in 2019, at both of its production sites: Cu Chi and Count Vina. The training scheme usually lasts about one year, but due to restrictions imposed during the pandemic, they suffered repeated delays in delivering this relatively intensive training program.

The training course consists of a total of seven sessions, which were held with employee representatives and members of the management team.

Employees at Count Vina were somewhat more reserved than those at the Cu Chi production facility. The management teams for the two sites are made up of the same people, and so the participants in this group were the same. There were many changes within the employee group, however, due to the lengthy gaps between training sessions. This had the advantage of introducing fresh input from a wider range of participants, but it also made it difficult to catch up on previous sessions. Deeper improvement in communication between management and workers was achieved in part, but not in full. Before continuing to work with the employees, deuter has identified measures that will be undertaken solely with the factory management for the time being. The FWF is supporting deuter and Duke in the process of creating better dialogue between workers and management.



WEPC Training of the FWF at Cu Chi in Vietnam



WEPC Training of the FWF at Count Vina in Vietnam

AUDITS AND WAGE PROGRESS VIETNAM

During the reporting period, no FWF audits were carried out at Cu Chi and Count Vina, but a visit by deuter CSR staff was carried out. An FWF audit is planned for these sites in the next financial year. According to the most recent audit report (2020) the wages and working hours situations are progressing in a positive direction.

The reopened site of Hoc Mon was audited in April 2023. There were some teething problems that were identified by FWF auditors, and which were quickly resolved. For instance, automated clocking in and out, or the creation of a new wage contract. Overtime was worked across all sites, but workers were given

reasonable prior notification of this, and it was approved by the state, plus remuneration for overtime was increased. Wages continue to progress in a positive direction, and we are working together on further improvements. Looking at the data between 2016 and 2023, wages have increased at a constant rate across almost all areas. The wage graphs depict the median wage. Currently this is just below or even above the Living Wage Benchmark of 2020 (Anker Report).

Based on this, wages will continue to steadily rise to the Anker Living Wage of VND 7,634,900. Because of the lockdown and such vast orders to fulfill, more overtime hours were worked than in previous years.



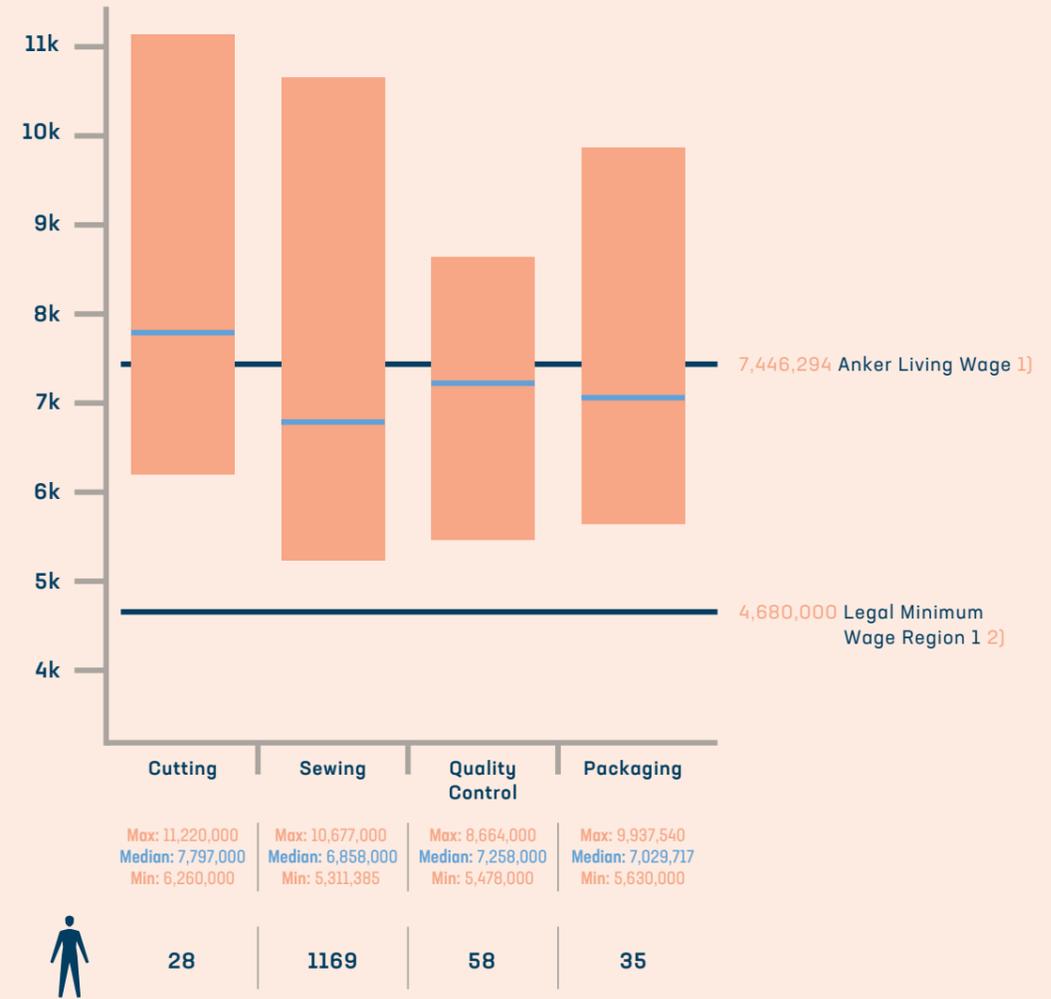
Production facility in Vietnam



WEPG Training of the FWF at Count Vina in Vietnam

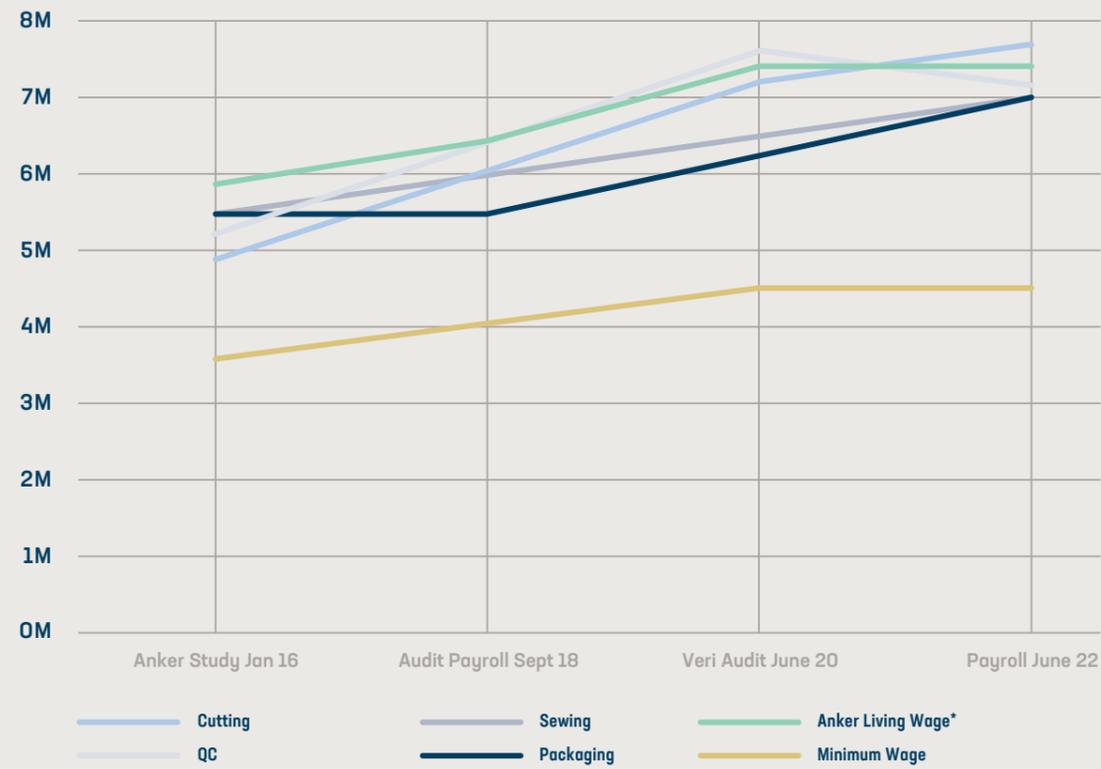
WAGE LEVEL

Factory: Vina Duke Cu Chi, Vietnam / Regular wage and benefits
Currency: Vnd



1) Updated March 2020: <https://www.globallivingwage.org/living-wage-benchmarks/urban-vietnam/>
 2) Legal Minimum Wage Region 1, national government, as of Jan 2018. Refers to monthly salary paid to untrained employees doing the simplest tasks in normal working conditions, ensuring full working days as standard days in the month and completing the assigned work.

CU CHI WAGES 2016 - 2022



*Anker Living Wage: 7,446,294 Vietnamese Dong per month.
 Updated March 2020: <https://www.globallivingwage.org/living-wage-benchmarks/urban-vietnam>

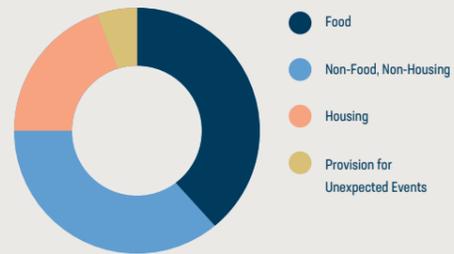
THE LIVING WAGE IS BASED ON...



Urban Vietnam, Vietnam



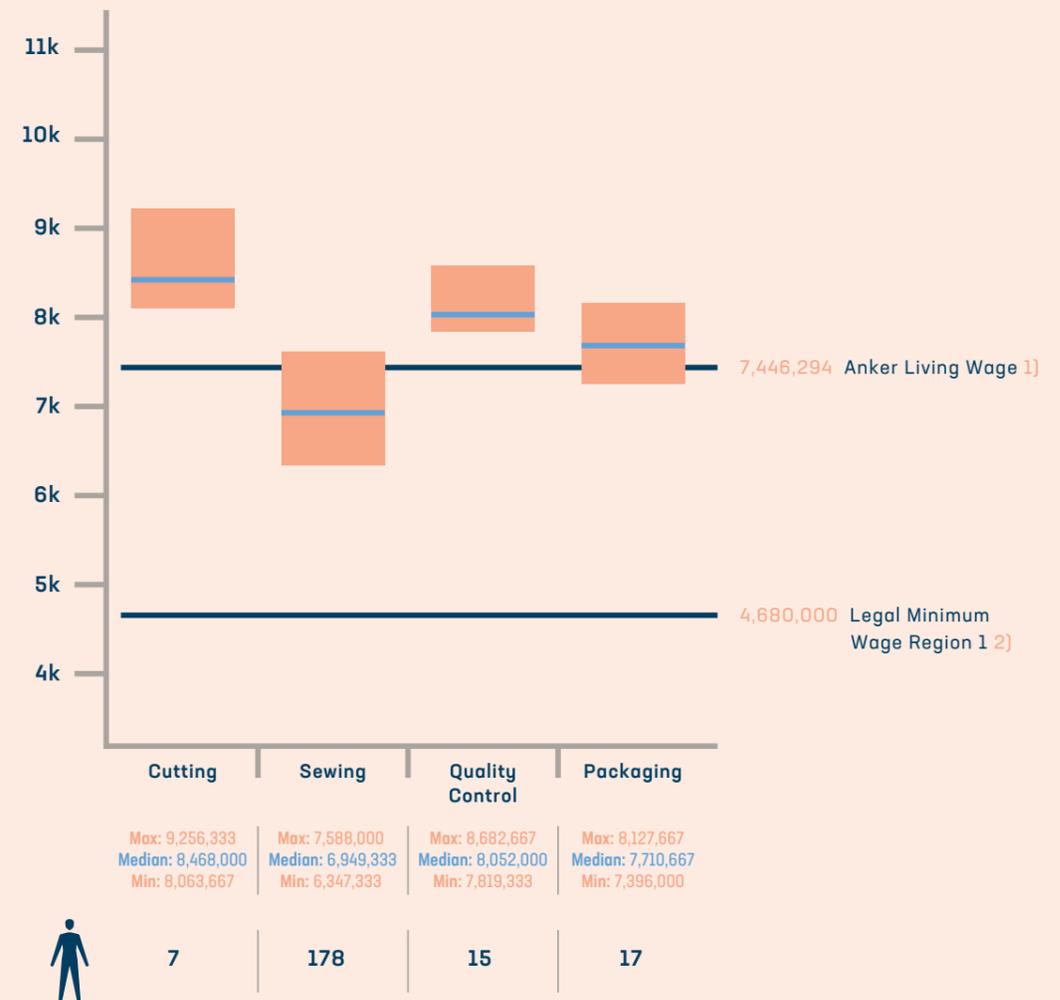
Family of 4 with 1,78 workers



Living income (cost of basic but decent living for a family) = 11,862,692 VND

WAGE LEVEL

Fabrik: Vina Duke Hoc Monh, Vietnam / Regular wage and benefits
 Währung: Vnd



1) Updated March 2020: <https://www.globallivingwage.org/living-wage-benchmarks/urban-vietnam/>
 2) Legal Minimum Wage Region 1, national government, as of Jan 2018. Refers to monthly salary paid to untrained employees doing the simplest tasks in normal working conditions, ensuring full working days as standard days in the month and completing the assigned work.

BELLMART FACTORY/COUNTRY MYANMAR

In 2015, the manufacture of synthetic fill sleeping bags was moved to Bellmart's production site in Myanmar. Last financial year, at Bellmart's request, the manufacture of down sleeping bags was moved from Xiamen, China to Myanmar. We continue to only buy down that is Responsible Down Standard (RDS) certified. deuter does not occupy the Myanmar factory's full capacity and so teams up with other brands to carry out audits and CAPs to wield greater influence.

MONITORING AND REMEDIATION

Given the political situation in Myanmar, no official FWF audits were possible. But last financial year, with the help of a local representative, we were able to carry out an internal audit. deuter has signed up to the MADE in Myanmar program to help progress working condition improvements despite the challenging political situation. The program offers training on various themes like social standards implementation, grievance mechanisms and

social dialogue, as well as audits to verify progress. An audit will be carried out at the start of the next financial year.

Freedom of association and the right to collective bargaining remain compromised since the military coup. Neither trade unions nor other democratically elected workers' associations can act freely. However employee representation was introduced at the manufacturing site.

Inflation and the rising cost of living means that the legal minimum wage is not enough to cover workers' basic needs. As illustrated in the graph, the wages at Bellmart are significantly higher than the legal minimum wage. But despite this, employees generally need to work an extra 2 hours per day, or 10 hours per week to make enough to live on. To combat high rates of inflation, Bellmart gave out bonuses, partly in the form of groceries.



Production facility in Myanmar

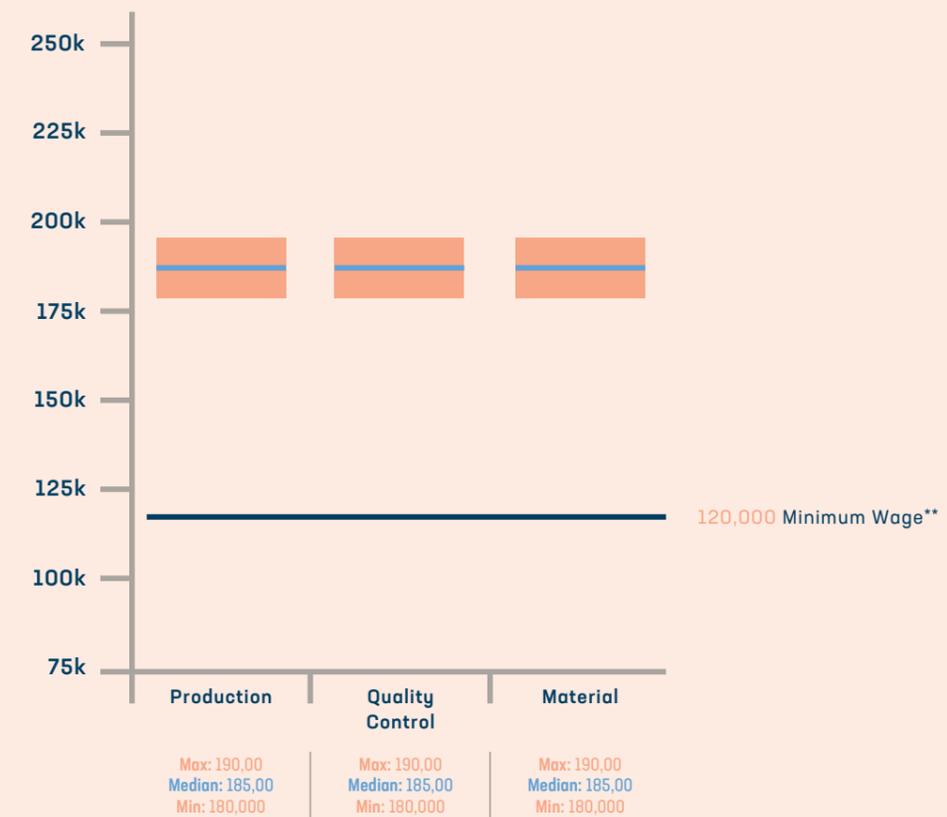
WAGE PROGRESS MYANMAR

Wage information for Myanmar has been gathered by deuter itself because the current political situation did not allow for an official audit to take place. Wage levels are well above the min-

imum wage, but we continue to work on strategies to increase wages further, as the legal minimum wage has not increased since 2017 and is well below Living Wage levels.

WAGE LEVEL MYANMAR

Factory: Bellmart (Myanmar) Co., Ltd 7-01*
Currency: Mmk



*Average values

** 4,800 MMk/day

<https://wageindicator.org/salary/minimum-wage/myanmar>

CUSTOMERS



OUR PROMISE

We design our products with the aim of maximizing their usable lifetime and minimizing their impact on people, animals and the environment.

To make products safely and of high quality for specific customer demands, that are sustainable and long-lasting to generate better value.

RISK IDENTIFICATION

Analysis has identified a general risk across the textile industry of a lack of transparency in global supply chains, and an over-supply of products with shorter service lives, which do not promote responsible consumerism. To counteract this, we strive for the greatest possible transparency with regard to our suppliers

and our strategic measures. This is evident in the wider scope of our sustainability report to include environmental issues. We also focus on making products of high quality and durability, and adopt a Design to Repair approach to foster more sustainable consumerism.

OBJECTIVES AND MEASURES

MEASURES / PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES
Overall Objective: To build on sustainability expertise with B2B and B2C customers. Expand after-sales service.			
Transparent communication	To help our customers make informed purchasing decisions, we disclose our sustainability measures transparently and comprehensibly as part of our deuter Promise strategy, ensure they are quantifiable wherever possible, and report publicly on the progress of these annually in our Promise Report. We continue to report on our suppliers in a transparent way.		Continue to ensure transparency in our dealings with our supply chain.
deuter Promise Tour	As part of the Promise Tour, training sessions are held for retailers about our sustainability strategy. Customers can also have their backpacks repaired as part of the Promise Tour. This creates a platform for meeting and interacting directly with customers.		Organize the Promise Tour on a yearly basis and implement training programs.
Repairs and rentals	These services improve the longevity and affordability of products and promote sustainable consumption.		Continue to increase the offering. For more detailed information see 'Actionable area: Climate Protection'.
deuter Get The Facts Our eLearning courses are free to access on this website .	There are eLearning modules on the following topics: <ul style="list-style-type: none"> • bluesign® • Fair Wear Foundation • PFAS free collection • Responsible Down Standard • Green Button • Climate neutrality • Recycled materials • deuter Promise 		Further expand range of eLearning courses.

MAKING CSR TANGIBLE FOR CUSTOMERS

DEUTER PROMISE TOUR 2022

As part of the deuter Promise Tour, on three Fridays in October and November, customers were able to take their deuter products to participating in Aachen, München and Mühlheim-Kärlich and have them repaired in-store, free of charge. This extended the usable lifetime of their products and helped customers make

a positive contribution to saving resources. Retail employees were also given training on the deuter Promise CSR strategy. The aim of the Promise Tour is to raise awareness about the key role sustainability plays at deuter, to convey the deuter Promise pledges and to make these more tangible to customers.



deuter Promise Tour



In June 2023 we were also represented at the Crankworx Festival in Innsbruck with our repair service.

SOCIETY



OUR PROMISE

As an international brand we use our influence to bring about positive change in society.

To help people in need and organizations that fight for equality and better lives. And to participate in initiatives in order to bring about social change.

RISK IDENTIFICATION

Corruption and bribery

Analysis has identified a systematic risk of corruption in Vietnam, China and Myanmar. Since the military coup, corruption has risen sharply in Myanmar. Suppliers in the cutting and sewing tier are aware of the deuter policy statement, which prohibits corruption. We recognize that this only marginally reduces the

risk. Information further down the supply chain is limited, and so we must assume the risk is high.

Because of the limited influence we can have on the issue of corruption, we are not focusing on this topic. We would however, like to raise awareness about this issue throughout our supply chain.

OBJECTIVES AND MEASURES

	MEASURES/ PROJECT	2021/22 FINANCIAL YEAR	2022/23 FINANCIAL YEAR	2025 OBJECTIVES
	Overall objective: To raise awareness about our policy statements throughout the supply chain			
	Whistleblower system	We are committed to strict compliance with laws, rules and internal regulations. These include being prepared to prevent and penalize any misconduct.		Continue with and provide information on the whistleblower system on our website.
	Code of Conduct	The Code of Conduct establishes the most important principles and rules for all our activities – transparently, openly, and bindingly.		Regelmäßige Evaluation und Anpassung im Bedarfsfalls.
	deuter Promise Policy	Our deuter Promise Policy establishes the most important principles and rules for all our activities - transparently, openly, and bindingly. The deuter Promise Policy and accompanying guidelines (Planet & People Guideline) are specially tailored to our direct and indirect suppliers. They stipulate the requirements and recommendations regarding social and environmental sustainability issues applicable to all deuter's manufacturing partners, to minimize the risk of harmful practices being adopted. The guidelines offer informative, practical instructions on how to achieve best practice and compliance with the deuter Promise Policy.		Regular evaluation and adjustments, where required.
	Overall Objective: Philanthropic engagement			
	Charitable initiatives	We're involved with select charities and organizations that promote environmental protection, social equality, inclusion, and support for those in need. We help establish welfare facilities by providing funding, or support in the form of donations in kind. You can see which charities we partner with here .		Further philanthropic activities.

*FOR MORE INFORMATION
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deuter



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