

PROMISE REPORT



deuter

JULY 2021 - JUNE 2022

#deuterforever

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ORGANISATION

STATEMENTS

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*

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

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

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





FOREWORD

Dear deuter family, dear customers and business partners,

The 21/22 business year has yet again presented us with some big challenges to overcome. Aside from the Covid 19 pandemic, war has now broken out in Europe for the first time in many years following Russia's attack on Ukraine. Then we have soaring inflation rates and an energy crisis which is surely set to stay.

Throughout the year we have tried to catch up from the lockdown in Vietnam, which proved trickier than we thought. Despite the fact that all of our employees quickly returned to work, thanks in part to our support and advance payment of wages during lockdown, we do not anticipate operations to return to normal pre-Covid levels until later next year.

With our CSR strategy, we have set ourselves the clear objectives of being transparent and quantifiable. Which is why we are particularly proud that we have achieved FWF Leader Status for the 10th time in a row, with our highest score ever. We were also thrilled to receive the German Sustainability Award in recognition of our 30-year partnership with Duke. It is a real honor, and highlights just how important such close working relationships are.

Our headquarters in Gersthofen have been climate neutral for some years now, the first climate-neutral products were launched for summer 2022, and we are looking to increase their numbers year upon year. Together with ClimatePartner we make sure our offsetting funds are invested in certified climate and social projects.

The new Promise Report now replaces our Social Report and is even more comprehensive and detailed.

Our 'together for 360° responsibility' approach is firmly anchored in our strategy which is why I look forward to feedback from all sides.

Best regards, Yours

Robert Schieferle

ABBREVIATIONS USED IN THE TEXT

ACT	Action, Collaboration, Transformation (Foundation)
BPC	Brand Performance Check
CAP	Corrective Action Plan
CMT	Cut, Make and Trim
CoLP	Code of Labour Practices
CSR	Corporate Social Responsibility
FWF	Fair Wear Foundation
GRS	Global Recycle 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: It currently includes the Heritage series, Astro series, UP series, Kikki, Urban Belts, Cotogy and Scula.

FAIRNESS FROM A TO Z - WITH THE FAIR WEAR FOUNDATION

We're celebrating a small anniversary - ten years' membership of the Fair Wear Foundation (FWF). 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, which include focusing on just two manufacturing partners, shows us we're on the right path. We've earned FWF Leader Status every year since 2013 and received the FWF Best Practice award in 2015.



PARTNERSHIPS FOR SUSTAINABLE TEXTILES - UNITED FOR GREATER SUSTAINABILITY

We want to make outdoor equipment in an environmentally friendly, sustainable way, under fair 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 the 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, civil 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. deuter is collaborating with the international "Green Button" (Grüner Knopf) hallmark 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 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 ClimatePartner, who specialize in calculating and offsetting CO2 emissions and supporting worldwide climate projects.

HIGG INDEX

Starting this year, we have implemented the Higg Index at deuter. The Higg Index is a standardized calculation of the sustainability performance of businesses, manufacturers and suppliers, as well as products from the textile industry. At deuter, we use

its 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 21/22 FINANCIAL YEAR

LEADER STATUS

For the reporting period from 1, July 2020 to 30, June 2021, deuter scored 95 out of a possible 100 points, which means it achieved the Fair Wear Foundation's (FWF) Leader Status for the 10th time in a row.

SITE VISIT IN VIETNAM

Once Covid travel bans were lifted, we were able to carry out internal audits once again on our suppliers and subcontractors in Vietnam this financial year. Complaints mechanisms lower down the supply chain and the roll-out of a pilot project were also discussed during this visit.

GERMAN SUSTAINABILITY AWARD WINNER¹

Together with our partners Duke in Vietnam, we won the Global Corporate Partnerships category of the German Sustainability Awards. In collaboration with the German Ministry for Economic Cooperation and Development, and with a diverse panel of judges, the awards seek to honor textile industry partnerships between companies based in Germany and those in the Global South. The Sustainability Award is the most prestigious award in Germany and Europe's biggest award for environmental commitment and social engagement.

GREEN BUTTON²

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, the first compliance audit was successfully carried out.

PUBLICATION OF THE DEUTER PROMISE POLICY

In July 2022, we published our deuter Promise policy. 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.



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

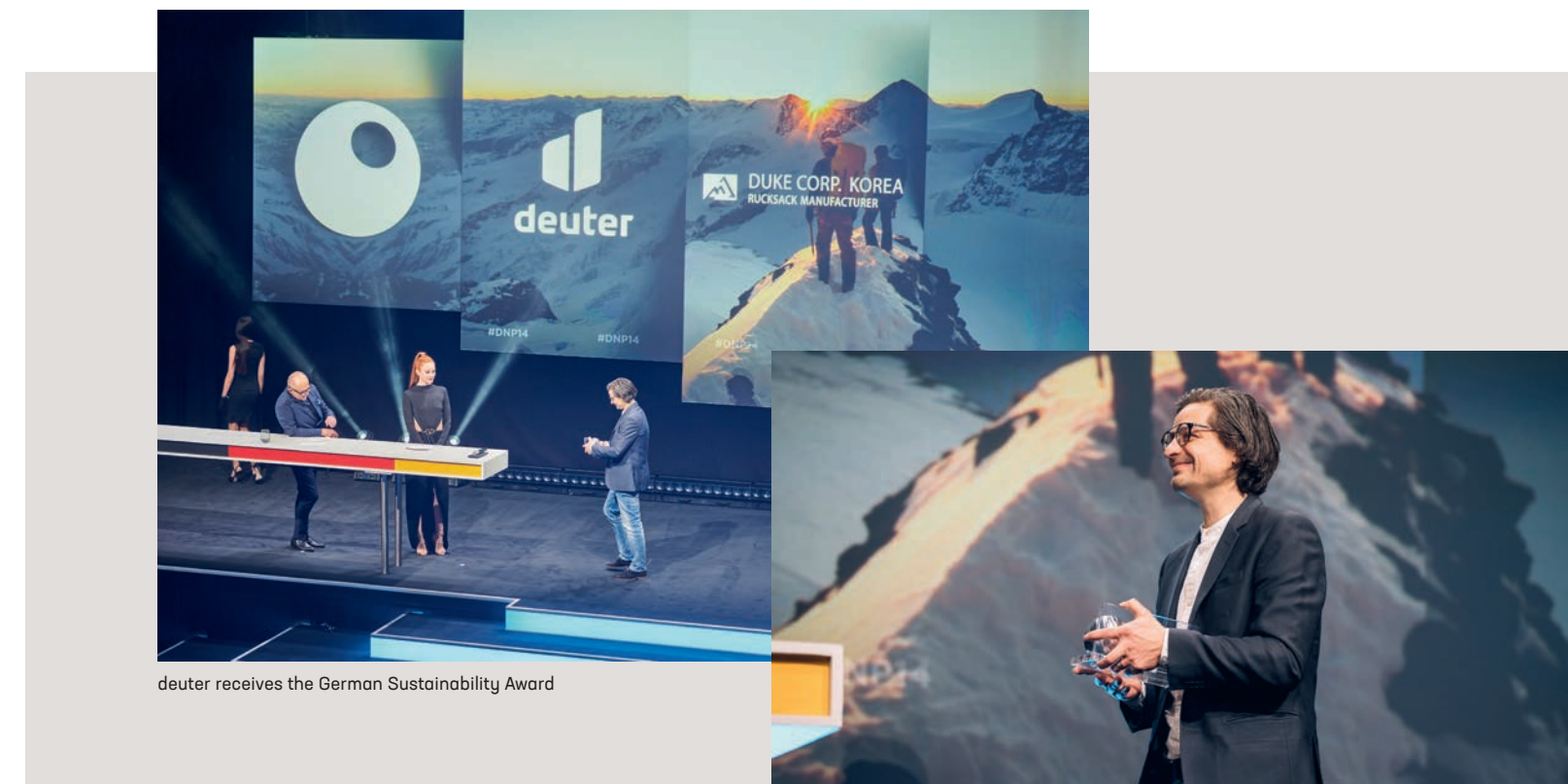
No child labor
- 5

Payment of a living wage
- 6

Reasonable hours of work
- 7

Safe and healthy working conditions
- 8

Legally-binding employment relationship



deuter receives the German Sustainability Award

¹ <https://www.nachhaltigkeitspreis.de/en/>

² <https://www.gruener-knopf.de/en>

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. From this year, we are replacing our Social Report with the deuter Promise Report, in order to portray the holistic and all-encompassing approach we take to doing business sustainably. Based on the actionable areas of our deuter Promise sustainability strategy, the new report covers more than social themes. It also covers environmental issues at our own sites, in the supply chain and 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 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 FRIDAY³

People Friendly Fashion is an initiative set up by the FWF in response to Black Friday, and to encourage more conscious, sustainable purchasing behavior. It also demonstrates how we can all contribute to 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 from the period 26-28 November 2021. The project we chose to support was the EOCA’s⁴ (European Outdoor Conservation Association) ‘Walk the Trail’⁵ initiative. The aim of ‘Walk the Trail’ is to minimize the negative impact on hiking trails in Argentina’s Nahuel Huapi National Park, in Patagonia, and to protect the local flora and fauna. Some trail sections are being rerouted, away from wetlands, using local materials, and newly designated access points to the lake are being created to prevent visitors from trampling

on endangered plant species. This will help reduce erosion and water runoff into Lake Toncek and allow the habitat surrounding the old trail to recover.

STAKEHOLDER ENGAGEMENT (TEXTILBÜNDNIS, EOG, BSI, ...)

Collaborating and exchanging ideas with a range of stakeholders is very important at deuter, so that we can implement proven practices throughout our supply chains. The deuter CSR team regularly attends stakeholder meetings arranged by the FWF (Fair Wear Foundation), the Partnership for Sustainable Textiles or bluesign®. During these meetings, stakeholders from the public sector, NGOs, trade unions and industry discuss their work or give presentations on concerns within manufacturing countries such as wages, environmental issues, and best practice measures.

deuter is also a member of the BSI⁶ 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, the reduction of Scope 1-3 emissions and the development of circular products. 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.mvorisicochecker.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 politics, business, and society news in the manufacturing countries of Vietnam, China and Myanmar. Yearly reports on human rights in high-risk countries are also reviewed.

³ <https://www.deuter.com/us-en/deuter/green-friday>

⁴ <https://www.eocaconservation.org/project-detail.cfm?projectid=2749>

⁵ <https://www.eocaconservation.org/>

⁶ <https://www.bsi-sport.de>



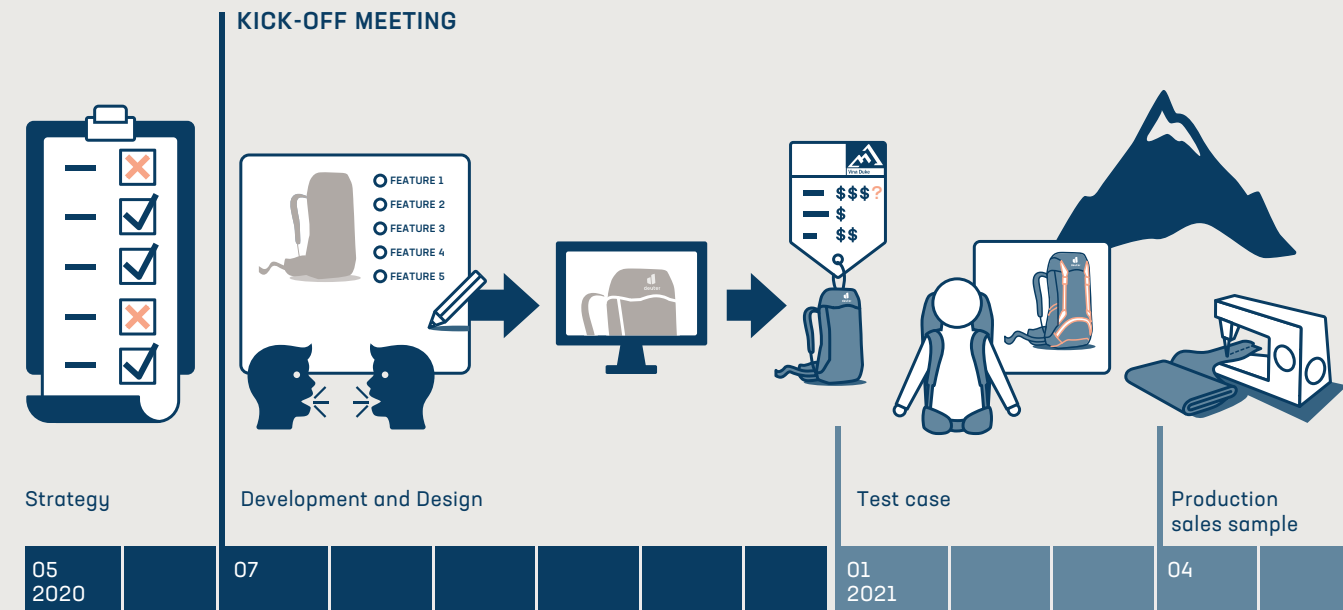
Participation in the Fashion Revolution Week



Support for EOCA’s “Walk the Trail”-project

BUSINESS & PROCUREMENT PRACTICES

SIMPLIFIED PRODUCTION CYCLE (SAMPLE MAIN COLLECTION 2020)



SOURCING STRATEGY AND PRICING

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 – right from our head office in Gersthofen through to our retailers and, of course, our manufacturing partners.

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 19 years. After 18 years of manufacturing in China, the supplier decided to move all production to Myanmar, where some of the sleeping bags had already been manufactured since 2015.

Our manufacturers calculate the price of our products being developed based on our designs and the material requirements. Prices are adjusted during the prototype phase to match targets, and the products are also adjusted to achieve a more competitive price point. Throughout this process, deuter does not squeeze prices and always negotiates fairly. 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.

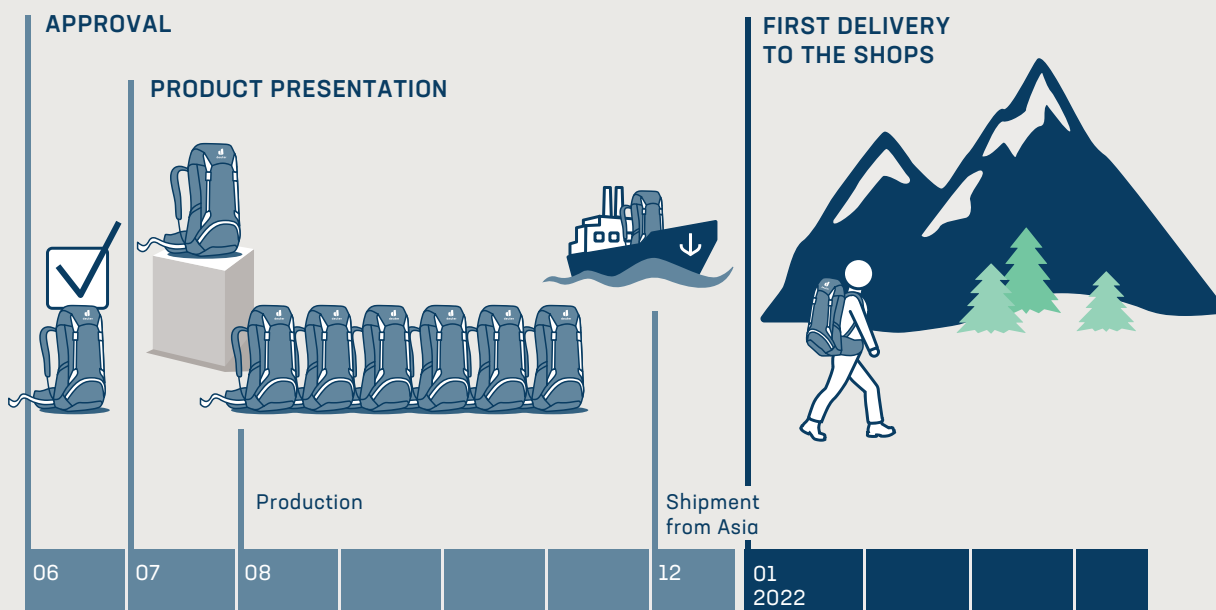
We also provide our manufacturing partners with all the information and tools they need to be able to set prices and therefore wages in a transparent and fair way.

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.

PRODUCTION CYCLE

deuter produces one main collection a year, plus a reduced 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 20+ years now.



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

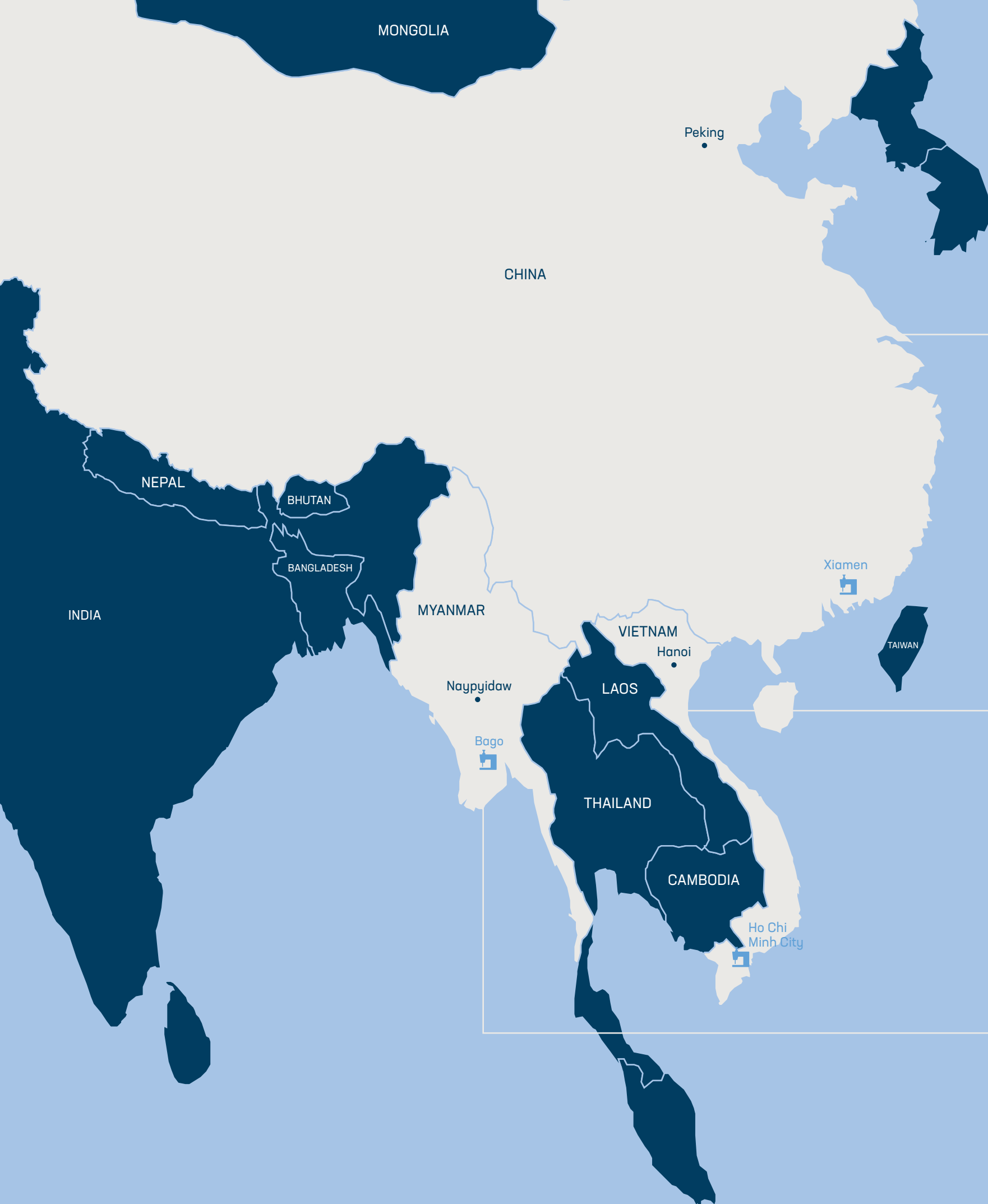
2003

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

SINCE 2015

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





COUNTRY MAP OF PRODUCTION FACILITIES

COUNTRY PROFILE CHINA⁷



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 1,410,539,758

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) 14,327,359,000,000 USD (2019 est.)

COUNTRY PROFILE VIETNAM⁸



LANGUAGES

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

CAPITAL Hanoi

GOVERNMENT TYPE Communist state

AREA 331,210 km²

POPULATION 103,808,319 (2022 est.)

CURRENCY Vietnamese 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) 259.957 billion USD (2019 est.)

COUNTRY PROFILE MYANMAR⁹



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 billion (2019 est.)

Sources:

⁷ <https://www.cia.gov/the-world-factbook/countries/china/>

⁸ <https://www.cia.gov/the-world-factbook/countries/vietnam/>

⁹ <https://www.cia.gov/the-world-factbook/countries/burma/>

SUPPLIER RELATIONS

During the reporting period deuter did not select any new direct suppliers nor did it terminate any relationships with current direct suppliers. Because of lengthy lockdown periods and in view of a backlog of orders, it was necessary to enlist the services of nine new subcontractors to limit excessive overtime hours.

The process of selecting new subcontractors is the responsibility of our 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 the Code of Labor Practices. Subcontractors that are part of the pool of suppliers are regularly visited and audited, just like the main factories. 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.

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, have been established for several decades now, and 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. For example, when

sleeping bag supplier Bellmart decided to relocate its production of synthetic sleeping bags to Myanmar, deuter supported Bellmart but also carefully evaluated the risks of using Myanmar as a sourcing country. 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 without suppliers. By upholding orders, we are also continuing to safeguard local jobs. The situation in Myanmar might change at any time, which will then require a full reassessment. 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. If a business relationship with a direct partner is terminated, deuter adopts the responsible exit strategy requirements issued by the FWF.

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

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

Because we do not swap and 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 greater 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.

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



DUKE PRODUCTION FACILITY OVERVIEW

FWF-NO.	FACTORY NAME	PROCESS	CITY	LAST AUDIT	LAST WEP TRAINING	LAST COMPLAINT	VISITS 21/22
2442	Count Vina Co. Ltd.	CMT	Tien Giang	9/18/2020	29th & 30th of June 2020 (WEPC)	7/1/2017 resolved	June 2022
2421	Cu Chi Co. Ltd.	CMT	Ho Chi Minh	6/26/2020	1st and 2nd of July 2020	4/1/2020 resolved	June 2020

BELLMART PRODUCTION FACILITY OVERVIEW

FWF-NO.	FACTORY NAME	PROCESS	CITY	LAST AUDIT	LAST WEP TRAINING	LAST COMPLAINT	VISITS 21/22
2448	Xiamen King-tai Industrial Co. Ltd.	CMT	Xiamen	11/4/2020	5th of July 2018	no complaints received	no
8561	Bellmart (Myanmar) Co. Ltd	CMT	Bago	5/9/2016	25th of Sep 2019 (WEPC)	10/25/2020	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 is 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 declaration¹⁰. 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 resources 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 AREAS¹¹

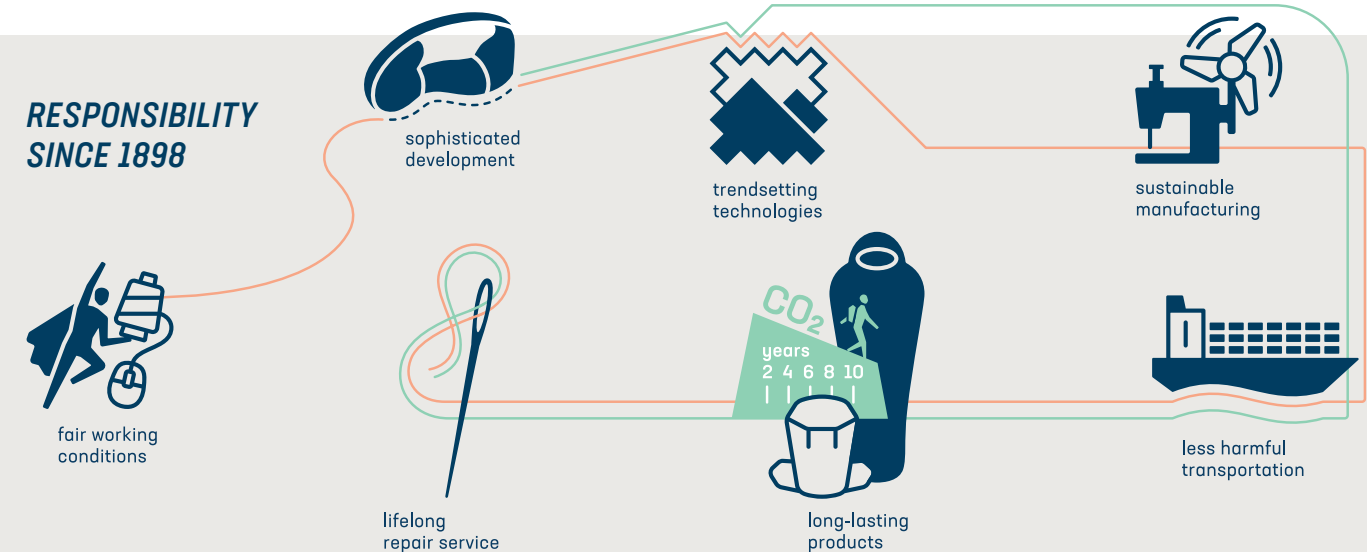
The Planet category includes the actionable areas 'environmental protection', 'climate protection' and 'animal welfare'. The People category includes the actionable areas 'customers', 'employees/employers' and 'society'.

Each actionable area then has defined measures by 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 if these carry certification from recognized standards, such as the Global Recycled Standard (GRS) or the Responsible Down Standard (RDS).

From 2020 none of our backpacks or sleeping bags have contained PFCs and in so doing we are contributing the reduction of harmful substances in the environment.

RESPONSIBILITY SINCE 1898



¹⁰ https://www.deuter.com/deuter/documents/grundsatzklärung/Policy_Statement_Deuter%202021_V1.1.pdf

¹¹ <https://www.deuter.com/de-en/responsibility/actionable-areas>

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:

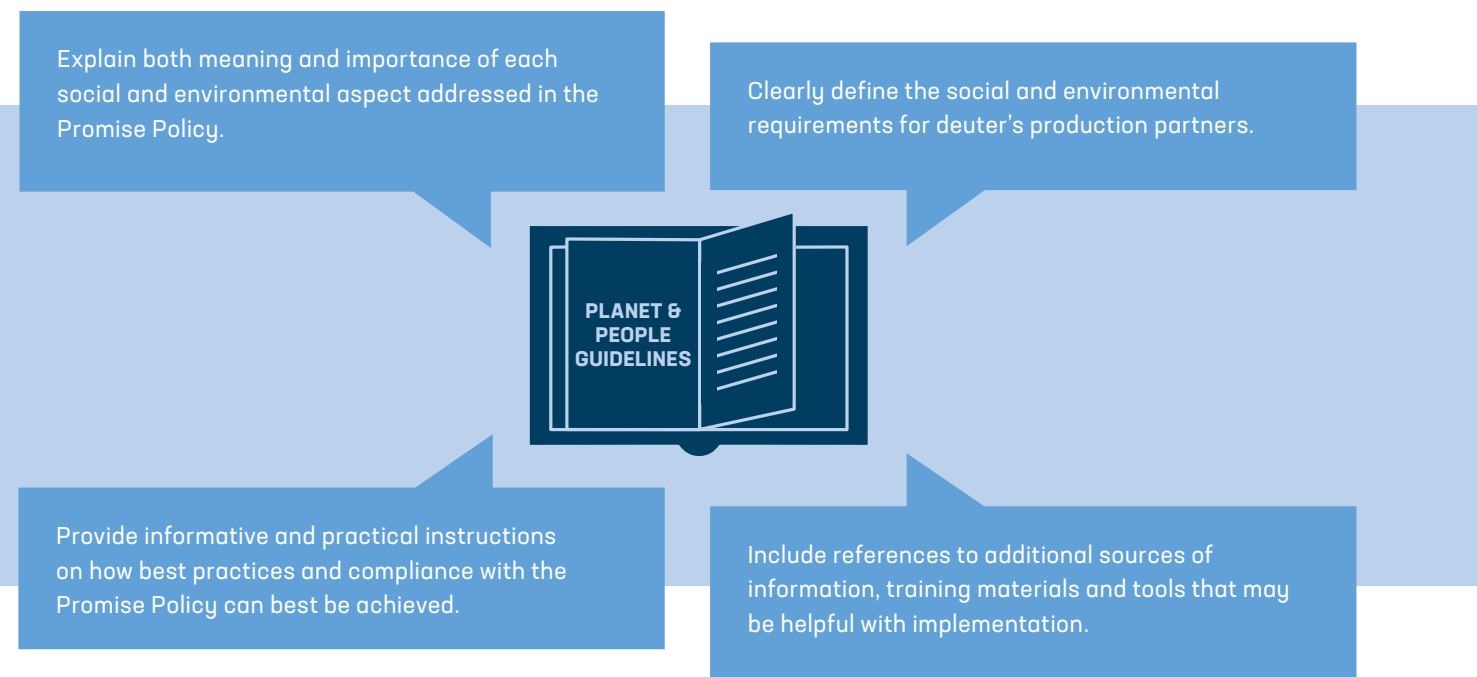


DEUTER PROMISE POLICY AND SUPPLIER HANDBOOK

We published our deuter Promise Policy¹² 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](#).

HIGG INDEX

deuter uses the Higg Index from the Sustainable Apparel Coalition.¹³

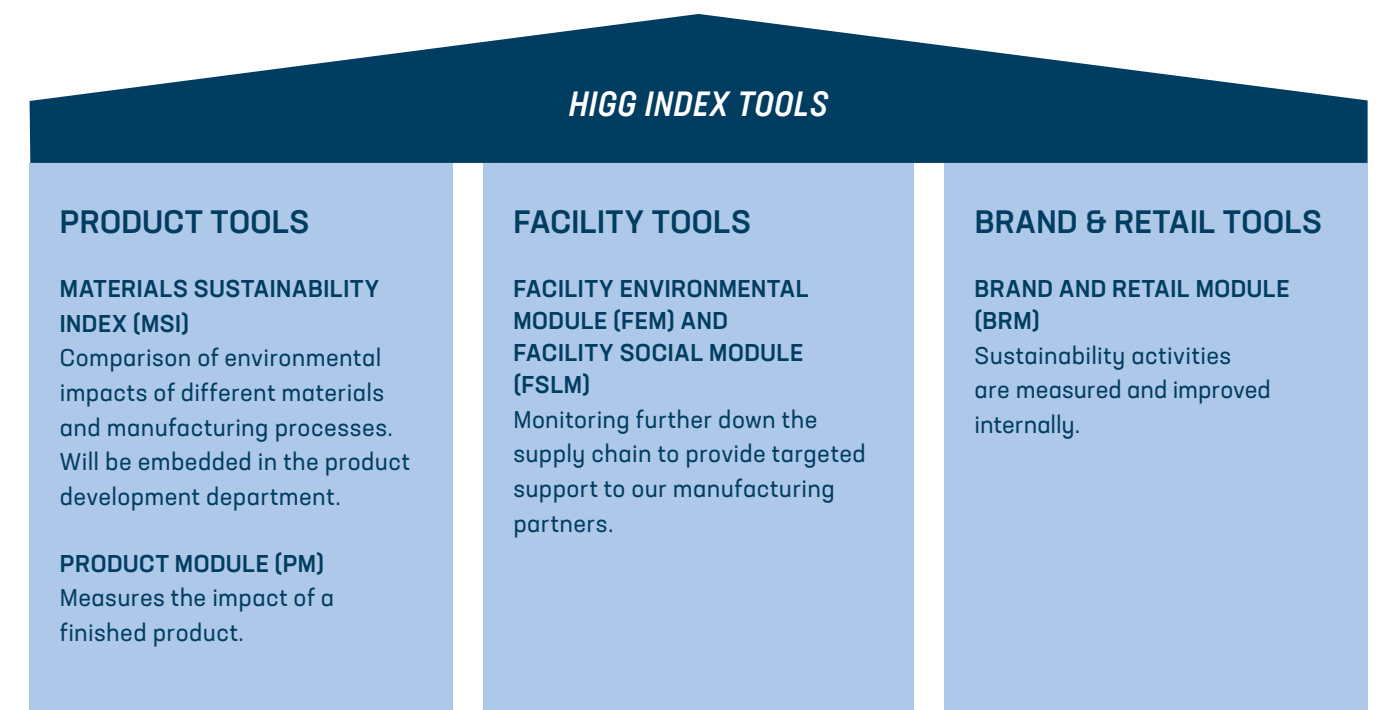
The Higg Index is a suite of tools for the standardized measurement of the sustainability of businesses, manufacturers and suppliers, as well materials and products within the textile industry. The Higg Index helps companies make more informed decisions about the products they produce, reducing their 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, we decided to continue with the Higg Index at the start of this financial year. The Higg Materials Sustainability Index (MSI) and Product Module (PM), as well as the Higg Facility Environmental Module (FEM) and Higg Facility Social Module (FSLM), will help in designing our products more sustainably and for monitoring our wider supply chain.

Using the Higg FEM and FSLM, we will be able to monitor further down the supply chain and identify which areas our manufacturing partners require support. This will enable us to provide targeted support for improving environmental and social performance, with training, projects, informative materials and tools, for example. Starting with the deuter Planet & People Guidelines (see Promise Policy), which will be regularly updated.

The Higg MSI will be embedded in 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).

The Higg Brand Module is a comprehensive questionnaire about a brand’s sustainability practices. We are currently using the module internally to measure our progress so that we can keep on improving. We will implement the Higg Index in stages throughout the year.



¹² https://www.deuter.com/deuter/brand/verantwortung/Promise_Policy_Deuter%20v.1.0_2021.pdf

¹³ <https://apparelcoalition.org/the-higg-index/>

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.

IN ADDITION TO SECTOR RISKS IN TEXTILE SUPPLY CHAINS, WE FOLLOW 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 environment 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 production stages, it is the countries China, South Korea, 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.

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 mitigation measures. We use a risk assessment tool developed by the Green Button.

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 further and derive appropriate measures, where necessary. Tier 1 (cutting & sewing) is analyzed more closely through our collaboration with the Fair Wear Foundation. Because of the current political situation in Myanmar, all risks must be more closely analyzed and prioritized.

In establishing the risk assessment, further 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 and our supply chain. Finally, we develop and assess new targets and measures.



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 carbon-positive projects.

OUR OBJECTIVE

To make our headquarters and 25% of our collection carbon neutral by 2023. We also aim to cut 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 a potential 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 stages 2+3, and the upstream production stages are emissions heavy. The level of CO2 emissions per product in supply chain stage 1 (cutting & 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 stages (wet processes, fabric manufacture, raw material extraction).

In view of the severity of the risk and the likelihood of its occurrence, we are focusing 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 brought, we are also implementing mitigation measures at the cutting and sewing stage.

OBJECTIVES AND MEASURES

	MEASURES / PROJECT	STATUS QUO	2025 OBJECTIVES
	Overall Objective: To continue to identify and reduce our carbon footprint and offset any unavoidable CO2 emissions through carbon-positive projects. In doing so, we are contributing to the goals of the Paris Climate Agreement.		
Scope 3 Emissionen - Reduction	Participation in EOG's Supply Chain Decarbonization Project (SCDP) The SCDP is a collaborative initiative by ten outdoor brands, to reduce carbon emissions and/or increase renewable energy used in outdoor sector supply chains.	Two of our tier 2 suppliers have been nominated for the project. This involves <ul style="list-style-type: none"> • Reporting on baseline emissions • Defining individual reduction targets • Development and implementation of suitable CO2 reduction plans and is guided by a combination of on-site or online assessments, workshops and training modules adapted to the needs of the production site.	Project continuation and results evaluation. Follow-up: Support factories in the long-term implementation of planned measures.

Scope 3 Emissionen - Reduction	GIZ- Renewable Energy Project 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 a feasibility analysis.	Project continuation within scope of possibility.
	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.	Calculation and evaluation of emissions data. Derive reduction targets.
Scope 3 Emissionen - Offsetting	Carbon neutral products Working together with ClimatePartner, the CO2 footprint of select deuter products is calculated and then offset through certified climate action projects.	Approximately 13% of our SS 2023 and FW 2023/24 collection are carbon neutral.	100% of the deuter collection is carbon neutral.
Scope 1 & 2 Emissionen - Reduction and Offsetting	Carbon neutral headquarters 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.	The 2020 CCF was calculated and offset. The 2021 CCF was calculated and offset. 2019 will be used as the baseline year for our reduction targets. The emissions for this financial year are currently being calculated.	Yearly calculation and offsetting of Company Carbon Footprint for deuter headquarters in Gersthofen, Germany. Establishment of a climate protection strategy and defining of CO2 reduction targets compared to 2019 baseline.
Memberships / Affiliations	Collaboration with the climate experts at the Partnership for Sustainable Textiles You can read more about their expert group on climate action here .	Expert group focus: <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 	Continue to participate in working groups to leverage synergies and share best practices.

ENVIRONMENT



OUR PROMISE

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

OUR OBJECTIVE

To protect the environment by selecting resources carefully, reducing the amounts 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 potential risk in China, Taiwan and South Korea further down the supply chain. In view of mitigation strategies already implemented, such as all sewing factories being bluesign® System Partners and the minimal overall use of chemicals in the sewing stage, the risk there is negligible. Lower down in the supply chain, however, there are more chemicals used, and there is therefore a greater risk in China, Taiwan and South Korea. In some cases, the risks can be mitigated to some extent

through bluesign® certification of suppliers. 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).

In view of the severity of the risk and the likelihood of its occurrence, we are focusing on further mitigation strategies for fabric and yarn manufacturing operations and wet processes.

Water consumption and water pollution

Analysis has identified potential risk in all manufacturing countries, but particularly in Taiwan, South Korea and China (stage 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 process at this stage 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, further down 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 focusing 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	STATUS QUO	OBJECTIVES UNTIL 2025
	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 chemicals, 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.

Company level	Green Button 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.	Progression to Green Button 2.0 compliance
Supplier level	bluesign® System Partnership for Manufacturing Partners	100% of our manufacturing partners are bluesign® System Partners. We support our partners in achieving system partnership status.	Monitoring and supporting our manufacturing partners in implementing system partnership measures. bluesign® System Partnership (or similar) as a deciding factor in choice of supplier. Formalization of criteria through on-boarding process.
	deuter Promise Policy and Supplier Handbook In July 2022, we published our Supplier Handbook for the deuter Promise Policy .	The Supplier Handbook 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 tools and training courses to help implement improvement measures.	Regular updates to the Supplier Handbook and communicate these via the e-learning platform. Provide information on new training schemes and supporting materials via the e-learning 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.	Consultation of the Higg Facility Environmental Module (FEM) further down the supply chain, starting with our tier 2 fabric suppliers.	Evaluation of the risks and occurrence likelihood of our tier 2 suppliers as identified in the FEM data verification process. 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.
Product Level	bluesign® certified Materials	27% of the total volume of main materials purchased in the period 01/2021 - 12/2021 are bluesign® certified.	Increase the share of bluesign® products in the total collection to 70%.

Product Level	bluesign® Products A bluesign® product is made with a minimum of 90% bluesign® approved fabrics and 30% bluesign® approved components.	Approximately 17% of our SS 2023 and FW 2023/24 collection is bluesign certified.	Increase the proportion of bluesign® products in the collection to 70%.
	Green Button Products For Green Button product certification, another 26 criteria must be fulfilled above and beyond Green Button company certification.	All of our bluesign® products are also Green Button certified. This equates to 17% of the SS/SW 2021 collection.	Progression to Green Button 2.0 compliance Increase the proportion of Green Button products in the collection to 70%.
Overall objective: Increase proportion of recycled materials used in our products.			
Material substitutions	Use of recycled materials 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.	17% of the total volume of main materials purchased in the period 01/2021 - 12/2021 are recycled.	50% of the total annual volume of main materials are recycled.
	Products made using recycled materials	Approximately 60% of our SS 2023 and FW 2023/24 collection consists partly or entirely of recycled main materials.	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.	10% of revenue from the sale of the deuter Infiniti series goes to " 1% for the Planet " which supports the work of carefully selected partners across 7 core environmental areas: Climate, food, land, pollution, water, 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.	Our Design to Repair workshops are set up by the CSR team and carried out in collaboration with the Product Design & Development department and the geniuses 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.	Firmly embedded in the design process.
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.	Around 4,000 products were repaired in the deuter workshop in 2021. In August 2022, we increased capacity by creating another full-time position as well as an apprenticeship position for a textiles and fashion design tailor. 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, smaller components, which are in good conditions still can be used to help repair other backpacks. This helps cut down on waste and resource consumption.	Upscaling repair service to an international level. Developing guidelines to help set up, implement and advertise repairs services on an international scale.
	DIY Repair Options deuter offers its customers the option of carrying out smaller repairs themselves, e.g. replacing buckles, straps or replacing the chin pad on a child carrier. This saves time and money, especially for customers. Accessories like backpack rain covers can also be purchased online. You can see our range of accessories and replacement parts here .	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. Retailers can order a fully-comprehensive Service Box with all our current replacement parts so they can offer these to clients in-store. We are currently designing deuter patches to fix small holes, scratches or tears in backpack fabric.	The range of replacement parts and repair materials in the deuter online shop to increase as required. Instruction videos on how to replace parts available on the website.

After Sales Services	<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). 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>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>
Embedded in the design process / Pilot projects	<p>Overall objective: Product Recyclability</p> <p>Improving the recyclability of deuter products. 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>		
	<p>Design to recycle</p> <p>Within the framework of 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. Thermoplast is pure and therefore recyclable. Single-origin products are better suited to value-added recycling, since 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>Reduce the number of different materials and material blends to improve the recyclability of deuter products.</p>

Embedded in the design process / Pilot projects	<p>Collaboration with recycling businesses</p>	<p>Materials recycling and evaluation of the establishment of a returns system for deuter products.</p>	<p>Pilot project for recycling deuter products with a designated recycling business.</p>
Memberships / Affiliations	<p>Collaboration with the circular economy expert group at the Partnership for Sustainable Textiles</p>	<p>Key themes for the circular economy expert group and the recycling working group:</p> <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>	<p>Continue to participate in working groups to leverage synergies and share best practices.</p>
<p>Overall objective:</p> <p>More sustainable product and shipping packaging.</p>			
Logistics and Packaging	<p>deuter Packaging Concept</p>	<p>To ensure that our packaging is free from harmful substances, we comply with the Afirm Packaging's RSL for all our packaging.</p> <p>We reviewed our entire packaging concept when looking at the issue of making our product and shipping packaging more sustainable. Research was conducted into recycled poly bags 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 areas of application. We also looked at the reusability of cardboard shipping packaging.</p>	<p>Prepare a fact sheet about our shipping packaging.</p>

<p>Plastic Packaging</p>	<p>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.</p> <p>At present, bio-based or biodegradable plastic are not a suitable alternatives, as their environmental credentials are not significantly better than those of conventional plastics. The environmental impact is simply deferred (German Environment Agency - in German)</p>	<p>Evaluate potential poly bag savings.</p>
<p>Cardboard Packaging</p>	<p>We source our shipping boxes for the Gersthofen offices from a local supplier to reduce delivery miles. The boxes are made using 74-100% recycled content and are 100% recyclable.</p> <p>Switching to 100% recyclable paper parcel tape and natural rubber adhesives has made our shipping cartons recyclable by eliminating the need to separate parcel tape from the cardboard.</p> <p>Hang tags and header cards are designed with as little plastic or adhesives as possible. Instead, we use folding/creasing techniques.</p>	<p>Assess the possibility of setting up a returns system for our shipping boxes. If feasible, conduct a trial with selected partners.</p> <p>Assess other reusability options e.g. for B2C returns boxes or for mailing to the repairs workshop.</p> <p>Reduce the size of hang tags by replacing information displayed with a QR code instead.</p>

ANIMAL WELFARE



OUR PROMISE

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

OUR OBJECTIVE

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

RISK IDENTIFICATION

Because all of our down feathers are sourced from RDS-certified establishments in China, the risk is virtually eliminated. And we do not use any other animal-based products.

OBJECTIVES AND MEASURES

MEASURES / PROJECT	STATUS QUO	OBJECTIVES
<p>Overall Objective: That no animals will suffer or be harmed in the creation our products.</p>		
<p>Responsible Down Standard (RDS)</p> <p>We only buy RDS-certified down from China. 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 <i>free from animal cruelty</i>. RDS certificates are each valid for 14 months. Announced and unannounced assessments take place.</p>	<p>100% of down used by deuter is RDS certified.</p>	<p>We plan to continue in the same way.</p>
<p>We consciously refrain from using any other animal products or animal-derived products.</p>	<p>No other animal-derived products.</p>	<p>There are no plans to use animal-derived products in future.</p>

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.

OUR OBJECTIVE

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 have the possibility of leading a healthy, balanced lifestyle.

RISK IDENTIFICATION

Child labor

Analysis has identified potential risk in Vietnam, Myanmar and China. Mitigation strategies already implemented in the cutting and sewing operations, such as deuter's guidelines for sub-contractors, supplier hiring policies, and regular audits, means the risk is reduced. 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. But there is residual risk where sub-contractors are concerned or even further down the supply chain. But information is limited lower down the supply chain.

Focus on issues deeper in the supply chain, because knowledge is limited. Greater diligence and monitoring in Myanmar because of the political situation.

Discrimination, sexual harassment, gender-based violence

Analysis has identified potential risk in Vietnam, China, Myanmar and South Korea. From mitigation strategies already in place, such as Worker Empowerment Training through the FWF, as well as audit data, we know the risk is minimized in Vietnam and China. But we cannot carry out these measures in Myanmar at the moment. We also concede that this risk is difficult 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 the cutting and sewing operations. Lower down the supply chain, the mechanized processes mean there are fewer people and therefore the risk is lower, yet still present, however.

In view of the potential risk lower down the supply chain in South Korea and China, we are focusing 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 concentrating on passing on information and creating awareness.

Forced labor

Analysis has identified potential risk in Vietnam, Myanmar and China. Mitigation strategies already implemented in the cutting and sewing operations, such as deuter's guidelines for sub-contractors, supplier hiring policies, and regular audits, means the risk is reduced. 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. But there is residual risk where sub-contractors are concerned or even further down the supply chain. Information is limited further down the supply chain. 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

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 and China. But despite these measures, overtime sometimes takes place. The high level of orders post Covid pandemic have 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 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, Myanmar and China.

Occupational health and safety

Analysis has identified potential risk in Vietnam, 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, China and Myanmar. 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 focusing on risks further down the supply chain.

Freedom of association and the right to collective bargaining

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, especially in China (tier 1+2), Myanmar (tier 1), Vietnam (tier 1), and South Korea (tier 2+3). Although we can assume that the sector risk is reduced in Vietnam due to our close business relationship and regular inspections, collective bargaining and freedom of association are not guaranteed. Here, we encourage social dialogue in the factories, through FWF training for example. In Myanmar, the situation has deteriorated drastically since the military coup. Through our Fair Wear Foundation membership, we work tirelessly with all our tier 1 suppliers on making improvements. Information is limited further down the supply chain, and so here, there is a potential risk.

But thanks 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 particular in Vietnam, where greater capacity is utilized. And we are also looking at the situation further down the supply chain.

Wages and welfare benefits, living wage

Analysis has identified potential risk in Vietnam, Taiwan, Myanmar, 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 and Myanmar, our direct suppliers pay wages that exceed the minimum wage in those countries. We are currently discussing tier 1 wage increases together with our suppliers. The situation in Vietnam, where we take up 100% capacity, gives us 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 there are greater numbers of workers in tier 1 than tier 2.

Because of our long-standing partnership with our manufacturers and subsequent increased influence we are focusing on mitigating measures at the cutting and stitching level in Vietnam and Myanmar.

OBJECTIVES AND MEASURES

	MEASURES / PROJECT	STATUS QUO	OBJECTIVES
	<p>Overall Objective: We believe that everyone involved in making our products should have fair working conditions.</p> <p>Which is why we implement the ILO's (International Labor Organization) core labor standards.</p>		
Company level	Fair Wear Foundation membership	deuter has held FWF membership for 10 years and was granted Leader Status once again in this financial year.	Retain Leader status
	Green Button 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.	Progression to Green Button 2.0 compliance.

Company level	Greenteam	Introduction of a deuter Repair Cafe for employees	The Green Team independently organizes projects, activities and information sessions on sustainability.
	CRS training for deuter employees at the Gersthofen headquarters	Regular updates on CSR progress and raising awareness of CSR issues.	Carry out regular training sessions.
Supplier level	Fair Wear 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, all FWF activities (training, factory visits by local experts, audit verifications) had to be suspended. 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.	Continue to offer WEP training in Vietnam and carry out verification audits on the ground. Continue to monitor and evaluate the situation in Myanmar together with FWF.
	deuter CSR team audits The deuter CSR team carries out regular site visits to factories. Before the Covid 19 pandemic, these visits took place on a yearly basis, at the very least.	During the 2021/22 financial year the deuter CSR team was finally able to visit the factories in Vietnam after lengthy Covid 19 induced travel restrictions were lifted.	Carry out regular site visits to suppliers.
	Living Wage	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 identified measures.	70% of employees to receive a benchmark wage as determined by the Global Living Wage Coalition.
Supplier level	Continuation of wage payments during Covid lockdowns	Thanks to the support of deuter and the Vietnamese government, approx. 1.5 million US dollars was paid out in wages to workers during the lockdown period and production stoppages. This equates to 75% of their regular earnings.	
	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 no training took place in Myanmar.	Resume WEP training. Implement regularly available training courses.

Supplier level	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 service provider 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.	Continue to apply the FWF complaints procedure at tier 1 level. Evaluation of the pilot scheme and optimizing Atlat's complaints system. Upscaling of Atlat's complaints procedure further down the supply chain.
	Overtime	We prevent excessive overtime by applying the FWF's benchmark for overtime.	We will continue to do so.
	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. 17% of the products in the deuter SS/FW 2021 collection are Green Button products.	Increase the proportion of Green Button products in the collection. Progression to Green Button 2.0 compliance.
deuter Promise Policy Supplier Handbook In July 2022, we published our Supplier Handbook for the deuter Promise Policy.	The Supplier Handbook clearly defines the requirement for suppliers to comply with the ILO's core labor standards and UN human rights. The Supplier Handbook is distributed to suppliers via an eLearning platform.	Regular updates to the Supplier Handbook and communicate these via the eLearning platform. Provide information on new training schemes and supporting materials via the eLearning 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.	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 the FWF to effectively monitor deuter's production sites. Audits are scheduled at intervals of no more than 3 years, to get a clear understanding of the situation in each factory. deuter uses local FWF audit teams to ensure the highest standards are upheld. This is very important because off-site worker interviews are a key element of the 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 via email, Skype or video conferencing call, and through in-country site visits by deuter employees. These visits take place on a yearly basis, with the only exception being during the Covid 19 pandemic. This year a site visit in Vietnam was again possible.

In the case of Bellmart, we are sharing audits and follow-up action with other FWF members, to save time and minimize communication pressure across the sites. By combining forces, it is also more likely to result in faster and more sustained adoption of rules and regulations. During the remediation process, deuter

takes into account FWF country studies as well as legal regulations relevant to the manufacturing location. Requirements and recommendations which are raised 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 ensures corrective action plans are followed up. Where subcontracting takes place, Duke is responsible for monitoring working conditions at its subcontractors' factories. Duke has its own CSR team at its company headquarters and at its production sites. Duke's CSR team ranks highly within the management hierarchy and is therefore able to address issues effectively with senior management.

The planned WEPC (Worker Education Program Communications) training in Vietnam could not take place because of lengthy lockdown measures but are planned to resume in the next financial year.

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

All manufacturing sites and subcontractors must have the Code of Labor Practices information 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 in the language of that country. The correct display of the worker's info sheet is verified during regular visits by deuter staff or through appropriate documentation thereof.

During this financial year, no complaints were made with any of our suppliers.

THE FOLLOWING DIAGRAMM SHOWS THE FWF COMPLAINTS PROCEDURE:



TRAINING AND CAPACITY BUILDING IN THE SUPPLY CHAIN

MEASURES TO INFORM MANUFACTURING PARTNERS AND WORKERS

As mentioned above, meetings are held regularly with our manufacturing partners. Since we have used the same suppliers for so many years, there is currently no need to carry out training about the FWF system. Instead, it is the implementation and monitoring of Corrective Action Plans (CAP) that we are focusing on, and the continued development of our collaboration. This involves encouraging dialogue between the workforce and the management team. During such training efforts, both factory

workers and management staff are taught about workers' rights and the FWF complaints procedure, and effective communications channels are established.

A further objective is to encourage employees to enter into negotiations independently and use employee representatives to stand up for their rights. Duke has also introduced a system of regular workforce training on Fair Wear and safety issues. The CoLP always forms a part of such training.



FWF WEPC Training at Vina Duke

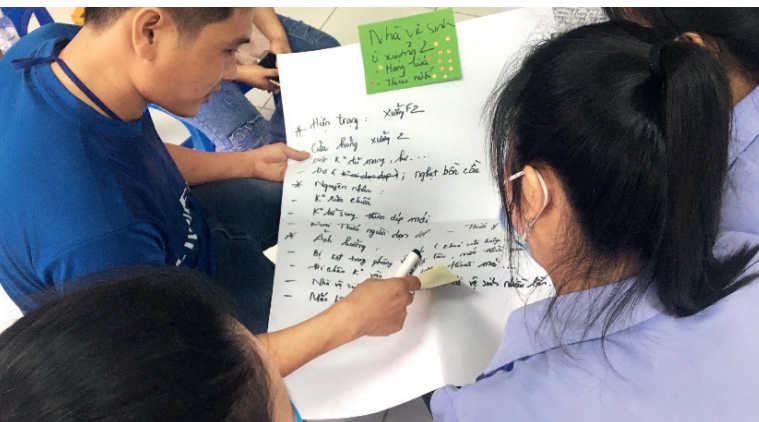


FACTORY DUKE/COUNTRY VIETNAM

This financial year, following a Covid-related hiatus, it was again possible to travel to Vietnam to meet with our suppliers and local subcontractors. We are also in regular contact with our representatives at Duke via video calls/ digital format. For instance, we have regular online conferences with the Duke CSR manager to discuss daily goings-on, such as infection numbers, lockdown rulings, and safety regulations. Taking into account the latest CAP and BPC report, the issues of production planning, overtime, wages and wage increases, as well as target wages, and workers' rights are discussed and the health & safety audit followed up on.

Key points from the 2020 FWF audit report:

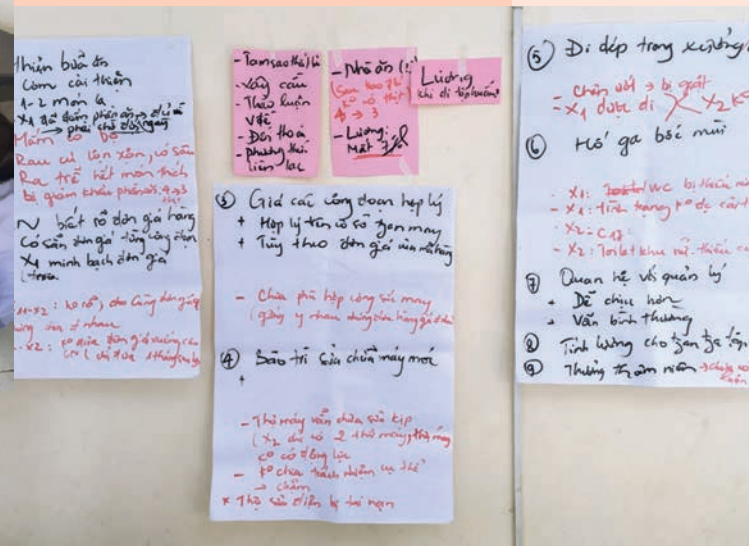
- The factory has a management system to improve working conditions. A compliance manager has been employed to oversee the system and inspect conditions at subcontractor establishments.
- There is a trade union, though improvements could be made where impartiality of the management team is concerned.
- In addition to improvements, new issues were also identified, but these were immediately rectified through corrective action.
- Factory workers currently earn substantially more than the legal minimum wage and are in receipt of free meals and subsidized daily commuting fees.



WEPC Training of the FWF at Count Vina in Vietnam



WEPC Training of the FWF at VINA Duke in Vietnam



COVID 19 IN VIETNAM

In contrast to other manufacturing countries and thanks to its strict no-Covid strategy, Vietnam made it through the pandemic largely unscathed until June 2021. Unfortunately, at the start of this financial year, rising Covid numbers led to a lockdown being imposed. This lasted around 3 months. During this period, production was halted, but with our support, wages were still paid. Thanks to the support of deuter and the Vietnamese government, approx. 1.5 million US dollars was paid out in wages to workers during the lockdown period and production stoppages. This equates to 75% of their regular earnings.



Checking temperatures at the manufacturing site entrance

The long lockdown led to a big backlog in production. With such big orders to fulfill, lots of overtime resulted. To limit excessive overtime, it was necessary to enlist the services of new subcontractors. This is a temporary measure to deal with peak order levels. All new subcontractors must go through Duke's onboarding process which was developed together with their CSR team.

Once again deuter was able to maintain its assurance of not cancelling any orders, and of making payments on time, during this financial year. This gave Duke the confidence to maintain full production in accordance with all requirements. deuter also refrained from penalizing any late deliveries.



Information displayed at the product site

AUDITS AND WAGE PROGRESS (2022) VIETNAM

During the reporting period no FWF audit was carried out but a visit from the deuter CSR team was possible. An FWF audit is planned for next financial year. According to the most recent audit report (2020) the wages and working time situations are progressing in a positive way. Overtime hours were worked but workers were given reasonable prior notification and it was approved by the state, plus remuneration for overtime has increased. Wages continue to progress in a positive direction,

and we are working together on further improvements. Looking at the data from 2016 to 2022, wages have increased at a consistent 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 be raised gradually to the Anker Living Wage of VND 7,446,294.¹⁴ Because of the lockdown and such big orders to fulfill, more overtime hours were worked than in previous years.

WAGE LEVEL

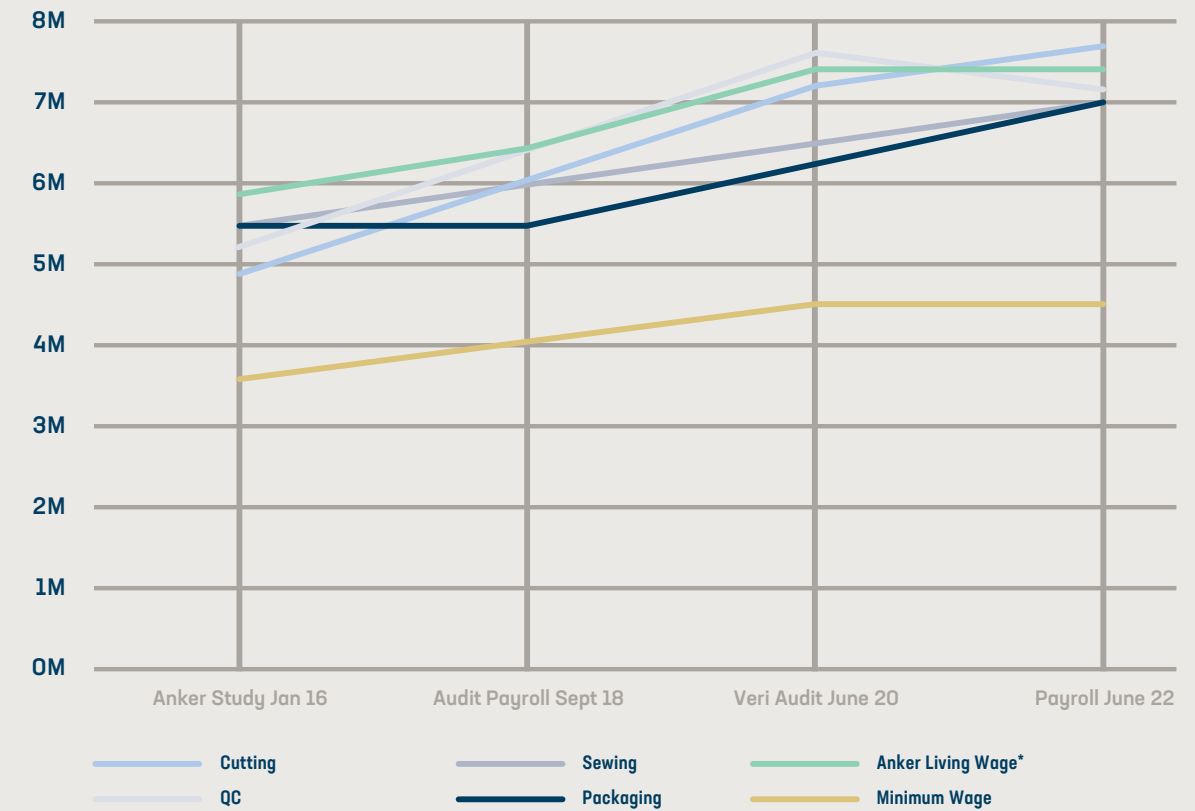
Factory: Vina Duke Cu Chi, Vietnam / Regular wage and benefits
Currency: Vnd



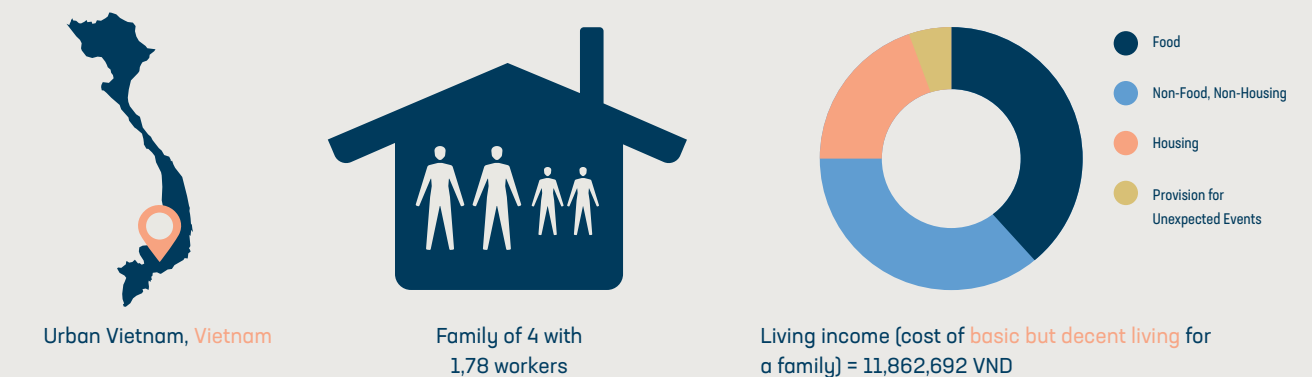
1) Updated March 2020: <https://www.globallivingwage.org/living-wage-benchmarks/urban-vietnam/>

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



THE LIVING WAGE IS BASED ON...



¹⁴ <https://www.globallivingwage.org/living-wage-benchmarks/urban-vietnam/>

FACTORY BELLMART KINGTAI/COUNTRY CHINA

deuter started working with Bellmart 19 years ago, to develop down and synthetic sleeping bags together in its factory in Xiamen, China. Initially, this is where deuter's entire range of sleeping bags was manufactured. In 2015, the manufacture of synthetic fill sleeping bags was moved to Bellmart's production site in Myanmar. From then on, only down sleeping bags were made in Xiamen. Bellmart is a bluesign® System Partner and is therefore regularly checked by bluesign® advisors to ensure good OHS (Occupational Health and Safety) and environmental performance. The factory is also certified according to the Responsible Down Standard (RDS).

By opening a production site in Myanmar, our partner Bellmart was able to take pressure off its production site in Xiamen. In the past, overtime was a recognized issue at the Chinese production site. In the reporting year deuter only took up a very small percentage of the production capacity at Kingtai, China (in the lower single-digit range). deuter carried out joint audits, training and remediation measures at the Kingtai factory together with other FWF members and has therefore been able to affect big improvements for factory workers, especially where wages, training and OHS is concerned. This progress has been confirmed in FWF audits and follow-ups. Recently, average wages for a 40-hour workweek including special benefits are considerably above average textile industry wages in this part of China. The last audit for this factory took place in November 2020 and was carried out together with two other FWF member brands. The CAP that resulted from this was also actioned in close cooperation with them.

COVID 19 IN CHINA

The Kingtai production facility in Xiamen, China is situated over 1,000 miles away from Wuhan Province, where the virus

originated. It never experienced a regional lockdown and was only affected by nationwide safety measures. There was regular communication between Bellmart and deuter, along with other FWF member companies, regarding the follow-up of corrective measures and the implementation of remedial measures, as well as compliance with the minimum requirements for Covid 19 safety. Together, the three FWF member companies took up approx. 8% of the production capacity at Kingtai. In this reporting period, there were no Covid 19 related factory closures. All necessary hygiene measures were adopted in the factory and masks and hand sanitizer were distributed. The workers were informed to stay at home if they displayed any Covid symptoms, and that wage payments would continue if they became ill. Bellmart did not ask deuter for any support. Therefore, Bellmart consistently replied "no" to questions about receiving support from clients/brands in a respective FWF-survey.

RELOCATION TO MYANMAR

Together with Bellmart, a decision was made to relocate the manufacture of down sleeping bags to Myanmar during the reporting period. This was at the specific request of the supplier. And it means that all deuter sleeping bags, both down and synthetic, are now made in Myanmar. A return to manufacturing in China will not take place.

WAGE PROGRESS KINGTAI/ CHINA (2022)

The latest study and audit of wage documentation at the Xiamen Kingtai Industrial Co. Ltd. factory the year before last, showed that average basic wages without overtime were getting closer to the Global Coalition's Living Wage. In 2022, the legal minimum wage increased by 13%.

WAGE LEVEL CHINA (2020)

Factory: Kingtai Industrial (Xiamen) Co., Ltd (Bellmart), China

Regular wage plus benefits

Currency: Cny



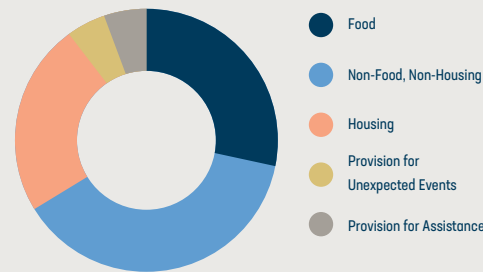
THIS LIVING WAGE IS BASED ON...



Urban China, China



Family of 3,5 with 1,78 workers



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

1) <https://www.globallivingwage.org/living-wage-benchmarks/urban-shenzhen-china/>

2) As of 1 Jan 2020, as defined by the local government.

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3) <https://wageindicator.org/salary/minimum-wage/china-custom/6828-fujian>

MALE ♂
FEMALE ♀

BELLMART FACTORY/COUNTRY MYANMAR

In 2015, the manufacture of synthetic fill sleeping bags was moved to Bellmart's production site in Myanmar. This financial year, at Bellmart's request, the manufacture of down sleeping bags was also moved 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, and thereby wield greater influence.

MONITORING AND REMEDIATION

In November 2020, the FWF conducted an audit at Xiamen together with two other FWF member brands. Because of changing locations to Myanmar, no further audits took place here during this reporting period. Given the political situation, no official audits were possible in Myanmar. The FWF was also unable to carry out audits. But with the help of a local representative, we were able to carry out an internal audit.

Key points from the internal audit report:

- Freedom of association and the right to collective bargaining have been compromised since the military coup. Neither trade

unions nor other democratically elected workers associations are able to act freely.

- Overall orders at Bellmart decreased by 50% from February due to the political situation, and orders had to be reallocated from other production sites to ensure enough work for the staff. As part of this, our production was also reallocated, but the volume of orders was not reduced.
- 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 diagram, 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.

Further positive remarks from the audit:

- Plans were developed for the establishment of a worker committee.
- Hygiene standards were introduced during the pandemic to ensure worker safety. The factory distributed masks, maintained social distancing and organized vaccinations for the worker.



Safety and social distancing regulations in the production facility



Safety and social distancing regulations when entering the production facility

COVID 19 IN MYANMAR

After a brief lockdown during the 20/21 business year, from July 17 - 25, work carried on uninterrupted during the reporting period. The factories were then able to resume work subject to certain restrictions. In a questionnaire, our manufacturing partner confirmed that it had made available and complied with all necessary hygiene measures.

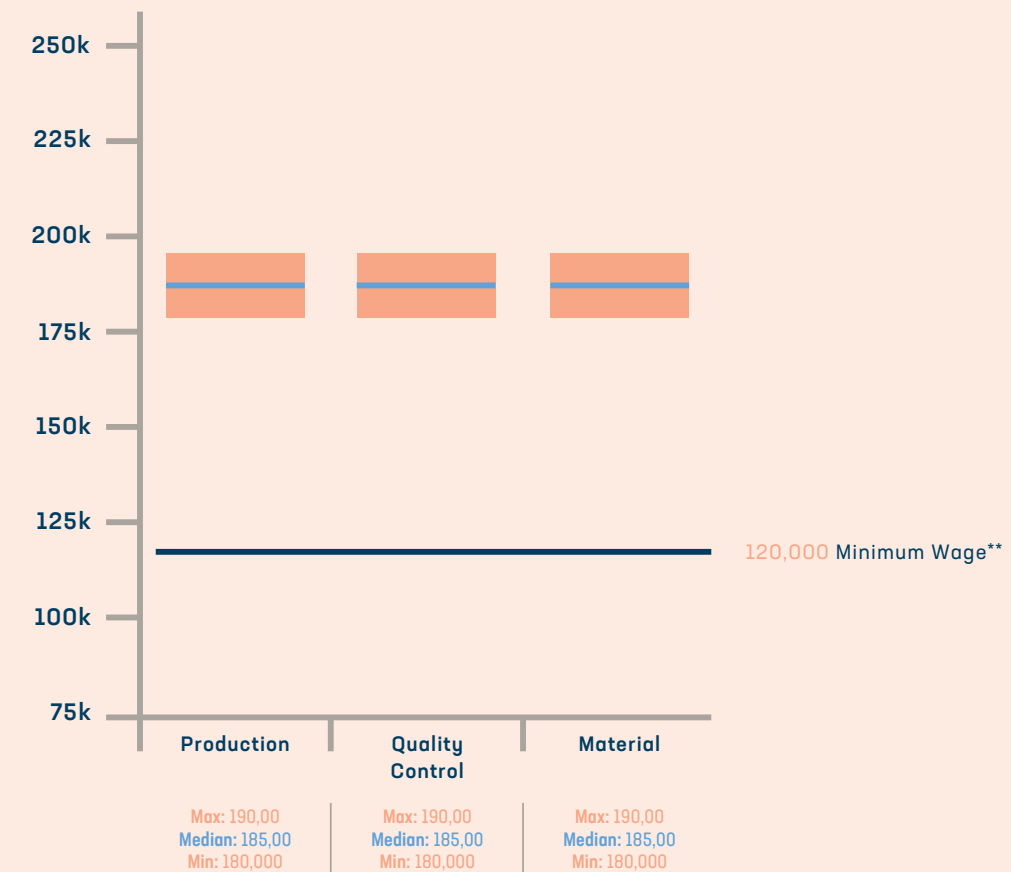
WAGE PROGRESS MYANMAR

Wage information for Myanmar has been gathered by deuter because the current political situation did not allow for an official audit to take place. Wage levels are well above the minimum wage, but we continue to work on strategies to increase wages further, as the legal minimum wage has not been raised since 2017 and is well below Living Wage levels.a

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.

OUR OBJECTIVE

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	STATUS QUO	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:

- bluesign®
- Fair Wear Foundation
- PFC free collection
- Responsible Down Standard
- Green Button
- Climate neutrality
- Recycled materials
- deuter Promise

Further expand range of eLearning courses.

TRAINING AND CAPACITY BUILDING

DEUTER PROMISE TOUR 2021

In the new deuter Promise Tour, on three Fridays in October and November, customers were able to take their deuter products to participating retailers in Leipzig, Ulm and Bremen 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 2021



ACTIVITIES TO INFORM STAFF MEMBERS

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.

SOCIETY



OUR PROMISE

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

OUR OBJECTIVE

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	STATUS QUO	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.	
	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 extend our philanthropic activities.

FOR MORE INFORMATION
PLEASE CONTACT THE CSR TEAM:

Marco Hühn
marco.huehn@deuter.com
T +49 (0) 821 | 49 87 349



@deuterSport



@deuter



@deuterTV



@deuterSportGmbH



@deuterpacks

MEMBERSHIP START DATE:
August 2011