

# DECKERS

— BRANDS —



# DECKERS

## CORPORATE RESPONSIBILITY REPORT 2019

FOR THE REPORTING PERIOD 4/1/18 - 3/31/19





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**CORPORATE  
RESPONSIBILITY  
REPORT 2019**

FOR THE REPORTING PERIOD 4/1/18 - 3/31/19



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**\$2  
BILLION**

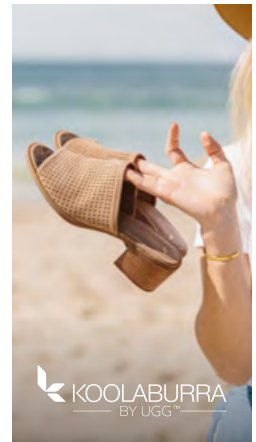
TOTAL SALES

**UGG®  
HOKA ONE ONE®  
TEVA®  
SANUK®  
KOOLABURRA BY UGG®**

OUR BRANDS

**CHINA  
VIETNAM  
PHILIPPINES  
USA  
CAMBODIA**

COUNTRIES WE  
MANUFACTURE IN



## FY19 FOOTWEAR FACTORY MAP



## LETTER FROM OUR CEO



Deckers is a special place - we are a business with a heart and soul made up of a diverse set of individuals who know that we are better together! We build great brands and we believe we must continue to do so in the right way.

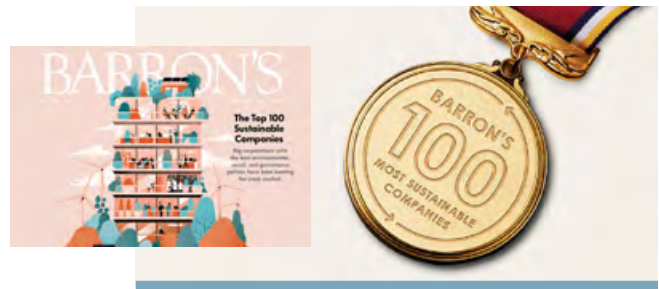
As a leader in designing, marketing, and distributing innovative footwear, apparel, and accessories, our global scale is significant. Equally significant is our responsibility to advance sustainable business practices. We have an opportunity and an obligation to give back to our communities and our stakeholders, all while being mindful of our environmental impact.

Being successful at Deckers means that we are performing well, empowering our stakeholders and conducting ourselves in a socially and environmentally conscious way. The more successful we are in business, the more we can do to preserve the environment for future generations, continue doing good in the global communities in which we operate, and further protect human rights. Deckers is filled with passionate people who are working together to drive change across all sectors of our business: from our company headquarters

and distribution centers to our supply chain, and everything in between, we are committed to doing good on a global scale, and I take great pride in that.

Our corporate responsibility efforts are guided by our sustainable development goals (our “7 by 2027”), which are in the areas of materials, waste, water, gender equality and quality education, chemicals, climate and clean energy, and human rights.

We are just starting to share our sustainability story and people are taking note, which is quite humbling. There are two significant call-outs this year: (1) being recognized by Barron’s as one of the **100 Most Sustainable U.S. Companies** (Deckers is number 52) and (2) our Corporate Responsibility Videos Series, which is available on our public facing website and linked below as a reference. These videos provide a great glimpse into our overall corporate responsibility program and the efforts we are taking to make this world a better place.



In FY19, we made great progress toward achieving our sustainable development goals, and while I am immensely proud of how far we have come, we know we can achieve so much more. And, quite frankly, that’s exciting!

Thank you for taking the time to read through our FY19 Corporate Responsibility Report. I look forward to sharing more about how we are working toward achieving our 7 by 2027. We hope Deckers can continue to be a role model and show that financial success and higher social and environmental standards are not mutually exclusive.

Sincerely,

Dave Powers  
President and Chief Executive Officer

## UNGC AND DECKERS' SUSTAINABLE DEVELOPMENT GOALS

Deckers joined the United Nations Global Compact (UNGC) in 2016. With over 9,500 participating companies, the UNGC is the world's largest corporate sustainability initiative and joining reinforced our ongoing commitment to conducting business with the utmost respect for universal principles around human rights, labor standards, responsible environmental practices, and anti-corruption. This partnership requires an annual statement of progress (our Corporate Responsibility Report) and we believe that sets us apart from many others in our industry.

The UNGC has adopted seventeen sustainable development goals (SDGs) to guide companies to action-oriented efforts to support SDG implementation. For us, that meant selecting the nine SDGs that were most relevant to our business and brand portfolio.

 <p><b>SUSTAINABLE DEVELOPMENT GOALS</b></p>	<p><b>3 GOOD HEALTH AND WELL-BEING</b></p>  <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p><b>4 QUALITY EDUCATION</b></p>  <p>Ensure inclusive and quality education for all and promote life long learning</p>	<p><b>5 GENDER EQUALITY</b></p>  <p>Achieve gender equality and empower all women and girls</p>	<p><b>6 CLEAN WATER AND SANITATION</b></p>  <p>Achieve universal and equitable access to safe, affordable drinking water and adequate sanitation and hygiene for all</p>
<p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>  <p>Ensure universal access to affordable, reliable, sustainable, and modern energy for all</p>	<p><b>10 REDUCED INEQUALITIES</b></p>  <p>Reduce inequality within and among countries</p>	<p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p>  <p>Ensure sustainable consumption and production patterns</p>	<p><b>13 CLIMATE ACTION</b></p>  <p>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<p><b>15 LIFE ON LAND</b></p>  <p>Manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss</p>

**DECKERS** SUSTAINABLE DEVELOPMENT GOALS

# 7 BY 2027

*From there, we created our own “7 by 2027” sustainable development goals utilizing the UNGC platform for transformational change.*



**MATERIALS**  
(RELATES TO SDG 12, 15)

Seek sustainable alternatives for key materials, sourcing at least 90% from suppliers certified by third party benchmarking organizations.



**WASTE**  
(RELATES TO SDG 7, 12, 13)

Sustainably reduce waste generation among key factory partners by 50% through prevention, reduction, recycling and reuse.



**WATER**  
(RELATES TO SDG 6)

Reduce consumption and improve quality. Ensure 90% of our core factory/supplier partners apply industry best practice on water treatment and usage.



**GENDER EQUALITY & QUALITY EDUCATION**  
(RELATES TO SDG 4, 5, 10)

Promote diversity, gender equality, female empowerment, and inclusion for all.



**CHEMICALS**  
(RELATES TO SDG 3, 6)

Achieve environmentally sound management of chemicals and reduce the discharge of hazardous chemicals among our key factory/supplier partners by 50% to minimize adverse impact on human health and the environment.



**CLIMATE & CLEAN ENERGY**  
(RELATES TO SDG 7, 12, 13)

Reduce energy consumption and integrate climate change measures into our policies and planning, including the installation of solar panels at all our California non-retail facilities.



**HUMAN RIGHTS**  
(RELATES TO SDG 3, 4, 5, 10)

Embed Human Rights across our operations and supply chain. Positively impact the communities where we operate.

We are extremely proud of our 7 by 2027 and our efforts to date towards achieving these goals. Our SDGs help us to focus our efforts on those areas where we feel we can have the most impact: waste, water, materials, chemicals, climate and clean energy, human rights, and gender equality and quality education. We want our consumers, our customers, and our stakeholders to know how committed we are to making a significant impact in each of these areas. The following are just a few of our FY19 achievements that are aligned with our SDGs.

# FY19 ACHIEVEMENTS MADE TOWARD REACHING OUR SDGS

OUR SDGs	UNGC GOALS	FY19 ACHIEVEMENTS	STATUS
 <p><b>MATERIALS</b></p> <p>Seek sustainable alternatives for key materials, sourcing at least 90% from suppliers certified by third party benchmarking organizations.</p>	 	<ul style="list-style-type: none"> <li>• 97% of leathers/hides used in our production are sourced from Leather Working Group certified tanneries</li> <li>• Traced 98% of our sheepskin back to processing facility</li> <li>• Joined Better Cotton Initiative (BCI)</li> <li>• Signed Responsible Sourcing Network Uzbekistan Cotton Pledge and Turkmenistan Cotton Pledges</li> <li>• Initiated Sanuk - 2025 Sustainable Cotton Challenge</li> <li>• Teva recognized on Textile Exchange Leader Board for its increased used of rPET</li> <li>• UGG recognized on Textile Exchange Leader Board for use of responsible wool and down</li> <li>• Filmed video series highlighting sustainable materials</li> </ul>	 <p><b>ON TRACK</b></p>
 <p><b>WASTE</b></p> <p>Sustainably reduce waste generation among key factory partners by 50% through prevention, reduction, recycling, and reuse.</p>	  	<ul style="list-style-type: none"> <li>• Initiated environmental study among 25 key manufacturing/supplier partners to measure waste output</li> <li>• Headquarters' paper cups eliminated and compostable utensils implemented</li> <li>• Packaging study completed to reduce waste generation</li> <li>• Digitalization of product creation to reduce sample creation and waste</li> <li>• Launched Sanuk virtual brand conference</li> <li>• Filmed video series highlighting HQ and DC waste mitigation efforts</li> </ul>	 <p><b>EFFORTS ARE UNDER WAY BUT WE NEED TO SPEED THEM UP</b></p>
 <p><b>WATER</b></p> <p>Reduce consumption and improve quality. Ensure 90% of our core factory/supplier partners apply industry best practice on water treatment and usage.</p>		<ul style="list-style-type: none"> <li>• In addition to sourcing 97% of leathers/hides from Leather Working Group Certified Tanneries, we supported tanneries and manufacturers with water treatment programs</li> <li>• Measured water output among 25 of our key manufacturing/supplier partners to help reduce</li> <li>• Reduce water usage in packaging creation process</li> <li>• Filmed video series highlighting HQ and DC waste mitigation efforts</li> </ul>	 <p><b>ON TRACK</b></p>
 <p><b>HUMAN RIGHTS</b></p> <p>Embed Human Rights across our operations and supply chain. Positively impact the communities where we operate.</p>	   	<ul style="list-style-type: none"> <li>• Continued to support HERproject programs</li> <li>• Robust ethical supply chain audits based on International Labor Organization standards</li> <li>• Audit results are included on performance scorecards for regular review by executive management</li> </ul>	 <p><b>ON TRACK</b></p>



OUR SDGs	UNGC GOALS	FY19 ACHIEVEMENTS	STATUS
<p><b>CHEMICALS</b></p>  <p>Achieve environmentally sound management of chemicals and reduce the discharge of hazardous chemicals among our key factory/supplier partners by 50% to minimize adverse impact on human health and the environment.</p>	 	<ul style="list-style-type: none"> <li>On track to eliminate PFCs from our supply chain by 2020</li> <li>Continued training and monitoring resulting in year-over-year reduction of restricted substances failures</li> <li>Filmed video series highlighting RS team ongoing efforts</li> </ul>	 <p><b>EFFORTS ARE UNDER WAY BUT WE NEED TO SPEED THEM UP</b></p>
<p><b>CLIMATE AND CLEAN ENERGY</b></p>  <p>Reduce energy consumption and integrate climate change measures into our policies and planning, including the installation of solar panels at all our California and non-retail facilities.</p>	  	<ul style="list-style-type: none"> <li>Continue to decrease our overall electric energy consumption</li> <li>Ongoing monitoring of usage at our retail stores, U.S. headquarters, and main U.S. distribution center</li> <li>Measure energy usage among 25 of our key suppliers/manufacturing partners through environmental study</li> <li>Environmental Policy Adopted</li> <li>Filmed video series highlighting HQ/DC sustainability efforts</li> </ul>	 <p><b>ON TRACK</b></p>
<p><b>GENDER EQUALITY &amp; QUALITY EDUCATION</b></p>  <p>Promote diversity, gender equality, female empowerment, and inclusion for all.</p>	  	<ul style="list-style-type: none"> <li>Continued partnership with HERproject</li> <li>Employee lead VOICES group drove discussion and engagement related to the empowerment and inclusion dialogue</li> <li>Continued annual Women's Leadership Summit</li> <li>CEO commitment to Outdoor Industry Diversity Pledge</li> <li>Obtained EDGE Assess Level certification, which is the leading global assessment methodology and business certification standard for gender equality</li> </ul>	 <p><b>ON TRACK</b></p>

## PROGRAM GOVERNANCE

The Corporate Governance Committee oversees our Corporate Responsibility and Sustainability program. The Corporate Sustainability and Compliance Officer is tasked with identifying specific SDGs that align with the UNGC, and guide our efforts to address environmental and social challenges.





GENDER EQUALITY/  
REDUCED  
INEQUALITIES/  
QUALITY EDUCATION

# GENDER EQUALITY/ REDUCED INEQUALITIES/ QUALITY EDUCATION



## GENDER EQUALITY REDUCED INEQUALITIES QUALITY EDUCATION

(RELATES TO SDG 4, 5, 10)

Promote diversity, gender equality, female empowerment, and inclusion for all.

**DECKERS** SUSTAINABLE DEVELOPMENT GOALS **BY 2027**

**4** QUALITY EDUCATION



Ensure inclusive and quality education for all and promote life long learning

**5** GENDER EQUALITY



Achieve gender equality and empower all women and girls

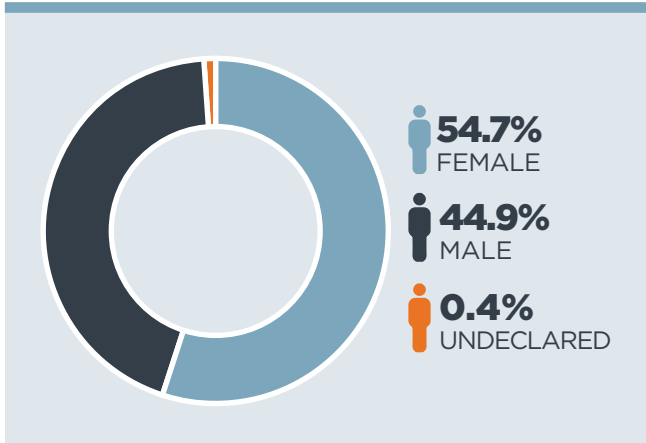
**10** REDUCED INEQUALITIES



Reduce inequality within and among countries

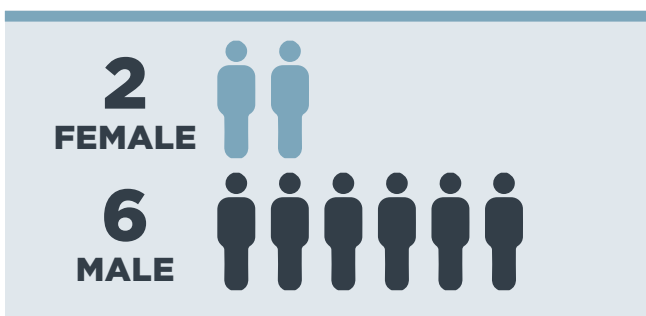
*Deckers core values embrace diversity, gender equality, female empowerment, and inclusion for all, and we carry that value through to our workplace. We come from different backgrounds, ethnicities, and cultural beliefs, and recognize that with our differences comes power. Power to think outside the box, challenge thought processes, and strive to do better.*





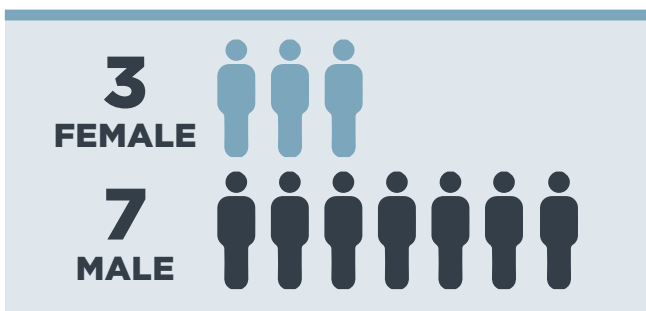
## GLOBAL WORKFORCE

As of March 31, 2019, we had a total of 3,346 global employees. Excluding retail employees, 963 of our global employee population (or 53.3%) are female, 838 of our global employee population (or 46.4%) are male, and 6 employees (or 0.3%) are undeclared. Deckers has 236 female leaders (individuals who manage one or more person) compared to 256 male leaders (excluding retail). At the retail level, 1,146 of our global retail employee population (or 74.5%) are female, 389 of our global retail employee population (or 25.3%) are male, and 4 employees (or 2.6%) are undeclared. Deckers has 105 female retail leaders compared to 35 male retail leaders.



## EXECUTIVE LEADERSHIP TEAM

Deckers' executive leadership team is made up of eight members: two are female and six are male.\*  
*\*As of the date CR Report posted.*



## BOARD OF DIRECTORS

In FY19, our Board of Directors consisted of ten individuals: three female, seven male. Our Board of Directors represents a wide range of skill sets, backgrounds, ethnicities, genders, and qualifications, which not only brings a well-rounded perspective to everything we do, but we believe this diversity of individuals makes us stronger as an organization.

## FY19 U.S. ENHANCED BENEFITS

### ■ HSA

Deckers offers our employees the option to participate in health savings account (HSA) that combines a high-deductible health insurance plan with a tax-favored savings account, enabling employees to build savings for health expenses with pre-tax dollars. The plan is free to enroll, and Deckers contributes into each enrolled employee's account to help jumpstart employees' savings. Money left in the savings account earns interest and belongs to the employee even after employment ends. This enhancement helps our employees and their families save for today and prepare for the future.

### ■ MONTESSORI PARTNERSHIP

Deckers launched a partnership with South Coast Montessori to provide better negotiated tuition rates for high quality child care and child education. Deckers is dedicated to helping our employees find a positive work-life balance, and we believe this partnership helps the parents at Deckers do just that.

### ■ FLEXIBLE TIME OFF

Deckers recognizes that its employees work hard and in order to give their best and live well-balanced lives, they need to take time off for rest, relaxation and rejuvenation. That's why Deckers offers full-time salaried employees flexible time off to enable them to take the time they need to be with their families, not miss out on children milestones, or just take time for themselves. We know that when our employees are happy and feel supported, they appreciate work that much more!



### ■ DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

Deckers offers employees a dollar-for-dollar employee contribution match (up to \$2,500) on Dependent Care Flexible Spending Accounts for use toward dependent care and childcare expenses. We recognize that dependent care and childcare expenses are both incredibly important and cost prohibitive at times, and want to do our part to help employees cover some of these costs.

### ■ MATERNITY AND PATERNITY LEAVE POLICIES

In FY19, Deckers announced an expanded paid parental leave program of twenty weeks of full pay for mothers and eight weeks of full pay for fathers.

### ■ INTERNATIONAL BENEFITS

As a global organization, we also offer international benefits that are equally competitive, but are structured differently.

## DIVERSITY

### ■ VOICES

We strive to create a culture of inclusion where employees are able to freely and equally contribute regardless of gender, gender identity, age, race, disability, or sexual orientation. Our **Code of Ethics**, which all employees are trained on biannually, exemplifies these values. VOICES, our employee-led initiative elevates employee issues and celebrates our uniqueness. Our VOICES team has established an open forum for all employees, who share common interests and concerns to meet and support one another and work collaboratively to foster an environment of increased diversity and inclusion for all.

Each of our brands also recognize the beauty in diversity and seek to represent a wide-range of individuals in all their marketing efforts, whether on social media, in campaigns or through our many influencers. Teva and Hoka have committed its marketing efforts to include 60% people of color and/or body diversity and ability. Sanuk will also be working with Brown Girl Surf (FY20) and GLAAD to help diversify our storytelling. We recognize that our brand consumers, much like our employees, represent a vast array of ethnicities, sizes, and abilities, and our brands are always looking for relevant ways to further represent diversity.

### ■ CEO DIVERSITY PLEDGE

Deckers is proud to have signed The Diversify Outdoors **CEO Diversity Pledge** in FY19. The Diversify Outdoors CEO Diversity Pledge pairs leading outdoor brands in one-on-one relationships with inclusion advocates to advance representation for People of Color across the industry. The Diversify Outdoors CEO Diversity Pledge is focused on moving the outdoor industry towards authentic inclusion by enhancing diverse representation across staff and executive teams, media and marketing, and athletes and ambassadors through the building of relationships of support, empathy, and understanding. The Pledge aligns with our SDG related to gender equality and further demonstrates Deckers' ongoing commitment to diversity.





### ■ EDGE CERTIFICATION

We are pleased to announce that we have obtained our EDGE Assess level certification! EDGE stands for Economic Dividends for Gender Equality and is the leading global assessment methodology and business certification standard for gender equality. It measures where organizations stand in terms of gender balance, pay equity, and effectiveness of policies and practices to ensure equitable career flows, in addition to measuring inclusiveness of the organization's culture.



### ■ WOMEN'S LEADERSHIP SUMMIT

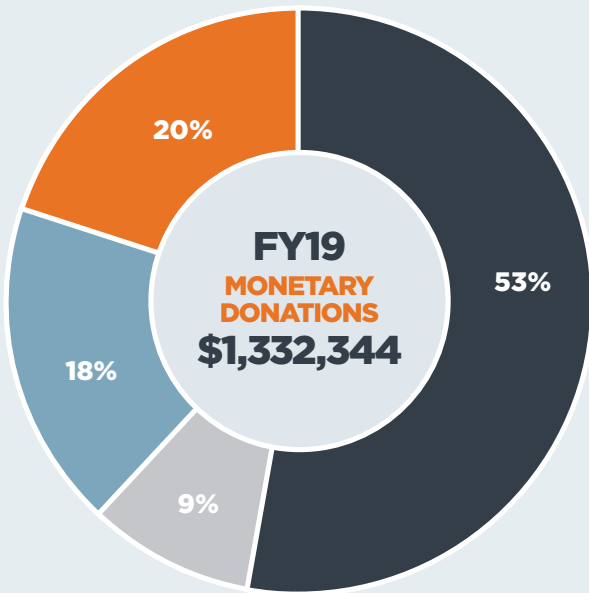
In June 2019, Deckers held its second Annual Women's Leadership Summit. The summit was created by female leaders at Deckers who wanted to share inspiration, express support and create opportunities for the empowerment of Women of Deckers and beyond. This year, we opened the summit up to *all* employees regardless of sex. The summit brought together leading voices to help create an open space to share, engage, and advance Deckers' commitment to diversity and equity within the Deckers family.



## COMMUNITY GIVING

Doing good in the world through our charitable contributions, product donations, and employee volunteer efforts is an essential part of our culture. Deckers gives in three ways: (1) monetary donations, (2) volunteer efforts, and (3) in-kind product donations. You can read more about our giving efforts in detail below.

FY19 AREA OF SUPPORT BY SECTOR



- FAMILY & CHILDREN 53%
- ENVIRONMENT 20%
- EDUCATION 18%
- COMMUNITY 9%

### MONETARY CONTRIBUTIONS

During FY19, we donated approximately \$1,332,344 to 141 various non-profit organizations. Deckers generally focuses its monetary donations to four primary categories: community, education, environment, and family & children. By aligning with these four categories, we are able to make a more significant impact in the areas that matter most to us: people and planet.

### BRAND CHARITABLE SPEND FOCUS

**UGG:** HERproject, Protect our Winters, and Save the Waves

**TEVA:** Grand Canyon Conservancy, Grand Canyon Field School and Trail Restoration project, Conservation Alliance and Outdoor Industry Foundation.

**HOKA:** IRONMAN (Kona, Santa Rosa, and Florida), Adrian Martinez Classic, Act for the Outdoors (a campaign initiated by the Outdoor Sports Valley to support projects preserving outdoor playgrounds).

**SANUK:** Surf Happens and Surfrider Foundation





■ **IN-KIND PRODUCT DONATIONS**

In addition to our charitable donations, we also donate product to those in need.

Since 2006, we have donated 901,565 pairs of shoes to Soles4Soles and Good360. In FY19 alone, we donated 71,779 units of product to Soles4Souls and 10,726 units of product to Good360, respectively. These two non-profit organizations provide products to those who need it the most, while simultaneously diverting product that would otherwise be destined for landfills.

Additionally, in December 2018, our Santa Barbara, California community fell victim to devastating wildfires and subsequent mudslides that resulted in tremendous destruction. In keeping with our culture and commitment to giving, our brands stepped up and donated 4,141 pairs of product to those in need. We also contributed \$50,000 to Direct Relief for relief efforts related to the California wildfires.

In FY19, mother nature also unleashed a series of hurricanes across the United States, notably Hurricane Florence to Hurricane Michael. In these situations, we did what we do best and quickly came together to compile product for donation for those in affected areas. To assist with Hurricane Florence and Hurricane Michael, our brands donated approximately 3,310 pairs of product to those in need. In FY19, Kauai also suffered severe flooding in FY19 and, to assist with its disaster efforts, our brands donated 2,148 pairs of product.

We pride ourselves on our ability to quickly come together and assist others in times of need. This is part and parcel of our Deckers culture of giving back to our communities.



## ■ FY19 VOLUNTEER EFFORTS BY REGION

While we are incredibly grateful to have the ability to give back to our communities financially, we also recognize the immense value in giving our time. Deckers strongly encourages employees to volunteer with local organizations and provides every single employee with up to twenty-four hours of paid volunteer time each year. Employees who volunteer at least 100 hours in a calendar year also receive a \$1,000 donation from Deckers to a charity of their choice. We are better together and want to demonstrate our commitment and encouragement to our employees who donate their time to help others.



In FY19, our US offices donated approximately 1,645 hours of their time; APAC offices donated approximately 961 hours of their time; and EMEA offices donated approximately 500 hours of their time. We know that our employees are passionate about volunteering and the true number of collective hours our employees volunteer can be difficult to track and we believe our actual number is significantly higher. In FY20, we intend to launch a new volunteer tracking tool that will make logging hours much simpler. We can't wait to see the new tool in action to gain a more accurate measure of the true number of hours our employees spend helping others and their communities.

In FY19, we partnered with the **Santa Barbara Bucket Brigade**, and 150 of our Goleta employees volunteered to help with the massive cleanup effort following the Montecito Mudslides. Our Deckers employees worked to dig out homes that had been completely buried and they helped clear out mass amounts of debris that had flown down with the mudslides. In April 2019, we partnered with the Conservation Alliance's Backyard Collective and over 100 of our Goleta employees volunteered to clear open space and help restore native habitats following winter flooding and severe storms. All of these efforts demonstrate our continued commitment to protect and preserve our local communities for our generation and future generations.





### ■ HUNGER GAMES WIN

Deckers was the proud winner of the End Hunger Games Corporate Challenge for the Santa Barbara Foodbank, which is a local competition for corporations in the Santa Barbara area. Between October to November 2018, our employees volunteered 141 hours, donated 2,611 pounds of food and raised over \$6,644 for the Foodbank of Santa Barbara County. We are so incredibly proud of our employees who continue to go above and beyond with volunteering their time and resources to helping local families who are in need.



### ■ CARING COMPANY AWARD

The Hong Kong Council of Social Service awarded the **5 Years Plus Caring Company Logo** to Deckers Asia Pacific Limited in recognition of its commitment caring for the community, caring for employees, and caring for the environment over the past five years. We look to continue these efforts for many years to come.



### ■ GOOD MPF EMPLOYER AWARD

Deckers Hong Kong Office received **The Good MPF Employer Award**. This award, organized by the Mandatory Provident Fund Schemes Authority aims to cultivate employers' responsibility under the law, and encourage employers' efforts to further enhance the retirement protection of their employees. The award seeks to promote and foster employers' compliance with legislation, encourage employers to provide better retirement benefits for their employees, and recognize employers who are exemplary in enhancing the retirement benefits of their employees.



### ■ KIDS HELPING KIDS INVESTMENT IN PEOPLE AWARD

The Kids Helping Kids Foundation is led by students at San Marcos High School, whose mission is to empower other students to make a difference from the classroom to the community. Kids Helping Kids awarded us "Investment in People" award for our continued investment in the lives of young people in our local Goleta community.



### ■ ANGELS FOSTER CARE

Angels Foster Care is a local Santa Barbara organization that helps place infants and toddlers in stable, loving foster homes. As recognition of our support for Angels Foster Care, we were awarded the Gold halo award further demonstrating our commitment to both people and our local community.



# ENVIRONMENT



**WATER**

(RELATES TO SDG 6)

Reduce consumption and improve quality. Ensure 90% of our core factory/supplier partners apply industry best practice on water treatment and usage.

**DECKERS** SUSTAINABLE DEVELOPMENT GOALS **BY 2027**

**6 CLEAN WATER AND SANITATION**



Achieve universal and equitable access to safe, affordable drinking water and adequate sanitation and hygiene for all

*As a global corporate citizen, we have an obligation to help protect our water sources, mitigate our water usage, and reduce waste as part of our efforts to limit global pollution.*



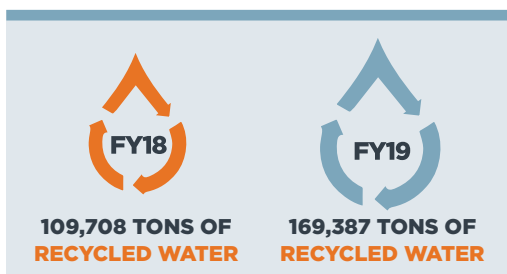


## CORPORATE HEADQUARTERS WATER CONSERVATION EFFORTS

Our SDGs include a commitment to reduce our overall water consumption. We have made strides towards this SDG by utilizing low flow fixtures throughout our corporate headquarters that save approximately 350,000 gallons of water each year. On the exterior of our buildings we have drought tolerant native plants, which also conserve water. Additionally, all water that falls onto our corporate campus flows through a culvert system and into the wetland restoration area surrounding our campus.

## SUPPLY CHAIN WATER CONSERVATION EFFORTS

As a multinational company, we understand the size of our global footprint, and recognize the need to minimize the adverse impact our production may have on the environment. Understanding that our largest environmental impact occurs at the production level, we launched a supply chain partner environmental study in FY18 to continuously monitor the environmental performance of our key partners, and track their initiatives to mitigate environmental impact.



Our overall water footprint decreased among footwear, midsole, and outsole partners in FY19, and overall, our participating partners increased the amount of water they are recycling from 109,807 tons in FY18 to 169,387 tons in FY19. Although we did see a slight increase in water usage at the tannery level, we intend to continue working with our tanneries in the coming year to make progress towards our water reduction goals.

We are proud to support tanneries and manufacturers that have implemented progressive water-treatment programs and have aligned themselves with our sustainability goals.

PARTNER	FY18 PERFORMANCE LITERS OF WATER/PAIR	FY19 PERFORMANCE LITERS OF WATER/PAIR	FY22 TARGET
13 Footwear Factories	17.52 L/pair	16.58 L/pair	Reduce water consumption among T1 partners by 15% and monitor key T2 partner's performance in order to set targets
6 Mid/Outsole Suppliers	2.76 L/pair	1.72 L/pair	
6 Tanneries	10.25 L/sf	10.72 L/sf	



## WASTE

(RELATES TO SDG 7, 12, 13)

Sustainably reduce waste generation among key factory partners by 50% through prevention, reduction, recycling and reuse.

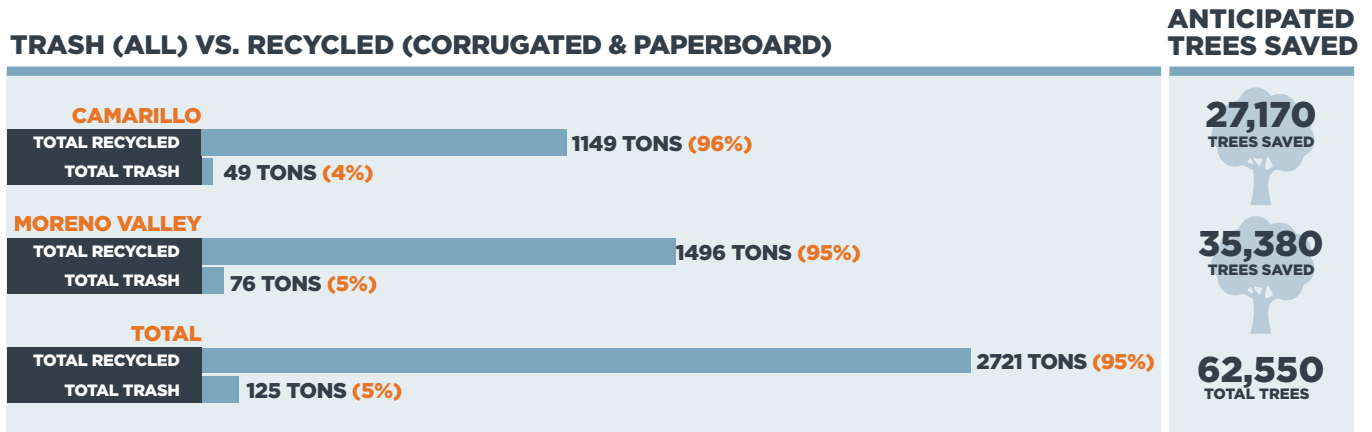


<b>7</b> AFFORDABLE AND CLEAN ENERGY  Ensure universal access to affordable, reliable, sustainable, and modern energy for all	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION  Ensure sustainable consumption and production patterns	<b>13</b> CLIMATE ACTION  Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
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The results published last November in Environmental Science & Technology show that up to a staggering 2.75 million metric tons of plastic flow from rivers into oceans every year. And, the majority of this pollution stems from eight rivers in Asia (Yangtze, Yellow, Hai, Pearl, Amur, Mekong, Indus and Ganges Delta) and two rivers in Africa (Niger and Nile). Together, these ten rivers carry 93% of the pollution we see in our oceans. It is for this reason that, in addition to our water conservation efforts, we have made significant reductions in waste generation at our corporate headquarters, brands and business channels, distribution centers, and key factory partners as further detailed below.

## DISTRIBUTION CENTERS WASTE MITIGATION EFFORTS

Our commitment to environmental impact mitigation does not stop at our corporate headquarters location. Our distribution centers are also dedicated to reducing their environmental footprint. We actively measure our waste output at our Moreno Valley Distribution Center and are close to becoming a zero-waste facility where everything outside of wet waste will be recycled as appropriate. We are proud of our company's commitment across all sectors of our business channels to further reduce our waste output in line with our SDGs.



### RECYCLING EFFORTS AT OUR DISTRIBUTION CENTERS

BULBS - 606	BALLAST - 44	ALKALINE BATTERIES - 86	LEAD BATTERIES - 15
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## VIRTUAL BRAND CONFERENCES

Sanuk has moved to virtual brand conferences. This effort will significantly reduce waste, travel emissions, and mitigate its environmental impact. We believe this shows yet another way our brands are thinking outside of the box and challenging themselves to further reduce their environmental footprint.

## DIGITALIZATION OF PRODUCT CREATION

In FY19, we made significant strides in 3D printing and design, allowing us to visualize design intent before we finalize a sample, thereby reducing the number of samples manufactured and shipped, ultimately leading to less waste. In Fall 19 we saw a 30% reduction in development samples for the UGG brand alone and we intend to further quantify what this reduction means by way of our overall environmental footprint. Our PLG brands have also been making progress towards decreased sample production. We expect continued reduction and increased efficiency as we move more towards digital product creation.



## SUPPLY CHAIN WASTE MITIGATION EFFORTS

As we continued to monitor waste generation of twenty-five of our key partners, we saw a year-on-year increase in FY19. It is important to note that this number is not just the amount of waste from our own production - it is the gross amount of all factory waste.

Most of the increased waste was the result of various on-site construction activities given the shift of the majority of our production from China to Vietnam (e.g. factories needed to build out to compensative for business volume). We, unfortunately, were not able segregate production waste from total waste generated which is why you see such significant increases reflected below.

In FY20 we will ensure that our numbers are a more accurate reflection of waste stemming from our own production and we expect to show further reduction from FY18 data (as FY19 data is not truly reflective of our business).

PARTNER	FY18 PERFORMANCE GRAMS OF WASTE/PAIR	FY19 PERFORMANCE GRAMS OF WASTE/PAIR	FY22 TARGET
13 Footwear Factories	87.1 g/pair	147.58 g/pair	Increase recycle and diversion rates among T1 partners by 15% and increase recycle and diversion rates among T2 partners
6 Mid/Outsole Suppliers	32.1 g/pair	68.74 g/pair	
6 Tanneries	42.1 g/sf	97.79 g/sf	

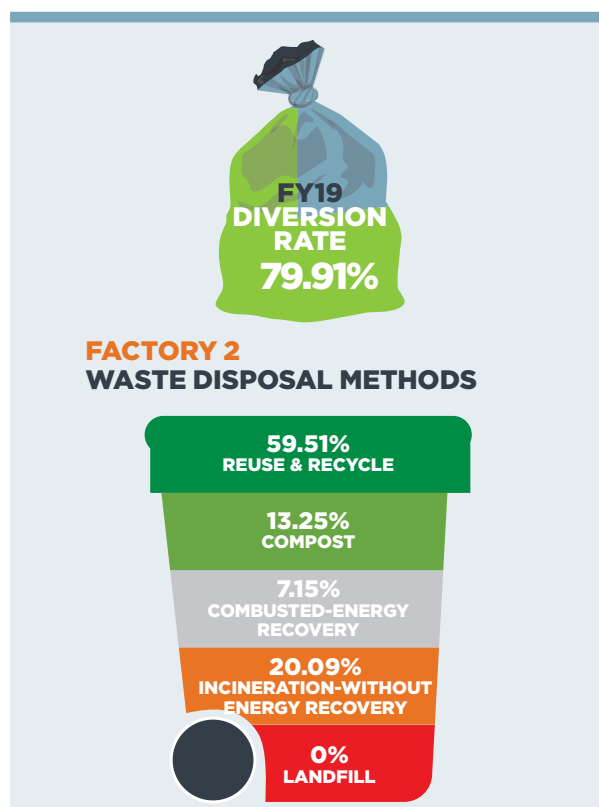
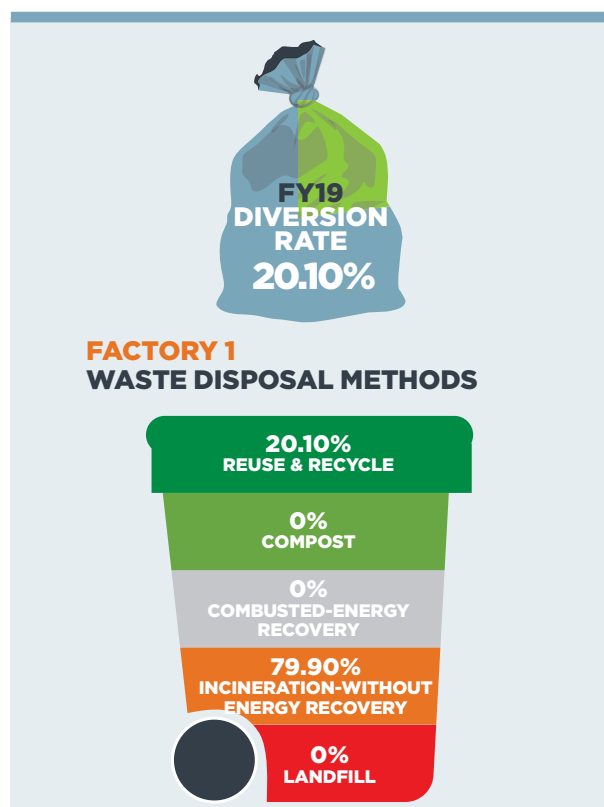


### ■ SUPPLY CHAIN RECYCLING EFFORTS

PARTNER	FY18 PERFORMANCE	FY19 PERFORMANCE	FY22 TARGET
13 Footwear Factories	24.54%	30.12 %	Increase recycle and diversion rates among T1 partners by 15% and increase recycle and diversion rates among T2 partners
PARTNER	FY18 PERFORMANCE	FY19 PERFORMANCE	FY22 TARGET
25 Supply Chain Partners	38.51%	39.07%	Increase recycle and diversion rates among T1 partners by 15% and increase recycle and diversion rates among T2 partners

### ■ SUPPLY CHAIN WASTE BASELINE

As previously noted, the majority of our environmental footprint comes at the production level. In FY19, taking what we learned in FY18, we enhanced the collaboration with two of our key partners to monitor their waste diversion efforts. Our goal was to learn a bit more about their disposal channels (*e.g. where are they sending their waste*) and identify areas of opportunity for improvement where possible. We learned that these two partners dispose of their waste in the following ways: reuse and recycle, compost, incineration with energy recovery and incineration without energy recovery (*see below chart for baselines of these two factory partners*). In FY20, we will continue to look for opportunities to increase amount of waste going to reuse and recycle and compost. We are excited to expand our efforts to additional factory partners in FY20 so we can make even more of an impact.



\* Diversion Rate Calculation Formula: Weight of (Reuse & Recycle + compost + recovery) ×100/Weight of total waste



## CLIMATE & CLEAN ENERGY

(RELATES TO SDG 7, 12, 13)

Reduce energy consumption and integrate climate change measures into our policies and planning, including the installation of solar panels at all our California non-retail facilities.



7 AFFORDABLE AND CLEAN ENERGY



Ensure universal access to affordable, reliable, sustainable, and modern energy for all

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

13 CLIMATE ACTION



Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

*We strive to reduce our energy consumption and integrate climate change measures into our policies and planning. We continually measure energy consumption at our corporate headquarters, Moreno Valley distribution center, a majority of our US retail store locations, and certain key factory partners with the goal of reducing overall energy consumption and maximizing the use of clean energy.*



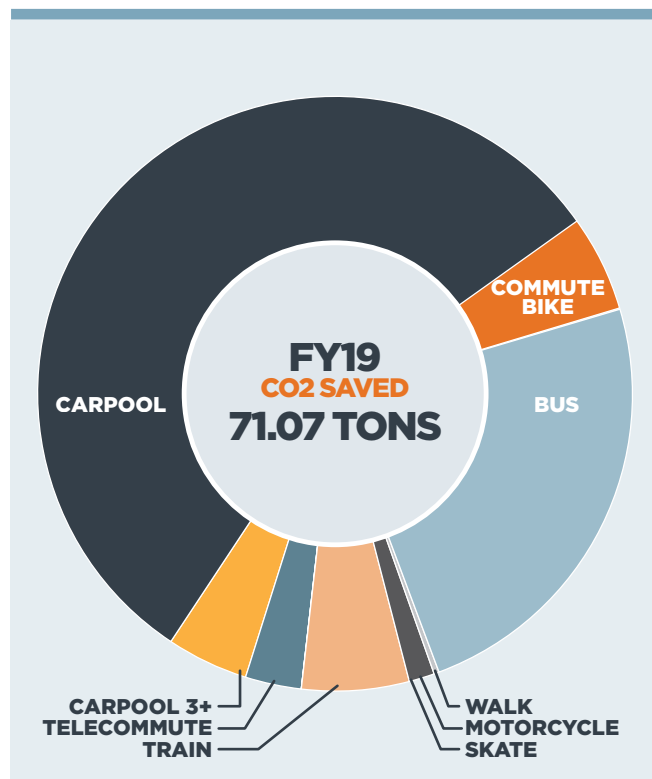
## CARBON AND GREENHOUSE GAS EMISSIONS

Fashion is one of the world's most polluting industries. The energy usage in the places we manufacture our products has an enormous impact on our environmental footprint. We took a huge step forward in FY18 with the transition of the majority of our production from China to Vietnam. China relies heavily on coal, whereas Vietnam emphasizes hydroelectricity, thus lowering our footprint significantly.

We are undertaking a lifecycle assessment for all product materials to enable us to more accurately determine where our carbon and greenhouse gas emissions are most prevalent in order to identify areas for improvement.

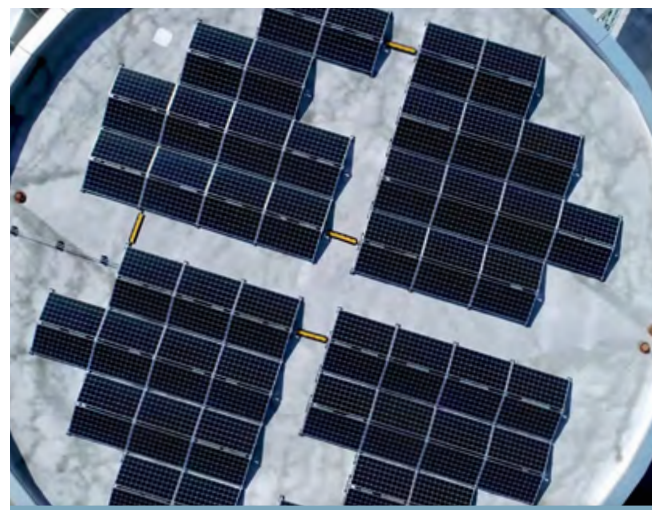
## ALTERNATIVE COMMUTE PROGRAM

We encourage the reduction of carbon emissions wherever possible. We are proud to offer our employees a alternative commute program. Through this program, employees are compensated \$1 per trip however they are commuting - even if they telecommute! In FY19 alone our employees saved 71.07 tons of CO2 through choosing to carpool, walk, bike, or shuttle into work. We are proud of our employees who take advantage of this program and their commitment to preserving the environment however possible.



MODE	USERS	TRIPS	MILES	CO2 SAVINGS (grams)
CARPOOL	79	11,030	195,667	36,002,738
COMMUTE BIKE	24	2,422	9,376	3,450,427
BUS	15	1,835	66,526	15,433,916
WALK	7	260	591	217,311
MOTORCYCLE	4	582	4,667	858,765
TRAIN	5	387	16,181	3,754,085
SKATE	2	97	239	87,952
TELECOMMUTE	2	114	5,012	1,844,416
CARPOOL 3+	5	312	11,516	2,825,171
<b>ALTERNATIVE COMMUTE TRIPS</b>	-	17,039	-	<b>64,474,781</b>

**71.07 TONS**



## ELECTRICITY USAGE

### CORPORATE HEADQUARTERS AND US OFFICE LOCATIONS

Our corporate headquarters are LEED-Silver certified. We have 1,170 solar panels which helped offset our electric energy usage in FY19. Our Corporate HQ electric energy usage averaged approximately 0.788 kwh/sqft compared to 1.017 kwh/sqft last year. Our Flagstaff, Arizona corporate office, unfortunately, increased their electricity usage slightly in FY19. We expect additional reductions in energy usage in the coming year.

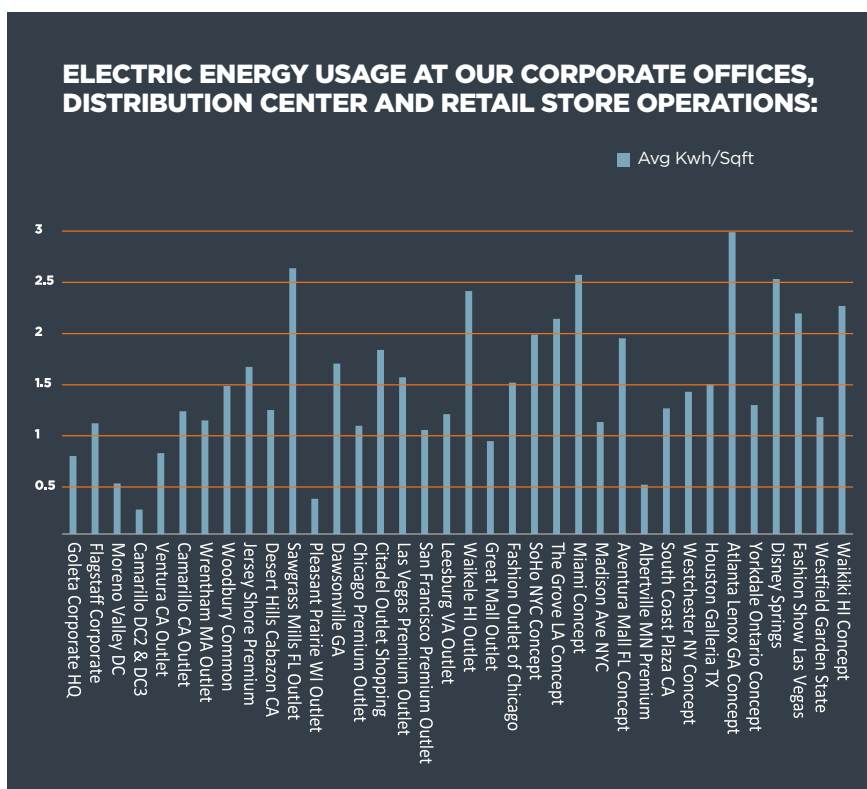
### ■ DISTRIBUTION CENTERS

In FY19, we had two distribution center locations: one in Camarillo, California and one in Moreno Valley, California. In FY20 we will be eliminating the Camarillo, California distribution center location. We are proud of our Moreno Valley location as it is a LEED-certified state-of-the-art facility. Our Moreno Valley distribution center is approximately 1.6 million square feet. To further our energy conservation efforts, systems in the distribution center are set to move to an energy conservation mode after a specific period of time without a package, and operate variable frequency drives that only apply the minimum amount of electricity required to operate.

DISTRIBUTION CENTER	FY19 SOLAR KW	FY19 ELECTRIC KW	TOTAL KW
CAMARILLO	-	2,120,182	2,120,182
MORENO VALLEY	1,059,960	4,793,761	5,853,721
% SPLIT	18%	82%	100%

### ■ RETAIL STORE LOCATIONS

In FY19, the average energy usage in our retail stores was 1.431 kwh/sqft, a reduction from the 1.491 kwh/sqft reported in FY18. Due to regional factors, we are currently unable to monitor energy usage of retail stores outside of the United States.



### ■ SUPPLY CHAIN ENERGY CONSUMPTION

In FY19, we saw a reduction in energy consumption per pair among our midsole and outsole factories, but our footwear factories and tanneries had a slight increase in overall energy consumption per pair. Our long-term goal remains reduction of energy consumption among our key partners, and we will continue to work towards this goal in the coming year.

PARTNER	FY18 PERFORMANCE	FY19 PERFORMANCE	FY22 TARGET
13 Footwear Factories	2.60 Kwhe/pair	2.90 Kwhe/pair	Reduce energy consumption among T1 partners by 10% and monitor key T2 partners performance in order to set targets
6 Mid/out sole suppliers	1.07 Kwhe/pair	0.82 Kwhe/pair	
6 Tanneries	0.31 Kwhe/sf	0.37 Kwhe/sf	



## MATERIALS

(RELATES TO SDG 12, 15)

Seek sustainable alternatives for key materials, sourcing at least 90% from suppliers certified by third party benchmarking organizations.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

15 LIFE ON LAND



Manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss

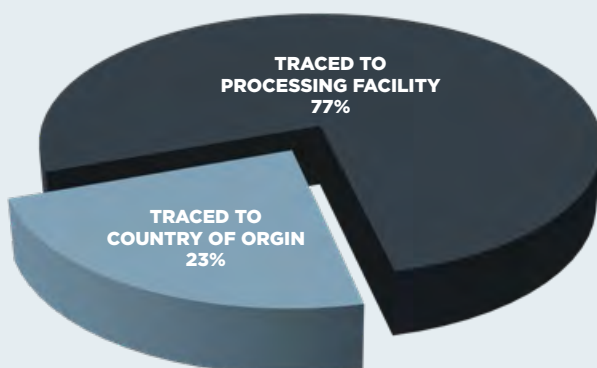
*Our library of sustainable materials allows our developers to identify sustainable alternatives. We utilize repurposed wool and UNIFI recycled polyester. We source key materials such as leather, cotton, and down from suppliers who are certified by third party benchmarking organizations such as the Leather Working Group, Better Cotton Initiative and Responsible Down. We have an Ethical Sourcing and Animal Welfare Policy to guide our partners to act responsibly when sourcing materials on our behalf.*



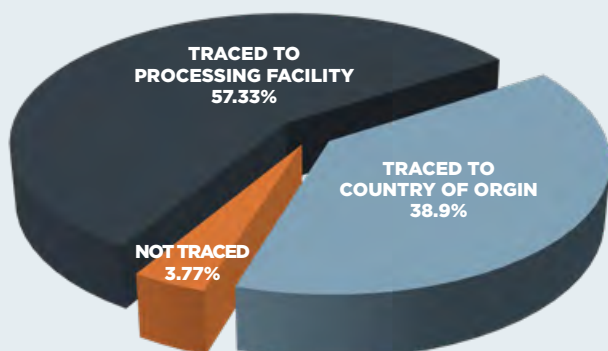
### SHEEPSKIN TRACEABILITY



### BOVINE FULL GRAIN TRACEABILITY



### ALL HIDES (SHEEP/COW/GOAT/PIG/WATER BUFFALO)



## PRODUCT MATERIALS

### MATERIALS TRACEABILITY EFFORTS

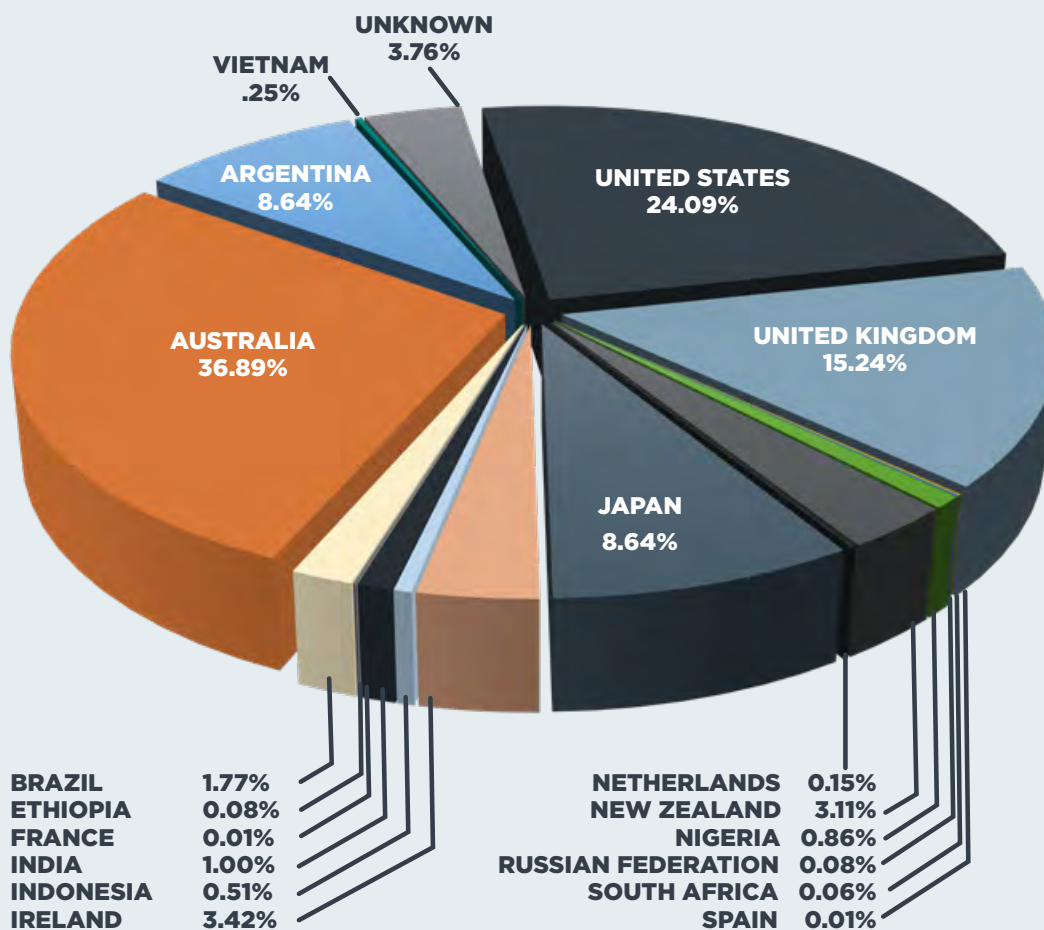
We have made great progress in the area of materials traceability and in FY19 were above our 80% traceability target for sheepskin, and able to trace 98% back to the processing facility. We were also above our traceability target for bovine full-grain leather and traced 77% to the processing facility.

### FY20 AND BEYOND MATERIALS TRACEABILITY TARGETS

We are proud of the traceability efforts we have made thus far but we recognize we should further improve in this space. In FY20, we anticipate tracing 85% of all cattle hide and sheepskin back to the processing facility and 100% of all hides/skins to the country of origin (exclusive of Koolaburra by UGG which will require additional time). Note, these targets are exclusive of licensee/agent relationships.

**■ COUNTRY OF ORIGIN TRACEABILITY  
(ALL HIDES: SHEEP/COW/GOAT/PIG/WATER BUFFALO)**

Our hides are a byproduct of the meat industry. The cycle works like this: the meat industry purchases the animals from the farmers, the tanneries purchase hides directly from the meat processing facilities, and we buy from those tanneries. Knowing where our hides are sourced from allows us to take a closer look and avoid sourcing from those countries which are known for not respecting the rights of animals.

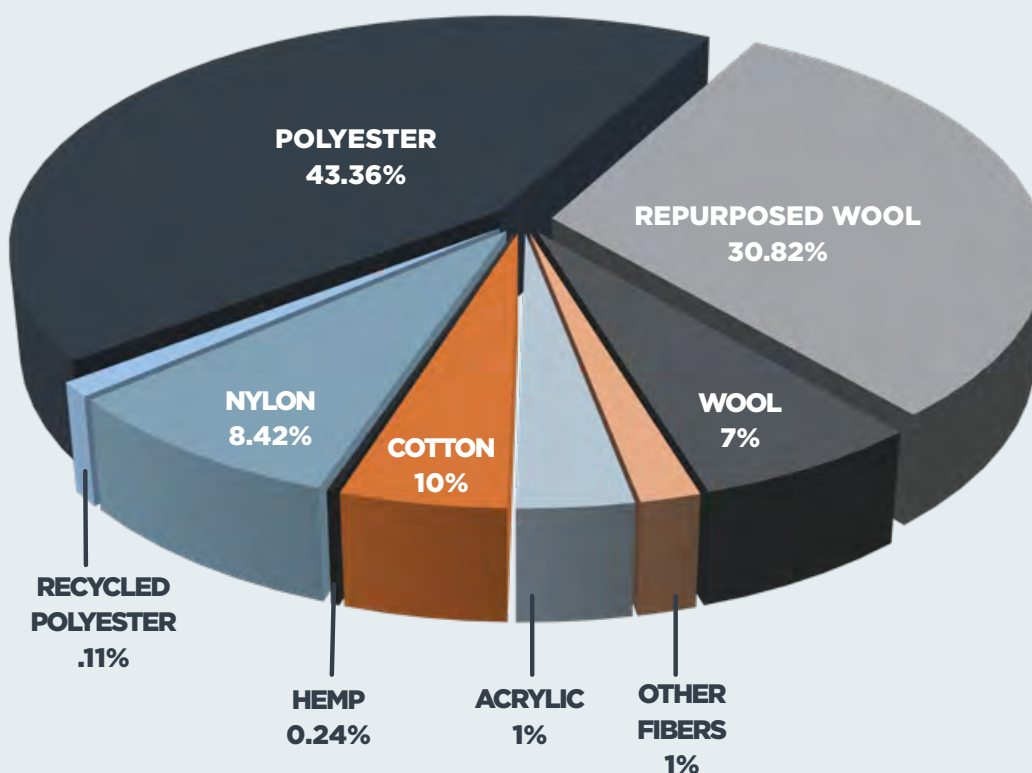


*\* Note on the above chart, we did not achieve our stated target of sourcing 100% of hides and leathers from Leather Working Group Certified tanneries. We faced increased demand for our Koolaburra by UGG® brand which led to a small percentage of factory-sourced materials that were not traced. In FY20, we are planning to further improve traceability and our target remains to source 100%.*

## ■ FY19 TEXTILE FIBER USAGE UPDATE

In FY19 we continued to measure total annual textile fiber usage at the organizational level and by individual brand in order to enable us to make changes to sourcing decisions in favor of more sustainable material alternatives. The most significant change seen was with the Teva brand which was using only 1% recycled polyester in FY18 compared to 12.69% in FY19. In FY20 we look forward to seeing the changes our brands continue to make in this space.

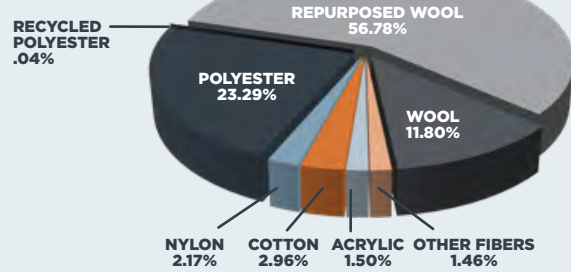
**DECKERS BRANDS TEXTILE FIBER USAGE FY19**



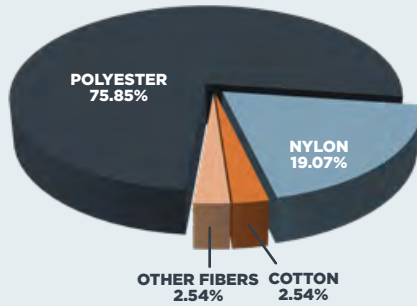


BRAND TEXTILE FIBER USAGE FY19

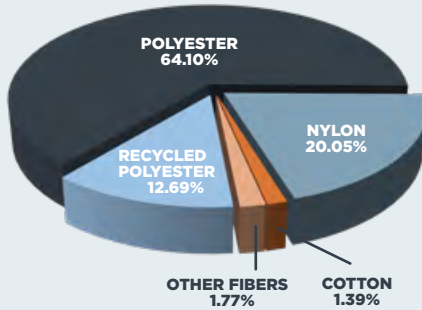
UGG



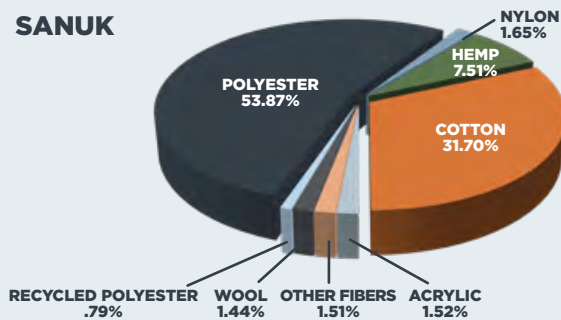
HOKA



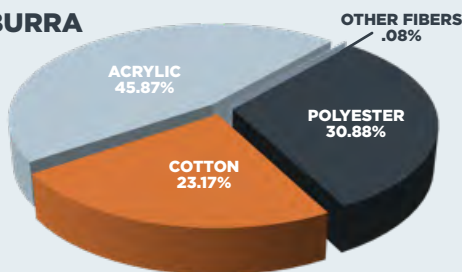
TEVA



SANUK



KOOLABURRA BY UGG



## ■ RESPONSIBLE MATERIALS

### BETTER COTTON

We are committed to seeking more sustainable alternatives for key materials. As part of our continued commitment to seek sustainable alternatives for key materials, this year, we partnered with the Better Cotton Initiative (BCI), which seeks to make cotton production better for the planet and the people who produce it. Sanuk—our largest consumer of cotton—signed the [Sourcing Network’s Turkmenistan and Uzbekistan](#) cotton pledges, committing to not source from these regions due to the risk of forced labor in the cotton sector.

### RESPONSIBLE REPURPOSED WOOL

Repurposed wool—used in our UGGpure proprietary technology—the largest material fiber used by UGG is comprised primarily of the wool shorn from hides we are already using, not from live animals. We are also a contributor to the [Responsible Wool Kick Start Program](#), which helps smaller farming operations become responsible-wool certified and get more certified wool into the supply chain quickly.

### RESPONSIBLE DOWN

We use a limited amount of down in our product lines. Our strict Ethical Sourcing and Animal Welfare Policy requires all down must be [Responsible Down Certified](#) which requires that down and feathers come from animals that have not been subjected to unnecessary harm.



### UNIFI® RECYCLED POLYESTER (RPET)

In FY19, we greatly increased our use of UNIFI® recycled polyester (rPET), most specifically within the Teva brand. UNIFI rPET is made from recycled plastic water bottles, which means it's a more sustainable material than virgin polyester. Increase use of UNIFI rPET will impact 1.2 million pairs of Teva shoes and over 66,000 kilograms of recycled polyester. We have made continued use of recycled polyester a corporate priority for the coming year.

### TENCEL™

In FY20, we intend to introduce Tencel™ into our UGGPlush™ products. Tencel™ is a cellulosic fiber of botanic origin. The fibers originate from wood, a renewable raw material.

### HEMP

Hemp is arguably one of the most sustainable materials available. It is fast growing, does not require pesticides to grow, uses very little water, and thrives in relatively small places. The Sanuk brand is proud to use hemp in some of its products.

### YULEX®

Yulex is the world leader in bringing non-sensitizing, high performing, 100% plant based, specialty natural rubber materials to brands and consumers. Yulex rubber is produced using environmentally and socially responsible manufacturing processes.

### VEGAN PRODUCT OFFERINGS

Consumers are increasingly seeking vegan footwear options to best fit their active lifestyles. Our performance lifestyle brands (Teva, Hoka, and Sanuk) all offer vegan-friendly options and we are actively working to ensure our consumers can easily identify our vegan product offerings on our websites. While we are working on website attributes, consumers may also inquire about whether a particular style is vegan by contacting us at the email address referenced at the end of this report.

## ■ MATERIALS AND PARTNERSHIPS

### **UNITED NATIONS GLOBAL COMPACT (UNGC)**

Launched in 2000 and currently including 9,500 participants, the UNGC is the largest corporate sustainability initiative. The UNGC aims to mobilize a global movement of sustainable companies and stakeholders to create a better world. The UNGC encourages companies to (1) conduct business responsibly by aligning their strategies and operations with ten principles on human rights, labor, environment and anti-corruption, and (2) take strategic action to advance broader societal and sustainable development goals, with an emphasis on collaboration and innovation. As a member of the UNGC, we are held accountable and must publicly file an annual Corporate Responsibility progress report. We believe this sets us apart from other companies of our scale and size. This partnership has also assisted us with a targeted approach to sustainability through adoption of our 7 by 2027 SDGs, as discussed above.

### **LEATHER WORKING GROUP**

The Leather Working Group is a multi-stakeholder group that aims to develop and maintain protocols that assess the environmental compliance and performance capabilities of leather manufacturers and to promote sustainable and appropriate environmental business practices within the leather industry. We have been proud members of the Leather Working Group for approximately 10 years. The Leather Working Group is comprised of member brands, retailers, product manufacturers, leather manufacturers, chemical suppliers, machinery suppliers, technical experts, and other service providers that work together to maintain environmental stewardship protocols specifically for the leather manufacturing industry. In FY19, 97% of our leathers came from Leather Working Group certified tanneries. This figure decreased slightly year-on-year from FY18 as one of our brands had to source from a non Leather working Group certified tannery due to high demand. We have improved controls and methods of remediation in place to ensure we meet our targets in the near future.

### **LEATHER WORKING GROUP'S ANIMAL WELFARE GROUP**

We are dedicated to animal welfare and ensuring traceability within our supply chain, in part through a partnerships with the Leather Working Group's Animal Welfare Group which prioritizes efforts around traceability, slaughter protocols, assurance schemes and risk mapping, as well as working to educate the leather value chain on animal welfare related issues.

### **BETTER COTTON INITIATIVE**

In FY19, we joined the Better Cotton Initiative which exists to make global cotton production better for the people who produce it, better for the environment it grows in, and better for the cotton industry's future by developing Better Cotton as a sustainable mainstream commodity.

### **RESPONSIBLE WOOL STANDARD**

We adhere to the Responsible Wool Standard which is a voluntary global standard that addresses the welfare of sheep and the land on which they live. The standard ensures that sheep are treated with respect to their **Five Freedoms** and also ensures best practices in the management and protection of the land on which the sheep live and graze.

### **RESPONSIBLE WOOL KICK START PROGRAM**

We also participate in the Responsible Wool Kick Start Program which helps smaller farming operations become responsible wool certified. This in turn enables the industry to have access to more certified responsible wool.

### **TEXTILE EXCHANGE RESPONSIBLE LEATHER ROUND TABLE**

We are members of the Textile Exchange Responsible Leather Round Table which seeks to advance responsibility and continuous improvement within the global leather value chain. The core focus of this Round Table is the development of a Responsible Leather Assessment Tool that aims to set a global benchmark for minimum best practices in the leather industry.

## ■ MATERIALS-RELATED RECOGNITION

### TEXTILE EXCHANGE PREFERRED FIBER AND MATERIALS LEADERBOARD: UGG AND TEVA

We were pleased to be included on the Textile Exchange Preferred Fiber and Materials Leaderboard for both UGG (Wool/Down) and Teva (UNIFI recycled polyester). Teva launched UNIFI recycled polyester webbing (made from plastic water bottles) in a significant portion of its product line, which reduces its consumption of virgin polyester. In FY18, Teva was using only 1.00% recycled polyester (rPET), with a significant increase to 12.69% in FY19. We expect to see additional gains in the coming year when Teva moves to UNIFI rPET in place of virgin polyester for all product polyester webbing. After reviewing materials from 111 participating companies, the Textile Exchange recognized UGG as the top user of preferred wool, and we were also included in the 100% club (e.g. those who have converted completely from conventional fibers) for responsible down.



## PACKAGING MATERIALS

### ■ LIFECYCLE ASSESSMENTS (LCA)

We approach sustainability holistically: from product design, to materials, to packaging. While our primary goal is to ensure that the product is protected until it reaches the end consumer, equally important are the goals of re-engineering to reduce excess material and utilizing more sustainable materials where possible. We made strides in these areas in FY19 with our packaging materials LCA.

Through this exercise, our brands were able to make some significant packaging improvements. UGG removed one piece of tissue paper per box (we went from two pieces to one piece), it switched shoes with a smaller profile to a one-piece box (instead of a two-piece box) thus reducing paper usage, and it reduced the paper weight of its brand booklets by 25%. Sanuk is actively working to significantly remove plastic hangers from our displays. These changes may seem small, but their overall impact is great. We are committed to continuing to improve overall product packaging wherever possible.

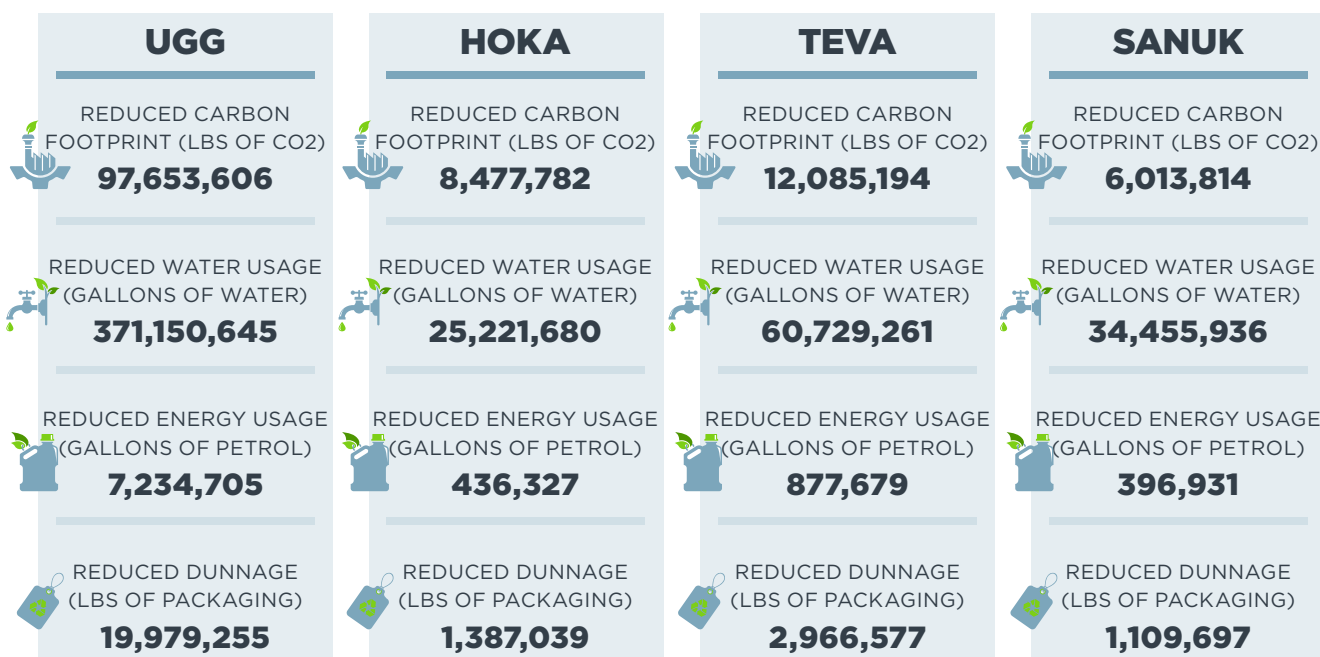
Designing and maintaining more sustainable packaging makes a large overall impact on the reduction of our environmental footprint, but equally important is educating consumers on proper package recycling.

In FY19, our PLG brands began adding language on our packaging reminding consumers to recycle the packaging in which their shoes arrived with the goal of encouraging consumers to think twice before simply discarding the materials in the trash.

## PACKAGING ENVIRONMENTAL SAVINGS BY BRAND

	FY17 Unit per Pair	FY18 Unit Per Pair	FY18 Total Pairs	FY18 Resources Saved	FY19 Unit Per Pair	FY19 Total Pairs	FY19 Resources Saved	ESTIMATION			Total Savings To Date (Aggregate)
								FY20 Unit Per Pair	Total Pairs	FY20 Resources Saved	
<b>UGG</b>											
Reduced Carbon Footprint (lbs of CO2)	4.13	3.08	24,361,599	25,582,834	2.75	24,007,431	7,735,231	2.50	24,007,431	6,178,485	39,496,550
Reduced Water Usage (gallons of Water)	27.65	24.69	24,361,599	72,149,897	22.37	24,007,431	55,677,837	20.48	24,007,431	45,443,107	173,270,840
Reduced Energy Usage (gallons of Petrol)	0.38	0.31	24,361,599	1,679,993	0.28	24,007,431	788,470	0.25	24,007,431	666,634	3,135,097
Reduced Contaminated Water (Gallons of Water)	0.78	0.85	24,361,599	(1,617,011)	0.78	24,007,431	1,748,213	0.72	24,007,431	1,426,409	1,557,611
Reduced Dunnage (lbs of Packaging)	1.39	1.24	24,361,599	3,744,703	1.11	24,007,431	3,117,496	1.00	24,007,431	2,619,035	9,481,234
<b>HOKA</b>											
Reduced Carbon Footprint (lbs of CO2)	2.73	2.07	3,076,829	2,021,206	2.01	4,344,141	276,840	1.96	4,344,141	195,457	2,493,504
Reduced Water Usage (gallons of Water)	17.27	15.65	3,076,829	4,979,220	15.12	4,344,141	2,330,251	14.77	4,344,141	1,521,749	8,831,219
Reduced Energy Usage (gallons of Petrol)	0.23	0.21	3,076,829	87,060	0.20	4,344,141	41,814	0.19	4,344,141	19,798	148,673
Reduced Contaminated Water (Gallons of Water)	0.50	0.53	3,076,829	(67,524)	0.50	4,344,141	114,393	0.49	4,344,141	43,675	90,544
Reduced Dunnage (lbs of Packaging)	0.93	0.86	3,076,829	225,891	0.80	4,344,141	228,285	0.79	4,344,141	66,713	520,888
<b>TEVA</b>											
Reduced Carbon Footprint (lbs of CO2)	2.19	1.44	5,070,531	3,814,388	1.40	4,754,682	207,671	1.25	4,754,682	701,892	4,723,951
Reduced Water Usage (gallons of Water)	14.90	11.25	5,070,531	18,499,154	10.91	4,754,682	1,609,080	10.00	4,754,682	4,318,304	24,426,538
Reduced Energy Usage (gallons of Petrol)	0.20	0.15	5,070,531	260,808	0.14	4,754,682	26,561	0.13	4,754,682	74,624	361,994
Reduced Contaminated Water (Gallons of Water)	0.48	0.40	5,070,531	387,781	0.40	4,754,682	31,683	0.37	4,754,682	135,655	555,119
Reduced Dunnage (lbs of Packaging)	0.79	0.62	5,070,531	850,680	0.60	4,754,682	92,441	0.53	4,754,682	335,636	1,278,756
<b>SANUK</b>											
Reduced Carbon Footprint (lbs of CO2)	1.07	0.73	4,970,182	1,684,479	0.62	4,742,586	505,277	0.62	4,979,715	(1,538)	2,188,219
Reduced Water Usage (gallons of Water)	7.84	6.26	4,970,182	7,843,450	5.15	4,742,586	5,285,481	5.06	4,979,715	434,473	13,563,405
Reduced Energy Usage (gallons of Petrol)	0.09	0.07	4,970,182	96,869	0.06	4,742,586	54,919	0.06	4,979,715	(2,012)	149,777
Reduced Contaminated Water (Gallons of Water)	0.30	0.27	4,970,182	149,970	0.21	4,742,586	278,030	0.20	4,979,715	33,026	461,025
Reduced Dunnage (lbs of Packaging)	0.33	0.27	4,970,182	264,743	0.24	4,742,586	168,858	0.24	4,979,715	(19,076)	414,526

Below shows what each brand has saved since 2017. UGG alone saved 371,150,645 gallons of water since FY17. If we had not moved forward with this program we would have used that much of the earth's already limited valuable resources.



## PACKAGING TARGETS

We continue to make strides towards reducing the environmental impact of our packaging materials by increasing our use of Forest Stewardship Council paper, and overall reduction in the use of plastic and paper, as well as efforts detailed below:

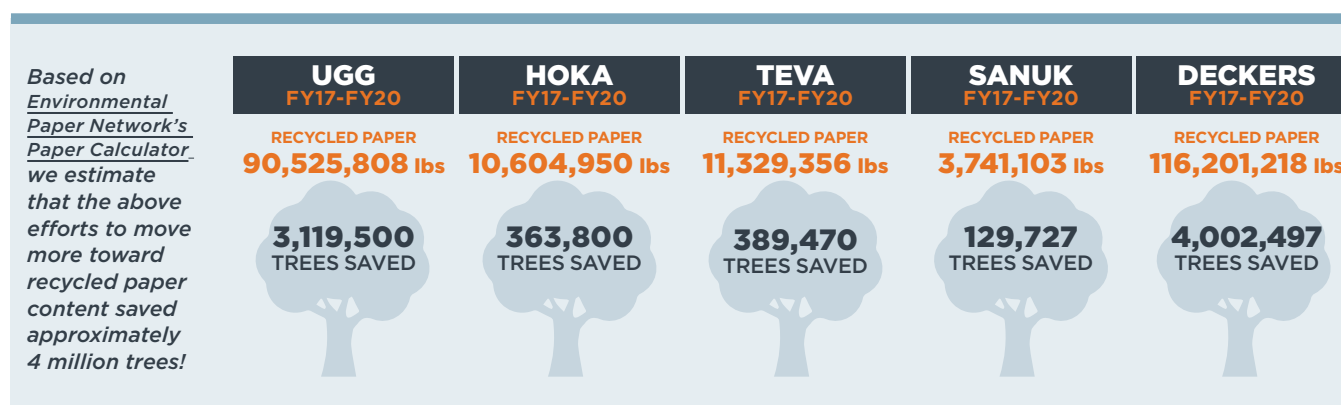
### FOREST STEWARDSHIP COUNCIL (FSC) CERTIFIED PAPER USAGE AND TARGETS

PAPER INPUT	2016	2017	2018	2019 TARGET	2020 TARGET
FSC PAPER	48.39%	50.15%	49.26%	57.14%	60.24%
Non-Certified	51.61%	49.85%	50.74%	42.86%	39.76%

Note, the Forest Stewardship Council is an independent, non-governmental, not-for-profit organization that was established to promote the responsible management of the world's forests. FSC certified paper is paper that has been harvested in a responsible way.

### PACKAGING INPUT

PAPER INPUT	PACKAGING INPUT						PACKAGING INPUT TARGETS			
	2016	2016 LBS	2017	2017 LBS	2018	2018 LBS	2019 TARGET	2019 LBS	2020 TARGET	2020 LBS
Post Consumer Waste	82.98%	23,026,813.70	79.09%	31,474,897.44	85.29%	32,220,614.40	86.28%	34,603,258.72	86.09%	31,127,624.28
Non-Certified	17.02%	4,722,663.62	20.91%	8,322,174.09	14.71%	5,557,560.56	13.72%	5,504,259.74	13.91%	5,031,463.80
<b>Total</b>	-	<b>27,749,477.32</b>	-	<b>39,797,071.52</b>	-	<b>37,778,174.96</b>	-	<b>40,107,518.46</b>	-	<b>36,159,088.08</b>



### PLASTIC PACKAGING INPUT

PLASTIC INPUT	PLASTIC PACKAGING INPUT						PLASTIC PACKAGING INPUT TARGETS			
	2016	2016 LBS	2017	2017 LBS	2018	2018 LBS	2019 TARGET	2019 LBS	2020 TARGET	2020 LBS
Post Consumer Waste	28.29%	172,995.33	41.10%	415,952.81	50.99%	469,372.23	52.46%	475,264.75	43.39%	322,124.94
Virgin Input	71.71%	438,430.34	58.90%	596,026.12	49.01%	451,177.37	47.54%	430,764.97	56.61%	420,221.45
<b>Total</b>	-	<b>611,425.67</b>	-	<b>1,011,978.93</b>	-	<b>920,549.60</b>	-	<b>906,029.71</b>	-	<b>742,346.39</b>

**PAPER PACKAGING LOSS IN PRODUCTION**

PAPER LOSS IN PRODUCTION	2016	2016 LBS	2017	2017 LBS	2018	2018 LBS	2019 TARGET	2019 LBS	2020 TARGET	2020 LBS
Closed Loop	5.27%	131,778.19	24.19%	833,288.17	25.55%	867,089.27	28.06%	1,164,539.90	22.16%	701,563.61
To Landfill	1.57%	39,345.82	1.80%	62,027.02	0.89%	30,203.97	0.71%	29,578.40	0.92%	29,015.88
Post Industrial Recycle	93.16%	2,331,768.33	74.00%	2,548,849.08	73.56%	2,496,649.40	71.23%	2,956,416.13	76.93%	2,435,809.29
<b>Total</b>	-	<b>2,502,892.34</b>	-	<b>3,444,164.27</b>	-	<b>3,393,942.64</b>	-	<b>4,150,534.43</b>	-	<b>3,166,388.78</b>

**PAPER PACKAGING LOSS IN PRODUCTION TARGETS****PLASTIC PACKAGING IN PRODUCTION**

PAPER LOSS IN PRODUCTION	2016	2016 LBS	2017	2017 LBS	2018	2018 LBS	2019 TARGET	2019 LBS	2020 TARGET	2020 LBS
Closed Loop	57.73%	27,894.18	78.68%	63,389.03	68.50%	46,227.52	69.05%	45,081.51	70.14%	43,761.08
To Landfill	8.38%	4,051.14	16.01%	12,899.59	11.90%	8,027.73	10.92%	7,131.54	11.35%	7,082.78
Post Industrial Recycle	33.89%	16,376.68	5.30%	4,273.38	19.61%	13,232.71	20.03%	13,079.33	18.51%	11,545.34
<b>Total</b>	-	<b>48,322.00</b>	-	<b>80,561.99</b>	-	<b>67,487.96</b>	-	<b>65,292.38</b>	-	<b>62,389.19</b>

**PLASTIC PACKAGING LOSS IN PRODUCTION TARGETS****PAPER PACKAGING END OF LIFE**

PAPER LOSS IN PRODUCTION	2016	2016 LBS	2017	2017 LBS	2018	2018 LBS	2019 TARGET	2019 LBS	2020 TARGET	2020 LBS
Available To Recycle	86.88%	21,995,143.69	89.07%	32,378,830.09	89.83%	30,719,820.36	90.23%	32,359,102.07	90.19%	29,644,129.76
Back to Landfill (loss in collection)	11.38%	2,880,589.60	10.21%	3,713,289.52	9.69%	3,312,130.99	9.34%	3,348,076.34	9.33%	3,068,129.58
Requires Disassemble/Dropoff	1.27%	322,384.79	0.13%	48,148.26	0.004%	1,515.51	71.23%	2,956,416.13	76.93%	2,435,809.29
To Landfill	0.46%	117,542.75	0.58%	212,639.39	0.47%	162,422.26	0.43%	155,478.35	0.47%	155,314.74
<b>Total</b>	-	<b>25,315,660.83</b>	-	<b>36,352,907.26</b>	-	<b>34,195,889.12</b>	-	<b>35,864,172.27</b>	-	<b>32,869,089.59</b>

**PAPER PACKAGING END OF LIFE TARGETS****PLASTIC PACKAGING END OF LIFE**

PAPER LOSS IN PRODUCTION	2016	2016 LBS	2017	2017 LBS	2018	2018 LBS	2019 TARGET	2019 LBS	2020 TARGET	2020 LBS
Available To Recycle	9.42%	53,062.60	18.50%	172,899.39	36.53%	310,238.05	36.51%	305,552.13	26.53%	196,225.10
Back to Landfill (loss in collection)	21.25%	119,647.38	19.11%	178,581.78	31.02%	263,452.25	30.72%	257,081.71	32.31%	238,971.75
Requires Disassemble/Dropoff	5.46%	30,731.68	10.30%	96,243.04	1.95%	16,585.05	2.06%	17,258.31	5.47%	40,492.37
To Landfill	63.87%	359,638.46	52.10%	486,911.13	30.49%	258,902.24	30.71%	257,010.13	35.69%	264,020.62
<b>Total</b>	-	<b>563,080.12</b>	-	<b>934,635.33</b>	-	-	-	<b>836,902.28</b>	-	<b>739,709.85</b>

**PLASTIC PACKAGING END OF LIFE TARGETS****PRODUCT MATERIALS LIFECYCLE ASSESSMENT**

In FY20, we will initiate a product material lifecycle assessment to better understand the environmental impact of our product materials. We intend to measure the waste output, water usage, electricity usage, and greenhouse gas and carbon emissions of our product materials. In FY20, we plan to expand our materials SDG to include further reduction targets. Our product materials lifecycle assessment will be a huge undertaking, and key area of focus for us in FY20. We cannot wait to see what it tells us about our product materials.

## BRAND-SPECIFIC SUSTAINABILITY EFFORTS

### ■ UGG

UGG believes in the empowerment of all people, the preservation of the planet, and crafting products that are made to last. Although UGG contributes to all of our '7 by 2027' SDGs it focuses on two: Reduced Inequalities (Gender Equality and Quality Education and Human Rights) and Responsible Consumption (Materials, Waste, and Climate and Clean Energy). UGG supports HERproject, which empowers women in its supply chain by providing them with valuable training in the area of personal health (family planning, mammograms, etc.). To date, UGG has empowered over 25,000 women with the intent to empower 100,000 by 2027. UGG believes in responsible consumption and protecting the Earth valuable resources. UGG uses leathers that are a byproduct of the meat industry. UGG will likely always use animal product in its offerings, but we can make a difference in supporting industry change and promoting animal welfare best practices. 100% of leathers used in UGG product is traceable back to the country of origin so we can ensure we are sourcing from those countries that value animal welfare. Additionally, all leather used in UGG products is Leather Working Group Certified, which means it meets certain protocols that promote sustainable and appropriate environmental business practices. UGG also supports the Better Cotton Initiative. The Better Cotton Initiative exists to make global cotton production better for the people who produce it, better for the environment it grows in, and better for the sector's future. UGG also has removed excess waste, reduced its water usage, and significantly decreased our carbon footprint in its packaging.







## ■ TEVA

Teva was born over thirty years ago in the Grand Canyon, and its roots are grounded in the outdoors. As such, Teva is committed to being a good corporate citizen and protecting our environment. In 2020, Teva intends to use UNIFI® REPREVE recycled polyester in 100% of its webbing. This material keeps plastic out of the waste system and waterways, offsets using new petroleum, emits fewer greenhouse gasses, and conserves water and energy when compared to virgin polyester. Teva, as noted above, has also removed excess waste, reduced our water usage, and significantly decreased our carbon footprint in its packaging. Additionally, all leather used in Teva products is Leather Working Group Certified, which means it meets certain protocols that promote sustainable and appropriate environmental business practices. Teva also supports the Better Cotton Initiative. The Better Cotton Initiative exists to make global cotton production better for the people who produce it, better for the environment it grows in, and better for the sector's future.



## ■ SANUK

Sanuk is committed to furthering its sustainability story through its long-term commitments showcased above as well as its adoption of more sustainable materials (BCI cotton, Hemp, etc.). Sanuk aims to create the most sustainable new product offering that it has ever done before. Thus, in FY19, Sanuk announced its utilization of **Yulex**® raw materials in three key parts of its shoe construction (rubber shell, neoprene collar, and rubber outsole). Sanuk has also identified long-term sustainability goals for its materials (utilizing more sustainable material alternatives), product packaging (reducing plastic usage), and supply chain partners (waste reduction). Sanuk proudly supports the Surfrider Foundation whose mission is to protect our oceans, waves and beaches. And, in FY20, Sanuk will support Brown Girl Surf a foundation whose mission is to build a more diverse, environmentally reverent, and joyful women's surf culture. Sanuk recognizes that sustainability is not an easy journey but it is committed to doing its part to reduce its overall environmental footprint.



# HUMAN RIGHTS



## HUMAN RIGHTS

(RELATES TO SDG 3, 4, 5, 10)

Embed Human Rights across our operations and supply chain. Positively impact the communities where we operate.

**DECKERS** SUSTAINABLE DEVELOPMENT GOALS **BY 2027**



*We value all members of our Deckers family! From our employees working at our corporate HQ, to our distribution center employees, to our retail store associates, and those working in our supply chain producing our products, we value and appreciate everyone. We embed human rights across our operations and supply chain and continue to positively impact the communities in which we operate.*



## PARTNER PERFORMANCE: AUDIT RANKINGS

We continue to elevate our ethical supply chain program and continue to be a leader in our industry. As with other efforts, we recognize that we are better when we work together. We actively seek opportunities to benchmark with other brands to improve our own program and ensure a healthy and safe working environment for factory workers producing our product. Our Ethical Supply Chain Supplier Code of Conduct is based off International Labor Organization Standards, and we have teams in both China and Vietnam who audit our T1 factory partners at least on an annual basis. Where we do not have local expertise, we work with programs like Better Work to advance issues of health and safety in our industry.

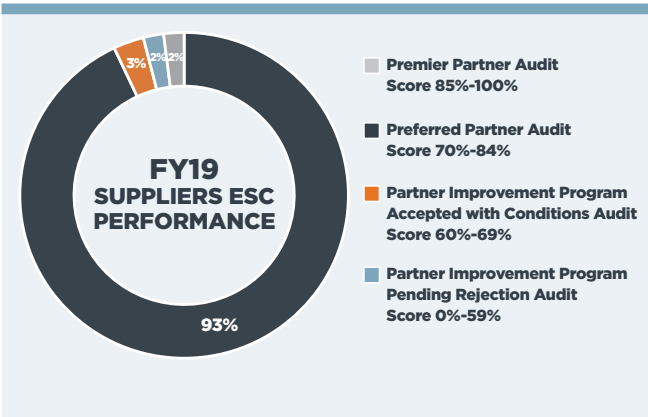
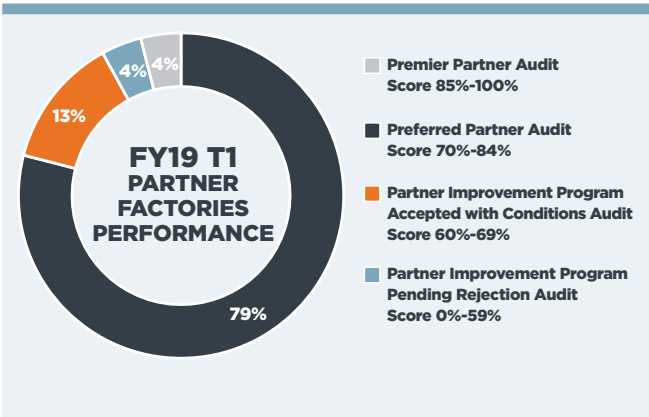
Our audit questionnaire consists of 230 yes/no questions, which helps to eliminate any personal bias. Our executive management team also meets periodically throughout the year to review the performance scorecards of our key partners.

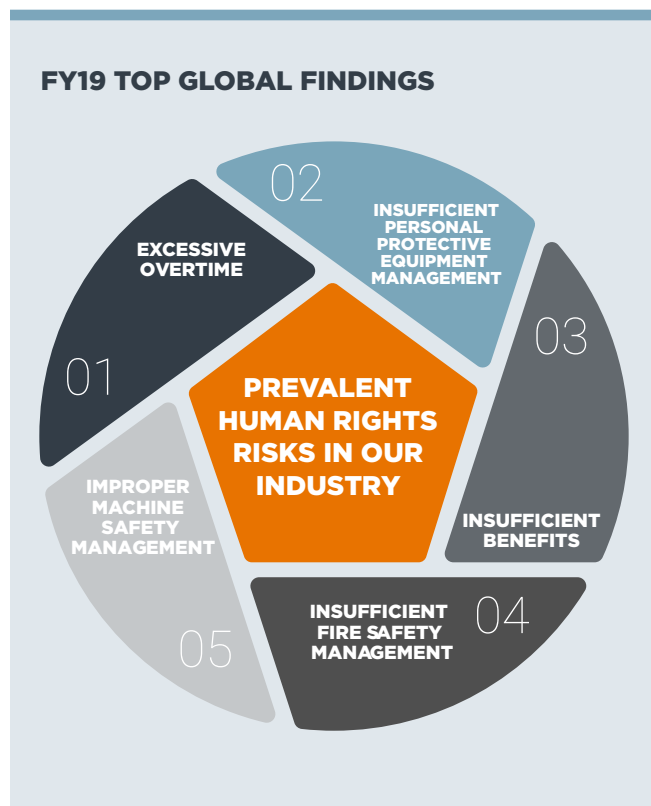
In FY19, we audited 100% of T1 partners, which included 32 onsite audits and 103 desktop assessments. We conduct desktop assessments primarily for our agent/licensee sourced suppliers due to location and business volume.

In FY19, 83% of factories' ESC performances were either Premier or Preferred Partners - meaning they received an audit score of either 85-100% or 70-84% - compared to 82% in these categories in FY18. And, only 4% of our T1 factory partners fell into our partner improvement program pending rejection category, compared to 7% last year.

Our Supplier performance also improved in FY19. A total of 95% of suppliers ESC performance were either Premier or Preferred Partners compared to 90% in FY18. Only 3% of our supplier partners fell into our Partner Improvement Program pending rejection category compared to 5% in FY18.

There is no doubt that these improved ratings are the result of our Ethical Supply Chain team's relentless efforts in driving our partners to get up to speed with our robust expectations.





## TOP FINDINGS OF NON-COMPLIANCE

Transparency is important to us, and we believe that it keeps us accountable to our employees, consumers, and stakeholders. Because of this, we have continued to monitor the top areas of non-compliance found when our auditors are performing their annual audits. Our results are very similar to what other footwear and apparel brands see. Namely, our most prevalent areas of noncompliance are excessive overtime (*which is dependent on timing of audit as well as challenges experienced during peak production*), Insufficient Personal Protective Equipment Management (*due to lack of understanding and opportunity for added education/training*), Insufficient Benefits, Insufficient Fire Safety Management, and Improper Machine Safety Management.

In China, which only sees approximately a quarter of our global manufacturing and is continuing to decrease, top findings of non-compliance include excessive overtime followed by insufficient benefits.

We believe that because Vietnam production is still relatively new for us, there is a general lack of understanding of expectation and opportunity for added education and training, which we will continue to focus on in FY20.

## SOCIAL RESPONSIBILITY COLLABORATION

There is always room to grow, benchmark our program, and improve in this space. Our Ethical Supply Chain Team networks and partners with the Apparel and Footwear Brands Collaboration Forum (AFBCF), third party organizations like better work and HERproject, and various other brands to ensure that we are maintaining a best in class ethical supply chain program. We love that in this space we are not competitors – instead we are working together to evolve the industry and make it better for everyone working in supply chains.



## ETHICAL SUPPLY CHAIN (ESC) TRAINING

In FY19, our Ethical Supply Chain team spent 268 hours providing our partners with training to continue to enhance our ESC program. The team held regional workshops and a huge summit with just under 100 attendees in June 2019. Our team recognizes that ongoing training and education are necessary to continue compliance with our expectations.

## HERPROJECT

In FY19, we extended HERproject trainings to an additional seven factories - four of which were located in Vietnam and three located in China. In total, an additional 13,500 persons received HERproject training in FY19. Since the inception of our relationship with HERproject in 2016, we have trained over 25,000 women. By 2027, we plan to enrich the lives of 100,000 women globally. In FY20, we aim to launch HERproject programs to an additional six key partners with the goal of being able to say that 95% of our key partners have received HERproject trainings! HERproject is an amazing organization and working together with them we have really seen first hand the impact that we are making in the lives of these women. We are empowering them to take more control over their own health and spread their knowledge to their colleagues, friends, and family members. We sponsor HERhealth which provides a vast range of training topics including general health related concerns, how to give yourself an in-home breast examination, family planning, and proper contraception. Although our numbers reflect the number of women who actually sat in these trainings, the number goes well beyond that. The program encourages the women to empower others that they know: from their children, to their peers, to their friends and neighbors. This domino effect is quite amazing. It truly is a powerful program and one that we are incredibly passionate about.





## HEALTH AND SAFETY

We care about our Deckers Family! Not only those working in our corporate offices globally but those who are working in our factories producing our product(s). As noted, we do not own our factories - much like many others in our industry. But we make sure that they are being managed in accordance with our expectations. In FY19, we continued to monitor the safety of the factory workers who produce our product(s). While we missed our FY18 targets outlined in our FY18 CR Report, we are still within industry standards and are striving to improve in FY20.

We saw a decrease in Lost Time Injury Rate while the Total Recordable Incident Rate remained flat. We have set a lofty goal for ourselves of reducing these rates by 15% overall by FY22 (*using FY18 as our starting point*). We plan on reaching this target through ongoing onsite audits and regular training. Creating a safe place to work is not only something we do for our corporate employees - factory workers are part of our extended Deckers Family which we work tirelessly to protect.

PERFORMANCE MEASURE	UNITS	FY18 PERFORMANCE	FY19 PERFORMANCE	FY22 GOAL
Lost Time Injury Rate (LTIR)*	Cases x 200,000/ total hours worked	0.39	0.36	Reduce by 15%
Total Recordable Incident Rate (TRIR)*	Cases x 200,000/ total hours worked	0.45	0.45	Reduce by 15%

\*Note: We used OSHA standards to get the above calculation following the following formulas:  
 1. TRIR=Number of OSHA Recordable Cases X 200,000/Number of Employee labor hours worked  
 2. LTIR= Number of DAFW Cases X 200,000/Number of Employee labor hours worked





# RESTRICTED SUBSTANCES (RS)



## CHEMICALS

(RELATES TO SDG 3, 6)

Achieve environmentally sound management of chemicals and reduce the discharge of hazardous chemicals among our key factory/supplier partners by 50% to minimize adverse impact on human health and the environment.



3 GOOD HEALTH AND WELL-BEING



Ensure healthy lives and promote well-being for all at all ages

6 CLEAN WATER AND SANITATION



Achieve universal and equitable access to safe, affordable drinking water and adequate sanitation and hygiene for all

*Deckers continues to monitor over 1,500 chemicals in its supply chain! We recognize and appreciate that we must work hard to ensure that our products are safe for our workers, consumers, and the environment. We regularly review our restricted substances policy to ensure we are abreast of all legal restrictions, ensure we are continuing to reduce and/or eliminate those chemicals which have an adverse impact on the environment, and provide ongoing training and monitoring of our partners so that they are aware of our stringent requirements.*



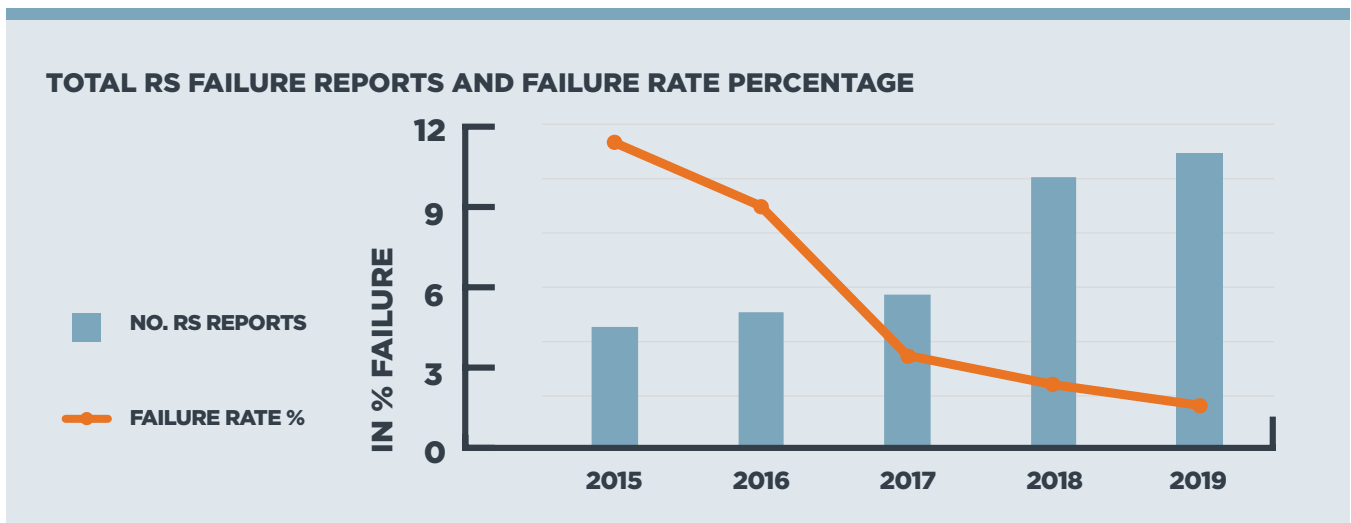
## RESTRICTED SUBSTANCES TRAINING

Our Restricted Substances team plays an integral role in the success of our restricted substances program. The team provides many hours of training so that our suppliers and manufacturing partners are armed with the information they need to create high quality products that are both safe and have a minimal impact on the environment. In FY19, our Restricted Substance’s team offered 369.5 hours to our supplier and manufacturer partners on various topics including our RS policy, corrective action plans, CPSIA, CA Proposition 65 compliance, and REACH.

## RESTRICTED SUBSTANCES TESTING FAILURE RATES

There is no doubt that this added training assisted in the decline of our restricted substances failure rate from 2.23 (in FY18) to 1.85 (in FY19). Our teams go beyond just monitoring. They truly work with our partners to ensure a higher level of understanding as is reflected in the below numbers.

	2014 2015 <small>(APRIL 2014- MARCH 2015)</small>	2015 2016 <small>(APRIL 2015- MARCH 2016)</small>	2016 2017 <small>(APRIL 2016- MARCH 2017)</small>	2016 2017 <small>(EXCLUDE AGENT'S REPORTS)</small>	2017 2018 <small>(APRIL 2017- MARCH 2018)</small>	2017 2018 <small>(EXCLUDE AGENT'S REPORTS)</small>	2018 2019 <small>(APRIL 2018- MARCH 2019)</small>	2018 2019 <small>(EXCLUDE AGENT'S REPORTS)</small>
# OF TOTAL REPORTS	1132	1268	1429	1380	2510	1838	2729	1780
# OF FAILURE REPORTS	128	114	50	32	60	41	45	33
FAILURE RATE %	11.31	8.99	3.50	2.32	2.40	2.23	1.65	1.85



## CHEMICALS/SUBSTANCES REDUCED OR ELIMINATED IN FY19

In FY19, our Restricted Substances team focused on high risk chemical controls and offered enough trainings to ensure that the materials could be improved. As a result, we have eliminated or significantly reduced the below chemicals.

### ■ PFOA AND PFOS

We have successfully eliminated all PFOA and PFOS as well as C8 based PFCs (*polyfluoroalkyl chemicals*) in our entire supply chain. In addition, we have significantly replaced more than 90% Fluorine containing chemicals (PFCs) with silicon-based water-proof, water-resistant, non-wicking and water-repellent chemicals. PFCs are organofluorine compounds containing fluorocarbons, which have typical C-F and C-C bonds. PFCs are used universally in water-proof or similar applications. However, PFCs, especially PFOA and PFOS, are highly environmentally persistent, and they are reported to cause serious effects in animal toxicity tests. Our ultimate goal is to completely eliminate PFCs from our supply chain by the year 2020 and we are confident that we will succeed in meeting this goal.

### ■ PHTHALATES

Restricted phthalates are reported to cause serious health issues. In a recent publication, most Americans were diagnosed to have **metabolites** of more than two phthalates in their system, phthalates that could cause cancers and/or birth defects. Deckers eliminated all twenty-two restricted phthalates from our products since 2018.

### ■ DIMETHYL FUMARATE

We have eliminated Dimethyl fumarate (DMFU) from our entire supplier chain. Dimethyl fumarate has been used widely as an anti-molding chemical in various products including furniture and footwear. However, DMFU can cause serious and acute allergies after prolonged skin contact. Deckers has eliminated DMFU and has committed to using the most environmentally friendly chemicals to prevent mold growths.

### ■ NITROSAMINES

All regulated nitrosamines have been eliminated from our supply chain. Nitrosamines can be found in rubber materials including synthetic rubber and natural rubber materials, and it has been reported by multiple media outlets that N-nitrosamines can cause cancers, especially liver cancer and gastric cancer.

### ■ VOLATILE ORGANIC COMPOUNDS (VOC)

While it is clear that we have significantly reduced the overall VOC consumption for our brands in general, we recognize that some of our brands showed a slight increase. This increase is due to style changes that necessitate the use of more solvent based adhesives, primers and/or cleaners, and certain process changes that lead to the use of additional cleaners. We intend to drive these reductions and anticipate overall reduced VOC consumptions for our brands.

BRAND/YEAR	2016	2017	2018	2019
UGG VOC (g)/pair	20	17	17	13.90
Sanuk VOC (g)/pair	-	18	15.2	17.30
Teva VOC (g)/pair	more than 45.0	39	20.4	17.20
Hoka VOC (g)/pair	-	25	14.5	15.26
Koolaburra VOC (g)/pair	-	-	17.1	11.47



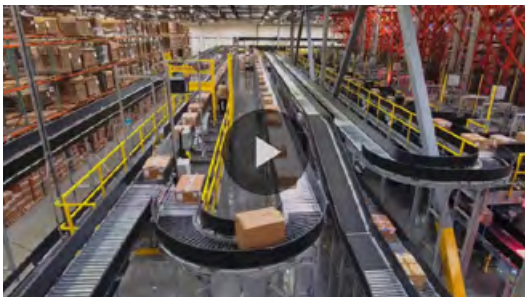
**E1 DECKERS CORPORATE RESPONSIBILITY**



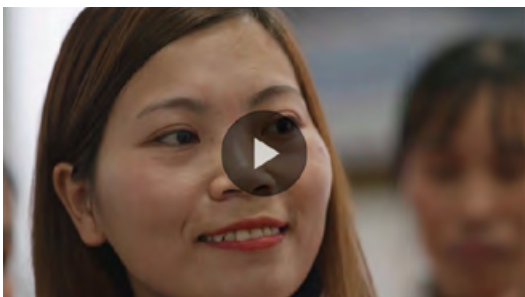
**E2 DECKERS GIVES**



**E3 A MATERIALS STORY**



**E4 DECKERS FACILITIES**



**E5 DECKERS ETHICAL SUPPLY CHAIN**

## CORPORATE RESPONSIBILITY VIDEOS

Something that we are striving to improve upon is our communication and how we can better get the word out about the great work we are doing in this space to all of our consumers, customers, and stakeholders. In FY19, we filmed a series of five corporate responsibility videos, which were a true labor of love.

While we would love for everyone to read our Corporate Responsibility Report, we recognize that some may want a high-level overview, which is what our videos intend to deliver. They are filmed to provide insight into various aspects of our program from a high-level introduction, to a deep dive in our materials efforts, to HQ/DC sustainability efforts, to Deckers Gives, and to our Ethical Supply Chain, and even to Restricted Substances.

We encourage all to view the linked videos found here: <http://www.deckers.com/responsibility>.

## MATERIALITY AND STAKEHOLDER ENGAGEMENT

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The content of this report was developed through a cross-functional developmental effort with consideration given to best practices for sustainability reporting. As part of the development of this report, all Sustainability Accounting Standards Board (SASB) Consumer Goods standards were considered: Management of Chemicals in Products, Environmental Impacts in the Supply Chain, Labor Conditions in the Supply Chain, and Raw Materials Sourcing.



Thank you for taking the time to read a bit more about our FY19 Corporate Responsibility Achievements. While FY19 was another great year for us, we recognize our program must continue to evolve and improve. In FY20 you will see a lot more from us by way of our materials lifecycle assessment, increased employee volunteer hours and engagement, and improved communication on our efforts in this ever-evolving space. We hope that you can see our continued commitment to corporate social responsibility. We know that we can continue to grow our business all while doing good in the communities we operate in, the factories we manufacturer in, and the planet we call home.



## REFERENCES

- [Sustainability Accounting Standards Board \(SASB\) Consumer Goods Sector Sustainability Accounting Standard](#)
- [Ethical Sourcing and Animal Welfare Policy](#)
- [Deckers Code of Ethics](#)
- [Deckers Environmental Policy](#)
- [Conflict Minerals Policy](#)
- [Ethical Supply Chain Supplier Code of Conduct](#)
- [Paper and Forest Procurement Policy](#)
- [Restricted Substances Packet](#)
- [Corporate Responsibility Videos](#)