

## Ethical Sourcing and Animal Welfare Policy

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### I. INTRODUCTION

At Deckers Brands (“Deckers”), we want to bring transparency to our supply chain. We want consumers to know about the materials and craftsmanship used to create our unique brands. This policy is a statement of our commitment to Ethical Sourcing and Animal Welfare. It guides Deckers, as well as our suppliers and manufacturers (collectively, “business partners”), to act responsibly when sourcing materials on behalf of Deckers.

### II. SCOPE

This policy applies to all suppliers who source materials on behalf of Deckers Brands including UGG<sup>®</sup>, HOKA ONE ONE<sup>®</sup>, Teva<sup>®</sup>, Sanuk<sup>®</sup>, and Koolaburra<sup>®</sup>.

### III. PERMITTED/PROHIBITED ANIMAL HIDES

#### A. Permitted Animal Hides

Deckers ONLY accepts Animal Hides that are a byproduct of the meat industry and are not raised exclusively for their pelts. This includes, but is not limited to:

- Cow (leather + hair-on hides)
- Sheep (leather + hair-on hides)
- Pig
- Goat
- Water Buffalo

#### B. Prohibited Animal Materials

- Fur or exotic leather from species not listed above. This includes, but is not limited to, fox, mink, raccoon dog, rabbit, vicuna, Astrakhan/karakul, python, kangaroo, crocodile, alligator or caiman.
- Angora or rabbit hair (*this restriction shall apply to Products manufactured after the Fall 2014 season*)
- Seal, Polar bear, leopard, ocelot, tiger, cheetah, jaguar, sable antelope, wolf (*Canis lupus*), zebra, whale, cobra, python, sea turtle, colobus monkey, kangaroo, vicuna, sea otter, free-roaming feral horse, dolphin or porpoise (*Delphinidae*), Spanish lynx, or elephant

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- Iguana, skink, caiman, hippopotamus, or a Teju, Ring, or Nile lizard
  - Endangered species, based on the Convention on International Trade in Endangered Species (CITES) (see [www.cites.org](http://www.cites.org) for a list of species) or the IUCN red list as Critically Endangered, Endangered or Vulnerable ([www.redlist.org](http://www.redlist.org)).
- C. All Animal Hides used in Deckers Brands products *must* originate from a Deckers approved tannery. For clarity, no Animal Hides shall be sourced outside of Deckers approved tanneries. This is a requirement for approved suppliers, factory-sourced suppliers, licensees and agents.

#### IV. SOUND ANIMAL HUSBANDRY AND MULESING

##### A. Sound Animal Husbandry

Suppliers must source animal hides from processors which use sound animal husbandry, humane animal treatment, and slaughtering practices. Deckers does not accept hides from animals that have been slaughtered exclusively for their pelts or skinned alive. We define sound husbandry as the internationally recognized Five Freedoms<sup>1</sup>.

- a. Freedom from hunger or thirst by ready access to fresh water and a diet to maintain full health and vigor;
- b. Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area;
- c. Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment;
- d. Freedom to express (most) normal behavior by providing sufficient space, proper facilities and company of the animal's own kind; and
- e. Freedom from fear and distress by ensuring conditions and treatment which avoid mental suffering.

**B. Mulesing:** Deckers does not support the practice of mulesing as a means of protecting sheep from flystrike. Deckers engages with Humane Society International to ensure we understand how to best support progress for sheep welfare in Australia. We do not source wool or sheepskin from mulesed sheep and support a shift away from mulesing by breeding flystrike resistant sheep. Deckers sources materials from flystrike-resistant non-mulesed sheep because it's a readily available alternative and supports woolgrowers who practice better sheep welfare. Further, our sheepskin and wool suppliers must certify that they do not supply any materials or products to Deckers

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<sup>1</sup> "The Five Freedoms", Royal Society for the Prevention of Cruelty to Animals, accessed December 2, 2015. <https://www.rspca.org.uk/servlet/Satellite?blobcol=urlblob&blobheader=application/pdf&blobkey=id&blobtable=RSPCABlob&blobwhere=1210683196122>

from sheep that have been mulesed and we will only accept Merino wool from Australia that is from a certified non-mulesed or ceased-mulesed source to encourage an industry-wide transition away from this practice. The UGG® Animal Welfare FAQ details Deckers' sheepskin sourcing practices and can be found at the following link: <https://www.ugg.com/animal-welfare.html>.

## V. ALPACA

As of the Fall 2023 season we will no longer use Alpaca in Deckers Brands products.

## VI. RESPONSIBLE COTTON

As of FY20, less than 15% of Deckers Brands overall textile fiber usage is cotton. Regardless, Deckers Brands understands the importance of sourcing cotton produced in a way that is better for the people who produce it and the environment in which it grows.

Approved suppliers, factory-sourced suppliers, licensees and agents must not source from countries or locations which support forced labor (*including manufacturing facilities and textile mills*).

Cotton used in Deckers Brands products shall be sourced via a responsible cotton scheme.

## VII. RESPONSIBLE DOWN

All down used in Deckers branded products is certified in accordance with the Responsible Down Standard: <http://responsibledown.org/>. Deckers believes that the welfare of the birds should be respected at all times. As such, Deckers strictly prohibits the practice of live-plucking or force feeding.

## VIII. RESPONSIBLE WOOL

The wool used in our products is almost entirely repurposed. We use the wool that comes off the hide used to make our sheepskin products – a live animal is not being sheared. Our goal is to eliminate virgin wool through the increased use of repurposed wool, and aim to ensure that any virgin wool used in Deckers products is [Responsible Wool Standard](#) certified by 2022.

## IX. OTHER PROHIBITED MATERIALS

In addition to the prohibited animal hides mentioned above, we also prohibit the following: *Generic rayon, generic viscose, virgin wool (non-certifiable), silk, cellulose acetate, virgin cashmere, conventional cotton, lyocell (generic), modal (generic), leather (non-certified), sheepskin (non-certified), bamboo viscose, bamboo rayon.*

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## X. DEFORESTATION

All tanneries supplying finished leather (*cattle hides*) to Deckers originating from Brazil are required to provide a Leather Working Group audit report demonstrating for this country of origin a 100% traceability to the processing facility, including the date of processing. The tannery must also obtain a certificate from the respective processing facility attesting they have a monitoring system in place to ensure the cattle is not sourced from farms with deforested areas, involved in rural conflicts, with labor analogous to slavery or invasion of indigenous and protected areas.

## XI. HUMAN RIGHTS

Deckers Brands has strict requirements in our [Ethical Supply Chain Supplier Code of Conduct](#) prohibiting any form of child labor or forced labor whether in the form of prison labor, indentured labor, bonded labor, human trafficking or otherwise.

## XII. RESPONSIBILITIES OF DECKERS BUSINESS PARTNERS

- A. Annual Certification:** On an annual basis, Deckers business partners must certify their compliance with all applicable policies (*including this Animal Welfare Policy*).
- B. Source Origin and Traceability:** Suppliers must be able to trace raw hides back to its country of origin and provide source origin documentation upon request. Deckers does not accept sheepskin sourced from countries in the Middle East and North Africa. Deckers does not support the practice of transporting live animals overseas.
- C. Labeling:** All Animal Hides must adhere to product labeling requirements including, but not limited to, the Fur Products Labeling Act and the Wool Products Labeling Act.
- D. Legislation:** Suppliers must comply with all applicable global legislation which applies to animal hides.
- E. Trade Regulation:** Suppliers must comply with country specific import/trade regulations which apply to animal hides. Where applicable, products made with animal hides will be accompanied by the appropriate export certificate.

## XIII. DECKERS ETHICAL SOURCING AND ANIMAL WELFARE GOVERNANCE

Deckers Materials Purchasing department is responsible for ensuring our business partners and our employees are fully compliant with this Policy.

## XIV. INDUSTRY COLLABORATION

### A. United Nations Global Compact

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Deckers has been a member of the United Nations Global Compact (“UNGC”) since 2016. The UNGC is the world’s largest voluntary corporate citizenship initiative with over 8,000 participating companies.

**B. Textile Exchange’s Kickstart Program**

Deckers joined the Textile Exchange’s Kickstart Program in FY18 in order to bring smaller farm operations into the Responsible Wool Standard initiative and increase the availability of certified wool in supply chains.

**C. Responsible Wool Standard International Working Group, Textile Exchange Working Group**

Deckers is a founding member of the Responsible Wool Standard International Working Group. In 2015, Deckers joined other brands, animal welfare groups, farmers and supply chain members and the Textile Exchange to develop the Responsible Wool Standard – a global standard that protects animal welfare, influences best practices, ensures traceability, and ultimately gives consumers clear and trustworthy information to guide their buying preferences.

**D. Leather Working Group**

Deckers is a member of the Leather Working Group (“LWG”), an industry organization that developed and maintains a rating system and certification program for environmental performance in tanneries. 100% of all leather used in Deckers products will be sourced from a LWG certified tannery by 2022.

**E. Leather Working Group’s Animal Welfare Group**

The primary objective of the Animal Welfare group is the education of the leather value chain on the long and short of animal welfare. This group prioritizes their efforts around traceability, slaughter protocols, assurance schemes and risk mapping.

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