

2014 Corporate Responsibility Report



“We believe in good business, the kind that helps our community and our environment, and inspires everyone.”

– Angel Martinez



A Message from the CEO

It's been four decades since Deckers was started as a sandal brand by a couple of enterprising young surfers attending college in Southern California. At that time, it would have been nearly unimaginable to think that this sandal brand would grow into a billion dollar business selling in over 50 countries. Although we've grown into a global company selling products loved by millions, we've never lost sight of the things that make us who we are. It's true that Deckers is a shoe company, but for us, Deckers is about more than just making shoes.



Each of our brands began as a response from passionate people looking to do things in a better way, whether they were surfers, white-water rafters, chefs, runners, or outdoor enthusiasts. Our brands represent a better way to do what our consumers love, because enthusiastic pioneers designed a shoe out of their understanding that they could pursue their passions with even more zeal if they had better footwear. Their innovation, and Deckers continued innovation, is what allows us to be successful in developing the best products in the marketplace for these people.

We wouldn't be where we are today without our unique company culture. Early on, Deckers created a strong foundation, built upon shared values and hard work. These values, which we call The Deckers Way, form the basis of our culture. It is how we want the world to see us, and our dedicated and inspired employees exemplify the Deckers Way. They share their time, talents, and financial resources to make their communities better places to live. The Deckers Way is what guides us every day.

And lastly, Deckers believes in doing the right thing for the environment, for the people making our products, and for our communities. Because it is so important for the company, we have built an entire Corporate Responsibility program around this philosophy. Since I've seen firsthand how companies can both make a positive difference in the lives of individuals and can affect communities in great ways, this philosophy is also very important to me personally. Although we all have different histories and personal experiences, I know that all Deckers employees share in my belief that we must do the right thing as a company, and in doing so, we will make the world a better place. In the pages that follow, we will share the story of our Corporate Responsibility Program, illustrating how our passion and our culture allow us to pursue our goal of making the world a better place. We'll also share some of the innovative approaches we're taking to drive sustainable outcomes among the people, processes, and communities we touch.

Sincerely,

A handwritten signature in black ink, reading "Angel Martinez". The signature is fluid and cursive, with a long, sweeping underline.

Angel Martinez – Chairman, CEO and President

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Introduction

■ About the Report

Deckers started the Corporate Responsibility program in 2010 and we're excited to publish our first official Corporate Responsibility Report. This report was written following the Global Reporting Initiative's (GRI) G4 Guidelines. We are still in the early stages of developing our Corporate Responsibility program and we recognize that we still have a long path ahead of us. Data collection, while critical for any Corporate Responsibility Report, is challenging; however, we want to share the information that we have and hope that you'll be patient as we work hard to collect more.

This Corporate Responsibility Report represents our conviction that an open dialogue with our stakeholders is paramount. We look forward to updating you on our progress in the year ahead, and we welcome your suggestions for making our Corporate Responsibility Program even better.



Introduction

■ Deckers Way Culture

When Deckers began as a company, the idea of a Deckers Family just worked. The company was small enough that everyone knew everyone else. And they knew their coworkers' families too. And their extended families. However, now 40 years later, Deckers is a much different company. We have over 2,300 employees spread throughout the world. We sell into over 50 countries, and Deckers stock is publicly traded on NYSE. We own seven unique brands, each with its own distinct product, consumers, and culture. However, even with this impressive growth, we are still a family: The Deckers Family. Like any family, ours requires hard work to maintain strong family ties. The thing that connects this diverse group of people is that we share a common set of values, a set of values that we call The Deckers Way.



■ Deckers Way Core Values

- Trust
- Humility
- Cooperation & Collaboration
- Fun
- Family First
- Customer Focus
- Community
- Accountability
- Exceptional Service
- Continuous Improvement
- Innovation
- Celebration

It's the glue that binds us together. Even though we are many teams, spread throughout the world, the Deckers Way ensures that we feel and act like a family.

■ Deckers Corporate Responsibility

Deckers Corporate Responsibility was born out of our Deckers Way culture. It was born out of our shared dedication to treating each other with respect and dignity. That concern for each other permeates the doors of Deckers, spreading through the local community and across the world at large. Deckers is composed of passionate, altruistic people who care about doing the right thing for people and for the environment.

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The establishment of a Corporate Responsibility Department in 2010 formalized corporate responsibility as a core part of the company, institutionalizing corporate responsibility across the business.

One of the first things we did as a department was to develop a Mission and Vision. This helped us clearly define what Corporate Responsibility means to the company.

Deckers Corporate Responsibility Vision: We want to make a difference in our communities and the environment by integrating a culture of Corporate Responsibility into the Deckers Way and all elements of the business.

Deckers Corporate Responsibility Mission: Our mission is to promote good business, business that is mindful of its responsibility to communities, protects our environment and inspires our employees and future generations.

■ Deckers Corporate Responsibilities Strategic Framework



Continuously working to improve our Corporate Responsibility, we have been focused on establishing goals and metrics to measure our success, and then communicating our work to both employees and the outside world. This report is part of our efforts to be transparent and to hold ourselves accountable. Accountability, collaboration, community – these are all key pieces of the Deckers Way. They are also vital to our work in Corporate Responsibility. We hope that you will see these themes throughout this report.

Introduction

■ Materiality Assessment

We recognize the need to improve our sustainable efforts through partnerships, collaboration, and through our adoption of tools to measure our efforts. This will help us become more transparent and more accountable. Another important part of developing a successful Corporate Responsibility program is to ask key stakeholders what they think is important for Deckers to focus its Corporate Responsibility efforts on.

To learn more about how we could improve, Deckers collaborated with Ceres. Ceres is a nonprofit organization that advises businesses on how to build robust Corporate Responsibility programs. Ceres helped Deckers by facilitating a stakeholder session with representatives from academia, the investment community, non-governmental organizations (NGOs), and fellow businesses.



■ The session included the following organizations

Calvert Investments, Ceres, Conservation Alliance, Conservation International, Good Guide, Harvard University, Mountain Equipment Co-Op, Pax World Funds, UC Santa Barbara, Verite

This session provided Deckers with valuable guidance to improve our Corporate Responsibility program, including the following:

- The need to clarify the Corporate Responsibility vision
- The critical step of building the business case for sustainability
- The importance of integrating sustainability into the business
- The need to develop and prioritize Key Performance Indicators (KPIs) and goals
- The need for transparency through reporting to the GRI standard



Ceres also helped Deckers work through the Global Reporting Initiative (GRI) sustainability reporting protocol in order to identify the material aspects and indicators to report on. The aspects we identified are: Materials, Energy, Water and Supplier Assessment for Labor Practices.

Introduction

We receive suggestions and recommendations about what we should prioritize from many different stakeholders, both internal and external. Some of this feedback is formal, through sessions like the Ceres engagement mentioned above, and information from industry groups such as the Outdoor Industry Association's Sustainability Working Group, the American Apparel and Footwear Association's Environmental Committee and the Leather Working Group. We also receive a lot of informal information from internal stakeholders including our Brands, our Materials Team, and many others. We work with the internal Corporate Responsibility Committee to review the feedback and then prioritize our efforts and strategize for the future. Our Corporate Responsibility Committee has members from across our brands and functional groups.

■ Corporate Responsibility Governance

Corporate Responsibility issues within our Strategic Framework are handled directly by the Corporate Responsibility Department, which reports directly to the Chief Operating Officer. We work with many people throughout the organization on different projects and initiatives throughout the course of the year. We do our best to prevent serious issues from occurring in the first place. However, when issues do arise, an internal steering committee is convened immediately. The exact membership of this group varies based on the nature of the issue, but the group nearly always includes the Director of Corporate Responsibility, the Chief Executive Officer, the General Counsel, the Compliance Officer, and the Senior Vice President of the Supply Chain. The Chief Executive Officer brings issues to the Board of Directors, as appropriate.

■ Code of Ethics

At the heart of Deckers is a value system, called the Deckers Way, which represents the overarching beliefs that guide the way we do business,



Introduction

including our commitments to transparent corporate governance, high ethical conduct, and strong stakeholder relations. Deckers is a company that lives by the belief that what is right for our community and environment is what is right for our business and shareholders.

We have a Code of Ethics that guides employees on ethical conduct. We also have a confidential line that employees can call to report any Code of Ethics violations. The Deckers L.A.C.E.S. Team is part of the Deckers Compliance function. L.A.C.E.S. stands for Leaders in Accountability through Compliance, Empowerment and Support. It supports employees by implementing training programs and policies which help to maintain an ethical work environment. It seeks to empower our employees to continue making good choices. The L.A.C.E.S. Team is managed by the Legal Department and is supported by Internal Audit, Human Resources, and our employees. For more on our Corporate Governance, please visit the Corporate Governance section of our website:

<http://www.deckers.com/investors/corporate-governance>.

■ Corporate Responsibility Dashboard

We use the KPI's in this dashboard to measure our progress.

Category	Vision	KPIs
Factory Facilities	To reduce negative environmental impacts	Percent of Tier 1 factories reporting energy data
Fair & Safe Factories	To protect workers' rights	<ul style="list-style-type: none">• Percent of T1 factories audited (# of audited T1 facilities / # of total T1 facilities)• Percent of T1 factories audited with ESC acceptable scores (70 or higher)• Percent of T1 factories with representatives attending ESC Trainings
Deckers HQ Buildings	To minimize our environmental footprint	<ul style="list-style-type: none">• Alternative Commute• Landfill diversion rate
Product/ Materials	To ensure that leather is produced responsibly	<ul style="list-style-type: none">• Percent of hides from Leather Working Group certified tanneries
Deckers Goods	To foster community conscious employees	<ul style="list-style-type: none">• Total hours volunteered by office employees• Participation rate

Fair and Safe Factories



Fair and Safe Factories

■ Key Accomplishments in 2013

- Completed an (Ethical Supply Chain) audit pilot by an independent third party
- Hosted ESC trainings in new regions (Northern China, Vietnam)

For many large companies in industrialized countries, the best way to compete in the marketplace is to find the lowest-wage workers in the world, to set up manufacturing in those countries, and then to benefit from the margin produced by that labor. Oftentimes, these low-wage workers are forced to work in overcrowded factories where health and safety are of secondary concern to efficiency and profit. This is a reality. And it is up to each company to decide how it will conduct its own business. By choosing to manufacture products in developing countries, companies benefit from lower wages; however, there are risks around labor rights and worker health and safety. Because of this, companies must spend more money to ensure that workers are treated fairly and safely.

At Deckers, we realize that there is a stark difference between working conditions in America versus working conditions in developing countries. For a company that prides itself on how

it treats its employees, ensuring that our factories are safe and fair is the right thing to do. But Deckers, like many other footwear and apparel companies, faces a complex challenge: we don't own our supply chain factories. Instead, our products are manufactured by independent factories and our factories purchase materials from independent material suppliers. Although the factory workers do not work for Deckers, we still care about improving the working conditions in the factories. We take the treatment of workers in our supply chain very seriously.



Fair and Safe Factories

■ Ethical Supply Chain Compliance Program

Deckers Brands respects internationally recognized human rights and environmental standards and places them at the core of our business practices. We believe that no business should ever be complicit in human rights abuses. We promote greater environmental responsibility and we encourage the development and use of environmentally friendly technologies.

■ Supplier Code of Conduct

Manufacturing products overseas introduces many complexities, including significant compliance risks around workers rights. To ensure that workers are treated fairly and to prevent unintentional use of underage workers or forced laborers, we communicate our ethical supply chain expectations to our supply chain partners through our Deckers Supplier Code of Conduct (available online at www.deckers.com). This document, developed for our Supply Chain partners in 2008, ensures that our values are maintained throughout the entire supply chain. The Deckers Supplier Code of Conduct explains our requirements and expectations around the treatment of workers. Unless factories agree to abide by our Supplier Code of Conduct, we will not work with them. The Supplier Code of Conduct includes statements concerning the following issues:



- Forced Labor
- Child Labor
- Wages and Benefits
- Hours of Work
- Non-discrimination
- Harassment or abuse
- Freedom of association/collective bargaining
- Health and Safety
- Environment
- Assessments and Monitoring

Fair and Safe Factories

Our Supplier Code of Conduct was developed based on international guidelines, and we do regular benchmarking exercises, in addition to working with industry organizations, to ensure that our program and standards align with the rest of the industry. By collaborating with others in the industry around workers' rights, we have a louder voice that can help us all effect change more quickly.

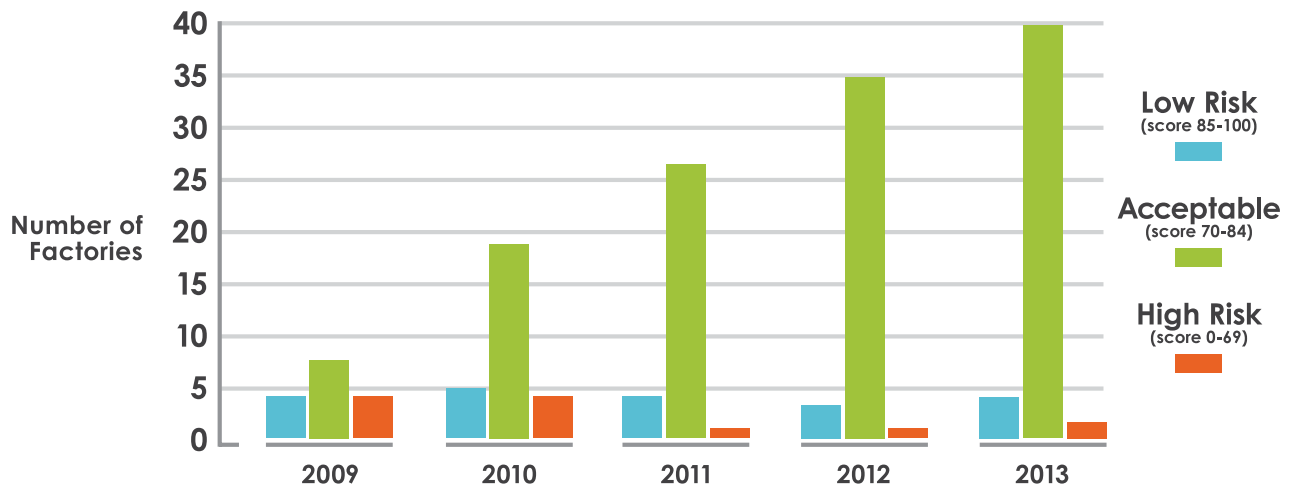
■ Ethical Supply Chain Audit

Having our suppliers sign a document is not enough to make sure that our suppliers follow our Supplier Code of Conduct. In order to ensure compliance, we conduct annual audits in our footwear manufacturing facilities and for many of our key material suppliers. We have an Ethical Supply Chain (ESC) team based in China that visits each factory. During each audit this team walks the entire facility to look for safety issues, team members conduct interviews with workers, they examine factory records, and they speak with the factory management teams. Each time our ESC team visits a facility, team members use a standard ESC audit document that was based on global human rights standards.

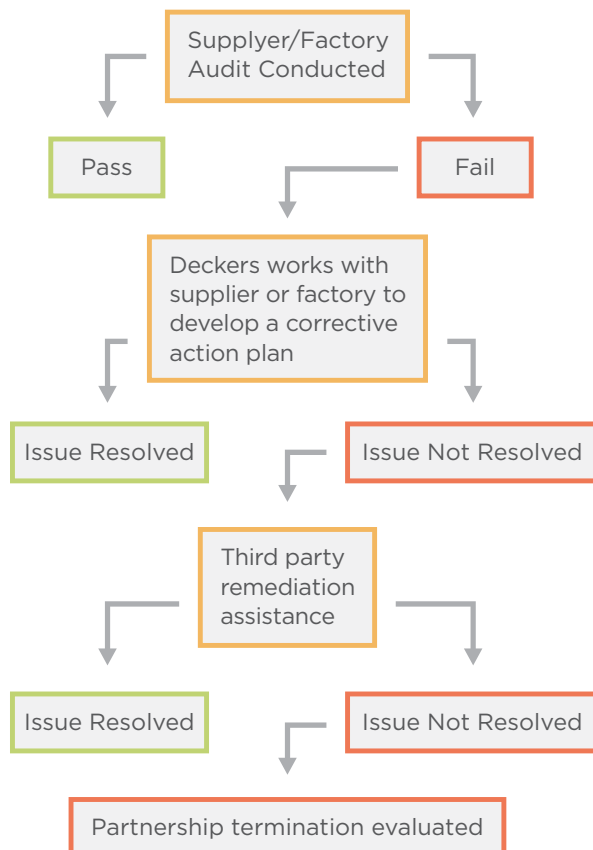


Fair and Safe Factories

■ ESC Audit Results (2009 – 2013)



Corrective Action Process



When issues are discovered, our team works with the factory to resolve the problem. We typically use a technique called Root Cause Analysis, or RCA. This helps us identify the underlying cause of the problem, not just the symptoms.

In order to pass the ESC audit, a factory must achieve a score of 70 or higher. The factory must also pass all of our “zero tolerance” issues, which include the following: forced labor, child labor, wages and benefits, harassment or abuse, freedom of association, health and safety, hazardous waste disposal, denied access, and falsification of records.

Corrective Action Process

Any factory that does not pass the ESC audit is immediately subject to greater scrutiny, and will be required to follow the process detailed in the chart.

Fair and Safe Factories

The factory will be required to develop a corrective action plan for each issue, which must be approved by the Deckers ESC team. The timeline in the corrective action plan varies based on the nature and severity of the issues, but zero tolerance issues must be remediated in a short period of time. If the problem is not resolved according to the demands of the action plan, an independent third party will be brought in to help with the remediation. If a factory does resolve the issues within the specified period of time, Deckers will terminate the partnership.



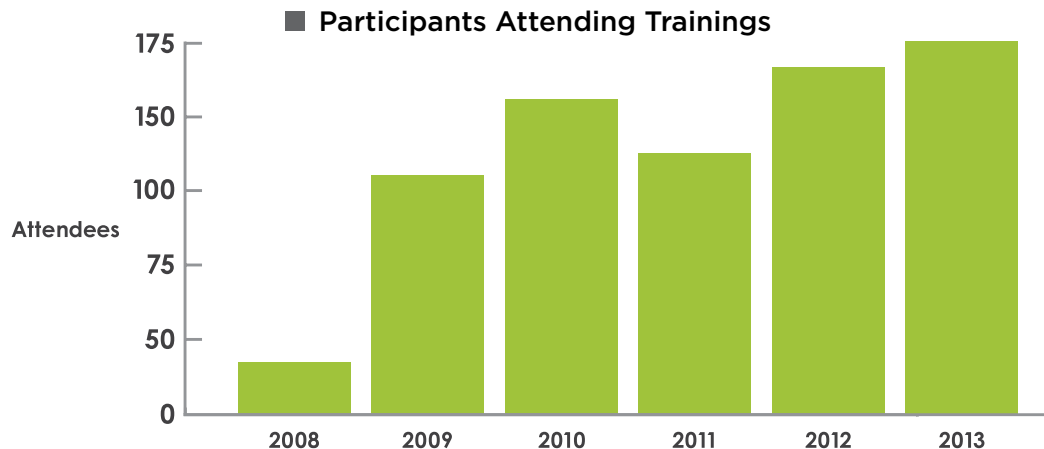
■ Capability Building Training

Despite the effectiveness of ESC audits, auditing alone will not solve all of the problems. In the Supply Chain, continuous improvement (an important tenet of the Deckers Way) is critical. Deckers invests heavily in capability building training within our supply chain. After each factory visit, we conduct informal ESC trainings to address the areas of improvement specific to each facility. We also hold an annual ESC Summit, which we invite managers and Corporate Responsibility representatives from all of our Supply Chain partners to attend. These summit events allow us to offer training on key issues and a venue for our supply chain partners to discuss and share best practices.

For example, a challenge facing many of our factories in 2013 was recruiting and retaining workers. Through a series of discussions with factory managers, we realized that many of our factories lacked strong supervisors with management and communication skills. This led to many conflicts between supervisors and workers. To address this concern, our ESC team developed a presentation and engagement session with suppliers to educate them on basic management principles. For example, one of the topics taught was that people have different ways of working and communicating, and management styles must be adapted to develop these different personality types.

Fair and Safe Factories

We're proud of how many people we have trained on our ESC principles (please see graphic below).



As our supply chain becomes more geographically diverse, we are adding smaller training sessions in other regions such as northern China and Vietnam.



■ **Inside Perspective: Doug Cahn, President - The Cahn Group**

Doug Cahn is a Corporate Responsibility consultant who focuses on human rights. Before starting his own consulting firm, Doug worked for Reebok, where he developed and managed the Reebok Human Rights Production Standards, the first program of its type in the footwear industry. In 2008, Doug helped start Deckers Ethical Supply Chain program, which eventually grew into the Deckers Corporate Responsibility program. We asked Doug, what do you think of Deckers' Corporate Responsibility program, and what are Deckers' challenges moving forward?

Partnership: Deckers has a strong culture that is nurtured by CEO Angel Martinez, an industry veteran whose keen understanding of branding and personal commitment to human rights is well known. Deckers put together a cross-functional team to create, advise, and help implement social, environmental and community goals. The team serves as ambassadors within the company, providing the important role of populating information about the program broadly within the organization. As a result, employees increasingly embrace the company's social responsibility and human rights initiatives.

Challenge: As the company continues its work to meet the increasing demands of stakeholders, maintaining its strong talent, supportive culture and inspired leadership will be critical factors for success.

Fair and Safe Factories

■ Transparency

In an effort to become more transparent about our Supply Chain, we have published a list of our factories. It is available at: www.deckers.com.

■ Next Steps

We are proud of the work that we have done in our Supply Chain to ensure that our workers are treated well; however, we are far from perfect. We still have many challenges and much work ahead of us. We will continue to work with our supply chain partners to improve their scores and to spread our message to their respective supply-chain partners. Our long term goal is to have our suppliers incorporate our ESC Code of Conduct into their own management systems. And as we move into other regions, the changing supply chain will continue to present challenges to us. Each region has different material issues, and we will strive to remain conscious of these differences.

We will also continue our capability building trainings. As our suppliers better understand and then incorporate our Code of Conduct into their practices, we encourage them to train their own suppliers on these important human rights issues.



Environmental Sustainability



Environmental Sustainability

reduce our footprint

■ Key Accomplishments in 2013

- Green Move – prevented over 23,500 pounds of material from entering landfills in preparation for our move to new headquarters by collecting and donating office supplies and furniture
- Recycled over 5,700 lbs of electronics at a community electronic waste recycling event

The Earth faces monumental challenges, from air, water, and chemical pollution to water scarcity. We all contribute to these problems in our day-to-day activities, but to such a small extent that it seems completely overwhelming to try to fix all of the planet's problems by ourselves. From an individual's perspective, for example, it would take an immense effort just to understand where a t-shirt comes from, let alone every product a person buys in the course of a week or a year. And when people turn on the news, they come face to face with the dire nature of the environmental crisis. For most, that news is so complex that they feel completely powerless to make a difference.

As a producer of footwear and apparel, Deckers realizes that manufacturing affects the environment. When any company manufactures a product, whether that's a t-shirt or a pair of shoes, there are environmental costs. At Deckers, we know that it is in our best interests to reduce our footprint across the globe, wherever and whenever we can. And we also believe that it's our responsibility to share with our consumers what we're doing and how we're progressing on that front. As you'll read about in this section, we are trying to tackle this problem from a number of perspectives.

■ Corporate Responsibility Heroes

There are many opportunities where changes can be good for both the environment and for the business. However, change can be difficult, even if it's the right thing to do. As a way to encourage people to look at better ways of doing things, we started the Corporate Responsibility Heroes program. This program recognizes employees for going above and

beyond their daily jobs to implement changes that have positive environmental and business impacts.



Environmental Sustainability

better ways
to do things

Corporate Responsibility Heroes are often individual contributors, not necessarily managers or executives. Our Corporate Responsibility Heroes are recognized by our CEO each year at the company picnic, where they are awarded with a plaque, a cash prize, and a donation in their name. Our goal for this program is to encourage people to look at the world around them through an environmental lens. We are excited to share some stories from our Corporate Responsibility Heroes, Deckers employees who've come up with innovative ideas that have had really big environmental impacts on the organization.

■ Environmental Initiatives at Home

We don't feel comfortable asking our factory partners to work on sustainability unless we're doing our part to reduce our environmental footprint in our own offices, retail stores, and distribution

centers. We realize that we need to model the behavior we want from our partners. This can also encourage employees to reduce their footprints outside the office.



Our employees really care about the environment on a personal level, but sometimes don't know how to connect their personal values to their work lives. One of the primary goals within the Corporate Responsibility department is helping employees see that their actions have an impact on the environment. For example, many of our employees are not directly involved in product development, but

they do see the everyday environmental impact of the office and commuting. If we can effect cultural changes with employees in the office and in their personal lives by getting them to think about new and better ways to do things, then we as an organization can move faster and with more urgency to fix larger supply chain issues that are harder to change.

We want to share some of the things that we have done in our headquarters office in Goleta. Although these initiatives may not have the same level of environmental impact as a change in our supply chain would, they are instrumental to building environmental sustainability and are critical in fostering an environmental ethic with our business partners and employees.

Environmental Sustainability



■ Corporate Responsibility Heroes: Ian Bond, Mailroom Associate & Travis Cross, Vendor Compliance Coordinator

According to the Environmental Protection Agency, in the United States alone, we use 70 million tons of paper and paperboard each year. The good news is that over half of that paper is recycled. The bad news is that a lot is not recycled. At Deckers, we want to do everything we can to save as much paper as possible, and to recycle or reuse whatever we do use. One example of Deckers employees making a difference occurred when Ian Bond and Travis Cross improved the invoicing process at Deckers. This resulted in a paper savings of over 5,000 pounds, an emissions reduction, and a cost savings of \$110,000 annually.

■ LEED Silver Certified Deckers Headquarters

Perhaps the most exciting news in terms of strengthening an already-strong Deckers culture was our move from four separate locations into a new headquarters which is LEED Silver certified. In addition to the social and cultural benefits of collaboration and unity, we've made sure to instill the environmental ethos of the company into the building itself. We're proud to share some of the environmental features of the building.



We chose a site within a quarter mile of bus lines so that employees can take public transportation to save money and to cut down on their carbon footprint. To provide flexibility for those employees (and all our employees), we also keep on site a pool of community bikes for employees to run errands, bike to lunch, or escape to the beach. The Deckers headquarters is located within a half mile of basic services—like banks and restaurants—to reduce vehicle trips to and from the site during the workday. Employees who want to commute on their own bikes will be provided indoor or outdoor bike parking for themselves and for guests. And if those with a long commute work up a sweat on the way in to work, they can shower and get ready at our on-site fitness center.



Environmental Sustainability

built with the
environment
in mind

Many of our active employees exercise before work, during lunch, or immediately after work. For those people, and all other interested employees, we hope they will take advantage of our fitness center, with aerobic and weight machines. Those who need to take a break during the day and get some fresh air will have plenty of grounds to walk, with a pedestrian-oriented hard-scape throughout the site.

The new headquarters was built with the environment in mind. As employees relax along the many footpaths on the grounds, they will see that our plant selection and efficient irrigation controllers allowed us to reduce our landscape irrigation demand by over 61%. And inside, we reduced our water use by over 35% through specification and installation of low-flow plumbing fixtures, including toilets, urinals, showerheads, and faucets.

We are also proud to have earned third-party verification that the energy-related systems are installed, operated, and calibrated so as to optimize ongoing performance. We have managed to achieve an improvement of approximately 16 % in overall campus energy use due to high-efficiency lighting and HVAC systems. Deckers also purchased Green Power to offset the building's electricity use with clean, renewable energy.



Throughout the construction of our new headquarters, we diverted 81% of the construction and demolition debris from a landfill. We used local materials—such as concrete—where we could, and incorporated materials with high percentages of recycled content, such as rebar. In addition, we chose low-emitting materials for indoor finishes (paints, coatings, flooring, composite wood products) to improve the quality of the air inside.

Environmental Sustainability

■ Alternative Commute

One of the simplest ways to improve our sustainability as a company is to encourage responsible transportation to, from, and around work. To help promote such transportation, we launched our “Deckers Commutes” alternative commute program to coincide with the opening of our new headquarters in Goleta. This includes a cash incentive for employees who use alternative commuting methods of biking, walking, ridesharing, or transit. As part of this program, we offer prime parking spots for those who commute through ridesharing, electric vehicles and other low-emitting and fuel-efficient vehicles.



Each May we participate in National Bike month and encourage our employees to bike to work. Bike safety is a priority for us. We frequently host bike safety workshops and in 2013 we raffled off bike helmets to people who needed them. Throughout May we promote a county-wide bike competition, organize group bikes, host bike breakfasts, and offer prizes to people who participate. In 2013 we are proud to report that we had over 50 people on bikes.

■ Industry Collaboration

We understand that by making products, we do have an impact on the environment, and we are working to reduce that impact. However, we also believe that many of our environmental problems are bigger than any one organization, and we will be able to solve these big problems more effectively through collaboration with others in our industry. We are active participants in the Outdoor Industry Association’s Sustainability Working Group, and we contributed to the Sustainable Apparel Coalition’s newly released HIGG Index to measure the environmental impact of footwear. By working together with others in the outdoor, footwear and apparel industries, we believe that we can bring positive change to the world.

Environmental Sustainability



■ Outdoor Industry Association's Sustainability Working Group

The Outdoor Industry Association's (OIA) Sustainability Working Group (SWG) is a volunteer collaboration of brands, retailers, and suppliers who are working to identify and improve the environmental and social impacts of their shared supply chain. In 2012, the OIA SWG was selected by the White House as a Champion of Change for Environmental Sustainability. The SWG received this award based on its development of an industry tool to assess the environmental impact of products. We cannot expect consumers to make choices based on environmental impacts without more information about the environmental impact of the product. The beauty of this tool is that it will help consumers compare similar products, based on each brand's environmental impact.

■ Higg Index - Universal Environmental Tool

Without being able to compare environmental impacts across brands, communicate in a common "currency", none of us are able to simply and clearly choose what are least impactful. The Higg Index is an environmental tool that is a collaborative design of the OIA SWG and the Sustainable Apparel Coalition, and is designed to create uniformity in information gathering. The goal is to have all brands and companies collect environmental data according to the same metrics and standards, and then communicate to consumers using the same language. Deckers has participated in the development of this "HIGG Index" and plans to incorporate this tool in whatever way is feasible.

■ Supply Chain - How we make our products

Now we want to tell you about some of the things that we're doing in our supply chain to reduce our environmental impacts. Our first step was to conduct a baseline to understand our environmental footprint, which we did through a greenhouse gas assessment, Life Cycle Assessment tools, and by quantifying which materials we use most. These three assessments are critical to our environmental materiality assessment and have helped us prioritize where we will direct our efforts.

Environmental Sustainability



■ Inside Perspective: Mark Fegley, Senior VP of Supply Chain

As the head of the Supply Chain for Deckers which includes manufacturing for all seven brands, Mark oversees the most significant part of the business in terms of reducing Deckers overall sustainability impact. Employees on the Supply Chain Team ultimately make the decisions that have large environmental impacts, so it's vital to collaborate with his team on Corporate Responsibility issues.

We asked Mark Fegley the following, How does Corporate Responsibility influence Deckers supply chain operations?

"We weave Corporate Responsibility into everything we do in our Supply Chain. From the materials we choose to the suppliers we select to manufacture our shoes, from the factory policies and verification programs that we deploy at our production sites to the measurement and improvement of our carbon footprint for our operational activities, we continuously search for ways to reduce our impact on the environment. Fortunately, many things we do to improve our business also improve our footprint as an organization, so doing something that is good for our business is also good for the environment. We view our Corporate Responsibility group as a key partner in our efforts to shape and manage the social and environmental elements of our supply chain, and we have several supply chain team members represented on the cross-functional Corporate Responsibilities committee. As we learn more about how to measure and manage our social and environmental impact, we are also finding innovative ways to improve both our performance and transparency as an organization."



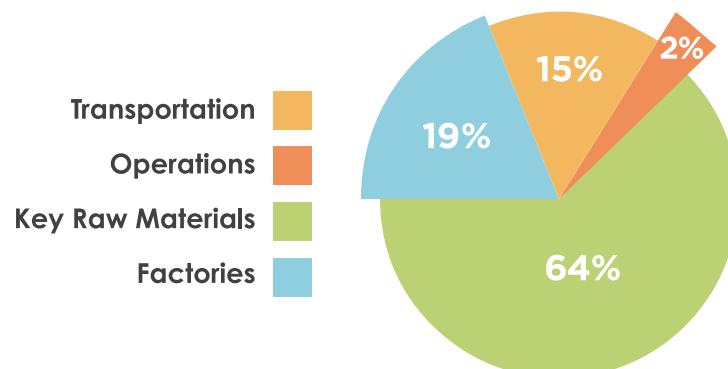
Environmental Sustainability

■ Materiality Assessment

These three assessments - greenhouse gas, life cycle, and materials - are the foundation of our materiality assessment, and helped us understand that manufacturing and material sourcing are our largest impact. Based on these assessments, we have decided to prioritize our efforts on how we make our products. One of our primary focuses over the past few years has been leather, for several reasons. Our key raw materials create an estimated 64% of our greenhouse gas emissions, our Life Cycle Assessment work highlighted leather as a high impact material, and we use a lot of leather. Processing leather requires tanneries, which have always caused a significant environmental impact due to the tanning process. This process relies on chemicals to prepare the leather, and then those chemicals must be processed using large amounts of water. If not properly managed, the resulting pollution can damage habitat and affect the local communities. In addition, these factories use large amounts of energy to run their operations, leading to greenhouse gas emissions and poor air quality.

■ Greenhouse Gas Assessment

Between 2009 and 2012 we conducted a greenhouse gas assessment that included our direct operations, the transportation of our goods, our key raw materials and our factories. We estimate that our total carbon footprint is approximately 183,000 metric tons of carbon dioxide equivalent (CO₂e). Manufacturing our raw materials and our factories makes up 83% of our carbon footprint. This carbon footprint assessment helped us decide that we should focus our efforts on supply chain first.



Environmental Sustainability

■ Corporate Responsibility Hero: Dennis Rombaoa, Manager of Operations

Dennis Rombaoa, Manager of Operations for Deckers in Vietnam, won a Corporate Responsibility Hero award by reducing the amount of adhesives used to attach outsoles to uppers from two coats to one, without negative impacts on product quality. This seemingly simple change had many positive impacts: it reduced the volume of adhesives, saved over 148,000 kilowatt hours of energy by reducing the number of heat tunnels on the manufacturing line, reduced the number of workers handling adhesives, and saved the company over \$50,000 annually.

■ Life Cycle Assessment

Deckers has completed some basic life-cycle assessment work in collaboration with the University of California at Santa Barbara's Bren School of Environmental Science and Management. These collaborations assessed the environmental impacts of shoes over the lifecycle of the product. Through these projects, we confirmed that materials make the largest contribution to a shoe's environmental impact over the lifecycle of a shoe. The LCA work also showed that the highest material impact came from leather.

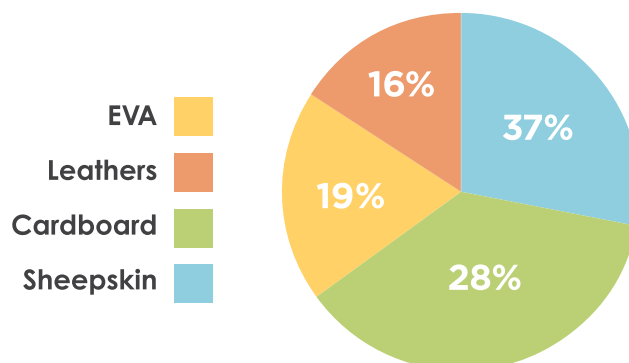
These studies led us to gather more data about the volume of materials that we use across the company.



■ Key Material Assessment

We worked with our Materials Team to collect information about the materials that we use most: sheepskin, leather, cardboard and ethylene vinyl acetate (EVA). These are the materials we will focus our efforts on first.

Deckers Key Materials for 2012 by weight



Environmental Sustainability

■ Leather Working Group

Leather is a significant contributor to our environmental impact. Fortunately, an industry group called the Leather Working Group, or LWG, has established a program to certify tanneries based on environmental criteria and standards. In order to become LWG certified, a tannery must undergo an extensive review carried out by third-party auditors. The audit process covers several sections, including restricted substances, operating permits, energy consumption, air emissions, waste management, environmental management systems, water usage, and effluent treatment.



■ Inside Perspective: John Graebin, Director of Materials

As the Director of Materials for Deckers, John oversees material sourcing for our brands. John improved the environmental performance of our leather tannery partners by driving their certification with the Leather Working Group standard. In 2013, 72% of our leather was LWG certified. Our goal is to improve this to 90% by 2016. Our tanneries are working to continuously improve their environmental footprint across a range of categories, including energy use, water use, waste management, and more.



Environmental Sustainability

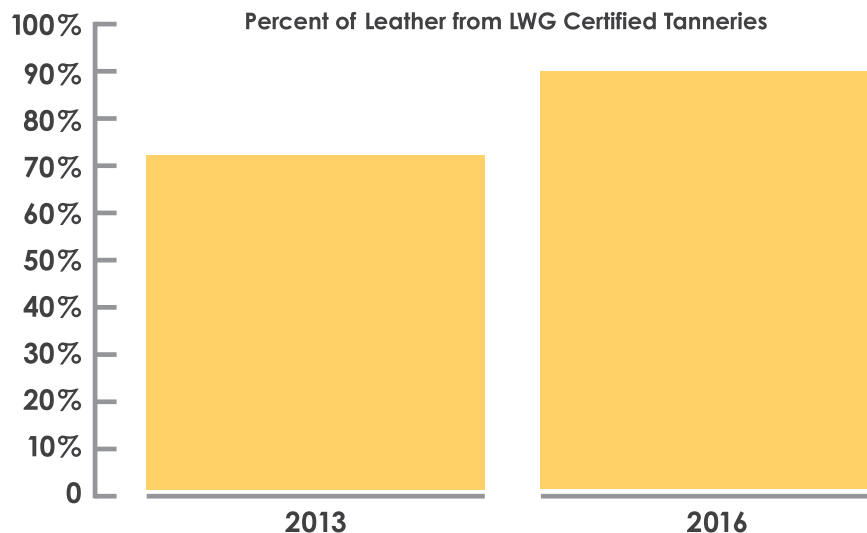
■ High Performing Tannery - ISA TanTec

Here is an example of the environmental efforts that one of our progressive tanneries has undertaken to reduce its environmental impacts. ISA TanTec manufactures its LITE leather in Saigon (Vietnam) and in Heshan City (China). Both of these facilities, Gold rated by the LWG, were designed as “eco” tanneries, because of their especially low energy and water consumption. ISA TanTec’s goal was to build factories that will still be state-of-the-art with respect to energy efficiency, productivity, and sustainability in the year 2030. They manage to do this by drawing on innovative technologies that have not yet caught on in the leather industry.



The leather-making process demands a great amount of water. At ISA TanTec, the residual water is cleaned in computerized plant-based purification systems, which significantly decreases the amount of energy required for water treatment. At the tannery in Saigon, for example, the surrounding wetlands help to biodegrade 340,000 liters of water per year. By employing this process, ISA TanTec saves 253,000 kWh annually in electricity that would have been used to purify water. In addition, the heat required to process the water is generated mainly through solar thermal energy equipment supported by a biomass boiler. ISA TanTec also uses tanning machines with drums that rotate especially slowly, which reduces the amount of energy consumed by 75 percent and reduces the amount of water consumed by 50 percent. (For more information, please visit <http://www.liteleather.com/>).

At Deckers, our goal is to source 90% off our leather from LWG-certified tanneries by 2016. This is where we are currently:



Environmental Sustainability

Organizations like LWG promote transparency by working with brands, suppliers, retailers, leather experts, NGOs, and other stakeholders interested in how best to evolve the leather industry. The LWG helps us convince tannery partners in our supply chain to seek certification and to improve the way they do business.

■ Chemical Management

Leather tanning is obviously not the only process that uses chemicals in the footwear manufacturing process. Chemicals are used to dye fabrics, adhere shoe pieces together, improve shoe performance, and many other things. We are very careful

about the chemicals in our products and have implemented a Restricted Substance Policy with a Restricted Substance List (RSL) to help guide our suppliers and factories. We require all factories to sign and comply with our Restricted Substance Policy as a prerequisite for doing business with us. Our RSL mandates compliance with all international directives, laws and regulations restricting the concentration of potentially hazardous substances. The current version of our RSL is available online at deckers.com.

■ Doing more with less

Another way to reduce our environmental impact is by doing more with less, or becoming more efficient. Over the past few years, we have implemented several initiatives that reduced our consumption of key materials significantly.



Environmental Sustainability



■ Corporate Responsibility Hero: Phil Gallant, Senior Director of Development for Teva

Phil introduced injection molding to our manufacturing process by piloting this technology on millions of pairs of UGG Classic product for men, women, and children. Phil's move significantly reduced the amount of Ethylene Vinyl Acetate (EVA) waste created by the production of our EVA outsoles from 40% to 5% in some cases. In addition to reducing EVA waste, this injection-molding technology significantly cuts our costs and reduces the time it takes to build each shoe. Overall, this initiative saved over three million dollars for the company.



■ Corporate Responsibility Hero: Ken Shao, Senior Product Developer for Teva

The traditional way to transform a shoe design into a finished product is a time-intensive, costly endeavor: we must ship a wood prototype to our manufacturing site, fly employees to China to work with production, and then revise prototypes. But Ken won a Corporate Responsibility Hero award after introducing a 3D printing technology to our production process, completely changing the way we imagine our finished products. 3D printing allows us to provide feedback on prototypes in a faster, more efficient way, enabling us to alter the design quickly. In the process, we reduce the pollution inherent in travel and shipping, and we significantly shorten the product design and development process.



■ Corporate Responsibility Hero: Nick Smedley, Associate Materials Sourcing Manager

As a footwear company, we demand a large number of boxes to package our shoes. Nick Smedley won a Corporate Responsibility Hero award after collaborating with our packaging supplier to create a better shoebox. The result: they reduced the box weight by 11%, the spatial footprint by 15%, eliminated glue from the box design, and improved the quality and function of the box. The new design saves close to 500 tons of paper and over \$600,000 annually.

Environmental Sustainability

In a similar effort several years ago, UGG worked with Nordstrom to reduce the amount of packaging in our shoe boxes. We're really proud of this partnership on environmental initiatives, since Nordstrom is a big retail partner. We asked Linda Pfeffer, Director of Corporate Responsibility at Nordstrom, about Nordstrom's partnership with Deckers.



■ Stakeholder Perspective:

Linda Pfeffer, Director of Corporate Social Responsibility - Nordstrom

Partnership: Nordstrom's partnership with Deckers has enabled us to react quickly and efficiently to our customers and our employees' needs. After hearing from our customers about the amount of packaging used for their UGG shoes, we were able to work with the UGG team to look for solutions to the issue. The UGG team was very receptive and reacted quickly to begin implementing the process of reducing packaging. We know we still have much more to accomplish in this and other areas, but the response and care taken on this one topic showed a true partnership that will ultimately lead to a great result for both Nordstrom and Deckers.

Challenge: My challenge to Deckers is to become even more progressive in all aspects of CSR and to not only be responsive. We appreciate the response from Deckers on the packaging challenge, but I also look forward to Deckers showing us proactive measures they've taken to improve use of natural resources, eliminate harmful substances from manufacturing and improve communities throughout the world.



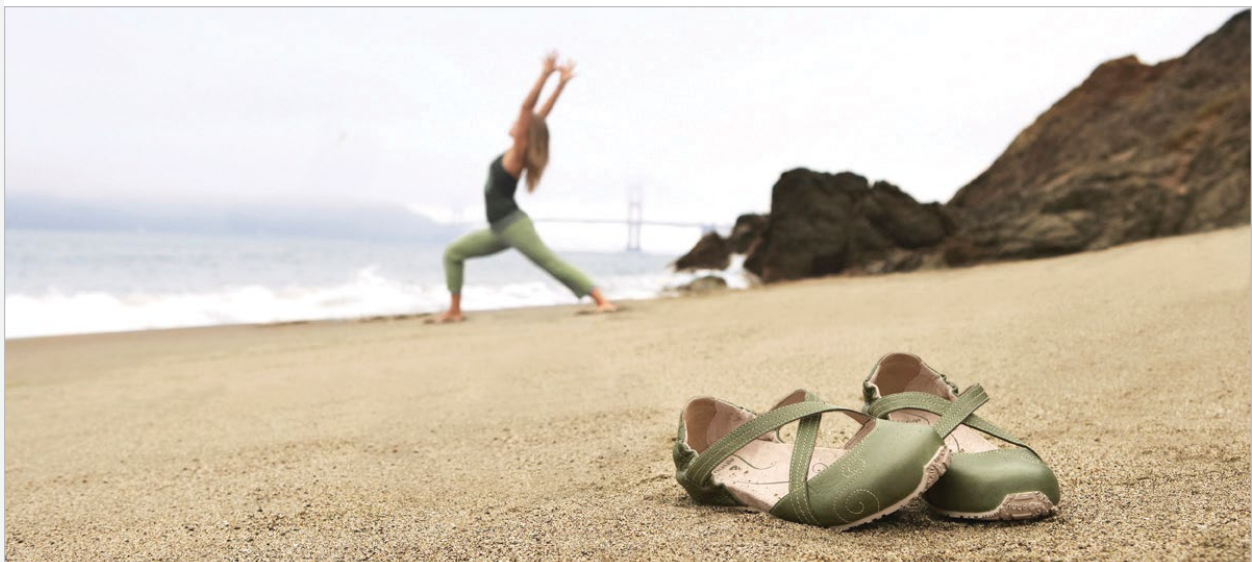
Environmental Sustainability

■ Next Steps

We are proud of what we have done over the past few years in reducing the impact in our offices and how we make our products. However, we know that we still have a long way to go. Looking ahead, we will continue to work to reduce our environmental impacts, both in our supply chain, and closer to our home offices.

One of our challenges in our supply chain is data availability, and we are working hard to collect reliable data. Many of our factory partners do not yet have reliable systems to measure and track energy data. We were, however, able to collect data for 74% of our footwear production. We learned that this 74% of production used 22.2 million kilowatt hours of energy, which only considers the final assembly of our shoes.

We are working with our suppliers to collect more environmental data, and we are also training them on the data requirements necessary to work with the HIGG Index. In addition, we are working with our tanneries to collect water data including: how much water they use to produce leather, where that water comes from, how much water is reused or recycled in the tannery, and where waste water is discharged. As we mentioned earlier, we require that all of our suppliers to become certified through the Leather Working Group, and efficient water use is an important section in LWG certification.



Community Engagement



Community Engagement

■ Key Accomplishments in 2013

- Implemented a new software system to track our employee volunteer time
- Logged over 7,000 volunteer hours

■ Introduction

Many environmentalists and philosophers have spoken passionately about the need for more people in the world who will fight with moral courage, who will do all they can to make this world more habitable and humane, who will help us heal our planet. We all want to help solve the world's problems. But many of us don't know where to begin. What do our communities need most? How can we help people? Where can we volunteer to clean up our environment? What can I do? How do I even start volunteering? These were just some of the questions our employees were asking when we first launched our Deckers Goods program.

We decided that it is our responsibility as a company to help answer these questions by putting tools in place to encourage volunteering, and by removing barriers to volunteering. We believe that we can help our employees take a small step toward solving the world's problems by becoming more connected to their immediate community, by becoming more aware of the local issues, and by living well in their place.

**DECKERS
GOODS**



The question is, how can we do that? Too many people see corporations as interested mainly in the bottom line and as disconnected from their local community. So, how do we make the Deckers workplace a place that seeks to improve the community?

We do this in two ways. First, Deckers donates money and products to nonprofit organizations as part of its corporate-giving program. Through this giving, we hope that the company can serve as an example both for our employees and for other companies in the area. We also donate our most valuable asset to help nonprofits: our employees' time. Through volunteering and donations, our employees contribute the resources nonprofits need to carry out their mission. At the same time, we're

Community Engagement

encourage volunteering

raising awareness among our employees, and we're giving them a taste of volunteering, starting a cycle of altruism that begins at the local level. We believe that this cycle will help engender a mindset ready and willing to solve even bigger issues facing the world at large. By developing a culture and community of giving, we also create a company that people want to work for, and a company that people are proud to work for.

■ Footwear Donations

As a footwear company, one of our important partnerships is Soles4Souls, a global nonprofit institution whose mission is to fight poverty. Soles4Souls collects new and used shoes and clothes from a wide range of sources and then distributes those shoes and clothes both directly and through qualified micro-enterprise programs designed to create jobs in poor and disadvantaged communities.

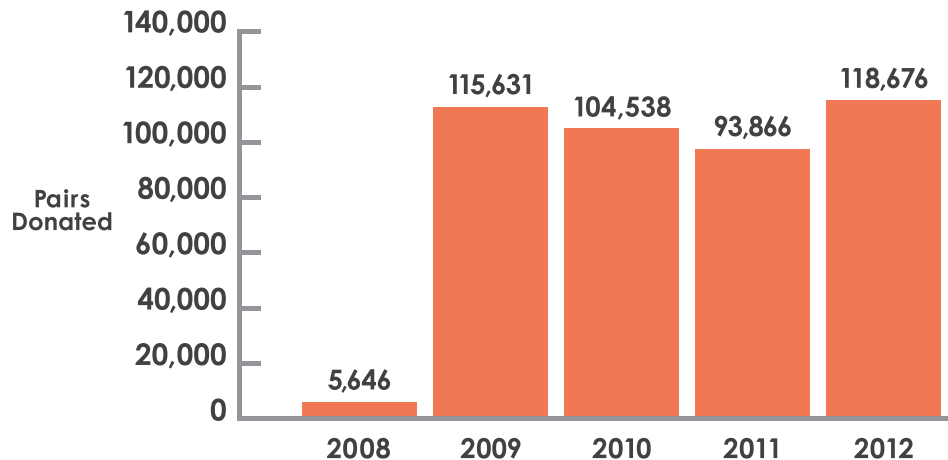
We send thousands of shoes—from Deckers brands, from our employees, and from Deckers-sponsored community collections—to Soles4Souls each year, and these shoes are distributed to people in need around the globe.



Community Engagement



Partnerships with organizations like Soles4Souls help us effect change in powerful ways. By piggybacking on the mission of fantastic organizations, we get to help and learn from groups doing great things, and we get to show our employees the good they can do across the community and across the globe.



■ Stakeholder Perspective:

Buddy Teaster, President and CEO - Soles4Souls

How has the partnership with Deckers helped Soles4Souls, and what challenge would you like to extend to Deckers?



Partnership: Deckers has been a really important partner across many of the brands. Since we started working together in 2006, Deckers has donated over 400,000 pairs of shoes and boots! This has allowed Soles4Souls to help people in dozens of countries, including in the US, who are dealing with poverty and the aftermath of natural disasters. We have recently expanded the partnership to include our micro-enterprise work, which helps create jobs in the developing world. Whether we are distributing shoes for free or helping micro entrepreneurs generate their own income, Deckers has been a great addition toward the work of fighting poverty.

Challenge: Deckers has such a global reach that our challenge to them would be to expand the micro-enterprise relationship in order to help more people permanently break the cycle of poverty. Finding a way to involve Deckers employees, suppliers, and customers—especially through Travel4Souls—would be a welcome addition and would give all those in the Deckers ecosystem a way to directly live the value of our partnership in a hands-on, experiential way.

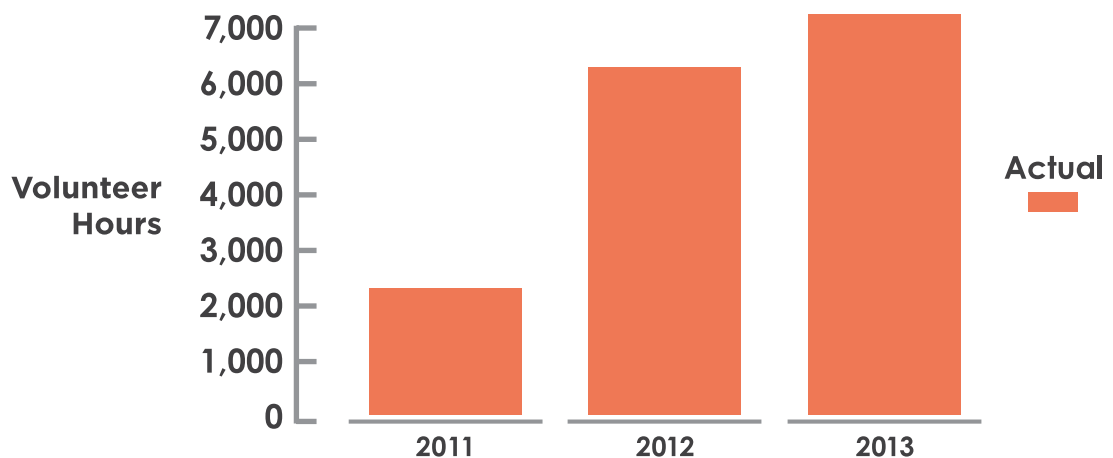
Community Engagement

■ Volunteer Efforts

Upon starting Deckers Corporate Responsibility efforts, we decided to measure how many hours Deckers employees have volunteered in the community. The first year we started tracking hours, we logged over 2,000 volunteer hours. That seemed pretty impressive, but we wanted to do more.

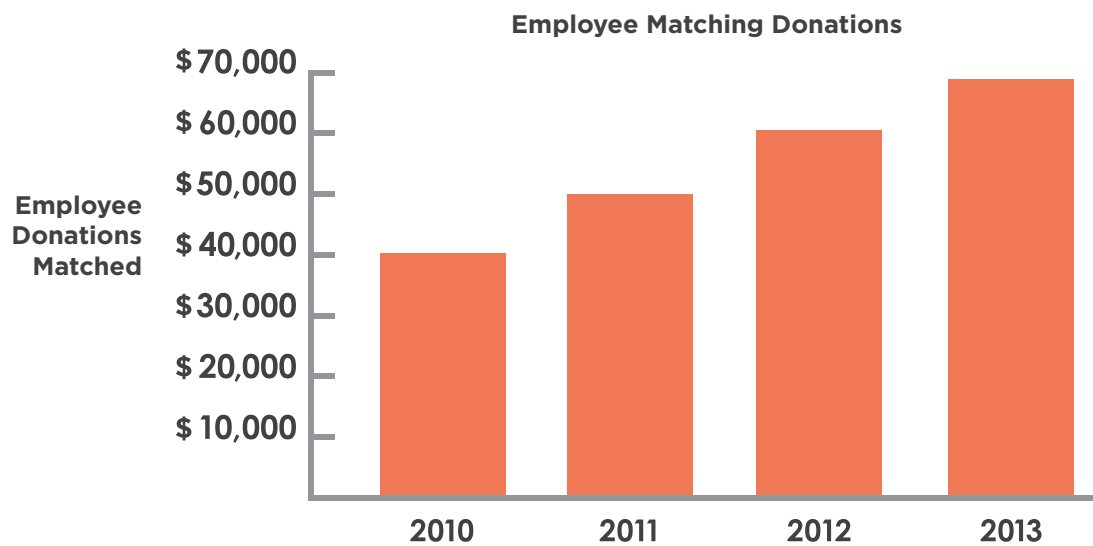
To inspire our employees further, Deckers began paying our employees for up to 24 hours of volunteering each year. We see this as the company's way to match their contributions. It worked. In 2012, sixty employees volunteered over 24 hours, whereupon we started the Club 24 to recognize those people who reached this mark each year. For superstar volunteers who volunteer for 100 hours or more, we donate \$1,000 to their charity of choice.

To further encourage our competitive employees to volunteer, we started The Good Games. We divided the company into 12 teams, with each team competing to get the most volunteer hours per person. In the first year of the competition, we volunteered for over 6,000 hours.



Community Engagement

In addition to volunteering for our local communities, Deckers provides another way for employees to support their communities. We match employee donations up to \$1000 each year to any non-profit with 501-c3 status. We're proud to say that in 2013, more than 200 employees took advantage of our matching donation program.

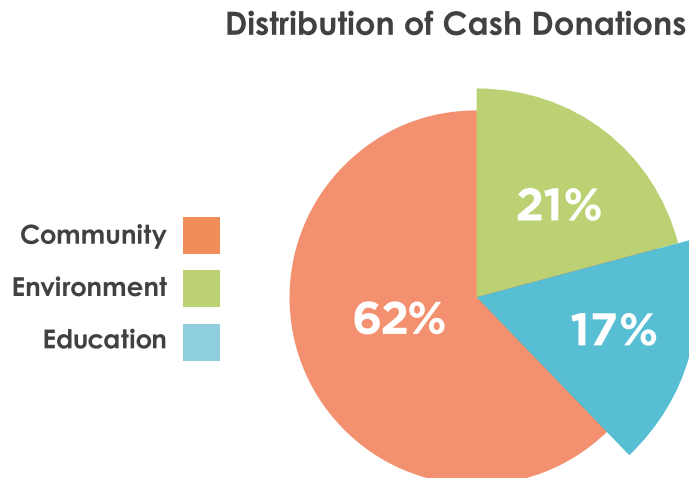
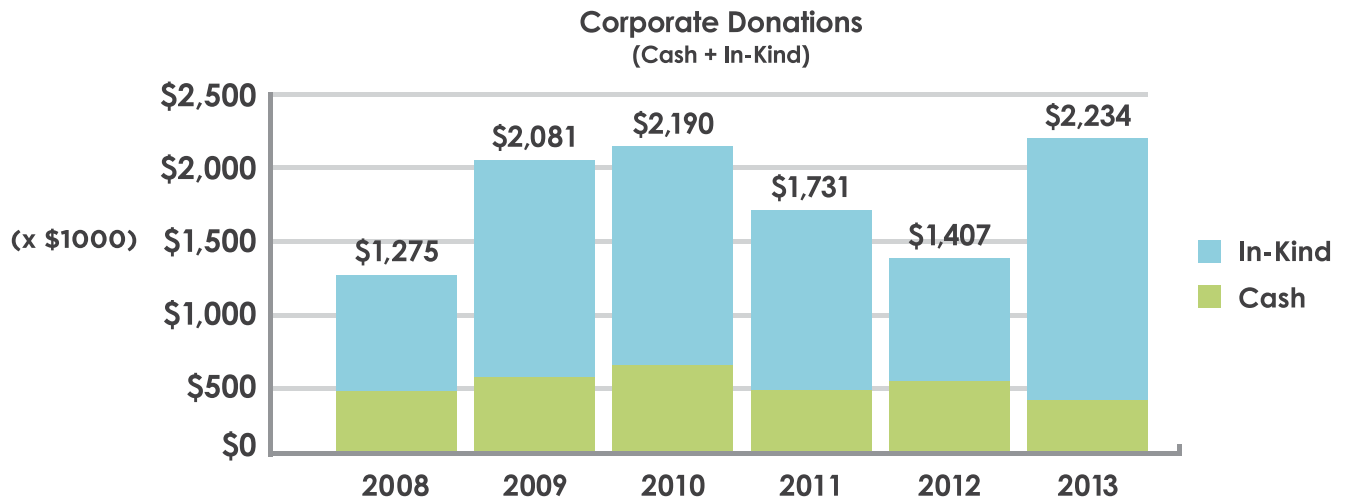


Community Engagement

We also make charitable donations to recognize employees for a variety of accomplishments, from volunteering 100 hours in a year to purchasing a hybrid vehicle, from becoming Employee of the Quarter to referring a new employee. Another reward that's close to the Corporate Responsibility Department's heart: winning the Corporate Responsibility Heroes prize.

■ Corporate Donations

In addition to matching donations, Deckers also donates to a large number of nonprofit organizations.



Community Engagement

■ Channel Islands Restoration

There we were, an enthusiastic group of Deckers volunteers, ranging from high-ranking executives to summer interns, side-by-side aboard the bow of the Channel Islands National Park volunteer transport boat. Clad in windbreakers and clutching our coffee mugs, we braved the early morning coastal mist and clamored to the front of the boat in search of the best view of Anacapa Island, the destination of our volunteering expedition.



We spent the day, trowels in hand, planting several hundred native perennials on a plot of land that was recently cleared of an invasive species, all the while entertaining ourselves by telling jokes and sharing life stories. By 5 pm, we were sundried, windblown, and extremely pleased with our progress. As we departed from the island, a glimpse of our newly restored land filled us with a sense of pride. We are happy to be part of the Deckers family, a workplace where coworkers are not only passionate about their jobs but also concerned about making their communities and environment a better place.

■ Girls Inc.

**girls
inc.®**

As a company whose success depends upon the ingenuity, strength, and passion of our female employees, Deckers believes strongly in the importance of good role models for children – after all, they are our future! The mission of Girls Inc.—“to inspire all girls to be strong, smart and bold”—resonates strongly with our organization and our employees and we support them through volunteering and donations.

“We share [Girls Inc.’s] focus of preparing young women for leadership roles both within and outside of the workplace, which is why we enable our employees to volunteer there and participate in Girls Inc.’s annual ‘Take Our Daughters to Work Day’ event.”

– Angel Martinez (Deckers CEO)

Community Engagement

For many of us, Girls Inc. has become a part of our lives. Some of us attended Girls Inc. programs when we were younger. For others who've experienced Girls Inc. through their volunteer work, they wish that they had! Some of us send our daughters and our granddaughters to the Girls Inc. programs now. Regardless of our relationship to the program, Girls Inc. has touched all of the volunteers who've helped at events, served on the Board of Directors, helped with homework, or presented each year at the "Take Our Daughters to Work Day" event.

As one employee said, "meeting with [the girls] quickly became the highlight of my week." I think that's true for all of us who have worked with Girls Inc.

■ Panyu Peizhi Special Needs School

The Deckers commitment to community engagement exists worldwide across the corporation. In China, Deckers employees started a long term partnership with the Panyu Peizhi Special Needs School. Peizhi is an institution dedicated to the education and advancement of over 300 special needs children. Every



week, groups of dedicated Deckers China employees volunteered their time assisting the teachers and interacting with the children. They participated in sports activities, helped with special events, aided in learning, and donated school supplies.

The volunteers found they were benefitting as much as the children were from their efforts and through this experience have discovered how enriching volunteering can be. The years of committed service, these

Deckers employees have given to the partnership with Peizhi exemplifies the core Deckers values of community and humility. It also reminds us what it means to be a Deckers employee; that we are more than just staff, we are active members our communities.

Community Engagement



■ Backyard Collective

Once a year, Deckers joins other Conservation Alliance members for an environmental service event. The “Back Yard Collective” (BYC) is an extraordinary event, because it takes a bunch of people who in day-to-day operations are our competitors (employees from outdoor companies) and puts them to work in concert with each other. It’s a real eye-opener to recognize that we all might be competing against each other at work, but we all want the same thing for the environment.

In 2013, we had more than forty employees from our Headquarters Office in Goleta participate in the event. And in the Santa Barbara area, employees helped the local non-profit Ventura Hill-sides Conservancy restore a portion of the Ventura Riverbed to what it used to look like in the 1920s and 1930s. It will be exciting to see when this restored area is incorporated into a trail system along the Ventura River. At the same time, employees out of the Richmond, CA, office participated in the San Francisco Bay Area “BYC” to clean up Tilden Park.

Working with the BYC has been a great experience, and we look forward to continuing our relationship with the Conservation Alliance for many years to come.

■ Stakeholder Perspective:

John Sterling, Executive Director - Conservation Alliance

Partnership: The Conservation Alliance provides a vehicle through which outdoor brands express their commitment to protecting North America’s last wild places. A member of the Deckers team serves on our board of directors, and employees regularly participate in an annual stewardship project that we organize in the Santa Barbara area.



Challenge: I would challenge Deckers to develop a more strategic plan for engaging in conservation efforts. Such a plan would identify the company’s long term conservation goals and clarify how groups like The Conservation Alliance will help them achieve those goals. Deckers could leverage its ability to connect with so many people to encourage those customers to take action to support the conservation efforts that we fund through our grant program.

Community Engagement

■ Next Steps

All in all, volunteer work and community involvement are fantastic motivators for Deckers. The outreach into the community makes everyone at Deckers feel good about the company they work for, providing us the autonomy to take a part of our day, week, or year and putting that time toward something we are passionate about. Paying employees to work with a non-profit allows us the opportunity to direct our energy to something bigger than ourselves, which helps us and helps the local community. In turn, the community looks to Deckers as a brand that truly cares about the community.

Our long term goal is to develop a skills based volunteer program, in addition to our current program, because we have very talented employees, with many skills that could benefit nonprofit organizations in our communities. We believe that programs like ours help us both attract fantastic talent and retain employees, because they know they are working for an organization whose values match their own.

■ Report Wrap-Up

Thank you so much for taking the time to read our Corporate Responsibility Report. We hope that you enjoyed it. We're proud of what we have accomplished over the past few years but we know that we still have a long way to go. We know that our employees and our customers expect us to do the right thing and help make the world a better place. With this report, we hope that you can see what we're doing to make the world better and we're committed to continuing our efforts.

Finally, if you have any comments or suggestions about this report or our program, please feel free to contact us at: corporate.responsibility@deckers.com.

Global Reporting Initiative Information



GRI Information

GRI section	Description	Response/Page
G4-1	CEO Letter	See Corporate Responsibilities Report page 2
G4-3	Report the name of the organization	Deckers Brands
G4-4	Report the primary brands, products, and services	Brands: UGG Australia, Teva, Sanuk, Tsubo, Ahnu, Mozo, Hoka One One Products: Footwear, apparel, home products (See 2013 Deckers Annual Report - page 3 - Prodcuts section)
G4-5	Report the location of the organization's headquarters	Goleta CA, USA
G4-6	Report number and names of countries where the organization operates	Nine countries: USA, Canada, Hong Kong, China, Japan, UK, France, Netherlands, Russia
G4-7	Report the nature of ownership and legal form	Publicly traded, NYSE (DECK)
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	see 2013 Deckers Annual Report - page 4,5 - Sales and Distribution section
G4-9	Report the scale of the organization, including: Total number of employees, number of operations, net revenues, quantity of products or services provided	2,852 employees 130 retail stores located in North America, EMEA, APAC 13 offices (Goleta, CA; Flagstaff, AZ; Richmond, CA; Irvine CA; Hong Kong; Shanghai; Tokyo; Beijing; Panyu; Macau; London; France; Netherlands) See Deckers Annual Report ir.deckers.com/phoenix.zhtml?c=91148&p=irol-reportsannual for financial information
G4-10	Number and type of employees by gender, and region	2,852 Total Employees Female FT: 1148 Female PT: 572 Male FT: 854 Male PT: 278 Female employees and supervised workers: 1720 Male employees and supervised workers: 1132 Female, North America: 959, Latin America: 0 EMEA: 264, Asia Pacific: 498 Male, North America: 702, Latin America: 0 EMEA:181, Asia Pacific: 248 29% increase in employee during holiday season (Sept-Dec) in retail and distribution center operations
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	0%

GRI Information

G4-12	Describe the organization's supply chain.	See 2013 Deckers Annual Report - page 5 - Manufacturing and Supply Chain section
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including:	see 2013 Deckers Annual Report - page 3 - General section
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	<p>As part of Deckers commitment to protect consumers, workers, the environment and our brands, we have implemented a Restricted Substance List that goes beyond compliance. The Deckers RSL incorporates current legal restrictions as well as restrictions voluntarily imposed by Deckers.</p> <p>The goals of the Deckers Restricted Substances Policy are to:</p> <ul style="list-style-type: none"> • Ensure our products comply with the most stringent applicable global legislation, • Ensure targeted substances are limited or eliminated based on health, environmental or other factors, and • Ensure sustainable product innovation. <p>Compliance with our Restricted Substances Policy is a prerequisite for doing business with us.</p>
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	none
G4-16	List memberships of associations (such as industry associations)	Leather Working Group Outdoor Industry Association Sustainable Working Group, Boston College Center for Corporate Citizenship, Ceres
G4-17	Entities included in the organization's consolidated financial statements	All listed above in G4-9
G4-18	<p>a. Explain the process for defining the report content and the Aspect Boundaries.</p> <p>b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.</p>	see 2012 Corporate Responsibilities Report page 26
G4-19	List all the material Aspects identified in the process for defining report content.	Materials, Energy, Water and Supplier Assessment for Labor Practices, see 2012 Corporate Responsibilities Report page 26

GRI Information

G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows:	<p>Materials Aspect - pertains to the materials used to make shoes. The key materials are sheepskin, bovine leather, cardboard, EVA . See page 17 for more info</p> <p>Energy Aspect - pertains energy used in operations and in manufacturing the shoes.</p> <p>Water Aspect - pertains to water used to manufacture shoes.</p> <p>Supplier Assessment for Labor Practices - pertains to the supply chain labor used to manufacture shoes.</p>
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows:	<p>Materials Aspect - pertains to the materials used to make shoes. The key materials are sheepskin, bovine leather, cardboard, EVA . See page 17 for more info</p> <p>Energy Aspect - pertains energy used in operations and in manufacturing the shoes.</p> <p>Water Aspect - pertains to water used to manufacture shoes.</p> <p>Supplier Assessment for Labor Practices - pertains to the supply chain labor used to manufacture shoes.</p>
G4-22	Report the effect of any restatements of information provided in previous reports	n/a
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	n/a
G4-24	Provide a list of stakeholder groups engaged by the organization	See 2012 Corporate Responsibilities Report page 26
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	see 2012 Corporate Responsibilities Report page 26
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	see 2012 Corporate Responsibilities Report page 26
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	see 2013 Corporate Responsibilities Report page 6
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	2012 January - December, 2013 January - June

GRI Information

G4-29	Date of most recent previous report (if any).	n/a
G4-30	Reporting cycle (such as annual, biennial).	To be determined
G4-31	Provide the contact point for questions regarding the report or its contents.	corporate.responsibility@deckers.com
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option c. Report the reference to the External Assurance Report, if the report has been externally assured.	In Accordance Core Environment: EN1, EN4 Labor Practices and Decent Work: LA 14 Did not use external assurance
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	Did not use external assurance
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	See 2012 Corporate Responsibilities Report page 26
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	See 2012 Corporate Responsibilities Report page 4 - Deckers Way Shareholder letter in annual report Deckers website: http://www.deckers.com/company/culture Link to Code of Conduct and Code of Ethics
EN1	Report total weight of key materials used in products	Key materials were measured and the four largest materials are Sheepskin (37%) Cardboard (28%) EVA (20%) and Leather (16%)
EN4	a) Energy consumed outside the organization, b) report methodology and assumption used, c) report source of conversion factors	74% of factories 22 million KWHs
LA14	Report the percentage of new suppliers that were screened using labor practices criteria	100%