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Declaration of principles on the human rights strategy of DEICHMANN SE

according to the German Supply Chain Due Diligence Act (LkSG)



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Preamble

DEICHMANN SE ("DEICHMANN") remains committed to taking responsibility for the social and environmental sustainability of its global business activities. As a global family business with local roots, we consider integrity and reliability as fundamental principles.

Our mission statement is: "The company must serve people". This means our customers, employees, suppliers and people in need. This general principle defines the fundamental values and goals and forms a binding framework for management, executives and all employees to shape our daily actions in the workplace and in collaboration.

DEICHMANN buys goods and services at the best possible price-performance ratio. We value fair and cooperative dealings with our business partners. Of course, we ensure that people in the countries where the production sites are located can work under humane conditions.

Together with the German Agency for International Cooperation (GIZ), we developed and implemented our code of conduct for business partners in the supply chain back in 1999. Since then, we have continuously worked on further developing our code of conduct. In 2005, we have joined the BSCI initiative, a program run by the amfori association to improve social standards in global value chains. We are a founding member of the shoe industry's sustainability initiative cads – cooperation for secured, defined standards for shoes and leather goods. cads deals with the avoidance of undesirable chemical substances in shoes as well as social standards and environmental protection aspects in the shoe industry. In 2012, DEICHMANN joined the international Leather Working Group (LWG), a global initiative to improve environmental and working conditions in leather production. Through our engagement in regional and global initiatives, we remain committed to improving social and environmental conditions in supply chains.

As a family business that has been thinking and planning for the long term since its founding in 1913, we are proud of our development from a small shoemaker's workshop to a local retailer and finally to an international shoe retailer. Our range includes both third-party brands and our own brands, most of which we develop and produce ourselves in collaboration with global production partners. Our long-lasting and cooperative relationships enable us to achieve and further develop high quality standards while adhering to ethical and ecological principles.



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A. Human rights and environmental protection expectations for employees, business partners and other stakeholders in the supply chain

At DEICHMANN we are committed to respecting human rights, complying with labour and social standards and protecting the environment. We are aware of our responsibility to protect human rights and prevent violations.

DEICHMANN supports the United Nations 2030 agenda for sustainable development and is aligned with the Sustainable Development Goals (SDGs). In accordance with the requirements of the German Supply Chain Due Diligence Act (LkSG), we implement the necessary due diligence obligations. Our affiliated companies outside Germany also observe the respective national legal regulations regarding due diligence obligations.

We take international agreements into account in our business activities, including those listed in the appendix to the LkSG. These are in particular the following international standards and guidelines: The principles derived from the universal declaration of human rights for business.

- The United Nations Guiding Principles on Business and Human Rights (UNGP).
- The core labour standards of the International Labour Organization (ILO).
- The United Nations Convention on the Rights of the Child (CNC).
- The Organization for Economic Co-operation and Development (OECD) principles for multinational companies.

Our DEICHMANN code of conduct, which is supplemented by the corporate mission statement and other guidelines, forms the basis for the behaviour of our employees. However, we do not rely exclusively on the compliance of our global business partners and other parties in the supply chain with our code of conduct, but rather believe that only joint efforts along global supply chains can effectively identify, remedy and prevent human rights and environmental violations.

B. Our approach to due diligence implementation

At DEICHMANN, we have established a comprehensive risk management that also focuses on human rights and environmental risks in our supply chains. This includes both regular and occasion-related analyses to identify potential risks. As soon as risks are identified, we implement effective and appropriate preventive measures. If violations are identified, we take appropriate corrective action. In addition, we have introduced a complaints procedure to effectively investigate and process reports. The effectiveness of our measures is regularly checked and documented. This documentation is integrated into our ongoing reporting process.

I. Risk management

At DEICHMANN, we aim to identify and minimize the human rights and environmental risks that arise from our business activities in our supply chains. The German Supply Chain Due Diligence Act (LkSG) has prompted us to state our approach more precisely through regular audit processes. Our aim is to develop comprehensive understanding of potential risks both in our own business area and in our supply chains in order to establish additional preventive measures on this basis.

Our organizational structure is as follows:

The corporate divisions are responsible for selecting business partners in coordination with management. The purchasing and procurement departments are responsible for implementing and complying with purchasing practices, while the Corporate Social Responsibility (CSR) department is responsible for the onboarding process of new business partners and their operating locations.

The CSR department has strategic, operational and central responsibility for the implementation of the human rights and environmental risk management at DEICHMANN and reports regularly to the human rights officer. In this context, it is the responsibility of the CSR department to manage the onboarding process for new direct and indirect business partners, including their business locations, and to carry out the annual and event-related risk analysis.



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In addition, the CSR department is responsible for creating training materials, conducting audits and training on site, particularly in the production facilities of our own brands, and developing processes for implementing the German Supply Chain Due Diligence Act (LkSG) in our own business area. If necessary, the global CSR department receives support from local employees of the DEICHMANN companies, such as quality management, as well as from independent external auditors.

The head of Legal & Compliance, who also holds the position of human rights officer, is responsible for monitoring the human rights and environmental risks and complaints management and reports regularly to the managing directors.

The Services & Safety department is responsible for internal occupational safety in its own business area, carries out appropriate training and regular checks. The People & Culture department is responsible for communicating internal regulations.

Through these established structures, we ensure that all employees in all company divisions assume their responsibility for respecting human rights and environmental protection and integrate them into their daily work processes. If business or social conditions change, particularly in our procurement markets or in relation to our business activities, we take this as an opportunity to continually review and further develop our risk management.



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II. Essential risk analysis measures and identified priority risks

At regular intervals, at least annually or as needed, we evaluate human rights and environmental risks that arise from our business activities in our supply chain. In doing so, we prioritize the production sites of our business partners, producing our own brand products in risk countries, although we do not differentiate between direct and indirect suppliers in this regard. We value the dialogue with affected stakeholders and interest groups.

The risk analysis includes several steps: First, we identify abstract risks based on country risks. The identified risks are then classified based on their severity and probability of occurrence. When prioritizing measures, we take into account both our influence on risk creation and our contribution to it.

In the next step, the CSR department determines specific risks. We rely on external third-party social audits and self-disclosures from our business partners and the findings from our complaints procedure.

DEICHMANN reserves the right to check the information in the self-disclosures and the results of the social audits of all business partners and those involved in the supply chain itself or to commission external service providers to carry out the check. The CSR department regularly visits the facilities of our production partners in order to get a comprehensive idea of the situation on site. This involves checking whether the previously identified risks may exist in the business premises. In our own business area, the CSR department also carries out risk-based on-site reviews.

We have identified the following risks in our supply chain that need to be addressed as a priority:

- Suspicion of inadequate occupational safety
- Suspicion of overtime
- Suspicion of irregularities in the payment of wages



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We are aware that we operate in an industry and source our products from countries where serious human rights violations, such as child or forced labour, may occur. We therefore already had measures in place before the LkSG came into force taken to avoid such risks. We did not identify any such risks in the 2023 financial year. We continue to work to create an environment to identify and prevent these risks at an early stage.

We have not identified any priority human rights or environmental risks within the meaning of the LkSG in our own business area.

III. Prevention measures

At DEICHMANN, we use various preventative measures to fulfil our responsibility and implement our corporate philosophy. This includes our purchasing practices, which also take into account respect for human rights and environmental aspects, as well as the provision of appropriate training measures. These training courses serve to protect those potentially affected and to minimize and prevent negative effects from our business behaviour or that of our business partners.

In accordance with our guidelines for executives and the corporate mission statement, DEICHMANN managers are obligated to promote social and responsible actions. We conduct regular training for executives and employees in the areas of human rights, supply chain care, occupational safety and responsible behaviour in order to increase awareness of these issues.

The CSR department is responsible for implementing preventive measures in the supply chain. This includes the onboarding process, during which our business partners confirm our code of conduct which sets the ground rules for our cooperation. The CSR department creates its own training materials for various target groups and carries out corresponding training at the company's facilities. If necessary, we offer our business partners additional training on human rights and environmental protection in collaboration with external partners and monitor their participation in these training courses.

In addition, compliance with self-disclosures and social audits is checked on occasion-related and routine basis.



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IV. Remedial Actions

If any violations of human rights or environmental protection are identified, we at DEICHMANN immediately take individual remedial measures. Our goal is to prevent, stop or reduce the extent of such violations. Based on the analysis of social audits, complaints received and on-site visits, we develop effective action plans together with those responsible at the operating sites. These plans are flexible and adaptable depending on the situation and include root cause identification, awareness training and regular monitoring visits. Through recurring on-site inspections, we ensure that measures are implemented effectively and used to prevent similar incidents. We continually learn from the experiences and results of these measures and thereby strive to improve the situation.

V. Complaints procedure

DEICHMANN has set up a publicly accessible complaints procedure meeting the requirements of the LkSG, enabling anyone to anonymously and easily report information about risks or violations of human rights or environmental obligations. This process is accessible to our own employees and external stakeholders both on our company website and via our online shops. In addition, the complaints procedure is available to employees at our production partners' production facilities in the respective national languages via posters on site. Complaints can be submitted anonymously both in writing and verbally via a secure online portal. In selected countries, DEICHMANN also participates in cross-industry complaints mechanisms.

Independent people who are not bound by instructions examine and treat every complaint confidentially. The whistleblowers are included in the further process via an anonymized portal, whereby ensuring whistleblowers are protected against discrimination or punishment. Complaints that indicate risk or violations lead to risk analysis and, if necessary, appropriate preventative or remedial action. Detailed information on the complaints procedure, including accessibility and procedural steps, is contained in our publicly available rules of procedure.



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VI. Effectiveness test

DEICHMANN is aware that all preventive and remedial measures as well as the complaints procedures must always meet latest requirements and be continuously developed. We therefore undertake to regularly review the effectiveness of the measures taken, at least once a year, and adjust them if necessary.

This review includes assessing the effectiveness of the measures taken based on the results of the risk analysis carried out regularly and on an occasion-related basis. In addition, compliance with our specifications and human rights and environmental expectations is monitored both internally by our employees and externally in our supply chain. To carry this out, we use different procedures such as document checking and auditing.

VII. Documentation and reporting obligations

The human rights officer and the CSR department are responsible for documenting and reporting all measures to implement the LkSG due diligence obligations. This includes results of risk analyses, complaints received, preventative and remedial measures implemented. DEICHMANN will comply with the legal requirements for reporting. This measure serves for transparency and accountability towards all stakeholders and the public.

Heinrich O. Deichmann
Chairman/CEO

Manfred Kroneder
Vice Chairman of the Board of Directors

Samuel Deichmann
Member of the Executive Board

Alexander Bellin
Member of the Executive Board

Martin Fischer
Member of the Executive Board

Dr. Lars Jendrian
Member of the Executive Board/CFO