



Pathway to Creating Change

DECKERS BRANDS
CLIMATE TRANSITION PLAN

—
OCTOBER 2025

DECKERS
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A Message From Our VP, Sustainability & Compliance

With global temperatures continuing to rise, we recognize our responsibility not only to lower the environmental intensity of our operations but to enable systemic change across our value chain. As the Vice President of Sustainability and Compliance, I am proud to share our Climate Transition Plan—an actionable and science-aligned roadmap guiding our journey toward a lower-carbon, sustainable and resilient future.

Our plan is rooted in the latest climate science and guided by the goals of the Paris Agreement. We have set science-based targets, approved by the Science-Based Targets initiative, which apply to our operations (*Scope 1 and 2*) and extend across our value chain (*Scope 3*), where the majority of our impact lies.

Scope 1 and 2 emissions are managed using an absolute contraction approach, consistent with a 1.5°C decarbonization pathway. This reflects our commitment to reduce direct and energy-related emissions in line with climate science.

Scope 3 emissions, which represent the majority of our total footprint, are being addressed through a sector-specific decarbonization pathway aligned with a well-below-2°C trajectory, using an economic-intensity approach.

KEY ELEMENTS OF OUR CLIMATE TRANSITION PLAN INCLUDE:

- **Renewable Energy:** We are prioritizing real emission reductions across our owned and operated facilities through energy efficiency measures and renewable energy consumption.
- **Scope 3 Engagement:** We are working closely with our supply chain partners to advance manufacturing practices and logistics, leveraging our partnerships, environmental monitoring, and scorecard process to drive decarbonization.

- **Product Innovation:** We are exploring circular design and increasing our use of preferred materials across our product portfolio.
- **Climate Governance, Transparency, and Accountability:** Our Board of Directors oversees climate-related risks and opportunities. We disclose our progress annually through our Creating Change report, CDP submissions, and maintaining our alignment with evolving regulatory standards.

We recognize that climate leadership is not just about setting targets—it's about delivering on them with integrity, urgency, transparency, and equity. That's why our transition plan considers supply chain workers, communities, and factory and supplier partners who are essential in this journey.

Thank you for your continued trust and engagement. Together we can create meaningful change, shaping a better world for generations to come.



Sincerely,

Brooke Beshai

BROOKE BESHAI

Vice President, Sustainability
and Compliance

Introduction

At Deckers, we are guided by our belief that we can Do Good and Do Great—for our consumers, our communities, and our planet. Our Climate Transition Plan brings all of our climate commitments into one roadmap, showing how we’re transforming ambition into action. It illustrates our efforts to protect the world we share and our promise to being transparent about the progress we make along the way.

This plan is aligned with the Transition Plan Taskforce (*TPT*) Framework and charts our journey to 2030 and beyond. It builds on the progress we’ve already achieved—focusing on our emissions targets, embracing the circular economy, and expanding the use of preferred materials in our products—while setting our sights on extending our vision to 2050. Innovation, collaboration, and creativity will continue to guide us as we reimagine how footwear and apparel are designed, made, and ultimately delivered to the consumer.

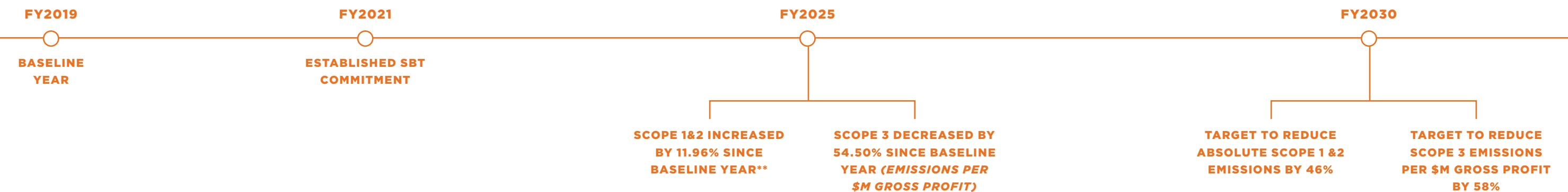
Inside this report, you will find our goals and the actions behind them: sourcing preferred materials, working with responsible supply chain partners, scaling our circular ecosystem, and addressing challenges across our value chain. Together, these steps will help us unlock new opportunities and meaningful change.

Most importantly, this plan is about walking the talk—step by step, season by season—so every pair or unit we make moves us closer to a more resilient future, living up to our value that when we Do Good, we also Do Great. What this means is that we show up with respect and act with integrity — for our employees and the world around us.

Overview of Deckers Climate Transition Plan



Timeline of Events



*Preferred materials definition can be found in our glossary

**As part of our commitment to continuous improvement, we conducted a re-baseline exercise to enhance data quality and alignment with best practices. This exercise had no impact on our existing science-based targets and served only to refine the data boundaries for Scope 1, 2, and 3 emissions.

Climate Targets and Strategy

Our climate strategy is grounded in science-based targets aligned with the goals of the Paris Agreement. Our targets were validated by the Science-Based Targets initiative (SBTi) in October 2021, and are as follows:

- **Scope 1 & 2:** Reduce absolute GHG emissions by 46% by FY30 from a FY19 baseline year
- **Scope 3:** Reduce Scope 3 GHG emissions 58% per \$m gross profit by FY30 from a FY19 baseline year

OFFSETTING

Our approach remains the same: measure, reduce, and consider offsets as appropriate. This fiscal year, Deckers did not purchase any carbon offsets, nor did we initiate or participate in any internal or external carbon tax schemes. This reflects our current strategic focus on direct emissions reductions and operational efficiencies as primary tools for addressing our carbon footprint.



1. DECARBONIZE OPERATIONS

Deckers is committed to lowering the environmental intensity of our operations in accordance with its validated SBTs.

As part of our preparations for compliance with the EU's Corporate Sustainability Reporting Directive (CSRD), we have completed our double materiality assessment (DMA), which can be found in the Creating Change report. Based on our DMA, the key levers of decarbonization we will prioritize are:

- Reducing our energy impact in our distribution centers, owned corporate headquarters and our leased stores and offices;
- Reducing our use of petroleum-based materials;
- Evaluating transportation opportunities; and
- Working with our supply chain partners to reduce energy consumption.

2. RESPOND TO CLIMATE RISK AND OPPORTUNITIES

Deckers is committed to identifying key impacts, risks and opportunities identified within its value chain. We face a range of climate-related risks that could materially impact our operations and value chain. These include, but are not limited to, the following:

- Non-compliance with evolving regional and international climate and energy regulations may result in legal penalties, operational disruptions, and reputational damage.
- Failure to meet sustainability expectations—such as validated Science-Based Targets (SBTs) and greenhouse gas (GHG) reduction commitments—could jeopardize relationships with consumers, key retail partners, and shareholders.
- Reliance on non-renewable energy sources at company facilities could increase our carbon footprint and expose us to higher energy costs, carbon taxes, regulatory scrutiny, and insurance premiums.
- Intensifying extreme weather events pose physical risks to manufacturing and supply chain continuity, potentially affecting financial performance and the availability of critical raw materials.

3. SUPPORT AN INDUSTRY WIDE TRANSITION

We understand given our scale we are well placed to affect change and encourage industry-wide transformation. These are the key areas in which we commit to accelerating and collaborating on:

- Material working groups
- Circularity and footwear working groups
- Industry groups

More information in our involvement can be found in our [Engagement](#) section.

Governance and Methodology

GOVERNANCE

Deckers' Board of Directors, through its Corporate Responsibility, Sustainability & Governance Committee (*Corporate Governance Committee*), comprised of four independent directors, oversees our ESG strategy. Our Board has ultimate oversight over all sustainability initiatives, strategies, and programs, including those related to climate change:

- The Corporate Governance Committee and Board of Directors regularly receive updates on the status of our ESG program. In addition, the Audit & Risk Management Committee (*Audit Committee*) of the Board periodically reviews risk management, including climate-related risks and policies to ensure a consistent corporate strategy.
- Deckers' Chief Administrative and Legal Officer has general oversight of our sustainability program, and approves all materials recommended to the Board of Directors for our climate-related strategy. Our Vice President, Sustainability and Compliance has direct day-to-day responsibility for managing our program, including the multiple sustainability committees which meet quarterly, and assessing risks to report to Deckers' Executive Leadership Team and the Board of Directors.
- Ongoing progress is monitored by multiple management committees that meet regularly, such as the Risk & Compliance Advisory Committee.



Governance and Methodology (continued)

METHODOLOGY

Our climate strategy is grounded in science-based targets aligned with the goals of the Paris Agreement. We apply differentiated methodologies across Scopes 1, 2, and 3 to reflect the unique characteristics of each emissions source and to ensure credibility and impact in our reduction efforts.

- Scope 1 and 2 emissions are managed using an absolute contraction approach, consistent with a 1.5°C decarbonization pathway. This reflects our commitment to reducing direct and energy-related emissions in line with climate science.
- Scope 3 emissions, which represent the majority of our total footprint, are being addressed through a sector-specific decarbonization pathway aligned with a well-below-2°C trajectory, using an economic-intensity approach.

We recognize the importance of a full value chain transition and continue to refine our Scope 3 methodologies in alignment with emerging best practices and evolving data quality.

Using the Greenhouse Gas Protocol, Deckers' emissions have been calculated for the following scopes:

Scope 1: Emissions from operations that are owned or controlled by Deckers, such as natural gas and refrigerants used at our offices, stores, showrooms and distribution centers and petrol and diesel in company leased or owned vehicles.

Scope 2: Emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company at sites under operational control.

- Deckers Corporate Headquarters, Distribution Centers, and Vehicles (*Cars & Vans*) fall into Scope 1 and 2. Global Retail Stores and Showrooms fall into either Scope 1 and 2 or Scope 3 Category 8 depending on whether Deckers has operational control. The emission sources for Category 8 – Upstream Leased Assets are the same as those for Scope 1 and 2.

Scope 3: All indirect emissions (*not included in Scope 1 & 2*) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

- Raw material sourcing impacts, other purchased goods and services, capital goods, fuel and energy related activities, upstream transportation, waste generated in operations, business travel, employee commuting, upstream leased assets, 3PLs, downstream transportation, use of sold products, end of life of sold products, and franchises encompass our scope 3 emissions. Scope 3 makes up the vast majority of our overall emissions as an organization.

It is also critical to define the boundary that is to be considered within the scope of our greenhouse gas inventory.

Year: April 1, 2024 to March 31, 2025

Boundary: The Scope 3 calculation considers the full value chain of Deckers' operations where Deckers has either operational control, or significant ability to influence either directly or indirectly. This covers the full cycle of all goods directly purchased by Deckers to be sold to end customers.

Exclusions: Category 10, Processing of Sold Products, was excluded as Deckers only sells final products to end-users, and no intermediate products which could be further processed, transformed or included into other products. Category 13, Downstream Leased Assets, was excluded as de-minimis, as Deckers does lease some office floor space in certain offices around the world, but this has been confirmed as small. Category 15, Investments, was excluded since Deckers has no general portfolio investment utilizing cash reserves, and all emissions from subsidiaries have already been accounted for in scope 1 and 2 reporting.

Emission Factors: Emission factors for vehicle fuels, natural gas, and refrigerants were sourced from BEIS (*UK Government Department for Business, Energy and Industrial Strategy - now part of the Department for Energy Security & Net Zero*) Conversion Factors for each appropriate years. Emission factors for electricity were sourced from the International Energy Agency (*IEA*).



Governance and Methodology (continued)

EMISSIONS SUMMARY

In FY25, we continued working with Carbon Trust, a third-party expert, to conduct our carbon accounting and have closely tracked the progress we have made toward our approved Science-Based Targets.

While we are proud of our progress to date, we cannot predict all potential events that could impact our emissions (*e.g. supply chain disruptions, methodology updates, changes to emissions factors, etc.*) but our commitment to continuing our work is stronger than ever.

DECKERS BRANDS GHG EMISSIONS SUMMARY (tCO₂e)

SCOPE	FY19 (BASELINE YEAR) (tCO ₂ e)	FY20 (tCO ₂ e)	FY21 (tCO ₂ e)	FY22 (tCO ₂ e)	FY23 (tCO ₂ e)	FY24 (tCO ₂ e)	FY25 (tCO ₂ e)
SCOPE 1	1,547	1,467	1,496	1,751	1,695	1,397	1,808
SCOPE 2: MARKET-BASED	6,589	5,510	5,747	6,779	6,919	6,896	7,301
SCOPE 3	858,848	950,551	1,104,154	1,457,213	984,494	1,074,724	1,083,955
TOTAL EMISSIONS tCO₂e	866,983	957,528	1,111,398	1,465,743	993,108	1,083,017	1,093,064

*Our emissions baseline year is FY19 as it had to be a year which was not impacted by COVID-19 per SBTi. As part of our commitment to continuous improvement, we conducted a re-baseline exercise to enhance data quality and alignment with best practices. This exercise had no impact on our existing science-based targets and served only to refine the data boundaries for Scope 1, 2, and 3 emissions.

*Note: In cases where shifts in scope, methodology and/or data quality have led to changes in previously reported performance results, we've restated historically reported results.

Scope 1 & 2



Deckers HQ



Deckers Distribution Centers



Global Retail Stores



Vehicles

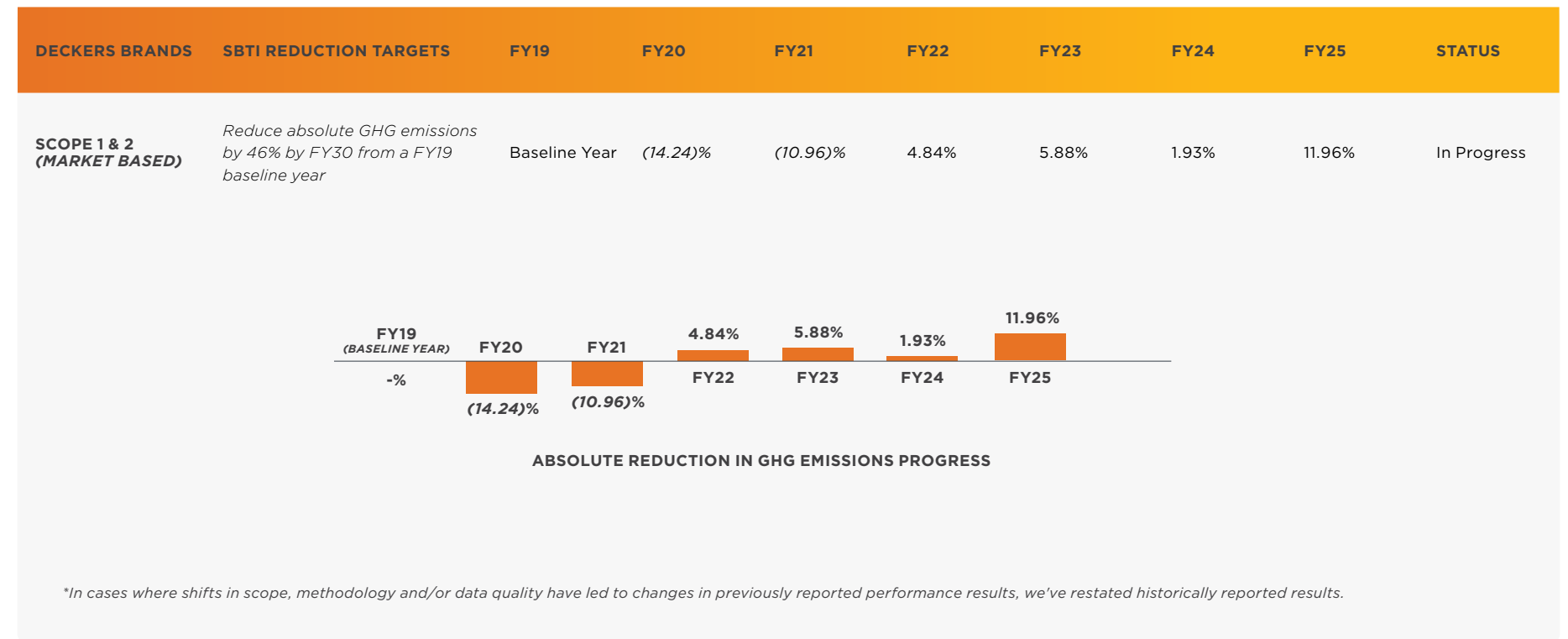


Showrooms

Governance and Methodology (continued)

PROGRESS ON REDUCING EMISSIONS

SCOPE 1 AND 2 ABSOLUTE REDUCTION PROGRESS FROM BASELINE YEAR (FY19)





Governance and Methodology (continued)

PROGRESS ON REDUCING EMISSIONS

SCOPE 3 ECONOMIC INTENSITY PROGRESS FROM BASELINE YEAR (FY19)

DECKERS BRANDS	SBTI REDUCTION TARGETS	FY19	FY20	FY21	FY22	FY23	FY24	FY25	STATUS
SCOPE 3	Reduce Scope 3 GHG emissions 58% per \$m gross profit by FY30 from a FY19 baseline year	Baseline Year	4.32%	(2.67)%	9.87%	(34.67)%	(45.43)%	(54.50)%	On Track

CHANGE IN tCO₂ PER MILLION \$ GROSS PROFIT PROGRESS

FY19 (BASELINE YEAR) 0%
 FY20 4.32%
 FY21 (2.67)%
 FY22 9.87%
 FY23 (34.67)%
 FY24 (45.43)%
 FY25 (54.50)%

**In cases where shifts in scope, methodology and/or data quality have led to changes in previously reported performance results, we've restated historically reported results. Our Scope 3 target is an economic intensity target (e.g. Metric Tonnes CO₂/Gross Profit).*

Governance and Methodology (continued)

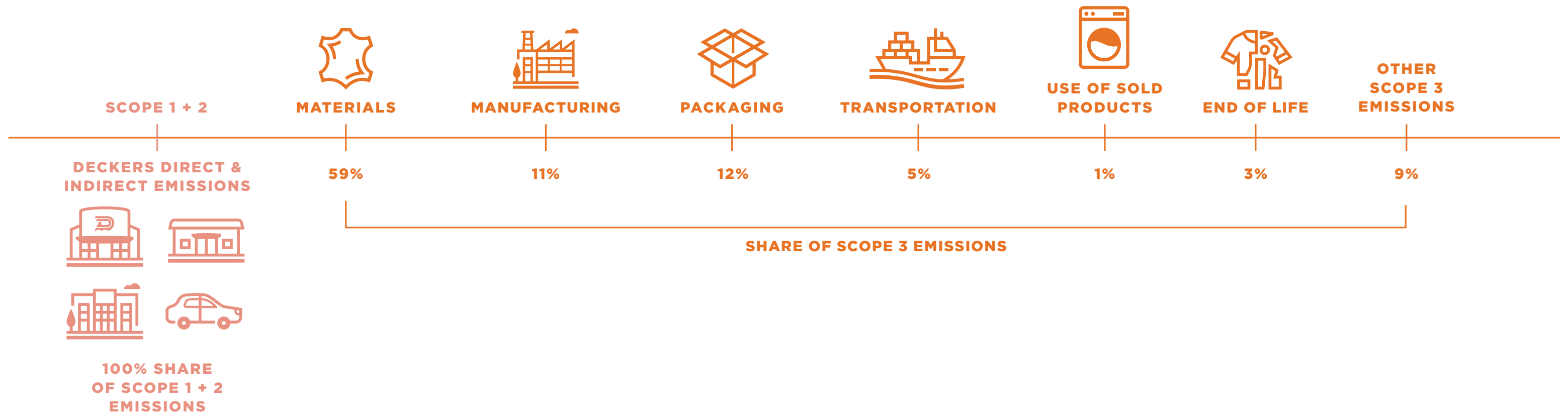
PROGRESS ON REDUCING EMISSIONS DETAILED SCOPE 3 EMISSIONS

CATEGORY NAME	FY19 TOTAL EMISSIONS (tCO ₂ e)	FY20 TOTAL EMISSIONS (tCO ₂ e)	FY21 TOTAL EMISSIONS (tCO ₂ e)	FY22 TOTAL EMISSIONS (tCO ₂ e)	FY23 TOTAL EMISSIONS (tCO ₂ e)	FY24 TOTAL EMISSIONS (tCO ₂ e)	FY25 TOTAL EMISSIONS (tCO ₂ e)
1A: PURCHASED GOODS AND SERVICES (PRODUCT)	747,782	783,260	919,991	1,152,893	775,908	889,895	902,612
1B: PURCHASED GOODS AND SERVICES (NON-PRODUCT)	784	2,529	3,040	4,374	3,955	6,023	20,243
2: CAPITAL GOODS	13,057	16,656	16,839	46,416	22,845	22,792	22,386
3: FUEL AND ENERGY RELATED ACTIVITIES	1,474	1,004	995	2,356	2,101	1,671	1,608
4: UPSTREAM TRANSPORTATION AND DISTRIBUTION	33,945	29,014	28,312	71,314	40,174	47,361	40,513
5: WASTE GENERATED IN OPERATIONS	1,237	1,299	5,421	6,363	5,613	7,255	8,143
6: BUSINESS TRAVEL	4,549	5,584	243	1,574	5,845	15,367	12,069
7: EMPLOYEE COMMUTING	5,990	6,219	4,217	4,197	4,521	3,811	3,980
8: UPSTREAM LEASED ASSETS	5,190	5,793	5,343	5,836	4,118	4,278	5,660
9: DOWNSTREAM TRANSPORTATION AND DISTRIBUTION	26,490	25,346	28,224	33,537	37,685	31,095	12,966
10: PROCESSING OF SOLD PRODUCTS (EXCLUDED)	-	-	-	-	-	-	-
11A: USE OF SOLD PRODUCTS (DIRECT) (EXCLUDED)	-	-	-	-	-	-	-
11B: USE OF SOLD PRODUCTS (INDIRECT)	7,640	2,827	9,253	11,463	19,192	4,563	5,263
12: END-OF-LIFE TREATMENT OF SOLD PRODUCTS	10,711	10,223	11,299	16,828	13,312	19,906	30,917
13: DOWNSTREAM LEASED ASSETS (EXCLUDED)	-	-	-	-	-	-	-
14: FRANCHISES	-	60,797	70,976	100,061	49,227	20,708	17,596
15: INVESTMENTS (EXCLUDED)	-	-	-	-	-	-	-
TOTAL SCOPE 3 EMISSIONS	858,848	950,551	1,104,154	1,457,213	984,494	1,074,724	1,083,955

**Note: In cases where shifts in scope, methodology and/or data quality have led to changes in previously reported performance results, we've restated historically reported results.*

Key Climate Impacts

A DEEP DIVE INTO OUR VALUE CHAIN



KEY LEVERS

CLIMATE TARGETS

PREFERRED MATERIALS

RENEWABLE ENERGY

VALUE CHAIN ENGAGEMENT

RESOURCE USE + CIRCULARITY

Key Climate Impacts (continued)

FOCUS AREAS & DECARBONIZATION LEVERS - SCOPE 1 & 2

SCOPE	LEVER	IMPLEMENTED OR PLANNED ACTIVITIES	DESCRIPTION OF PROGRESS
Scope 1&2	Energy Efficiency	We are ensuring efforts have been made to reduce consumption through energy efficient activities across all sites and distribution centers. This will include transitioning all lights to LED and installing control systems such as motion sensors.	In progress - Target achievable
Scope 1	Reducing Refrigerant Emissions	Exploring options to reduce emissions from F-gas by moving to low GWP refrigerant.	Exploring Opportunities
Scope 1	Upgrading Our Buildings	Potentially investing in building improvements and improved insulation and air-tightness to minimize heating and cooling demand.	Exploring Opportunities
Scope 1&2	Energy Efficiency	Our second Distribution Center location in Mooresville, Indiana, was designed with LED lighting, power monitoring, enhanced energy modeling and commissioning of HVAC systems, green parking with electric vehicle charging stations and construction waste landfill diversion programs.	Target Achieved
Scope 1&2	Renewable Energy Procurement	Installed 1,170 solar panels at our corporate headquarters which help to offset electric energy usage. Our remaining electric energy consumption is sourced via clean and renewable sources, making our corporate headquarters 100% renewable.	Target Achieved
Scope 1&2	Renewable Energy	Installed 120 solar panels in our Moreno Valley Distribution Center, helping to offset electric energy usage.	Target Achieved
Scope 1&2	Renewable Energy	Ensuring electricity across all owned sites is generated from renewables.	Target Achieved
Scope 1&2	Energy Efficiency	Moreno Valley Distribution Center is equipped with operating systems that go into an energy conservation mode when the operation senses a certain amount of inactivity, which allows us to only apply the minimum amount of electricity required across all areas of fulfillment.	Target Achieved
Scope 1&2	Solar Installation	We are exploring the possibility of solar expansion in our Moreno Valley, California Distribution Center and other renewable energy options at our Mooresville, Indiana Distribution Center.	Exploring Opportunities

Key Climate Impacts (continued)

FOCUS AREAS & DECARBONIZATION LEVERS - SCOPE 3

SCOPE	LEVER	IMPLEMENTED OR PLANNED ACTIVITIES	DESCRIPTION OF PROGRESS
Scope 3	Adapting procurement processes	We are exploring ways to reduce the impact of key materials in our supply chain, such as leather and sheepskin, based on their origin and upstream processing techniques. We assess the full environmental impact of our materials through lifecycle analysis focused on greenhouse gas emissions intensity and are committed to maximizing the amount of preferred materials in our products.	In progress - Target achievable
Scope 3	Processing of materials	To reduce emissions during the processing of animal hide we will encourage our third-party tannery partners to explore the utilization of renewable energy.	Exploring Opportunities
Scope 3	Gathering supplier data	We are closely tracking Tier 1 factory partners assembly emissions and have set robust renewable energy reduction targets at an assembly level. For Tier 2 supplier partners, we collect lifecycle inventory data and analyze through an LCA tool to assess material, manufacturing, end-of-life, and transport impacts.	Target Achieved
Scope 3	Technology innovation and efficiency	Automation will play a pivotal role in developing sustainable production methods using new technologies such as robotic machines and automated fabric cutting systems. These can optimize energy and operational efficiency during the production process.	Exploring Opportunities
Scope 3	Raw material extraction	We know that our largest impact is at the raw materials level. Various strategies will allow us to cut these emissions, such as developing and scaling entirely new materials, using lower-carbon versions of existing materials and increasing the recycled content found in our products. We are currently utilizing hides sourced from land practicing regenerative farming.	Target Achieved
Scope 3	Raw material extraction	60.08% of all cotton fibers used in our footwear, and 99.79% of our apparel, accessories, and home goods, were sourced from a sustainable cotton growing scheme, or were made of recycled materials. We are committed to ensuring that all cotton used in our products is either recycled or sourced from farms that utilize sustainable crop growing practices by the end of calendar year 2025.	In progress - Target achievable
Scope 3	Recycled packaging	98.50% of our packaging used for footwear and 99.50% of packaging used for our apparel, accessories and home goods utilize recycled and/or certified materials.	Target Achieved
Scope 3	Raw materials	56.28% of all co-polyester fibers and films used in our footwear originated from post-consumer, post-industrial or renewable resources, and we are committed to increasing these percentages.	In progress - Target achievable
Scope 3	Raw materials	61.39% of all fibers used in our footwear are preferred materials.	Target Achieved
Scope 3	Circular business model	Our business, brands, and products will actively promote a circular economy. This will include designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. By transitioning towards a circular ecosystem, we reduce our dependence on natural resources, where a lot of our emissions sit.	In progress - Target achievable

Key Climate Impacts (continued)

FOCUS AREAS & DECARBONIZATION LEVERS - SCOPE 3

SCOPE	LEVER	IMPLEMENTED OR PLANNED ACTIVITIES	DESCRIPTION OF PROGRESS
Scope 3	Circular business model	We will continue to explore repair and resale, as well as utilizing materials that naturally degrade, and those that are upcycled, downcycled, recycled or regenerative.	In progress - Target achievable
Scope 3	Coal Phaseout	As of fiscal year 2025 none of our Tier 1 factory partners use coal-based energy, and we will not onboard any new Tier 1 factory partners who rely on coal for energy. Some of our key Tier 2 supplier partners use coal-based energy but are committed to a coal phase-out by 2030. Beginning fiscal year 2026, no new key Tier 2 supplier partners will be onboarded should they use coal-based energy.	In progress - Target achievable
Scope 3	Processing of materials and garments	We will explore ground or air-source heat pumps and thermal energy storage, which captures heat for later use.	Exploring Opportunities
Scope 3	Electrification	We are exploring transitioning production for our supply chain partners from thermal energy to electricity, including evaluating opportunities to adopt electric boilers and turbo and induction heaters.	Exploring Opportunities
Scope 3	Processing of materials	We are committed to transitioning our supply chain partners away from energy intensive wet processing techniques and exploring increasing our use of spraying, digital printing, dope dyeing or waterless dyeing, which reduce the amount of water, energy and chemicals used.	In progress - Target achievable
Scope 3	Transportation opportunities	We will work across our supply chain to explore optimization and efficiency opportunities. We are committed to having the right product in the right place, in the right quantities.	Exploring Opportunities
Scope 3	Switching to lower-impact transport	We will be evaluating using lower-impact modes of transport with particular focus on electric vehicles (EV) for shipping and logistics. In regions where EV infrastructure is less advanced, we will explore switching from standard diesel and petrol to sustainable fuel, such as biofuel as a transitional alternative.	Exploring Opportunities

Key Climate Impacts (continued)

SCOPE 1 & 2 LEVERS

OWN OPERATIONS

As of March 31, 2025, we operate approximately 179 stores, 3 distribution centers, 20 offices, and we employ more than 5,500 people. In our operations, our scope 1 and 2 emissions come from fuels and energy used in stores, distribution centers, offices and cars, plus leakage of refrigerants used in cooling systems. In FY25, emissions from our own operations amounted to about 9,109 tCO₂e.* Using the location-based method our emissions would be 8,935 tCO₂e. Scope 1 and 2 make up less than 1% of our total emissions.

*Calculated using the market-based method



ACTIONS

- All of our distribution centers in Moreno Valley, California and Mooresville, Indiana are LEED Gold Certified.
- Deckers Shanghai office is LEED Gold Certified while our office in Macau is LEED Platinum Certified.
- Our LEED Silver Certified corporate headquarters has approximately 1,170 solar panels installed on the roof which help to offset electric energy usage.
- Our corporate headquarters also utilizes 95%* LED lighting which reduces our carbon footprint, saves energy, and reduces waste as it decreases the frequency of replacing bulbs when compared to regular bulbs. We are working to convert the outstanding 5% to LED bulbs within the next 1-2 years.
- Deckers' remaining electric energy consumption is sourced via renewable sources, making our corporate headquarters 100% renewable.
- We are considering engaging a qualified third-party specialist to evaluate our distribution centers. The scope of this assessment may include reviewing building outfitting and identifying potential opportunities to improve efficiencies.
- For more information, please see our annual [Creating Change report](#).

*By square footage - approximately 95% of our square footage is covered by LED lighting currently

These emissions are part of our science-based target to reduce our absolute Scope 1 and 2 GHG emissions 46% by FY30 from a FY19 baseline year.



Key Climate Impacts (continued)

MATERIALS FOCUS IMPACTING SCOPE 3

TOP MATERIALS

At Deckers, our key footwear materials based on volume are EVA, Leather, Recycled Polyester, Polyester, and Sugarcane EVA. For apparel our top materials are Recycled Polyester, Responsible Cotton, Polyester, Spandex, and LENZING™ ECOVERO™. These materials may change each year but are reported annually in our [Creating Change report](#).

In FY25, emissions from our materials amounted to approximately 59% of our total Scope 3 emissions. This illustrates the need to focus on our materials in order to lower the environmental intensity of our operations.

TARGETS AND PARTNERSHIPS

Our materials targets and materials related partnerships are noted in our annual [Creating Change report](#).

ACTIONS

Continued progress toward the optimization of preferred materials in our products:

- In FY25, 38.74% of our total footwear materials were preferred with a commitment to ensure 55% of all materials used in Deckers footwear will be made from preferred materials by FY27.
- In FY25, 72.55% of our total apparel and accessories materials were preferred with a commitment to ensure 65% of all materials used in Deckers apparel and accessories will be made from preferred materials by FY27.
- In FY25, 99.73% of all footwear SKUs are comprised of at least one preferred material with a commitment to ensure 100% of footwear SKUs will be comprised of at least one preferred material by FY30.

- In FY25, 100% of our leather and sheepskin was sourced from Leather Working Group tanneries.
- Over 98% of packaging materials used in Deckers footwear were made from preferred materials and over 85% of packaging materials used in Deckers apparel and accessories products were made from preferred materials.
- We established a long-term grant with the Savory Institute. The grant provides holistic solutions and world-class implementation to promote soil health and biodiversity, with a goal of revolutionizing the Australian sheep farming industry, from which our sheepskin is a byproduct, to regenerative agriculture.
- Use of more preferred finishing methods where possible (*inclusive of preferred dyeing methods, pigment dyeing methods, bleach only methods and undyed materials e.g. greige*).
- Our business, brands, and products will actively engage in the circular economy (*design out waste and pollution, keep products and materials in use, and regenerate natural systems*). For us, this means we will continue to explore repair and resale, and utilizing materials that naturally degrade, are upcycled, downcycled, recycled, regenerative, etc.

These emissions are part of our science-based target to reduce Scope 3 GHG emissions 58% per \$m gross profit by FY30 from a FY19 baseline year.

Key Climate Impacts (continued)

CIRCULAR ECONOMY

We want to challenge ourselves and our industry to be innovative and identify solutions for the challenges impacting our planet.

We strive to think in a circular way rather than the linear model of 'take-make-waste.' There are three key pillars of a circular economy: (1) design out waste and pollution, (2) keep products and materials in use, and (3) regenerate natural systems.

Here is our approach to a circular economy:

1. DESIGN OUT WASTE AND POLLUTION:

- Looking at our products and packaging in detail and asking ourselves, "Is this necessary?" By simplifying our products, we can cut down on materials and waste.
- Each of our brands have midsole/outsole, packaging, and textile waste targets.
- We recognize that packaging must not be overlooked when it comes to end-of-life. Containers, packaging, and plastic make up a growing share of municipal solid waste.
- We strive to reduce pollutants by assessing our partners' energy use and associated GHG emissions, exploring alternatives to incineration for waste management, and ensuring proper wastewater disposal.

2. KEEP PRODUCTS AND MATERIALS IN USE:

- Longevity and durability are very important and something we are committed to studying for all our brands. UGG is helping to extend the lifecycle of its Classic boots by partnering with NuShoe to restore them and keep them in use longer.
- Color is an important factor in longevity. We want to explore and identify core and trend colors to determine which are core colors and which are trend colors. Core meaning they will live for a longer period of time in our consumers' closets; and trend meaning they live for a shorter period of time.

- Understanding footwear recycling is in its infancy globally, we are exploring all available opportunities to extend the life of our products. This includes offering refurbishment options and exploring resale opportunities.
- We remain focused on innovating to help combat the challenges of climate change by actively engaging in the circular economy, giving new life to worn footwear, and collaborating across the industry to bring solutions to scale. We partnered with Fashion for Good on its 'Closing the Footwear Loop' initiative to address the footwear industry's significant circularity challenges.
- We will continue to explore repair and resale opportunities, while prioritizing materials that naturally degrade, are recycled, upcycled, downcycled, or regenerative, etc.

3. REGENERATE NATURAL SYSTEMS:

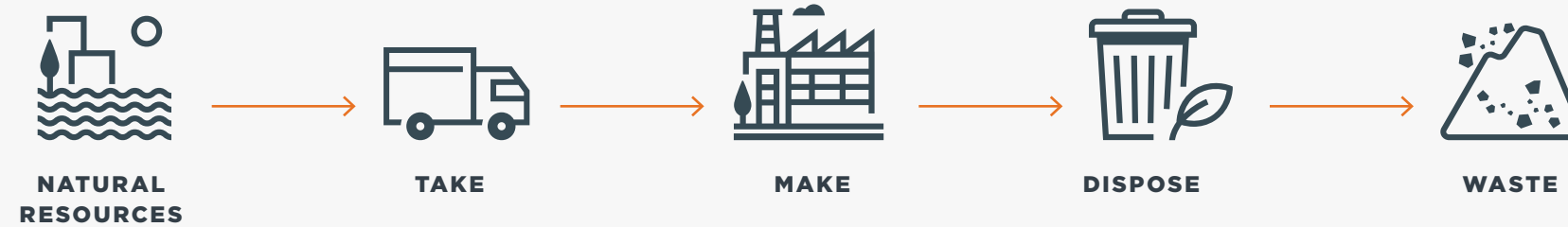
- In 2021, we established a long-term grant with Savory Institute to support regenerative farming practices on sheep farms in Australia and, as of March 31, 2025, we have influenced approximately 1,408,369 acres and 105 farms. While we are currently utilizing hides sourced from land practicing regenerative farming, we are exploring other commodities including cotton and rubber.

Key Climate Impacts (continued)

CIRCULAR ECONOMY

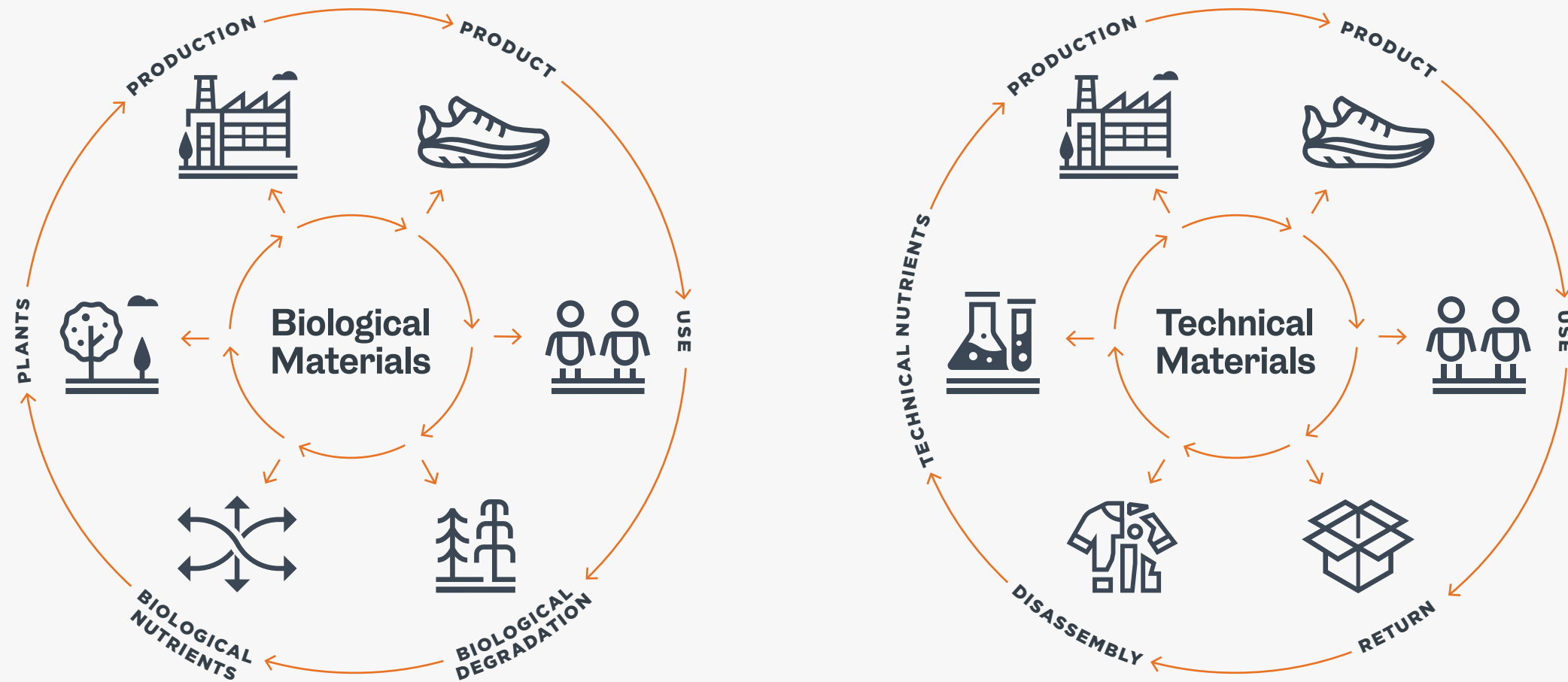
LINEAR ECONOMY

Technical and biological materials mixed up
Energy from finite sources



CIRCULAR ECONOMY

Energy from renewable sources



Key Climate Impacts (continued)

OTHER SCOPE 3 LEVERS

SUPPLIER AND MANUFACTURER PARTNERS

In FY25, we undertook a comprehensive reevaluation of how we collect and assess data and set targets across our supply chain. This process strengthened the consistency of the information we use to guide our sustainability efforts. As part of this review, we also refined our approach to target setting, ensuring alignment with both our corporate climate goals and the realities of our global supply chain. Building on this enhanced foundation, we have established intensity-based targets of our partners, enabling us to better measure progress relative to production growth while driving continued improvement in resource efficiency and emissions reductions. We will continue using *Worldly (formally HIGG) Facilities Environmental Module (FEM)* for our environmental data collection efforts among all our Tier 1 factory partners and strategic Tier 2 supplier partners. In the spirit of continuous improvement, we have set updated targets for our Tier 1 factory partners and will evaluate setting Tier 2 targets, for those monitored, in the future.

To level set, product manufacturing totaled approximately 115,885 tCO₂e in FY25 which represents approximately 11% of our total Scope 3 emissions.

ACTIONS

All Tier 1 manufacturing partners have targets to reduce their energy consumption, water usage and waste generation.

- We expect each of our Tier 1 factory partners to reduce their non-renewable energy consumption by 15% per unit by 2030.
- We expect each of our Tier 1 factory partners to reduce their non-recycled water intensity by 15% per unit by 2030.
- We expect each of our Tier 1 factory partners to reduce their waste generation intensity by 20% per unit by 2030.
- We are exploring setting similar targets for our strategic Tier 2 supplier partners in the future.

TIER 1 AND 2 COAL PHASE OUT COMMITMENT

As part of our commitment to climate leadership and sustainable innovation, we are taking decisive action to eliminate coal from our global supply chain. We commit to phasing out the use of coal-based energy in the production of our products.

Coal is one of the largest contributors to global carbon emissions, and its use within the apparel and footwear industry presents a major obstacle to achieving science-based climate targets. By removing coal-based energy from our supply chain, we aim to reduce our carbon footprint and accelerate the transition to cleaner energy sources.

As of fiscal year 2025, none of our Tier 1 factory partners use coal-based energy, and we will not onboard any new Tier 1 factory partners who rely on coal for energy. While progress has been made, we recognize that some of our key Tier 2 supplier partners still utilize coal-based energy. Beginning in fiscal year 2026, we will no longer onboard any new Tier 2 supplier partners that use coal. Additionally, all existing Tier 2 supplier partners must commit to a complete coal phase-out by 2030.

This coal-free pledge is a cornerstone of our broader decarbonization strategy and a key step toward building a resilient, climate-positive future for the apparel and footwear sector.

Key Climate Impacts (continued)

OTHER SCOPE 3 LEVERS (continued)

TRANSPORTATION

We recognize that we make products intended for consumers all over the globe. With that comes transportation and logistics which can be environmentally taxing.

Transportation involves the movement of goods from production to end-customers. We work with external service providers, with goods travelling via ocean, road, rail and air. In FY25, our upstream transportation and distribution related emissions totaled 40,513 tCO₂e and our downstream transportation and distribution related emissions totaled 12,966 tCO₂e. Together, upstream and downstream transportation represent approximately 5% of our total Scope 3 emissions.

TRANSPORTATION ACTIONS

We have taken certain steps to ensure proper planning to reduce air freight whenever possible. We are committed to using shipping carriers that participate in the Protecting Blue Whales and Blue Skies Program Vessel Speed Reduction Initiative. We will start to evaluate further opportunities to reduce transportation related emissions in the near future. We have also taken steps to optimize our transportation and packaging efficiencies.

These emissions are part of our science-based target to reduce Scope 3 GHG emissions 58% per \$m gross profit by FY30 from a FY19 baseline year.

Climate Risks and Opportunities

Deckers has identified and assessed our climate-related risks and opportunities in line with various reporting frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD). Our analysis is based on two Representative Concentration Pathway (RCP) – or warming scenarios:

- RCP 2.6: a rapid transition scenario with mostly short- and medium-term risks, where average global temperature increase is limited to 1.5°C through far-reaching measures such as legislation, global carbon taxes, and major shifts in consumption patterns and lifestyles. This model was used for transition risks, namely hide availability and carbon pricing.
- RCP 8.5: an accelerating temperature increase scenario with mostly long-term risks, where the world fails to curb rising GHG emissions. This results in a global average temperature increase of at least 3-4°C by 2100. Impacts from extreme weather events are assumed to grow in magnitude. This model was used for physical risks, namely extreme weather events.

In these two scenarios we analyzed possible impacts in the short and medium term.

RISKS

- Non-compliance with evolving regional and international climate and energy regulations may result in legal penalties, operational disruptions, and reputational damage.
- Failure to meet sustainability expectations—such as validated Science-Based Targets (SBT) and greenhouse gas (GHG) reduction commitments—could jeopardize relationships with key retail partners.
- Continued reliance on non-renewable energy sources at company facilities & its third-party supply chain operations could increase Deckers' carbon footprint and expose it to higher energy costs, carbon taxes, regulatory scrutiny, and insurance premiums.
- Fossil fuels remain a significant source of energy in many of our production countries. We are increasing our efforts to monitor third-party manufacturers and suppliers environmental

footprint and broadening our requirements for these partners, for example phasing out coal and other fossil fuels. Energy costs are expected to rise which may impact our overall production costs.

RAW MATERIAL AVAILABILITY AND PRICE

- As global economies transition toward Net Zero emissions, dietary patterns are expected to shift—particularly with potential reduced consumption of meat. This could lead to a decline in livestock farming, which in turn affects the availability of hides, which are a byproduct of the meat industry, a critical input for Deckers' products.
- Intensifying extreme weather events pose physical risks to manufacturing and supply chain continuity, potentially affecting financial performance and the availability of critical raw materials like sheepskin and leather.
- Switching to lower carbon materials could lead to increased costs due to potential gaps between demand and supply. This increase could impact production and operating costs, and therefore product prices.

RISK MITIGATION EFFORTS

TRANSITION RISKS

These risks arise from the global shift to a low-carbon economy and include changes in policy and regulation (*carbon pricing, disclosure mandates, coal phase-out*), technology (*adoption costs and obsolescence*), and market dynamics (*input costs and customer/retailer requirements*), legal exposure, and reputation.

We mitigate these risks by advancing supplier engagement (*e.g., coal phase-out by 2030 and climate KPIs*), expanding renewable energy procurement, accelerating preferred materials, strengthening claims governance and data assurance.

Climate Risks and Opportunities (continued)

PHYSICAL RISKS

These are climate-driven hazards that directly affect assets, operations, and supply chains. They include: (a) Acute hazards: Extreme precipitation, floods, tropical cyclones/typhoons, wildfires, heatwaves that could disrupt Tier 1 and Tier 2 supply chain partners, logistics corridors, and ports. (b) Chronic shifts: Rising average temperatures, water stress, and sea-level rise that degrade productivity, raise cooling/water costs, and affect raw material yields and quality. We mitigate these risks by diversifying our supply chain partners, establishing business continuity plans, and our ongoing environmental monitoring programs.

OPPORTUNITIES

BUILDING A MORE SUSTAINABLE BUSINESS AND ATTRACTING MORE CUSTOMERS

Growing awareness of climate change is expected to impact customer preferences, with an increased preference for products and services with low climate impact from trusted companies that are seen as leaders in sustainability.

DEVELOPING CUSTOMER-FACING CIRCULAR BUSINESS MODELS

Increasing awareness of the climate crisis may change customer behavior as people are incentivized to switch to new ways of enjoying fashion without the climate impact associated with garment production. This could reduce our climate impact and open new revenue streams that complement the traditional business model.

DECARBONIZATION OF OUR SUPPLY CHAIN TO REDUCE THE IMPACT OF POTENTIAL CARBON TAXES AND HIGHER ENERGY PRICES

Our emissions reduction targets could create a competitive advantage, largely by reducing the impact of future climate legislation or emissions taxes.

REDUCING DEPENDENCY ON FOSSIL FUELS BY INCREASING THE USE OF PREFERRED MATERIALS

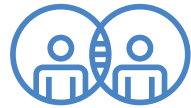
We strive to maximize the amount of preferred materials in our products and each of our brands has targets in alignment with this mission. Preferred materials are defined as those which are renewable, recycled, regenerative or natural. Increased use of preferred materials could create both market and operational advantages as it aligns with consumer, regulatory and business trends.

DATA QUALITY

We rely on third-party data given most of our emissions occur outside of our own operations. For example, we rely on landlords to provide utility bills or on industry available assumptions pulled from BEIS or Ecoinvent. Collecting, verifying and managing this data is very challenging and time consuming. It is important to consider these challenges and data limitations when evaluating our impact. We strive to continually advance our data and calculation efforts to improve our overall data quality. Improved data quality could lead to improvements such as more precise baselines and reduction targets, compliance and audit readiness and overall transparency.

Engagement

VALUE CHAIN ENGAGEMENT



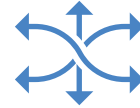
COLLABORATING FOR SUSTAINABILITY

- Frequently disclose and discuss our climate action targets with other businesses in our supply chain and our progress on achieving our strategic ambition
- Partner with brands, innovation, and supply chain teams to support long-term sustainability goals
- Value stakeholder input and maintain open dialogue with suppliers on decarbonization



DATA-DRIVEN SUPPLIER ENGAGEMENT

- Begin engagement with improved data collection and alignment on climate goals
- Collect standardized energy, waste and water data from factories and strategic partners
- Use insights to identify and prioritize areas for sustainability improvements



TOOLS & PARTNERSHIP

- Partner with Infor Nexus to enhance supply chain visibility
- Use Worldly (*formally HIGG*) FEM to promote transparency and environmental disclosure



UNDERSTANDING OUR EMISSIONS IMPACT

- Conduct in-depth analysis of supply chain carbon emissions
- Identify high-impact areas to better target engagement strategies



EMPOWERING SUPPLIERS THROUGH TRAINING

- Invest over 300 hours annually in supplier training and education
- Support underperforming suppliers with goal-setting, reporting, and action plans

Engagement (continued)

SUPPORTING INDUSTRY-WIDE TRANSITION

NAME	TYPE	OVERVIEW	OUR ROLE
Footwear Distributors and Retailers of America (FDRA)	Non-profit organization	FDRA is the footwear industry's business intelligence hub providing data, analysis, and insights on key issues impacting the entire footwear industry from design and sourcing to retail and fashion	Deckers is a sustainability strategic partner for FDRA and we work together with other brands to drive change within the footwear and apparel industry
Leather Working Group (LWG)	Multi-stakeholder group	Develops and maintains protocols to assess the environmental compliance and performance capabilities of leather manufacturers and promotes sustainable and appropriate environmental business practices within the leather industry	Deckers is an active member of the Leather Working Group. Our target to source 100% of our hides from LWG tanneries was achieved in 2021
Responsible Wool Kick Start Program	Non-profit organization	The Responsible Wool Kick Start Program helps smaller farming operations become responsible wool certified, thereby producing and putting more certified wool into the supply chain	Deckers supported the Textile Exchange's Responsible Wool Kick Start Program in 2017. We continue to utilize Responsible Wool in our products and know that our participation in this program helped contribute to industry change
Canopy Planet	Environmental not-for-profit	According to the United Nations, forest conservation could provide up to 30% of the solution to climate change because trees store carbon from the atmosphere. Canopy Planet, an environmental non-profit that protects forests, species, and climate by working with businesses to change supply chains	Deckers ensures that our paper packaging and viscose fabrics do not come from ancient and endangered forests
Savory Land To Market	Non-profit organization	Savory Land to Market is working with brands around the world to heal the planet by regenerating its grasslands. Savory Land to Market are giving a voice to the land and the world's first verified regenerative sourcing solution for raw materials, such as meat, dairy, leather and wool	Deckers is proud to be frontier founders of the Savory Institute's Land to Market program
Textile Exchange Responsible Leather Round Table	Global non-profit	Collaborative platform for stakeholders in the leather industry and related sectors to work together towards greater sustainability and positive impact	Deckers was an influential participant in the Textile Exchange Responsible Leather Round Table
Cascale (formerly Sustainable Apparel Coalition (SAC))	Global non-profit alliance	Empowering collaboration across the consumer goods industry to combat climate change	Deckers is a member of Cascale and aim to drive positive change in the industry through sharing best practices, knowledge and learnings
Footwear Innovation Foundation (FIF)	Non-profit organization	FIF's mission is to be an ideas broker, innovation accelerator, talent pipeline and knowledge center for the future of footwear	Deckers has board representation on Footwear Innovation Foundation, the charitable branch of the FDRA
World Federation of the Sporting Goods Industry (WFSGI)	Global not-for-profit	A non-profit organization who represents the interest of the sporting goods industry	Deckers works closely with the WFSGI on legislation and regulation overview

Engagement (continued)

SUPPORTING INDUSTRY-WIDE TRANSITION

NAME	TYPE	OVERVIEW	OUR ROLE
Fashion for Good's Closing the Footwear Loop	Global platform	The project aims to create a more circular and sustainable footwear industry by addressing waste and promoting circular design principles. It involves collaborating with brands to map footwear waste streams, develop circular design roadmaps, and explore innovations in repair, durability, and recycling	Deckers provided funding and helped to get a consortium of brands together to get this project off the ground
GRI Textile and Apparel Standards	Independent, International	GRI is working to develop standards specific to our industry for added visibility and transparency in reporting disclosures	Deckers is on the working group helping to develop sector specific textile and apparel standards
The United Nations Global Compact (UNGC)	Independent not-for-profit	The United Nations Global Compact is the largest corporate sustainability initiative	As a member of the UNGC, we are held accountable to our set goals. We are required to publish an annual progress report, which is the Creating Change report



Engagement (continued)

ENGAGEMENT WITH CIVIL SOCIETY, GOVERNMENT, PUBLIC SECTOR, AND COMMUNITIES

CIVIL SOCIETY

Through partnerships across the industry and transparent climate-related disclosures, we actively support and track the influence of NGO initiatives, promote climate awareness, and encourage sustainable behavior.

Deckers is in contact with civil society organizations and is a member of several expert organizations on sustainability, such as the Sustainable Apparel Coalition.

We frequently discuss our climate action targets with experts, peers and NGOs as part of our ongoing stakeholder dialogue.

GOVERNMENT AND PUBLIC SECTOR

Deckers integrates internal sustainability initiatives with external partnerships and transparent public reporting to showcase our commitment to environmental responsibility and promote positive change across the industry and beyond.

Through our engagement with trade associations and supported organizations, we may indirectly influence policy, legislation, or regulation. Although we do not engage in direct lobbying or advocate for systemic change, we remain attentive to government and public sector developments and participate in formal consultations where relevant.

Measuring the Transition

As part of our climate transition plan, we are committed to researching, identifying, and launching sector-specific metrics and targets that deliver progress toward a lower-carbon, resilient business model.

Once set, these metrics will be integrated across our procurement strategies and product development processes, ensuring that regular decision-making considers our decarbonization efforts and broader sustainability goals.

In addition, we commit to ongoing refinement of our methodologies and alignment with evolving industry standards such as the Sustainable Apparel Coalition's HIGG Index and ISSB guidance.

We will assess these metrics over the next 18 months for preliminary implementation in early calendar 2027. These metrics will be integrated into our enterprise performance management through regular forecasting processes and formally reviewed annually by Deckers' executive leadership team.



Conclusion

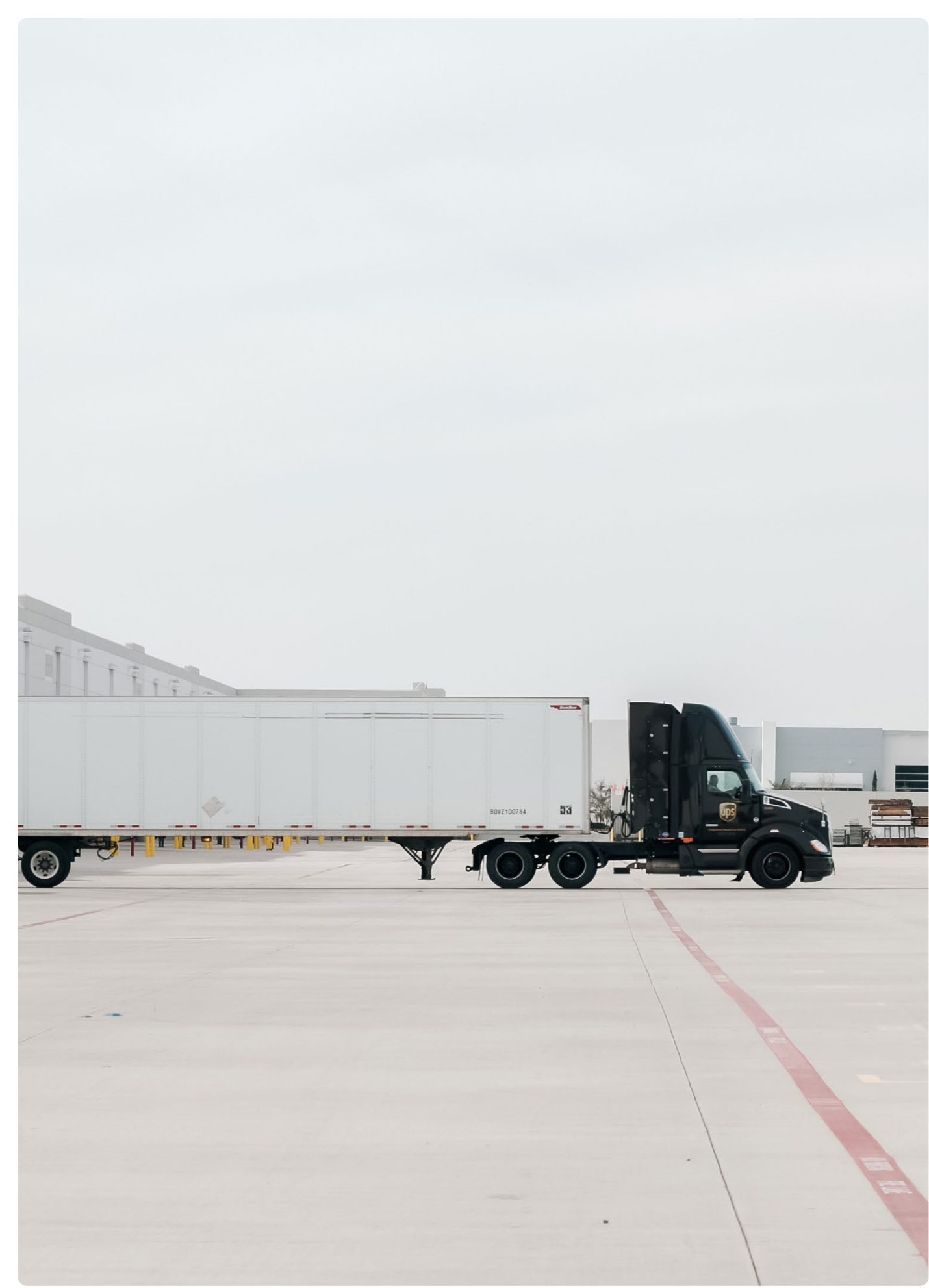
At Deckers, we believe that doing good for people and the planet goes hand in hand with doing great as a business. We are committed to lowering the environmental intensity of our operations to help keep global temperature rise below 1.5°C. While we are proud of the progress we've made, we recognize that there is still more work ahead and important challenges to overcome.

Our industry has the power to inspire change, and we see tremendous opportunities for ambitious brands like ours to grow while lowering the environmental intensity of our operations. That's why we are investing in solutions that drive a just transition—expanding renewable energy, supporting innovative materials, and working with key stakeholders to create solutions that accelerate this shift.

Over the past few years, we've strengthened the way we track, measure, and report our progress, ensuring that every step we take is both credible and impactful. This journey of decarbonization is ongoing, and we know it will require collaboration—with our partners, peers, and communities—to create real, lasting change.

This Climate Transition Plan marks a milestone in our transparency. It outlines not just what we've done, but how we plan to move forward. We will continue to innovate, scale circular solutions, and design products that tread lighter on the planet while delivering the performance and style our consumers expect.

As we look beyond 2030, our path is guided by a simple but powerful belief: when we do good, we do great. By working together—with our stakeholders, our customers, and our industry—we can shape a future where every step makes a positive impact.



Glossary

Biodiversity: The natural variety and fragile balance of animal and plant life on Earth in a localized habitat, which coexist and function to provide or support ecosystems. It is an integral aspect of life on Earth, but is increasingly threatened by human activities.

Circular Economy: There are three key pillars of a circular economy: (1) design out waste and pollution, (2) keep products and materials in use, and (3) regenerate natural systems.

Downcycle: Downcycling, or cascading, is the recycling of waste where the recycled material is of lower quality and functionality than the original material.

Downstream Transportation: A downstream transportation impact is the movement of a finished good starting at the Tier 1 facilities until possessed by a consumer.

Emissions Factors: Emission factors for vehicle fuels, natural gas, and refrigerants were sourced from BEIS (*UK Government Department for Business, Energy and Industrial Strategy - now part of the Department for Energy Security & Net Zero*) Conversion Factors for each appropriate years. Emission factors for electricity were sourced from the International Energy Agency (*IEA*).

Landfill: A site for the disposal of any substrate.

Natural Material: Any physical matter that originates from plants, animals or the ground (*e.g. hemp, cotton, linen, wool, jute, etc.*).

Carbon Offsetting: The process of offsetting (*balancing out*) personal, corporate, or industrial carbon emissions through practices that reduce the presence of carbon dioxide in the atmosphere.

Preferred Materials: At Deckers, we use the term 'preferred materials' frequently to describe materials that we have studied and deemed 'more sustainable.' Materials could include, but are not limited to, the following:

- **Preferred Synthetics:** recycled polyester, recycled nylon, recycled polyethylene, and bio-based ethylene
- **Regenerated/man-made cellulosic fibers:** LENZING™ ECOVERO™ and LENZING™ Modal
- **Plant fibers:** cotton sourced via responsible cotton programs, hemp, jute, linen, and ramie
- **Animal-based materials:** preferred wool (*e.g., repurposed wool or RWS certified*), preferred leather and sheepskin (*Leather Working Group certified, regenerative, or recycled*), and preferred down (*responsible down certified or recycled*)

Recycled Material: Process of converting waste materials into the same or new material or object. The recyclability of a material depends on its ability to re-acquire the properties it had in its virgin or original state.

Raw Material Extraction Impact: The impact of extracting a raw materials (*Tier 3+*) to then be passed down to Tier 2 for further transformation.

Renewable Material: A renewable material is a material made of resources that can be replenished.

Regenerative Agriculture: Regenerative agriculture is a conservation and rehabilitation approach for food and farming systems. It focuses on topsoil regeneration, increasing biodiversity and improving the water cycle, enhancing ecosystem services, and supporting biosequestration. Healthy soil means thriving biodiversity and increased opportunity for carbon sequestration.

Scope 1 Emissions: Direct emissions from fuel combusted on site.

Scope 2 Emissions: Indirect emissions from electricity consumed by Deckers.

Scope 3 Emissions: Indirect emissions related to the entirety of Deckers' value chain.

Synthetic Material: Raw materials made from petroleum or renewable based feedstocks.

Upcycle: Upcycling is the process of transforming waste, or unwanted products, into new materials or products perceived to be of greater quality.

Upstream Transportation: Upstream transportation is the impact from the movement of raw materials by land, sea and air. When a product becomes a consumer good, the next movement will be considered a downstream transportation impact.



About

This document contains calculations, estimates, assumptions, and forward-looking statements, including sustainability-related information and objectives. Such statements inherently involve a high degree of uncertainty and potential risk.

The sustainability indicators presented, particularly those related to value chain emissions, are based on a combination of primary and secondary data. Where source data is unavailable, estimates and assumptions grounded in real data trends and credible external information are applied.

It should be noted that methodologies used for reporting and calculating sustainability indicators continue to evolve. As global standards and practices advance, future updates may require adjustments to historical data as well as revisions to forward-looking trajectories.

With respect to climate-related information, the identification and assessment of physical and transition risks are subject to significant uncertainty. This results from factors such as the inherent complexity of climate science, the variability of future climate conditions, and the evolving consensus on scientific projections. Accordingly, the information provided here reflects the best available estimates based on current knowledge and models but may change as new insights emerge.

CLIMATE MODELING, IN PARTICULAR, IS INFLUENCED BY THREE PRIMARY UNCERTAINTIES:

- Natural variability of the climate system,
- Adjustments of climate models to observed reality, and
- The evolution of emissions scenarios.

Climate scenarios should not be interpreted as forecasts, predictions, or guarantees. Instead, they represent plausible futures informed by scientific analysis and are intended to help evaluate the resilience of business models and strategies under different conditions.

Finally, the statements in this document reflect the Company’s current perspective on future projections. They are subject to risks and uncertainties that may cause actual results to differ materially from those suggested. Certain assumptions are also linked to long-term business growth estimates, which are likewise subject to variability.



DECKERS
— BRANDS —

UGG®

HOKA

Teva