



Gersthofen, Germany
21.08.2023


Myanmar responsible exit strategy statement

deuter's risk assessment on human and workers' rights in Myanmar has identified a significant disparity between the potential for mitigating risk and the likelihood of these risks occurring, given the persistently challenging and volatile political situation in Myanmar. This makes it difficult for us to ensure that we continue to meet our human rights obligations in their entirety and at all times. The situation in Myanmar is also unlikely to improve in the near future. And so, after lengthy and careful deliberation of all aspects and available options, we have decided to implement a responsible exit strategy from our business dealings in Myanmar.

In November 2022, deuter commenced its exit strategy in close collaboration with the manufacturing partner affected, Bellmart. In February 2023, we also enlisted the assistance of Smart Myanmar through the [MADE in Myanmar](#) project (the **M**ulti-stakeholder **A**lliance for **D**ecent **E**mployment in Myanmar, an EU-financed project), to ensure we continue to meet our due diligence requirements throughout the exit procedure. This is of greater importance given that our partners at the Fair Wear Foundation are no longer able to carry out on-site visits or factory audits at this time. Several employees working for our manufacturing partner have already taken part in MADE training courses on labor and human rights, and an on-site inspection of the production facility is scheduled for November 2023. Bellmart has assured us that they will also continue to embrace measures implemented by the MADE project. In June 2023, deuter placed a final order from Myanmar for a full year's production, which for the time being secures the jobs and salaries of the employees at the production facility and its affiliated printing plant. It also gives the supplier the opportunity to find new clients to fill its freed-up capacity and to inform its employees of the change well in advance. Delivery of this last order of deuter sleeping bags is scheduled for January 2024. The deuter team will remain in close contact in the run-up to January to carefully follow any training and factory inspections carried out by MADE Myanmar, and to support Bellmart in communicating deuter's withdrawal to its employees. deuter will uphold its grievances management system through the FWF hotline, in accordance with FWF guidelines.

In 2015, after the political transition in Myanmar towards democracy and more freedom, deuter chose to support its long-standing sleeping bag supplier in the opening of a production facility in Myanmar and to guarantee a certain level of capacity usage. The decision was made after careful consideration of all pertinent risks, and with the objective of supporting the country and its people as they embark on this new era. deuter has had a very successful working relationship with Bellmart's Taiwanese management since 2003 and enjoyed a stable business relationship with them based on partnership for many years, even before the Myanmar factory was opened.

deuter Sport GmbH

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