

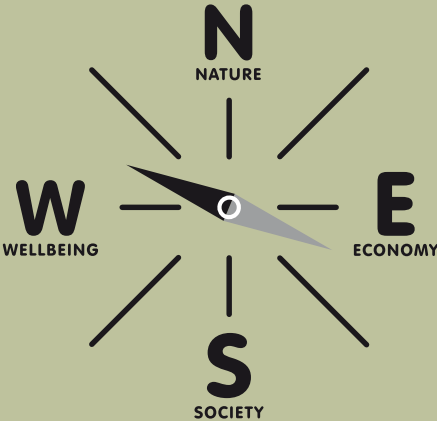
# FENIX OUTDOOR

## CSR REPORT 2022



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With the help of our management compass, this report takes us on a journey through the sustainable business update of FENIX Outdoor and gives insights into our visions, aims and further steps.

- N = Nature:**  
As an outdoor company, we believe that business activities should contribute to resilient and well-functioning natural systems.
- E = Economy:**  
Ethical and sustainable activities can only be undertaken if a business is healthy and its finances are sound. Thus, we rely on long-term partnerships and strive to create sustainable working conditions.
- S = Society:**  
We are a responsible actor in society, enriching and inspiring each other and those beyond our company to move towards a sustainable future.
- W = Well-being:**  
We look for excellence in staff members; in return, they expect a fair and responsible employer.





### Dear sustainability friend,

Insecurity, instability and a change of the world order were some of the key characteristics of 2022. But will these changes be for the good or better? I have serious doubts. At Fenix Outdoor, we take on the challenges and seek the opportunities in line with our Fenix Management Compass®. We continued to take bold steps to further develop the resilience and robustness of our enterprise while at the same time precautionarily protecting our employees, customers and business partners alike.

We are currently facing some interesting challenges. We have not yet fully recovered from the Covid restrictions. Some national policies regarding lockdowns and distancing have slowed the recovery in sales as well as disrupted some supply chains. Because of this, we focused much on the E in our Compass – the Economy. Extraordinarily, we shipped goods by air to be able to deliver on time. Doing so is against our principles and policies regarding environmentally friendly shipments. However, this does not mean that air shipment has become a principal means of transport and nor will I approve this despite some calls by certain managers that through air shipments things become “easier.” It is not about simplicity when it comes to sustainability, it is about balanced and well-considered processes of decision-making.

**AGAINST THIS BACKGROUND** I took the decision to move forward with a project that Aiko (CSO) and I had discussed for a long time: shall we install our own photovoltaic system at our logistics center in Ludwigslust, Germany? There were several pros and cons. We have a very good supplier of renewable

and green electricity who delivers electricity at a much lower embedded CO<sub>2</sub>e level than photovoltaic will be able to do at this point in time. So, from a pure CO<sub>2</sub>e perspective we should not do it. But Aiko and I agreed now that it may be more important to increase independence and foster a more decentralized energy supply than waiting for an improved CO<sub>2</sub> footprint from solar panels. Hence, we will install several MWh in Ludwigslust over the next months. We also will explore geothermal and other means to bring heating to the distribution centers and investigate own wind power generation.

**WHAT BOTHERED ME** throughout the past years is that we can see a deterioration in our corporate culture. Many colleagues were hired during the Covid period, and since social distancing has been part of our contribution to keep the pandemic under control it has led to a loss in corporate togetherness. We primarily meet over teams and may read our great “Fenix Way” document, but we do not experience anymore how it feels to work together and fill these documents and the ambitions therein with life. Subsequently, people stay at home in their bubble and either lose connection to their teams or cherry-pick their interactions with the organization. In my view, this cannot go on and we therefore will take steps to gradually get people back to the office, back to our joint events – be it the annual kick-offs or other team-building measures. I strongly believe that physical interactions in a Fenix Outdoor environment contribute to the W – Well-being of our Compass.

**STRATEGICALLY WE WILL** strengthen our Sustainability and CSR work throughout the organization. The team has done a tremendous job over the very challenging past years, but we also see an increase in regulatory demands and requirements which unfortunately will increase bureaucracy and the need for more resources. It is a pity that we need to invest in bureaucratic office desk work rather than focusing on improving the conditions for the environment, workers, human rights and ethical business behavior in our business partner network.

We remain committed to the principles of the UN Global Compact and have systematically addressed the Sustainable Development Goals (SDGs) in various workshops and online training sessions. We continue to address those six SDGs that we have identified and that our internal stakeholders

believe we should address, and they are very well aligned with our overarching strategic sustainability pillars. Being aware of possible business risks from climate change and respect for the ten UN Global Compact Principles, we regularly reassess human rights, environmental and social risks in our supply chain.

**AS MOST OF** you know already, sustainability – the protection of our planet and nature, but in particular the rising severity of climate change – ranks high on my personal sustainability agenda. And even if I bore you with this, I cannot say it often enough: Since 2015 we, as a Group, are CO<sub>2</sub> neutral in our own operations. And we have brought us into the pole position from which we are able to address so called “scope 3 emissions” far beyond what has been possible in the past.

I always remind the Sustainability team and our management that we need to do our homework first. What it is not about is what politicians and NGOs often ask us to do: make commitments and public statements. But we want to be closer to science than to fiction. In my view public commitments are meaningless and often have a notion of corporate marketing, and to be honest, unfortunately, currently many developments worldwide are more about that. I prefer making change. And making progress. And making it happen. Hence, I can more align what Howard Zinn, the late American historian and philosopher once said:

“We don’t have to engage in grand, heroic actions to participate in change. Small acts, when multiplied by millions of people, can transform the world.”

**THIS IS THE** way I see change coming about. Not by public statements, not by reports.

Despite the wrong incentives that governments and even well-intended organizations are giving to businesses today, I am convinced that sustainable development is a fundamental and strategic need and call for action that is going to shuffle the whole notion of business and societal success. There are companies today that are going to dominate in the future simply because they understand that. And I trust we are among those.

I look forward to your continued support in our sustainability efforts and welcome any proposals and ideas you may have.

*Yours,  
Martin Nordin  
Chairman and CEO*

# 1. OVERVIEW – Our sustainability management approach

## Summary of governance and structure of CSR activities

**F**enix Outdoor International AG is a group of companies that develops and markets high-quality outdoor gear through a selected retail network, with a high level of service and professionalism to highly discerning and fastidious end-users. Our material impacts on the environment and people according to our Fenix Management Compass® are those described in our materiality matrix. Generally, we can say that any type of human action in a developed society has negative and positive impacts on all aspects of life: we use physical resources which need to be created or grown, change or convert them and add value, combine them, transport them, pack and finally sell them. We regularly assess, evaluate and mitigate our negative impacts and foster the positive ones as described in this report. While the different brands have different roots, the group itself originated in Örnsköldsvik, Sweden, where Fjällräven was founded and had its former headquarters. In 2022, some changes took place. In December, Primus, the stove company, was sold off to Silva. This move makes the Brands unit more homogeneous and focuses on textiles, backpacks and sleeping bags as well as shoes. The group now consists of four brands and five retail organizations. In 2022 a couple of new locations were opened up: Globetrotter added two new stores and Friluftslund as well as Naturkompaniet opened one new store each. In Norway, we added two Naturkompaniet stores. In North America, Fjällräven had two store openings in Colorado Springs and Asheville and one store opening in Edmonton, but we closed our Royal Robbins store in Boston. In Amsterdam we opened our sec-

ond Fjällräven store. They all formed part of the data gathering exercise presented in this report. The organizational structure Retail – Brands – Global Sales and strategic central services did not change. In 2022 it showed that what we referred to as a “special year” in the past has now become the new normal. One may wonder if there is such a thing as “business as usual” after all. The shared group functions such as Logistics, CSR, Compliance and Data Protection are organized as central services units and report directly to the CEO and Chairman of the Group. HR, Legal, IT and Finance report to the President of Fenix Outdoor.

All activities under the sustainability framework are centrally organized and implemented under a common structure by individual brands and entities. Through the centralization in certain areas (e.g., Brands Unit or Retail Unit) certain functions were created to serve all parts of these units. The speed of development and the focus of the entities within Fenix Outdoor Group vary but all follow the same framework.

The CSR/Sustainability organization in 2022 comprised the CSO heading the Global Sustainability Director in the Brands Unit, the Senior Sustainability Manager in the Retail operations and the North American Regional Sustainability Manager. The CSO also performs the function of the Senior Global Sustainability Director of the Group's largest Brand, Fjällräven.

As in previous years, we still consider climate change and the associated extreme and unpredictable weather as a strategic risk and a priority. In 2022 we initiated some projects in our own operation and in our supply chain to help foster a more sustainable, inde-

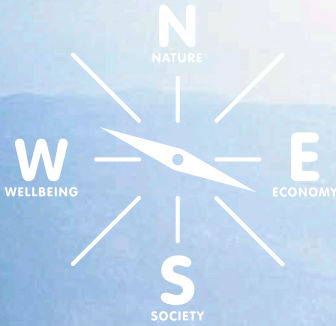
pendent and CO<sub>2</sub>e-reduced energy supply. The year 2022 was once again characterized by instability and disruption. The war in Ukraine, the still strict “zero covid” policy in China, increased inflation and the extraordinary budgetary spending of many governments with unknown side and long-term effects led to a general notion of insecurity, fear and enhanced polarization.

As climate action moves further up on the public and political agenda, we also saw more aggressive calls for climate action in various countries. The pressure on companies to publicly make climate commitments including subscribing to science-based targets is increasing.

We are skeptical if these subscriptions and declarations of intent by sometimes questionable advocates will do any good for the planet, but we are further committed to do our share to keep it inhabitable, rich in biodiversity and adventurous. We want to move on and achieve true results.

Subsequently, we continue our path on our Fenix Way. We want and need to reduce our resource use and develop new materials and functional products for our users. In our own operations and in our retail and logistics centers we continue to implement energy efficiency measures.

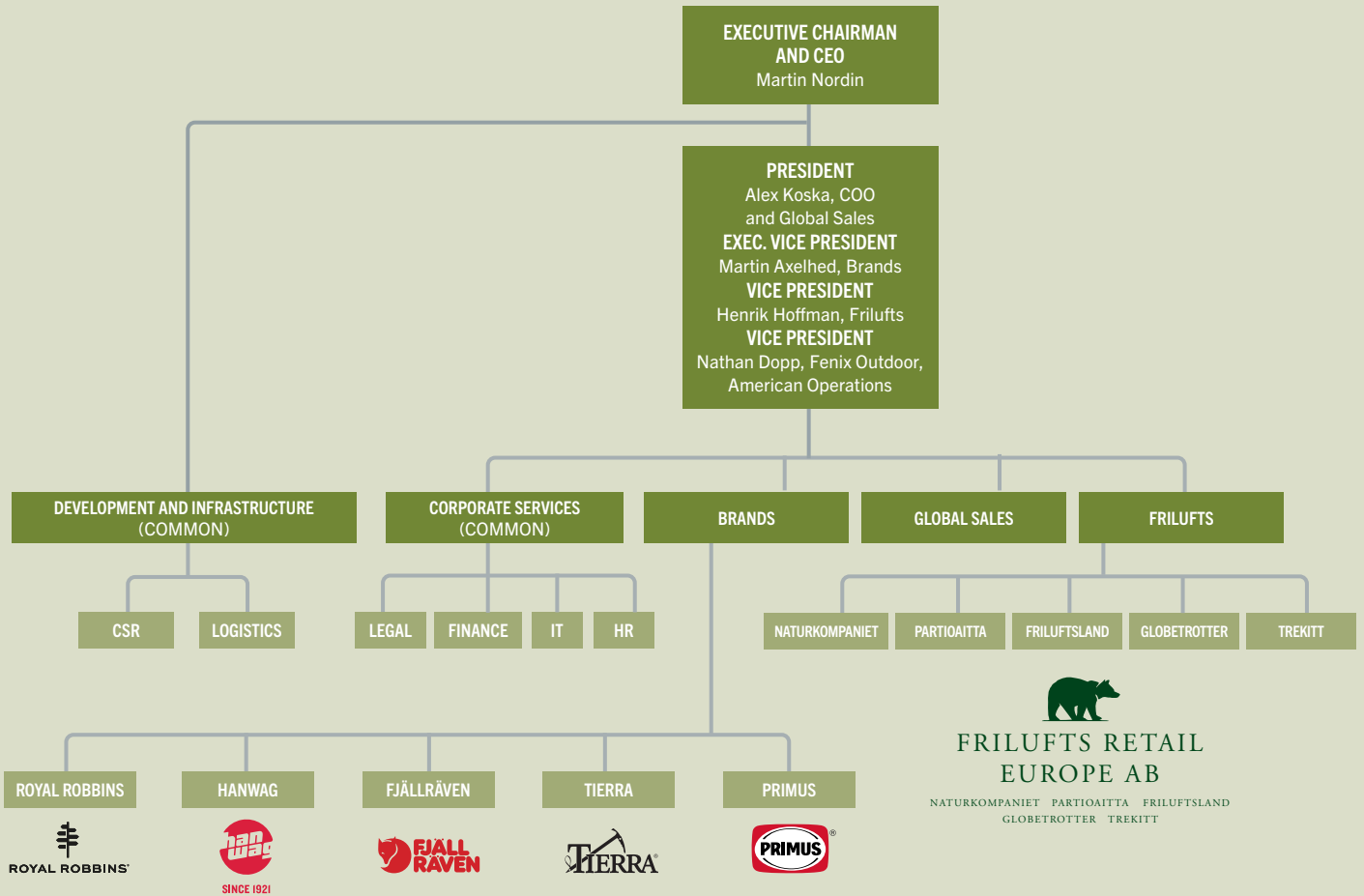
Communication of the sustainability strategy, goals and current developments is an ongoing process at Fenix Outdoor. Twice a year, during our kick-off meetings for the season, the CSO and his team updates all participating employees on the progress made toward our sustainability goals. In 2022 this was done in person and digitally. The hybrid version of the kick-off enables us to reach virtually the whole Fenix Outdoor



*"Keep close to Nature's heart... and break clear away, once in a while, and climb a mountain or spend a week in the woods. Wash your spirit clean."*

*John Muir*

## ORGANIZATIONAL STRUCTURE



organization, allowing for wider spread of the messages and enhanced information flows. On emerging issues, we deliver information on an ad-hoc basis directly to the affected departments and employees.

Our other means of corporate communication are general mails, an internal Sustainability site as information resource, podcasts as well as series of internal online trainings. The CSR reporting software we introduced in 2018 has been further developed in 2022, and we are on a good track to optimize the system of data collection and analysis. The CEO and Chairman has delegated the responsibility for the sustainability work to the CSO. However, in various strategic decisions the whole senior management team is involved, with the Chairman having the last say.

### SUSTAINABILITY PROGRAM AND PARTNERSHIP

Over the past few years, we have built partnerships and reinforced existing relationships, and we did not change our network in 2022. Fenix Outdoor has been a reliable and constant signatory to and supporter of the UN Global Compact since 2012 and continues at the participant level for its fur-

ther engagement. We actively take part in the working groups within the UN Fashion Industry Charter for Climate Action (UNFCCC) and the Swedish Textile Initiative for Climate Action (STICA) and are cooperating in the North American market with the OIA in the Climate Action Corps. We continued our involvement in the Sustainable Apparel Coalition (SAC) and furthered the rollout of the Higg modules such as verifying the updated Brands and Retail Module (BRM) for one more entity.

As member of the Fair Labor Association (FLA) we continuously further develop our social compliance governance. We are committed to fair labor conditions, and we support the concept of a living wage.

Since 2015, Fenix Outdoor has also been a member of the Textile Exchange. Through this network, several Fenix Outdoor brands work together with peers and scientists to support activities and research in recycling, the use of organic material, improved supply chain management and better choice of materials. As a signatory of the Microfiber Consortium, we support and contribute to research on microfiber impacts on the environment.

As a decentralized company, various parts of our organization have their own specific association memberships, including of the Scandinavian Outdoor Group and the Swedish Standards Institute (SIS).

We were also a member of Svensk Handel, various Swedish Chambers of Commerce and the British Standards Institution.

One of our entities is a member of the Swedish Tourist Association (STF).

When it comes to certification schemes, we do not aim for formalized certifications of any type of management systems. However, in most operations ISO 9000 and ISO 14000 principles are applied and suppliers or certain materials often carry significant and reputable signs of conformity to industry standards, such as GOTS, bluesign or others, which we appreciate.

### STAKEHOLDER INVOLVEMENT

Fenix Outdoor engages in open dialogue with civil society groups and other societal actors on various subjects, particularly those relating to environmental, social, societal and human rights topics. We collaborate on projects or explore best practices and benchmarks for the outdoor industry.



The Materiality Matrix of Fenix Outdoor International AG subsequently received some adaptation in 2021 but stayed untouched in 2022.

### **Fenix Outdoor Brands Unit**

By the end of 2022, approximately 97 percent of our business partners representing suppliers had signed our Code of Conduct (CoC). There are no significant changes over 2021. As we have five brands and five retail chains, the subscription rate to our CoC has a considerable bandwidth. We therefore focus on the brands' subscription rates in our statistics.

Each Fenix Outdoor brand has developed its own individual sustainability agenda with distinct sustainability goals and implementation plans. The sustainability plans for 2025 approved by the Board are well underway. On that basis, responsibilities have been assigned and implementation deadlines have been set. We have developed and internally published our Climate Strategy to coordinate the efforts effectively, and brands will be increasingly pushed toward publicly committing to project plans after approval from the central sustainability office. The respec-

tive updates will frequently be presented to the Group's CSO.

To improve our supplier management, all brands worked much more closely together and under the roof of the central CSR Department offered training and educational events that helped to build awareness and understanding for sustainability challenges. In addition, through the implementation of the Sourcing & Production unit and the establishment of new tools, more thorough tracing and tracking of materials, emissions and supply chain partners as well as certificates on material level are possible.

### **Frilufts Retail Unit**

We also request our Retail suppliers to sign our Retail CoC. On a net sales basis about 74% of our suppliers signed the document, which is about the level of 2021.

Frilufts Retail sent a strong signal by phasing out single-use plastic bags and during "Black Friday" offered repair and care services during a "Green Week."

One of our strategic targets is to progress toward circular business models and services. Care and repair, secondhand and

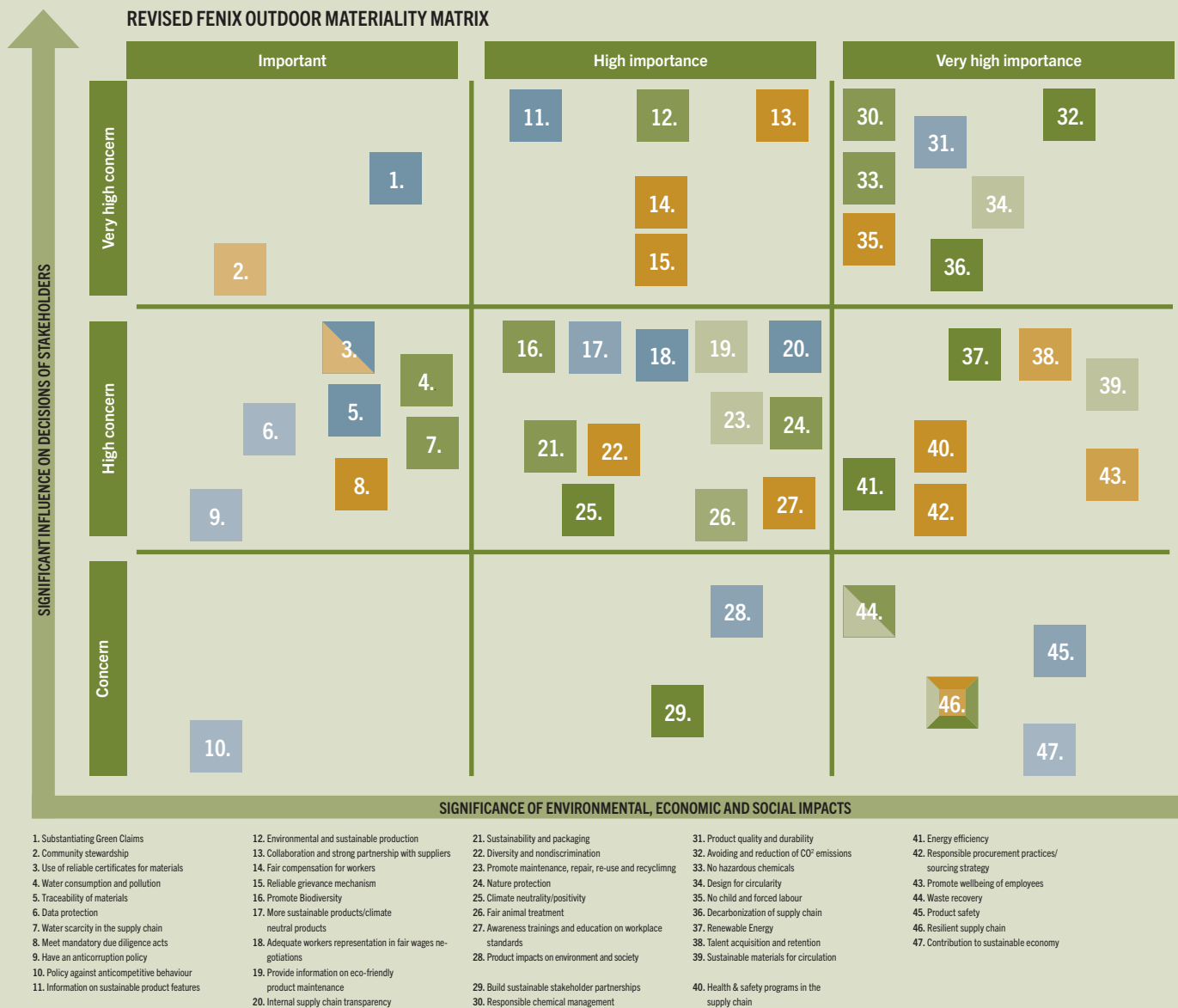
product rental were areas in which we were able to progress in 2022.

The "A Greener Choice" product evaluation, our standard to assess the sustainability of products in our Frilufts Retail assortment, further matured. For the fourth year in a row we sold more "A Greener Choice" products and the share of total net sales also increased.

The nature bonus is a program currently offered at Naturkompaniet and Partioaitta in which 1% of the total turnover by club members is donated to local nature organizations in Sweden and Finland. In addition, the retail operation in Sweden also donated money, products and time during the beginning of the war against Ukraine. A total of 1.7 million euros in-kind were dedicated to the cause and it was possible to donate more than 500,000 euros to several nature projects, an increase of nearly 100,000 euros over 2021.

### **CORE MANAGEMENT ISSUES FOR OUR VARIOUS ENTITIES**

As in all previous years, our companies see sustainable growth as a centerpiece of their economic strategy and strive to achieve this



every year. However, sustainable growth does not mean “growth at all costs.” It is seen much more as a growth in line with the cardinal directions of the Fenix Way Management Compass®. Of course, we also need to maintain our profit margin. Because of this approach, we restrict ourselves from focusing on growth or turnover only. Also, in 2022 Covid-19 challenged our economic goals, but early and consequent cost-reduction and safety-first measures helped us to sustain our business and be profitable. We also took several steps to protect all our employees. We increased our digitalization efforts for our business and are now in part ahead of our competition.

### Higg BRM verification of Royal Robbins

As a member of the SAC, Royal Robbins has used the self-assessment tool, the Brand

### SUBSCRIPTION TO OUR CoC BY SUPPLIER TYPE

Business Partner Level	Bandwidth	Average	Representing production & values
Intermediary	100 %	100 %	85 %
Tier 1	80–100 %	96 %	95 %
Tier 2	0–75 %	65 %	N.d.
Tier 3	0–1 %	< 0.5 %	N.d.

and Retail Module (BRM), for the past three years to assess the systematic approach to sustainability. The tool has supported Royal Robbins in understanding how the brand is performing across several different areas, such as management systems, general operations, product and design, and transportation. It enabled the company to compare with the industry average, as 271 other

brands completed the BRM in 2022.

As of 2021, the SAC offered a way for brands and retailers to verify their Higg BRM assessment. Royal Robbins was one of 62 other companies that underwent this exercise in 2022. The verification process utilizes an external expert to review the self-assessment completed by the brand, seeking evidence and proof to verify the accuracy of



Social Compliance/Human Rights
Employees
Customers and Community
Relationships
Climate Change/Action
Environment
Animal welfare
Circularity
Transparency/Traceability
Products
Basic Corporate Development



the assessment. Answering the Higg BRM questionnaire is a challenging, comprehensive task requiring a team effort from all departments to collect and report the right information. Verification took this effort to another level, where Royal Robbins was required to look at whether and how it documented its own assumptions. The verification process made it clear that the brand has some opportunities to improve in the future but also showed strong performance where the processes were already in place.

Royal Robbins' total verified environmental score is 68.9 percent and the total verified social score is 69.2. No critical issues were identified by the assessment. There were 18 Level 1 and 42 Level 2 and 3 opportunities identified. The brand has begun to create action plans to address the Level 1 actions. Key areas of focus identified include operations and logistics, transportation and product-level

impacts relating to biodiversity, water use and the end-of-use phase. One example of actionable improvement would be to update all contracts associated with transportation partners to include social and human rights terms.

The brand gained significant insight from verification and would recommend that other brands use the same system to test the accuracy of their own assumptions, the validity of the documentation and the processes in place. Royal Robbins also found the process helpful in reaching a deeper understanding of how to interpret the questions in the module. The most valuable result from the process has been the clear overview of possible areas of improvement as described above, which has enabled Royal Robbins to begin to integrate action plans on the most material opportunities into strategic planning.

### RECOGNITIONS

Also in 2022, our sustainability efforts received international attention and recognition. Fjällräven and Naturkompaniet were voted the most sustainable brands in Sweden. Partioaitta was voted among the top sustainable brands in Finland and Globetrotter was amongst the finalists of the German Sustainability Award

### FOCUS AREAS

The Fenix Way Management Compass® has continuously guided all Fenix sustainability activities. It remains our universal management tool, mandatory for the whole group and all employees.

We continue to work on reducing negative environmental as social impacts and focus on our positive contributions at each stage of our products' life cycles. We address all four cardinal directions of our compass, where N stands for Nature, E for Economy, S for Society and W for Well-being. Having a 360° perspective ensures we can deal with potential risks and their repercussions. Various significant impacts and negative side effects occur in different stages of our services and products' lives. From raw material sourcing, via spinning, dyeing or other processing steps, the transport, sales, use and repair of our products until they truly reach the end of their life: all four cardinal directions of our compass are affected. We want to contribute to healthier, more resilient natural systems, top financial performance and more knowledgeable, happier and environmentally conscious people, so we have a wide array of projects, which are managed and organized by each entity individually. However, all activities address the compass directions and focus on moving us steadily along the path to sustainability. On the

Group level, our brands and retail companies developed a common and streamlined program of focus areas: we have addressed social compliance matters throughout the supply chain and within our own organization, in particular through addressing the recommendations we have received from our partners at the FLA. To meet the upcoming Corporate Sustainability Due Diligence regulation, we have made changes in how to organize duties when it comes to human rights responsibilities. We have announced that the CSO is also taking the responsibility to be the group wide Human Rights Officer. That position is complemented by the Global Sustainability Director for Fenix Outdoor brands, the human rights coordinator working in that particular team and the social compliance staff covering audits and remediation with supplier. As climate change is a global challenge, we address the importance of climate mitigation and positive climate action. In 2022 we continued to dive deeper into our Scope 3 emissions, which we are now capturing and calculating more and more. The transport-related activities are under constant scrutiny, including looking at the optimization of planning and shipping.

All suppliers working with Fenix Outdoor brands must adhere to our Restricted Substances List (RSL, which is also used as the MRSL, or Manufacturing Restricted Substances List). We update our chemical guidelines on a yearly basis, reflecting the latest scientific research and following our own precautionary and proactive approach going beyond the current and coming legal requirements. The Fenix Outdoor Chemical guideline promotes phase-out of hazardous substances as materials and acts as a guide to less hazardous alternatives. The Fenix Outdoor guideline also includes a testing matrix supporting the supplier in regard to risks in different types of substances and materials.

For 2023 we are planning a supplier webinar linked to the launch of the updated 2023 version of the Chemicals guideline. The goal of the webinar is to share background information regarding newly added substances and support chemicals management for our suppliers. During the past year we have been sharing chemicals topics, such as substances of concern, potential new regulations and other chemical-related topics of interest, in the Fenix Outdoor sustainability newsletter for suppliers. This increases the transparency and makes sure that both our business partners and our organization can proactively work toward safer and more sustainable products. We have also consolidated and streamlined the testing process for all textile

## COMPLIANCE CASES 2022

Case Description (no. of cases)	Handling Procedure
Product Safety (2)	Gas cartridge explosion: identified as improper handling by user Pre-market: tested products were not fit for market due to increased concentrations of formaldehyde (rectification where possible; proper disposal in all other cases)
Labelling (1)	Alleged infringement of Prop65 (missing warning): Item in question was produced for Räddningsverket in 2007 ("state rescue service" - a Swedish authority that existed between 1986-2008). No sales to end customers and no sales in California. Counterparty was informed
Infringements of Trademarks (0)	Various counterfeits of our products in the market – stopped and destroyed by customs in several cases; no own infringements reported.
Data Safety (5 cat)	- wrong access to invoices (invoice download) -> access to customer data (name, address) -> access restricted - internal data access after change of role not restricted -> re-evaluation of access rights - customer data was overwritten with other data using the staff login -> changes in login protocols - 2 complaints about Fenix' handling of personal data internally -> pending - wrong shipments/labels/invoices in eCom -> all technical adaptations made; human errors still possible.
Labor Laws (4)	Var. complaints about works council and internal recruitment processes
Communication/ Marketing (0)	No case reported
Harassment (2)	Cases of sexual harassment in the Netherlands – investigation underway by external partner
Corruption (0)	No case reported
Health & Safety (1)	No case reported
Other (5)	There were five additional cases we have agreed to observe confidentiality.

brands under the Fenix Outdoor umbrella, including microfiber shedding tests according to the standard developed by the Microfibre Consortium (TMC).

The latest version of the RSL can be accessed on our website.

### COMPLIANCE

Adhering to laws and regulations is central to how we conduct our business. We require compliance with our Code of Conduct (CoC) and we try to ensure that our employees and business partners share the same understanding of compliant behavior and business dealings. We introduced a compliance management system in 2012, and we are continuously improving and developing this system. The Fenix Outdoor CMS concept complies with the main prevailing standards. In 2022 we continued to operate the whistleblowing hotline in accordance with EU legal provisions. Through the "Ethicspoint hotline" anyone can raise concerns about and to Fenix Outdoor without disclosing their own name or contact points. However, a dialogue function allows for interaction between the

investigation team and the whistleblower. The hotline can be used in different languages such as Vietnamese, English and German and was communicated to internal staff and external stakeholders.

As with our sustainability report, the CSO submits an annual compliance report to the CEO and the board. Following the Compliance Guidelines, the Chief Compliance Officer (CCO) submitted his annual report to the board in April 2022. Through this move, various compliance and legal matters are dealt with out of one hand, streamlining the efforts under compliance even further. As part of the compliance system, all managers are obliged to sign and declare on an annual basis that they are following the compliance rules and that their staff members are aware of the system. For 2022 a total of 22 declarations were received.

Compliance in Fenix Outdoor is not only a result of the ethical principles mapped out in the Fenix Way and other internal documents, but also reflects the owners' will to systematize the handling of ethical and legal matters. In 2022, the number of cases directly reported to the CSO increased

slightly over 2021. In particular, the whistleblowing hotline was used more frequently. The number of reports received grew from 1 in 2021 to 14 in 2022. These complaints mainly focused on HR administration matters and in most cases were not substantiated enough to qualify as cases. However, we have had one case from the whistleblowing hotline that qualified as such and received several others through different channels. Nonetheless, so far, we did not receive any complaints or hints through this tool from our supply chain and business partners.

When it comes to data protection, we had no incident that needed the attention of the authorities; the main issue was improper cookies settings and mixing up addresses or names of customers. No data loss was reported.

### OPPORTUNITY AND RISK ASSESSMENT

In 2022, Fenix Outdoor continued consolidating as well as addressing certain weaknesses in some of our business units. Digitalization continued, but bigger investments and evaluations were needed to move ahead. Currency devaluation in certain countries and inflation led us to re-evaluate speed and direction in some projects, but generally we profited from various opportunities. Unlike many other actors in the market, Fenix Outdoor brands were able to reconfirm their reputation as reliable brands that deliver goods on time. This reputation led to increased demand in several product categories. In addition, the reopening of stores and services enabled us to also restart our business in the traditional brick-and-mortar stores while the online business continued to grow throughout the year with a dip in Q4. Due to the unbroken trend for "staycation" and outdoor experience close to home, the demand for outdoor products continued to be high. Certain weather conditions in Scandinavia led to good seasonal sales starts.

Climate change remained a serious issue, and the catching up on taking vacations in some regions of the world as well as still disrupted supply chains led to a regrowth of air travel and air shipments. Climate-related changes affect our operations directly, such as through the extremely mild winter weather, reducing demand for warm clothing, or in the foreseeable future through the interruption of transportation and communication infrastructure and the impact on owned or contracted production sites. Although no legal requirements for our industry are in place for now when it comes to industry-specific climate



protection efforts, more regulations with respect to a company’s greenhouse gas emissions and carbon pricing are underway in general. We are affected by increasing carbon pricing for fossil fuels due to our self-operated locations (mainly production and retail) and increasing operational costs. Carbon pricing mechanisms and national emission trading systems are and will be more and more implemented in our main markets (EU and US). The concrete financial impact of climate change effects on Fenix Outdoor Group cannot be quantified at the moment. However, most of our supply chain partners are in the global south (>60%). This region is in general more vulnerable to climate change effects than the global north. Changing weather conditions and increasing frequency and severity of extreme weather events (floods, storms, water scarcity and droughts) can lead to loss of harvest, thereby threatening our raw material sourcing of, e.g., cotton or hemp, destroyed homes and unsafe circumstances for our supply chain partners. Reduced production capacity, government-imposed shutdowns for energy-saving purposes and closures due to the pandemic can also lead to disruptions

in our product supply, increased costs and delayed deliveries. Independent from production capacity but depending on changes in weather patterns, our warehouses, especially in Asia, might not be accessible due to floods or heavy storms. Such factors have an impact on the whole industry, so we see not just a company-specific risk but a greater one. A study by the ILO shows that large swathes of apparel-producing areas in Asia will be underwater by 2030. This may also affect our suppliers in the Ho Chi Minh area of Vietnam. The EiQ Assessment tool from ELEVATE helps us to assess environmental risks in our production countries. Our own operations are not located in short-term critical or vulnerable areas. Costs for adaptation strategies, such as more air conditioning and rainwater retention systems, as well as higher insurance costs are expected but cannot yet be quantified. Reduced performance of employees due to extreme heat periods may also be an effect of climate change.

The increased consumer (in our jargon: user) awareness of the environmental impact of products will change consumer behavior. The rate of change in user behavior cannot be quantified yet, the probability is considered to

be high. Fenix Outdoor’s work on sustainability is anticipating this development. Since 2012, Fenix has communicated about the efforts for the transition to a sustainable company. This long-term framework is combined with the A Greener Choice attributes of items in the Friluftss Retail assortment. Therefore, changing consumer behavior is considered an opportunity.

Another aspect of changing consumer behavior is a sharp increase in sales of used products between consumers and commercial actors. This can be seen in a doubling of secondhand stores in two years and increased activity of secondhand platforms on social media. Overall, it must be considered probable that products will have a longer life before being discarded. The consequence is therefore a probability that sales of new products will decrease. A counteracting factor is that sales of quality products with high reparability increases. How the two factors will go against each other is not yet possible to assess in the medium to long term. Friluftss Retail has begun to sell secondhand products. Another is that we also offer product care and repairs in our stores. A combination of the two options will be able to support each other. Secondhand products may need to be repaired before they can be sold. Secondhand can therefore be perceived as a risk, if the opportunities are ignored and no action is taken. Once this awareness is established in the broader society, people will strive for being outdoors, spending time in nature, and thus we anticipate higher demand for outdoor and trekking clothing. Changes in climate conditions in today’s more temperate regions may lead to higher demand for protective clothing (against vector-borne diseases, sunlight, rainfall, etc.). Opportunities may also rest in different outdoor behavior, requiring more and different groups to protect against “regular” weather patterns. The chance is an enhanced production of slightly different and specialized products sometimes with features we consider to be controversial (e.g. treatment with biocides).

Overall, the political situation of global instability and tension, the war in Ukraine, inflation, the tensions between China and the United States as well as cyber-attacks on western companies and infrastructure, as well as the ability of some countries to dominate or interrupt economies and production, makes the outlook for 2023 gloomy, despite the fact that most economists do not foresee a global recession at this point. Also in 2023, the cost of living will go up and industrial actions, strikes and political unrest will challenge the economies in most parts of the world. ●

## PRODUCT COMPLIANCE: LEGAL REQUIREMENTS

Name of Requirement	Requirement applicable yes/no	Name(s) and Description(s) of law
Sourcing of product components	Yes	Reach; CLP; Chemicals Act; var.
Content, particularly substances that might introduce environmental impact	Yes	Ordinance on Hazardous Substances
Content, particularly substances that might introduce social impact	No	
Save use of the product	Yes	Product Safety Laws and respective applicable standards; PPE Regulation; Technical standards for gas appliances; national sp. reg.
Disposal of the product	Yes	Packaging directive (laws); Recycling and Waste Management Act;
Other	Yes	Unfair competition laws; textile and shoe labelling regulations and directives



**N**

NATURE

**W**

WELLBEING

**E**

ECONOMY

**S**

SOCIETY

## 2. NATURE – Taking action and tackling challenges

After almost two years in pandemic state, 2022 was supposed to be a post-coronavirus, back-to-normal-life year. Despite the difficulties, some achievements have been accomplished: the renewable electricity capacity grew, a large number of countries made commitments to increase nature conservation during the UN Biodiversity Conference, and some groundbreaking climate laws got off the ground. The global developments showed once again how fragile the planet is and that businesses need to adapt to an ever-changing world. Adapting also means never standing still and can even pave the way to find better solutions and processes. Among other things, we saw the need to concretize our sustainability strategy in terms of targets and milestones for the sourcing and production unit. Hence, Fenix Outdoor and its entities jointly base their actions on the following key factors:

- Sustainable material solutions: Increasing our share of sustainable materials based on our Preferred Fiber List (PFL), inspired by using leading industry benchmarks (e.g., the SAC's Higg Index Material Sustainability Index and Textile Exchange Preferred Fiber Matrix)
- Transparent supply chain: Partnering with ELEVATE to extend our reach and deepen our knowledge of the full array of supply chain matters with environmental considerations; strengthening the adoption of the Higg Index Facility Environmental Module (FEM) by our suppliers and supporting them with trainings and a Corrective Action Plan (CAP) process
- Environmentally responsible production: CO<sub>2</sub> emissions accounting and reduction along with our Fenix Outdoor Climate Strategy (see CSR Report 2021, p. 20); strive for integration of circular production practices (e.g., zero waste development) into standard processes and implement circular business models (textile to textile recycling, rent and repair services)

- Continuation of eliminating hazardous chemicals and updating the groupwide Chemicals Guideline on new regulations
- Furthering the use of consumer-facing information/scoring systems (e.g., expanding "A Greener Choice") in our supply chain management (track and trace) and retail business.

### ENVIRONMENTAL PERFORMANCE Resources and emissions

In 2022 we continued to create internal GHG reports on the brand and logistics levels, helping us to identify areas of improvement, create action plans and integrate climate action further in our day-to-day business. We do follow-ups on a quarterly basis.

Our overall carbon dioxide equivalents (t CO<sub>2</sub>e) amounted to 97,956 t CO<sub>2</sub>e (2021: 77,329 t, corr.). These data include Scope 1 and 2 emissions as well as a range of our indirect emissions from shipments (up- and downstream), waste generation and water consumption, business travel, commutes (including working-from-home emissions), and purchased goods and services (raw materials, energy use from Tier 1 and vertical suppliers, consumables, packaging, shopping bags, external and internal events). The commuting and working-from-home data have been obtained anonymously through a groupwide commuting survey. Our data and methodology undergo spot analysis from the Swedish Textile Initiative for Climate Action (STICA), and more methodological details are published in Chapter 6 of this report as well as on the Fenix Outdoor website as an appendix to this report.

Our groupwide emission reduction efforts in 2022 include but are not limited to:

- Extend use of green electricity in our eastern European, North American and Asian locations by investing in energy attribute certificates and green tariffs. The share of our renewable electricity for own and operated locations is now at 88%. The sys-

tematic purchase of green electricity is having a significant impact, and our scope 2 emissions from electricity usage decreased by 37% compared with baseline 2019.

- Perform a feasibility study for solar panels at our warehouse in Ludwigslust and plan installation in 2023.
- Energy efficiency measures in our retail stores, offices and the logistics center (decrease indoor temperatures, closed shop door policy, natural ventilation), partially initiated by legal requirements for energy efficiency, were implemented during the energy crisis. Assumed savings range from 2% up to 25%. Some effects will only be measurable during 2023.
- Continue our transition path to LED when lighting needs to be repaired in existing locations.
- Increase of our brand targets for more sustainable material sourcing and transition to preferred lower-impact materials, which led to overall decrease of 5% in our raw-material-related emissions intensity especially in certain material categories through the purchase of i.a. organic cotton, recycled polyester and recycled polyamide as well as ZQ wool. However, the increased number of products produced led to an increase of our emissions per product made by 8% (also including transportation).
- Baseline calculations for a wider range of internal and external events to identify hot spots and be able to start with reduction measures in 2023.
- Decrease packaging waste for our end-customers and improve packaging efficiency: our logistics center in Ludwigslust introduced the "Warenpost" for Germany, saving filling paper and shipping less air.
- Further digitalize and optimize our accounting processes.  
To calculate our events' emissions, we used the MyClimate Online Event Calculator. However, many of the requested parameters (e.g., heated or cooled space, amount of min-

eral water, etc.) do not fully apply to an outdoor event. Having these limitations in mind, we calculated our emissions to be around 3,467 t CO<sub>2</sub>e, of which Globetrotter Freiluft Festivals account for the biggest share.

As we strive to optimize our products too, we can report that in 2022 around 25,789 fuel-efficient PRIMUS stoves and pots were sold, thus saving around 30% of fuel compared with standard stoves and pots based on lab tests and depending on type of burner being used.

We have used the most up-to-date conversion factors available. We have used an IT-based reporting tool allowing us to have more accurate data each reporting cycle. Some data sets need to be evaluated manually, and data consistency and completeness cannot be fully assessed. There is still some ambiguity, and some developments can only be explained by possible misstatements in the past. Whenever we have new information (e.g., through ancillary cost invoices), updated emission factors or obvious misstatements, we correct our figures in the upcoming report for the past years. In any event, we took a precautionary conservative approach and believe that, based on the data and emission factors we have or methodologies that are applied, we slightly overstate our emissions in some categories (e.g., raw materials, working from home, events) and understate them in others (e.g., transportation). Underlying activity data is shown in the following paragraphs.

### Offsetting practices

The triad of our climate strategy is to avoid, reduce and compensate for unavoidable emissions. Because we are not yet able to eliminate our energy, transport and product-related emissions, we compensated through investments into mainly Gold Standard Projects with various entities. Some of the projects we have invested in can be identified below.<sup>1</sup> The total amount we compensated for was 36,402 t CO<sub>2</sub>e (2021: 19,478 t), which equals our own directly controlled emissions (Scope 1 and 2) and selected Scope 3 emissions: consumables, transport of shipments (up- and downstream), business travel, commutes and working-from-home emissions, waste and water, some product-related emissions and internal as well as external events (Classics, Globetrotter Freiluft, Kick Offs). Again, we considered a couple of main suppliers. In addition,

marketing materials such as catalogues and flyers were partially offset as part of the purchase agreement, which amounted to an offset of about 640 t CO<sub>2</sub>e (2021: 627 t). Leather for Hanwag was compensated for as well: 155 t CO<sub>2</sub>e were compensated for in an African afforestation project. Included in the above figure is a safety margin and a backup for ex ante certificates from an own project we want to secure.

### Energy use

The overall consumption of our energy in 2022 increased again compared to 2021, due to fewer Covid-19 related constraints on our operations. Our primary energy sources were gas and oil (in one location). A total of 4,632 MWh (2021: 5,208 MWh) were used, plus another 4,279 MWh (2021: 3,615 MWh) from district heating systems. A total of 17,402 MWh electricity was consumed (2021: 16,600 MWh). The primary energy emissions amount to 798 t CO<sub>2</sub>e (991 tCO<sub>2</sub>e in 2021). District-heating-related emissions increased to 611 t CO<sub>2</sub>e (577 t CO<sub>2</sub>e in 2021). The increase in district heating consumption and emissions is due to better data availability, especially for a couple of Naturkompaniet's locations, although fluctuations over the years remain because we are still depended on ancillary costs reporting in many locations. Hanwag extended the use of local heating from a nearby farm to its production facility and uses gas only during very cold conditions and as a redundancy. Market-based Scope 2 emissions from electricity consumption amount to 895 t CO<sub>2</sub>e (previous year: 1,188 t CO<sub>2</sub>e). Location-based emissions would total up to 4,191 t CO<sub>2</sub>e (2021: 4,279 t CO<sub>2</sub>e). Energy data is subject to change due to constant incoming data updates during the year (all past data corrected).

Energy saving measures were taken in various operations and at several locations. Ozone depleting substances (ODS) can occur in air conditioners and refrigerators. We started to switch from refrigerants with higher Greenhouse Warming Potential (GWP) to refrigerants with lower GWP (e.g. R32, Water) in some locations; as per legal demands equipment is maintained and reported refrigerants do not deplete ozone; reported refrigerant leakages are accounted for under scope 1 (14.9 t CO<sub>2</sub>e).

### Shipments of goods

Various modes of transportation contribute to our journey as our goods travel around the globe. Using vessels, trucks, and aircraft, we calculated our shipments' emissions at 11,022 t CO<sub>2</sub>e (considering RFI 2.7: 17,556 t CO<sub>2</sub>e; 2021: 8,598 t CO<sub>2</sub>e without RFI).

The increase in emissions is due to better data transparency and availability (almost 100% of contract partners provided data) and a still high share of air freight to meet market demand. Together with our new Global Sourcing Manager in logistics we will work on this during 2023. In 2021 we pilot-tested an internal carbon fee on additional air freight of 100 euros/t CO<sub>2</sub>e. It showed that the internal carbon fee did not have the steering effect we wished for, so we will not continue with it. The surcharge taken from this pilot will be reinvested in carbon reduction projects mainly in our supply chain in 2023 and the years ahead, since in 2022 our supply chain programs did not lead to concrete investment options apart from program costs. Of all eCom shipments, 13% were returned (15% in 2021) for reasons of fit, double-order and the like (this refers to all brands and products sold in our online stores, based on shipments as reported by data provider). The goods were checked and restocked; the rest of the products (damaged or unusable), together with respective returns from the B2B business, were destroyed and properly disposed of.

### Business travel

According to our car policy, last updated in 2021, emission levels were capped at 130 g CO<sub>2</sub>/km for all vehicles. Further, we encourage electric or hybrid cars as company cars where possible. The average CO<sub>2</sub>e emissions from our car fleet has dropped to approx. 110 g/km (WLTP). Business-travel-related CO<sub>2</sub>e emissions accounted for 3,255 t CO<sub>2</sub>e. (2021: 1,260 t CO<sub>2</sub>e). The business travel data includes all forms of business travel such as flights, public transportation (including trains, buses, and boats), corporate cars, and personal cars for all staff members at all locations. Emissions from flights consider RFI 2.7. The increase mainly comes from increased travel activities in the second half of 2022 and is slightly below pre-Covid (2019: 3,898 tCO<sub>2</sub>e, incl. RFI 2.7).

### Commute to work and working from home

All our staff leave their own carbon footprints and contribute to our corporate impact. To better understand how our staff is commuting, what reasons are behind the choice of transport mode, we conducted our yearly global staff survey of all those working for the Fenix Outdoor Group to calculate the annual CO<sub>2</sub>e emissions. Although our employees went back to the office part-time, again we shifted a good portion of our usual energy consumption from our offices to our employees' homes, thus including ques-

<sup>1</sup> <https://registry.goldstandard.org/credit-blocks/details/332925>

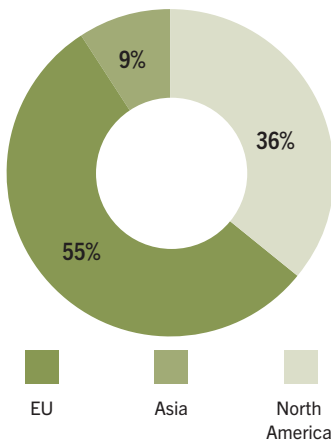
<https://registry.goldstandard.org/credit-blocks/details/332931>

tions about working-from-home periods as well. In general terms we think that an overall 1,211 t CO<sub>2</sub>e is a conservative extrapolation for our 2022 emissions from commuting activities (n commuting = 285; 2021: 541 t CO<sub>2</sub>e) for all employees. Since working-from-home days differ between countries and departments nowadays, so do commuting days, and the picture gets a bit blurry. Working-from-home emissions, based on the results from reported activity data, account for 318 t CO<sub>2</sub>e (n = 195; 2021: 139 t CO<sub>2</sub>e, n=178).

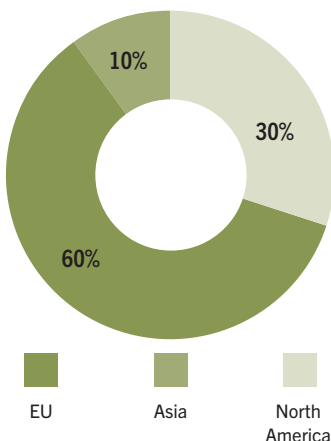
### Water & waste management

We are aware that the garment industry has a major impact on the planet's water basins, water quality and water stress. So far, we are not able to assess our total water footprint. However, we estimate the amount of water withdrawn was 55,584 m<sup>3</sup> (2021: 70,898 m<sup>3</sup>), knowing our own operations only account for a very small share of our overall water footprint. The main purpose is for drinking, cooking and household use, although some operations have a vast green space that they take care of and some of our mega stores

#### WATER WITHDRAWAL



#### WASTEWATER DISCHARGE



### MATERIAL USAGE 2022

MARKETING	Amount conventional (kg)	Amount certified sustainably sourced (kg)	Amount certified recycled (kg)	Amount compensated (kg)
Paper	22,215	456,035	589,761	848,247
Ink	22,228	0	0	14,204
Plastic	1,324	0	8	
Cardboards	226	0	521	0
Wood	173	0	0	
Glue	2,545	0	0	2,488
PVC	1,349	113	311	
Other Materials	5,245	331	0	

Office Materials	Amount conventional (kg)	Amount More Sustainable (kg)	Amount recycled (kg)
Paper	53,526	24,368	3,927
Cardboard	245	23,505	656
Toner/Ink	144	45	41
Plastic	557	151	61
Glue (glue stick, sticky tape)	291	1	12
Metals	397	86	7
Other materials	507	84	25

Packaging Materials	Amount conventional (kg)	Amount More Sustainable (kg)	Amount recycled (kg)
Paper	54,898	68,197	8,894
Cardboard	344,291	301,779	637,288
Polycarbonate	0	0	0
Polyethylene	21,422	1,043	33,310
PVC (e.g. Tapes)	50	0	2,006
Polypropylene (e.g. Straps, Tapes)	6,623	21	175
Plastics (non spec.)	1,094	3,903	13,012
Other (e.g., labels, sticker paper)	1,722	3,624	0

### WASTE 2022

Waste by composition	Waste generated (t)	Waste diverted from disposal (t)	Waste directed to disposal (t)
Biodegradable waste	17	16	1
Chemicals (hazardous)	1		1
Chemicals (non-hazardous)			
Glass			
Metal	11	3	8
Mixed commercial waste	328	8	305
Other	5		5
Other Hazardous (Batteries, ...)	1	1	
Paper and Cardboard	707	597	16
Plastic	41	41	2
Residual waste	20		16
Wood	68	25	32
<b>Total waste</b>	<b>1,199</b>	<b>691</b>	<b>386</b>

## MATERIAL USAGE (ALL PRODUCTS) 2022

Materials	Amount conventional (kg)	Amount more sustainable (kg)	Amount recycled (kg)	Total CO <sub>2</sub> e (t)
<b>PLANT-BASED FIBERS AND MATERIALS</b>				
Coconut	67			<1
Cork	2,208			1
Cotton	31,534	596,166		5,109
Hemp	15,974			219
Nuts	1,330			2
Wood		12,346		14
Other plant-based fibers and materials		181		1
<b>ANIMAL MATERIALS</b>				
Alpaca	742			61
Beeswax	900			3
Down		40,214		65
Leather	249,706	68,270		9,219
Silk	530			48
Wool	13,705	132,249	24,589	5,545
<b>MAN-MADE CELLULOSIC FIBERS</b>				
Lyocell (e.g. Tencel)	1,701	1,858		44
Modal		16,634		142
Viscose	918			15
Other man-made cellulosic fibers	3,500			46
<b>SYNTHETIC FIBERS</b>				
Elastane (e.g. Lycra, Spandex)	23,838			224
Polyacrylic	1,707		7,007	130
Polyamide (Nylon, etc.)	736,313	149	295,562	14,211
Polyester	442,252	286	1,300,760	14,258
Polyethylene	2,153	554		11
Polypropylene	216,689			1,236
Polyurethane	48,997			544
Polyvinyl chloride	598			3
Thermoplastic Polyurethane	314		887	5
Other synthetic fibers	6,551			52
<b>METALS AND INORGANIC COMPOUNDS</b>				
Aluminum	74,671			684
Brass	148,754			141
Copper	213			1
Emaile	1,925			5
Glass	1,277			2

carry pools and diving tubes for equipment testing. The water we withdraw is mainly drawn from the community supply (groundwater and surface water in, e.g., northern Finland, South Korea, China and the Czech Republic). Since the data sets for our operations were still fragmented in 2022, we added a 10% security surcharge. Although we are only able to quantify our water footprint in the supply chain on an incomplete level (see p. 21), we monitor water management practices of our supply chain partners via the Higg FEM and certain risk criteria. We strive for water-reducing technologies and use technologies such as solution dye and CO<sub>2</sub> dyeing.

Except for two Asian locations (South Korea and Hong Kong), the effluents were collected in community sewers and treated at a public treatment plant. No toxic chemicals were released by our own operations into sewers or surface water bodies. The water discharge amount was not safely determined. We estimate that about 50,981 m<sup>3</sup> (2021: 70,892 m<sup>3</sup>) were released by our operations (toilets, washing, kitchens). In our own operations, we do not discharge any wastewater that requires Chemical Oxygen Demand (COD) monitoring, nor do we handle or use halogenated absorbing organic compounds, requiring AOX demand monitoring. Our wastewater is normal household wastewater.

Waste is increasingly seen as a resource, and we also want to contribute to a more circular economy. However, this is easier said than done as circular waste disposal solutions are not present in all our markets. In 2022 we were able to divert about 58% (2021: 74%) of our waste from disposal. The waste disposal method was not given for all generated waste; thus, the share of diverted waste is probably higher. Most of our waste is generated by inbound shipments and occurs in our warehouses and stores. In those locations, we work with local waste removal companies to recover and dispose of the waste. In smaller rented locations and shopping centers, we are usually not able to determine the amount of waste generated, but most of the data sets are based on estimates. Local standards are used for metric conversion. Although data quality is improving, the data set does not show the full picture. On-site we reuse cardboard and shoeboxes as well as paper filling to a fair extent in our warehouses in Germany and the US, our stores in the US, Denmark, Sweden and Finland and in some of our showrooms. The main repurpose is for shipments and store fitting (e.g., backpack filling). About two-thirds of our diverted waste is paper and cardboard, of which 90% is prepared for recycling off-site. The main component of



waste disposed of off-site is mixed commercial waste, which is most often incinerated (>80 %).

### Raw materials & consumables

As in previous years, we deliberately use recycled, organic, ecological, biodegradable or recyclable materials. We have classified the textile fibers we use into our own Preferred Fiber List (PFL) consisting of four categories: excellent, good, OK if crucial and “do not use”. To us a preferred fiber is classified as excellent or good. Based on the 2022 fiber consumption for the Fenix Outdoor textile brands (Fjällräven, Frilufts private label, Royal Robbins, Tierra) we are at a level of more than 60% of preferred textile fibers.

The tables show an overview of the raw materials and consumables (packaging, office supply, marketing materials, shopping bags) we used as far as we were able to measure them. They indicate the certified recycling content, and the column “More sustainable” indicates other environmentally preferred attributes (e.g., from PEFC/FSC certified forests). Emissions resulting from consumables and raw material consumption together account for 64,851 t of CO<sub>2</sub>e in 2022 (2021: 50,405 t CO<sub>2</sub>e, corr.) and have been calculated based on Higg MSI and DEFRA data sets as well as been based on own LCA data. For some materials internal average emission factors have been used.

### BRANDS UNIT

We at Fenix Outdoor make our products consciously to last in their entirety. We call it longevity, durability and sustainability. If one can wear a garment for generations, then we believe that is as it is meant to be: a lifelong story of a product, not a short-lived product that was once in one’s life. But sometimes trade-offs are tough to solve: some materials might be better for the climate but are not recyclable and do harm to animals and plants when ending up in nature. It is not only us at Fenix Outdoor who are constantly on the move – our environment also changes as we move forward, and so does the human understanding of certain activities or inventions of the past or present. Thus, science and industry are rapidly evolving, and consequently, once some new research results become public, they may call for adjustments and changes in direction on our part. We do not want to stand still and support the industry to move forward: we are eager to apply solutions to better assess our products’ environmental impact along the whole value chain, piloting different solutions.

In 2022, we had a few production and

### MATERIAL USAGE – TABLE CONT. (ALL PRODUCTS) 2022

Materials	Amount conventional (kg)	Amount more sustainable (kg)	Amount recycled (kg)	Total CO <sub>2</sub> e (t)
Stainl. Steel	209,719			819
Steel	271,952			661
Titanium	1,511			49
Other Metals and inorganic compounds	15,414			106
<b>FOAMS</b>				
Polyurethane foam	52,670			271
Other foams				
<b>RUBBER</b>				
Butyl rubber	163			1
Other rubber	8,534			45
<b>OTHER MATERIALS AND SUBSTANCES</b>				
ePTFE	2,723			50
Glue	107,861			539
LPG Gas	314,408			1,053
Paraffine	359,537			1,151
Pentane/Heptane	19,375			82
Silica Gel	41,805			N/A
Silicone	1,683			14
Vinylon F	253,206			5,170
Other materials and substances	88,899			437

product-related projects to reduce our environmental impact and identify improvement potential:

- We started to purchase I-RECs for our share of electricity at a couple of our factories in Vietnam as a first trial and conversation starter. You can read more about it in Infobox 1. As far as we are aware, around 10% of our active Tier 1 suppliers purchase renewable electricity, covering at least 10.5% of Fenix Outdoor’s specific electricity consumption.
- Together with our supply chain partners and other brands, we invested in a couple of environmental supply chain programs for energy and water efficiency as well as climate action (see overview below). These programs often serve as a door opener and bring great learnings for brands and suppliers alike. Most often the work starts after the programs are finalized. In 2023 we will intensify the follow-up from the programs and hopefully be able to support implementing identified reduction measures. We see a challenge to scale up these types of programs on our own and

see a risk that suppliers are overwhelmed by individual brand requests, which is why we will continue to take part in collective supply chain programs.

- Fjällräven started a collaboration with Infinited Fiber Company and internally pilot-tested T-shirts made of Infinna™ fiber (see Infobox 2).
- To extend our efforts to be able to ship our product without individual polybags, we launched a polybag-free packaging pilot with Royal Robbins in Europe, shipping six styles for SS23 roll packed. The pilot is ongoing in 2023, but evaluation of the production and shipping process indicates monetary savings regarding packing material as well as more efficient packing of transport cartons.
- Fjällräven, Royal Robbins and Frilufts (private label) again took part in the Textile Exchange’s Corporate Fiber & Materials Benchmark.
- The textile brands continued the use of the Materials Sustainability Index (MSI).
- Primus moved beyond offsetting its gas by expanding the practice to its liquid Pow-

## CURRENT STATUS OF SUPPLY CHAIN PROGRAMS DRIVEN BY FENIX OUTDOOR

	2019	2020	2021	2022	2023	2024	2025
All's CbD		1 Tier 2 supplier in Rep. of Korea				Additional 2 Tier 2 suppliers	Additional 2 Tier 2 suppliers
CTA			7 Tier 2 suppliers in Taiwan				
CLP				6 Tier 2 suppliers in Taiwan			
GIZ CAT				2 Tier 1 suppliers in Vietnam	All Tier 1 suppliers globally		
Coal phase out					1 Tier 1 supplier in Vietnam		
RE Feasibility studies				1 Tier 1 supplier in Vietnam	5 Tier 1 and Tier 2 suppliers in various countries		

- Ongoing projects
- Completed projects
- Planned projects

### Programs

- CLP: Carbon Leadership Program
- CTA: Carbon Tech Assessment
- CbD: Clean by Design
- CAT: Climate Action Training

erfuel. The brand has been offsetting the emissions from its gas for 10 years. With the addition of offsets for Powerfuel, all Primus fuel is now offset. Through this program they offset approximately 1 850 tons CO<sub>2</sub> in 2022.

- Hanwag again filled out the Higg Facility Environmental Module (FEM) for internal purposes.
- In addition, we led the Working Group 5 (own and operated emissions) in the UN Fashion Charter for Climate Action and actively took part in the STICA working group for Vietnam.

Since we produce our products with care, we also want to prolong a product's lifetime whenever possible. To do so, and because we see an increase in demand for these kinds of services, we offer repair and care services in our own repair centers in Sweden, Germany and increasingly in our North American brand stores. Around 19,631 pairs of Hanwag shoes were resoled in 2022 (2021: 15,674) in our factory in Vierkirchen and our partner factory in Croatia.

To ensure responsible and more sustainable production, we continue to deepen our understanding of the environmental impact of our supply chain. We collect environmental data via our annual GRI reporting, the Higg Facility Environmental Module (Higg FEM) and cover certain topical areas in our audits conducted by Elevate and our own audit firm Leadertek. In 2022 we had 110 factories participating in the GRI Questionnaire

and 61 Tier 1 (incl. vertical suppliers) factories reported their electricity consumption. A total of 72 FEM data sets from 2021 have been shared with us in 2022 (2021: 66) from our Tier 1 and Tier 2 supply chain partner. Of these, 83% have been verified (2021: 68%). In total, our suppliers are slightly above the industry benchmark. The biggest improvement potentials are detected in the air emissions and waste section as well as in capacity building in general. Because the general FEM cadence does not match our CSR Reporting timeline, our reported supplier data stems from the GRI reporting and only a few shared FEM 2022 modules. For 2023, we aim to combine data sets to close data gaps.

During 2022, together with the sourcing team we visited many of our suppliers to better understand the local contexts and capabilities. We found many good practices: rainwater harvesting for factory cooling, production waste reuse as pillow filling, wastewater heat recovery and recovery of condensate water, to name a few. We shared our findings with our supply chain in a peer learning document that is updated occasionally and includes best practices from our production partners as well as pointing to industry guidelines and local resources (e.g., Asian Garment Hub, Viet Nam Energy Efficiency Community).

As in previous years, we strive to improve the animal welfare in our down, wool and leather supply chain. Our Animal Welfare Policy is publicly available on our company

website. Our strict standards lead to a very selective network of partners and to trusting partnerships. In 2022, Fjällräven has transitioned most wool to preferred options (ZQ, recovered) but still uses recycled wool in some styles. In 2023, hopefully all wool will be preferred. Tierra sourced almost all wool from RWS-certified partners, and Frilufts private label used only certified down by the Responsible Down Standard (RDS). Hanwag works mainly with LWG gold and silver (exceptionally) certified partners.

### FRILUFTS RETAIL Electricity savings

In the sustainability strategy 2025 we aimed to reduce electricity consumption by 25% compared with 2019. Very promising figures and a good indication that we are on a good track here comes from Globetrotter, the biggest retail in the Group. Electricity consumption in 2022 compared with 2019 was down 18 % and like-for-like down 25%. This of course gives additional motivation to continue with the existing initiatives and to move forward.

### Investment in energy efficiency

In 2022 the major investment to improve energy efficiency went into new and reused (from store renovations) LED lighting. In total eight stores received LED lighting.

### Circularity

Supporting the transition and preparing for

a circular economy continues to be a key strategic sustainability initiative for Frilufts Retail.

### Care & Repair

In 2022 four out of five Frilufts Retailers offered a paid care & repair service, and customer demand significantly increased. In 2022 the total number of products cared or repaired almost doubled compared with the year before and reached 33,879.

At Globetrotter alone, 24,649 products were serviced, either maintained or repaired, to prolong the lifetime of the product. That is an increase of 11,649 products over the previous year.

After the first Care & Repair workshop at Naturkompaniet opened in December 2021, in 2022 two more stores received a Care & Repair workshop station. At Globetrotter there are now 14 stores with a care & repair workshop.

### Secondhand

Globetrotter started buying and selling used equipment in 21 branches nationwide in 2021. In 2022 another important milestone has been reached: Globetrotter customers can now buy and sell used outdoor equipment online at [secondhand.globetrotter.de](https://secondhand.globetrotter.de).

In 2022 it was possible to sell a total of 12,465 secondhand products, a significant increase over the previous year.

Other Frilufts Retailers continue to move in this direction. By the end of 2022 Partioaitta offered secondhand products in five stores, compared with one store in the previous year.

### Rental

In addition, in 2022 the Frilufts Retailers (except Trekitt) offered customers the rental of outdoor products through their store network. Globetrotter is still the only one so far to allow customers to also rent products directly online.

### Product take back

I:Collect is our final product end-of-life solution. In 2022 a total of 2.8 t (2.4 t in 2021) was collected and entered the I:Collect recycling stream. I:Collect follows the waste hierarchy approach. The aim is to uphold a high level of reuse and increase textile-to-textile recycling.

### A Greener Choice product evaluation

With A Greener Choice product evaluation, we assess the sustainability of products in our Frilufts Retail assortment.

The standard consists of the ten most

## Decarbonization of our Vietnamese supply chain – first steps

**KEY TO REDUCE** our supply chain emissions (Scope 3) is renewable electricity procurement in production countries. One of our biggest is Vietnam. Market mechanisms and legal frameworks are constantly evolving in Vietnam and enable manufacturers to drive transition to a renewable electricity procurement. One of our partners, Foremart Corporation, has three factories in northern Vietnam. They embarked on the journey of renewable electricity sourcing in 2022. After installing solar streetlamps in one of their factory premises as a first trial they conducted a feasibility study for solar rooftop together with an investment company specialized in investing and developing renewable energy across Vietnam. However, the study revealed that there is not enough annual sunshine to operate the solar panels profitable and to achieve considerable reductions in greenhouse gases for two of the factories. The results reflect a problem that is often not addressed: in some parts of the industries' production

countries, solar rooftop might not be the silver bullet to decarbonization and in most cases they will only cover a portion of total electricity needs of a factory. Consequently, we evaluated our options and concluded that under the given circumstances the purchase of International Renewable Energy Certificates (I-RECs) is an available and affordable (yet not the most impactful) solution for now. With the purchased amount of 200MWh for 2022 we will be able to green our electricity consumption in our own offices in Vietnam, and our electricity shares in Foremart's production. At the same time, we increase renewable electricity demand in Vietnam, since the I-RECs are produced within the country. By offering this, we hope to steer the discussion about renewable electricity purchase even further, showing what's already possible to date and work together on even better solutions. For Foremart's third factory located a bit further south in Vietnam, the feasibility study is ongoing.



## Infinita Fiber Company: A building block for circularity

**INFINITA FIBER COMPANY** is a textile technology powerhouse on a mission to bring joy and hope back to closets by making circularity an everyday reality. Their breakthrough innovation transforms used textiles into Infinita™, a premium textile fiber that looks and feels like cotton and is just as versatile. While they focus on creating value out of discarded cotton textiles, their technology can also use other cellulose-rich materials – cardboard, paper, wheat straw – and can be recycled without any quality loss.

Fjällräven started the collaboration with Infinita in 2021 as a step to keep the environmental footprint as small as possible. Textile-to-textile recycling is a must in the future, but today only a fraction of textile waste is collected and

recycled back into new material. We see this approach as an immense opportunity: We turn a huge problem of the textile industry with an increased amount of material going to landfill into a new possibility by using existing material. By doing so, we will be able to leave the base camp in a better way than we found it.

We are in the pilot phase making trials with the Infinita™ fiber. Currently we test the material to make sure it lives up to our high standards regarding quality and longevity, to make sure it can be used for a long time before it gets recycled again into a new durable garment to be used for a long time. This is a great success for a circular flow.

Read more at <https://infinitafiber.com>

important sustainability areas we have in the outdoor industry. Additionally, the “No-Gos” complement the minimum requirements from the Code of Conduct. Provided that a product fulfills all entry level requirements, it then needs to fulfill at least four out of the ten criteria. Hence, A Greener Choice is a holistic standard including several sustainability attributes. We have deliberately developed this approach and will apply it until the outdoor and/or textile industry is able to deliver specific verified and comparable product LCAs at scale.

A Greener Choice allows us to push sustainable product innovation forward and to improve the sustainability performance of our assortment continuously. At the same

time, we can support our customers in their sustainable lifestyles and help them to consider sustainability in their purchasing decisions. The demand for more sustainable products leads again to increased investments in products’ sustainability.

In 2022 we have been able to further strengthen A Greener Choice in multiple ways:

To strengthen transparency, the explanation video about A Greener Choice is now also available in Finnish and used at Partioaitta to inform employees and customers.

Another improvement regarding transparency is that for most products, Globetrotter is now able to display online which of the ten criteria have been fulfilled; and steps are

taken to equip all products with this information and to realize this for the other Frilufts Retailers as well.

In terms of reliability our suppliers are now more often required to show actual certificates instead of just explaining what they do. Here we follow a general trend when it comes to green claims: knowing is good, but proof is even better.

In 2022 we conducted 19,000 AGC assessments and we sold 1,797,998 (2021: 1,474,234) “A Greener Choice” products. This is the fifth subsequent year the amount of A Greener Choice products sold has grown. Therefore, A Greener Choice continues to make a substantial share of total net sales. ●



## At a glance: A Greener Choice at Frilufts Retail

### LEADING BRANDS IN THE AGC ASSORTMENT

1. FJÄLLRÄVEN
2. FRILUFTS
3. ICEBREAKER
4. PATAGONIA
5. VAUDE
6. HANWAG
7. OSPREY
8. WOOLPOWER
9. TIERRA
10. ORTLIEB

Apparel, footwear, and hardware are the three main assortment categories.

The first place in each category and the “reason why” are:



**Apparel – ranked first place in 2022:**  
Woolpower 3-PACK LINER SOCK

AGC Criteria fulfilled:

• **TRACEABILITY AND TRANSPARENCY**

The supply chain partially or fully is mapped out

• **IMPROVED ECOLOGICAL FOOTPRINT**

Environmental management system in place: Factory is ISO 14001 certified.

• **SOCIAL ACCOUNTABILITY**

High Production Standards incl. focus on employees’ rights in Sweden

• **MADE in**

Tier 1 production in the EU and more than 50% of used materials are produced in Europe



**Footwear – ranked first place in 2022:**  
Meindl Borneo

AGC Criteria fulfilled:

• **RESPONSIBLE CHEMICAL MANAGEMENT AND IMPROVED ECOLOGICAL FOOTPRINT**

Leather production at top tanneries (gold or silver) certified by the LWG (Leather Working Group) ensures responsible chemical management and an improved ecological footprint

• **Circularity**

Resolable /repairable product in own service- center

• **MADE in**

Tier 1 production in the EU and more than 50% of used materials are produced in Europe



**Hardware – ranked first place in 2022:**  
Fjällräven KÅNKEN NO. 2 LAPTOP 15" BLACK

AGC Criteria fulfilled:

• **MORE SUSTAINABLE NATURAL MATERIAL**

Use of 35% organic cotton 3rd Party certified

• **RECYCLED MATERIAL**

Use of 65% recycled Polyester 3rd Party certified

• **RESPONSIBLE CHEMICAL MANAGEMENT**

Above legal requirements

• **Circularity**

Fjällräven offers authorized repair-services

• **IMPROVED ECOLOGICAL FOOTPRINT**

> 50% of the materials used in this product are more sustainable

FACTSHEET  
ENVIRONMENT 2022

**ENERGY CONSUMPTION**  
(OWN AND OPERATED LOCATIONS & TIER 1 SUPPLIER, IN RELATION TO PRODUCTION VOLUME)

INDICATOR	2022	2021	2022 CO <sub>2</sub> e (t)	Supplier data 2021 (kWh)	Supplier data 2022 (kWh)	Supplier CO <sub>2</sub> e (t)
Primary Energy (kWh)	4,632,071	5,208,479	798	372,532 (n=10)	405,014 (n=16)	87
Primary Energy (MJ)	16,675,456	18,750,524		1,341,115	1,458,500	
Electricity (kWh)	17,402,773	16,600,485	895	2,120,406 (n=32)	5,500,024 (n=44)	2,462
Electricity (MJ)	62,649,983	59,761,746		7,633,462	19,800,086	
District Heating (kWh)	4,279,349	3,614,526	611	23,709 (n=3)	41,923 (n=3)	7
District Heating (MJ)	15,405,656	13,012,294		85,352	150,923	

**CO<sub>2</sub>e FROM BUSINESS TRAVEL BY MODE OF TRANSPORT (t)**

MODE	2022	2021
Car	238.36	800
Train	12.8	0.2
Boat	0.095	0.17
Air	3,004 (incl. RFI 2.7)	191
Other (Bus, etc., ...)	0.141	0.12

**CO<sub>2</sub>e FROM SHIPMENTS BY MODE OF TRANSPORT (t without RFI 2.7)**

MODE	2022	2021
Trucks	1,513	2,486
Sea	4,441*	203
Air	3,844	5,909
Other (train)	31	n/a

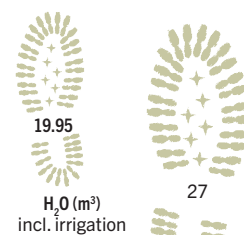
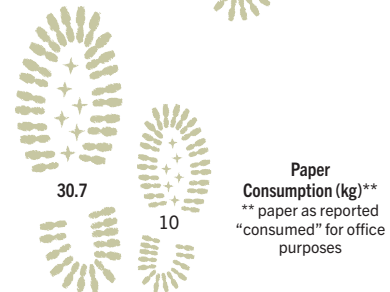
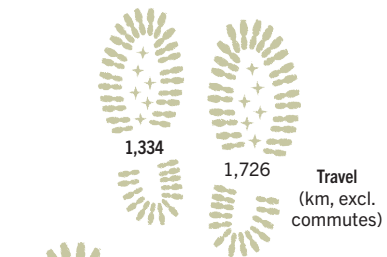
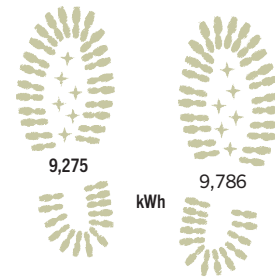
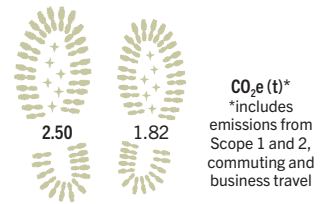
**OTHER EMISSIONS IN KG**

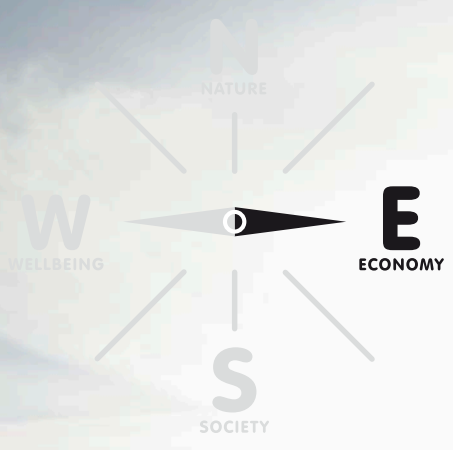
EMISSION	2022	2021
NOx	33,850	5,077
SOx	6,213	4
CO	n/a	n/a
NMHC	2,743	348
PM	1,057	68

\* See additional Annex on methodologies on our webpage.

**OUR FOOTPRINTS PER CAPITA**

2022 2021





# 3. ECONOMY – The path of reliability and trust pays off

## COMPANY PROFILE

Our group consists of three segments: Brands, Global Sales and Retail (Friluft Retail Europe). Fenix Outdoor's brand segment consists of five outdoor brands. In 2022, Fenix Outdoor AB has signed an agreement to divest Primus AB and its subsidiary Primus Eesti Ou to Silva Sweden AB. The closing is planned to take place in the spring of 2023. During the period until closing, Primus will be migrated from Fenix Outdoor's IT environment, which will take some time to arrange and carry out. Fenix Outdoor's Retail segment consists of five retail brands. The business concept of Fenix Outdoor is to develop and market high-quality outdoor products through a selected retail network with a high level of service and professionalism, to end-consumers with high expectations. The CEO and executive chairman is Martin Nordin, eldest son of the founder Åke Nordin. Our goal for the group is to achieve a minimum growth rate of 10 percent per annum, keeping a consistent profit before tax of at least 10 percent. To do so, Fenix Outdoor has adopted a two-fold approach: organic growth based on a strong retail network and brands known for high-quality products, as well as expansion through the acquisition of additional outdoor brands. Fenix Outdoor is a Swiss corporation, officially named Fenix Outdoor International

AG and listed on the Stockholm Exchange OMX Nasdaq Large Cap. Four of the six board members are independent of the company and its management group. Fenix Outdoor International AG is based in Zug, Switzerland, with its major operations located in Sweden, Germany, the USA, Norway, Finland, Denmark, Switzerland the United Kingdom and the Netherlands. Our major markets correspond to the locations of the operations, showing the deep-rooted tradition of the brands and retailers. In 2022, subsidies in the amount of 83 TEUR were received and taxes in the amount of 21,846 TEUR were accounted.

## FENIX OUTDOOR BRANDS:

### Fjällräven:

Fjällräven is a leading European brand in outdoor clothing and equipment.

### Hanwag:

Hanwag is a traditional European brand for technically advanced trekking, outdoor, and alpine shoes.

### Primus:

Primus develops and sells camping equipment used for boiling, heating, and lighting, powered by gas and liquid fuels.

### Royal Robbins:

Royal Robbins is a US brand, known for its versatile everyday and active outdoor apparel.

### Tierra:

Tierra is renowned for its high-tech clothing for demanding outdoor activities.

## Friluft Retail:

Our Friluft Europe Retail AB segment consists of five retail chains: Naturkompaniet AB, which consists of 43 outdoor stores in attractive locations in Sweden and Norway; Partioaitta Oy, with 21 stores located in Finland; Globetrotter Ausrüstung GmbH in Germany with 21 high street stores and one outlet store; Friluftland in Denmark, with 13 locations; Trekitt in the United Kingdom with two locations. In total it now consists of 101 stores.

## HIGHLIGHTS

### Brands Segment

Our Brands segment had sales of 206 MEUR an increase of 22 percent over last year. The growth was mostly driven by American retail and eCom. The Brands Division has taken the largest part of the extraordinary expenses as much of it was related to the consumer business and the increase we had in costs due to the advancement of our digitalization program.

### Global Sales

Global Sales in 2022 reached a net sales of 205.5 MEUR, an increase of 19 percent over 2021.

### Friluft Retail

Friluft Retail in 2022 reached net sales of 347.7 MEUR, an increase of 12.5 percent over 2021.

### Trekitt

The integration of Trekitt into the Fenix and Friluft Retail family continued throughout 2022. Together the Trekitt management and the Fenix Outdoor compliance and sustainability team organized an introduction to the Fenix and Friluft Retail Way. All Trekitt colleagues were trained in the overall sustainability strategy, processes, and guidelines. In the second half of the year the preparation for a Trekitt Way started and the finalization and presentation is envisioned for 2023. That the business units create their "own way" is a common procedure and allows them to define their own approach within the group's overall compliance and sustainability framework. ●

## KEY FINANCIAL INDICATORS (EUR)

Total income	770,143,000
Net sales	759,237,000
Debt	27,000,000
Equity	404,987,000
EBITDA	138,600,000
Operating profit	83,500,000
Profit margin, %	11%
Profit before tax	82,800,000
Net profit for the period	60,900,000

## REGIONAL SPLIT OF TAXES PAID (EUR)

Taxes	Europe	-19,490,274
	North America	-976,816
	Rest of the World	-1,379,409
	Total	-21,846,499

FACT SHEET  
ECONOMY 2022

COMPENSATION DEVELOPMENT 2017–2022 TEUR

Base salary, bonus and remunerations	2017	2018	2019	2020	2021	2022
President	459	479	509	377	648	764
Change	0	4%	6%	-26%	72%	18%
Other employees (based on FTE statistics)	77,689	84,407	89,346	83,003	88,630	108,553
Change	0	-1%	7%	-6%	6%	7%
FTE	2,270	2,492	2,476	2,439	2,598	2,837

NET SALES PER GEOGRAPHIC MARKET GROUP (Acc)

MEUR	2022	2021
Switzerland	11.2	10.6
Sweden	93.0	97.9
Other Nordic countries	102.2	103.0
Germany	261.3	212.6
Benelux	30.4	25.5
Other Europe	82.0	59.0
Americas	135.8	102.7
Other markets	43.4	38.7
Total	759.2	649.9

CONSOLIDATION (IN TEUR)

Account	2022	2021
Total net sales	759,237	649,947
Total other operating income	10,905	8,273
Suppliers and services	486,295	404,462
Result of associated companies	427	813
Interest income	-195	-386
Interest costs	-669	-797
Total tax	21,846	-25,078
Net P&L for the year	60,926	56,662
Salaries	109,317	89,278
Pension plan	5,383	5,417
Donations	579	

FriLufts MEUR	Jan–Dec 2022	Jan–Dec 2021
External net sales	347.7	309.0
EBITDA	35.0	41.0
EBIT	6.4	12.9
Stores	101	95

Brands MEUR	Jan–Dec 2022	Jan–Dec 2021
External net sales	206.0	168.5
EBITDA	72.9	63.3
EBIT	58.7	52.0
Stores	39	38

Global sales MEUR	Jan–Dec 2022	Jan–Dec 2021
External net sales	205.5	172.4
EBITDA	33.3	29.2
EBIT	31.0	26.7
Stores	32	32



**FIVE-YEAR SUMMARY, GROUP  
MEUR**

	2022	2021	2020	2019	2018
<b>INCOME STATEMENT</b>					
Net sales	759.2	649.9	563.0	607.1	572.4
Depreciation/amortization	-55.2	-51.5	-48.9	-43.1	-14.2
EBITDA	138.7	135.4	110.0	128.0	102.6
Operating profit	83.5	83.9	61.1	84.9	88.4
Financial net	-0.7	-2.1	-7.6	-0.6	0.1
Profit/loss after financial items	82.8	81.7	53.5	84.4	88.5
Tax	-21.8	-25.1	-19.6	-23.1	-21.1
<b>Net profit for the year</b>	<b>61.0</b>	<b>56.7</b>	<b>33.9</b>	<b>61.3</b>	<b>67.4</b>

**BALANCE SHEET**

Fixed assets *)	265.0	265.4	255.0	250.4	119.2
Inventories	246.5	152.6	153.8	159.7	133.3
Accounts receivable - trade	55.8	60.9	38.2	45.1	42.9
Other current assets	12.9	8.2	13.7	10.3	5.4
Cash and cash equivalents, current investments	81.0	181.9	191.1	88.9	101.9
Assets held for sale	13.3	-	-	-	-
<b>Total assets</b>	<b>674.6</b>	<b>669.0</b>	<b>651.7</b>	<b>554.4</b>	<b>402.7</b>

\*) Fixed assets 2019 includes Right-of-use assets from adopting IFRS 16

Equity attributable to the Parent Company's shareholders	405.0	381.4	353.7	319.1	285.6
Minority shareholdings	0.0	0.0	0.1	0.1	0.1
Provisions etc	13.5	15.4	16.1	15.9	13.0
Non-current liabilities, interest-bearing *)	109.3	126.3	138.8	100.4	12.0
Other non-current liabilities	0.3	0.2	0.7	1.4	1.0
Current liabilities					
Interest-bearing *)	40.4	37.7	56.5	47.8	12.9
Non-interest-bearing	103.9	107.9	85.8	69.7	78.1
Liabilities directly associated with the assets held for sale	2.2	-	-	-	-
<b>Total equity and liabilities</b>	<b>674.6</b>	<b>668.9</b>	<b>651.7</b>	<b>554.4</b>	<b>402.7</b>

\*) Interest-bearing 2019 includes Lease liabilities from adopting IFRS 16

**CASH FLOW**

Cash flow from operating activities	-7.0	118.7	110.0	61.4	79.1
Cash flow from investments activities	-27.0	-34.4	-21.6	-23.1	-31.6
<b>Cash flow after investments</b>	<b>-34.0</b>	<b>84.3</b>	<b>88.4</b>	<b>38.3</b>	<b>47.5</b>

**KEY RATIOS**

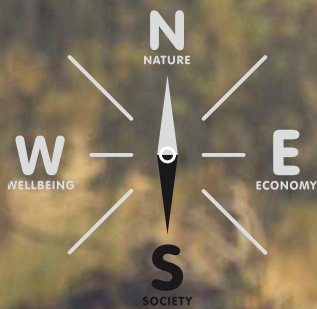
Change in sales, %	16.8	15.4	-7.3	6.1	6.0
Profit margin, % (From 2019 including IFRS 16 effects)	10.9	12.6	9.5	13.9	15.5
Return on total assets, % (From 2019 including IFRS 19 effects)	12.7	12.8	9.3	18.3	23.3
Return on equity, %	15.5	15.4	10.1	20.3	26.1
Equity/assets ratio, %	60.0	57.0	54.3	57.6	70.9
Average number of FTE employees	2,837	2,446	2,439	2,476	2,492

**DATA PER SHARE**

Number of shares, thousands, as of December 31	35,060	35,060	35,060	35,060	35,060
Gross cash flow per B-share, EUR	10.62	8.11	6.21	7.76	6.06
Earnings per B-share, EUR	5.58	4.25	2.54	4.55	5.01
Equity per B-share, EUR	37.02	28.59	26.51	23.71	21.43
Market value as of December 31, EUR	102	120	102	112	84
P/E ratio	18	28	40	25	17
Dividend per B-share 1)	1.35	1.95	2.38	-	1.17

DEFINITIONS: EBITDA: operating profit, excluding depreciation and write-downs of tangible and intangible assets, PROFIT MARGIN: Profit/loss after financial items as a percentage of net sales, RETURN ON TOTAL ASSETS: Profit/loss after financial items plus interest expenses as a percent of average total assets, RETURN ON EQUITY: Net income as a percent of average equity, EQUITY/ASSETS RATIO: Equity as a percent of total assets, GROSS CASH FLOW PER SHARE: Profit after tax plus depreciation/amortization divided by average number of shares, EARNINGS PER SHARE: Net profit divided by average number of shares, EQUITY PER SHARE: Equity divided by average number of shares, P/E RATIO: Market value at year-end divided by profit per average number of shares.

<sup>1)</sup>To be approved by the AGM



## 4. SOCIETY – Preparing for future directions

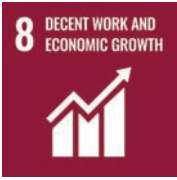
Analyze the status quo and initiate changes to meet mandatory Sustainable Corporate Due Diligence Acts

*“2022 was a year of disruption. The ongoing effects of COVID, Russia’s invasion of Ukraine, inflation, climate impacts and more led to major upheaval in people’s lives. Yet there were also major developments in policy and actions by governments, businesses and institutions that could help turn the tide.”* (World Resources Institute: Stories to Watch 2023, published January 25, 2023). This did not hinder our ability to stay on our own path toward sustainability, The Fenix Way. We at Fenix Outdoor have used the past year to elaborate on how well our own programs are designed to meet upcoming regulations, especially Human Rights Due Diligence Acts. We believe that only a strong commitment to protect human rights will help us through the next phase of present-day challenges.

Our internal management instruments such as the well-known Fenix Way Management Compass® and our alignment with international principles such as the UN Global Compact, the United Nations Guid-

ing Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the UN Sustainable Development Goals (SDG) will guide us through difficult times. Next to that, we agree that fair labor conditions shall be the standard, not the exception. That’s why we’re a member of the Fair Labor Association (FLA). The FLA promotes human rights at work. It is an international network of companies, universities and civil society organizations collaborating to ensure that millions of people working at the world’s factories and farms are paid fairly and protected from risks to their health, safety and well-being.





Our motivation in the Fenix Way Compass® cardinal direction ‘Society’ focuses especially on creating positive impact on “decent work” (SDG No. 8) which should lead to fair compensation, diversity at the job environment (SDG No. 5 “gender equality” & 10 “reduced inequalities”) and “quality education” (SDG No. 4.)



SINCE 1921



## FENIX OUTDOOR BRANDS AND PRIVATE LABEL

In 2022 we were able to start traveling again. Not to all parts of the world, but to several countries we had not been able to visit since the outbreak of Covid-19. Relationships were renewed and opportunities were discovered, but we also had to end partnerships where expectations were no longer met. We realized once more how important it is to see each other face to face occasionally.

Internal processes were further restructured, and sustainability became an integral part of the sourcing and production teams of Fenix Outdoor textile brands. New working routines were established such as the handling of compliance documents like The Fenix Outdoor Code of Conduct or the RSL (also covering manufacturing processes) for suppliers, which are now the responsibility of the sourcing and material team instead of individual brands. Furthermore, sustainability criteria such as social compliance audit results, meeting the Global Living Wage benchmark, environmental projects and such have received 50 percent weightage of the updated evaluation of each Tier 1 supplier. This is a great milestone to achieve more sustainability awareness at both ends – brands and supplier.

Since we have entered a new level of business inclusiveness, sustainability programs will focus especially on strategic suppliers,

which have been defined for all textile brands. That does not mean that nonstrategic partners will not have to meet certain criteria, but we want to invest in partners where our impact is higher and where we find common opportunities to develop business in a more sustainable direction.

Another focus of 2022 was preparing for the upcoming Sustainable Corporate Due Diligence regulations. We had support from a student who wrote her master’s thesis about the German due diligence law (“Lieferkettensorgfaltspflichtengesetz – LkSG”) and how well our current program aligns with the requirements of the law. Our current set-up is explained in the four steps below:

### Our program to meet the Sustainable Corporate Due Diligence Acts

1. **Embed the respect for human rights and decent working conditions into policies**  
Fenix Outdoor brands are obliged to use one aligned process when it comes to protecting human rights and responsibilities for the environment in the supply chain. First, all our suppliers must sign our Code of Conduct (CoC), which is closely aligned with the benchmark of the FLA. As mentioned above, we are an accredited affiliate of the FLA. (Earning Fair Labor Accreditation is a rigorous, multi-year process. It includes evaluations in areas ranging from the commitment of our company’s leadership to fair labor standards to the implementation of systems designed to ensure that our factories provide decent and humane working conditions.) In 2022 we updated our CoC according to the envisioned due diligence acts. We associate with the FLA’s Principles of Responsible Sourcing and Responsible Production, which overlap significantly with the requirements of, for example, the German Supply Chain Act. Second, Fenix Outdoor has a strict policy when it comes to production countries. Before entering a new country, we investigate different parameters around corruption, human rights (including minimum wages) and environmental risks as well as business opportunities. We also do yearly country risk analysis on countries where we have production, checking criteria such as risk factors (based on audits and open-source data), minimum wages and other risks. This internal booklet is available to dedicated persons and is shared on a yearly basis as a part of the sustainable supply chain activities. Third, we have a social compliance and

human rights policy, embedded in our responsible purchasing and production policy, which all brands are asked to follow. In 2023 we are planning to create a common supplier manual which will be presented to and signed by all Tier 1 supplier producing for Fenix Outdoor textile brands.

### 2. Risk management: Identify, prioritize and take measures to address adverse impacts

Early identification and management of risks is our main goal, and we do have a couple of tools to cease, prevent or mitigate possible risks. One is the execution of classical supply chain audits. Herewith we audit our direct supply chain partners according to the Fenix Outdoor/FLA workplace standards on a regular basis. In 2022 the audit questionnaire underwent a major change due to updates within the CoC and FLA benchmark. This instrument is used by our team of three social auditors which is complemented outside of China and Vietnam by our third-party service partner, ELEVATE. Last year, we were able to visit 76 production sites (2021: 55) and covered around 40% of our Tier 1 supplier base. Fewer travel restrictions have helped us to return to a normal audit routine like before the Covid-19 pandemic. All social compliance audits are being followed up and remediated by our own staff. Therefore, we can track improvements on former results. Next to our audit procedure, we support the approach of the Social Labor Convergence Project (SLCP) to share social audits by using a common framework for the industry. Since we are a member of the SAC, we promote the use of the Higg Facility Social Labor Module (FSLM). Verified SLCPs (vSLCP) complement our own audit process and are accepted if a defined minimum result is achieved. In this case we can waive an audit in the following year. In 2022, we have been able to integrate vSLCP reports into our own grading terminology (A, B, C, D) with the support of ELEVATE. By January 2023 we had transferred 19 vSLCP reports with data from 2022. With this approach we will be able to collect more information from our upstream suppliers, which are currently not covered by our social compliance program and make the result comparable. In 2022, 29 SLCP reports were shared with us from Tier 1 and Tier 2 suppliers of which 22 assessments underwent verification. We will keep on promoting this approach to reduce audit

fatigue and work in collaboration with other brands.

Next to audits and self-assessments, we have a tool in place which allows us to map human rights issues per country and even zoom in on provinces, per supplier where data from audits or vSLCP reports exist.

We can grade according to severity and the most negative impact for the workers. We are also capable of analyzing risks on a yearly basis and do a deep-dive analysis of each finding. Currently we are focusing on the Tier 1 level, but our goal is to embrace more indirect suppliers soon. In 2023 we will start with an evaluation and risk mapping of our Tier 2 suppliers.

Next to our own actions, we are using a sentinel tool which helps us to track publicly available news on our supplier base during the year. In 2022 we had one case showing up, where we picked up the conversation with our partner to clarify the circumstances.

We use all this information to plan our actions for the years to come. Our supply chain partners are in close contact with us through visits, calls, sustainability newsletters and webinars. However, if we do face any violations of human rights or environmental obligations, we will not stop discussing the topics until we find acceptable solutions with our supplier

or, in the worst case, we have to end our relationship. When this step needs to be taken, we follow a fair retrenchment process by leaving notice nine months before the next shipment (exceptions are possible).

### 3. Establishing a complaints procedure

Fenix Outdoor has set up a grievance mechanism and established several channels that can be accessed by internal but also external stakeholders to report human rights violations, general compliance concerns and environmental risks, as well as violations that have arisen because of our actions or the actions of a direct or indirect supplier. These channels handle submitted grievances confidentially and with a high priority. Next to these company channels, we also promote the use of the FLA complaint channel. We have asked our Tier 1 and Tier 2 suppliers about the setup of grievance mechanisms in their own and their purchasing partners' facilities. Here are the results: Most suppliers (54%) say they have suggestion, comment or complaint boxes as an internal grievance channel in place. Other grievance channels mentioned include Trade Unions/Labor Unions (17), Hotline/Helpline (10), HR (6), Health and Safety, Employee, Union Representatives (6) or whistleblowing systems (6).

79% state that they had internal training about their grievance mechanism for their staff in 2022.

Most suppliers (38%) ensure that new workers are informed where to share possible grievances through some form of Introduction/Orientation/New Worker training.

65% of surveyed suppliers state that they do not have any grievances, whereas only 27% of the 54% above report grievances in their facility.

50% of suppliers say they are aware of the grievance mechanism of their partners, whereas only 3 suppliers say their partners do not have one. 37.2% of the suppliers say they do not know if their supply chain partners have grievance mechanisms in place.

### 4. Documenting and reporting

All actions of our impacts are reported annually within the CSR Report of Fenix Outdoor as well as with internal stakeholders such as the management teams during ongoing internal reports. Monthly social compliance audit results, CAP status and upcoming audit dates are shared with dedicated colleagues.

When it comes to preparing our partners (indirect and direct) for Sustainable Corporate Due Diligence Acts, we have already integrated certain questions from the German Act on Corporate Due Diligence Obligations in Supply Chains (resource: BAFA) questionnaire this year. In doing so, we want to support our partners to start their own actions and prepare them to become legally compliant.

Here is a random overview of the results:

#### 1. Risks in operating country: How would you define the risks of the country you are operating in with your own facilities?

- 68% of our partners define the risks in the country in which they operate as "no risk"
- The three most frequently mentioned risks in operating country are: Decent Salaries/Living Wages (9 answers), Destruction of the natural basis of life through environmental pollution (9 answers), Health & Safety issues (8 answers)
- The most mentioned actions to prevent risks are Company Policies (11), Training for workers (9), Risk assessments (7), Compliance with local laws (6), Monitoring of risks (6)

#### 2. Main purchasing countries and their estimated risks: How would you define



the risks of suppliers you are purchasing from?

- The most mentioned purchasing countries of the surveyed suppliers are China (44), Taiwan (18), Vietnam (17) and Japan (17)
- 75.5 % of the respondents would define the risks of suppliers they are purchasing from as “no risk“
- The 3 most frequently mentioned risks at purchasing countries were Decent Salaries/Living Wages (6 answers), Destruction of the natural basis of life through environmental pollution (6 answers), Health & Safety issues (7 answers)

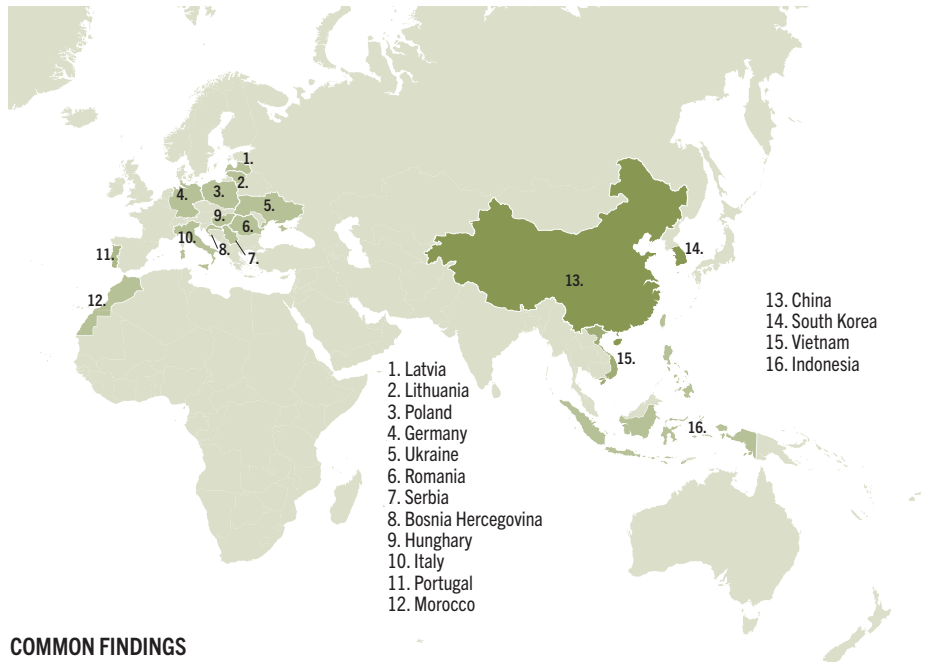
The documentation of all steps taken is done in several tools and monitored by the social compliance staff, the human rights coordinator and the Human Rights Officer of the Fenix Outdoor brands.

Coming back to the overall results of the assessments in 2022: It can be stated that women remain the main workers in the factories (women: 76%; men: 24%) we source from. There are 0.15% migrant workers. The youngest worker was 15 years old. The main topics of findings can be found in the questionnaire chapter Health & Safety (number of findings: 539) followed by Management system (number of findings: 138) and Wages and Benefits (number of findings: 85). Only 1% of the findings are critical but 29% are major findings. The main findings are classified as moderate and minor (69%).

Our Human Rights approach is monitored annually by the FLA which conducts an annual surveillance audit on a randomly selected factory as in the previous year (in 2022 it was a factory in Vietnam) and an annual assessment by sharing all our human rights supply chain activities. Next to that, we also share our Tier 1 factory list and commit to a fair compensation strategy publicly. This information can be found at our corporate website. The FLA publishes audit findings of their affiliates on its website. To mitigate the findings and identified risks, our internal auditor team regularly establishes improvement plans for the factory. The factory is then responsible for working on and following up with the remediation plan and our team.

Next to the ongoing human rights monitoring, we wanted to further engage around the data assessments of wages of factory workers. Our auditors took over the tasks in sending out the wage data sheet, established by the FLA, to our Tier 1 suppliers

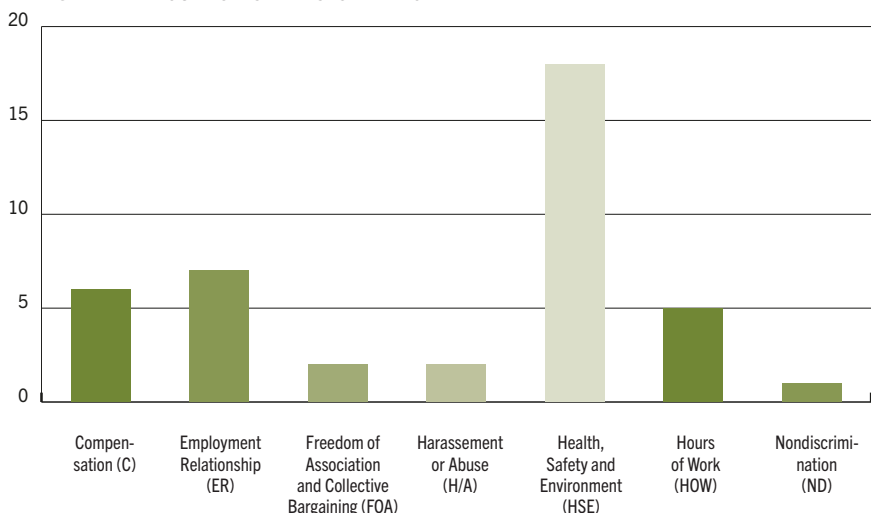
### COUNTRY SPREAD OF AUDITS AND TRANSLATED VSLCP REPORT IN 2022



### COMMON FINDINGS

Finding Name	Pillar	Prevalence in % Rank	Industry average in %
Overtime Week	Labour	56.38	43.64
Other (Monitoring & Documentation)	Management systems	48.94	10.37
Electrical	Health and Safety	46.81	16.5
Benefits	Labor	42.55	46.22
Fire Extinguishers	Health and Safety	41.49	16.87
Worker/Management code awareness	Business Ethics	34.04	5.33
MSDS	Health and Safety	32.98	11.89
Exits	Health and Safety	31.91	25.27
Machine safety	Health and Safety	31.91	31.95
Aisles	Health and Safety	30.85	13.12

### FLA AUDIT FINDINGS FROM ONE FACTORY IN 2022 IN VIETNAM





## How our long-term partner Spectre Garment Technologies is tackling living wages

WE AT FENIX OUTDOOR believe that every worker in a regular work week has the right to an income that meets their basic needs and is adequate to afford a decent standard of living for the workers and their families. Not only does Fenix Outdoor take its responsibility seriously to ensure that workers along our supply chain receive fair compensation, but our supplier Spectre is also committed to providing living wages for all their employees. Spectre has had an SA8000 certified social accountability management system since 2016. This global standard focuses on fair labor practices, health and safety and the protection of workers' rights with a strong emphasis on specific requirements related to fair wages. To ensure compliance with the SA8000 requirements, Spectre has been monitoring their wages and remuneration policies on a quarterly basis. The company's management analyzes whether all their employees meet the living wage benchmark and identify any employees who might be falling below the benchmark. For any case of an employee found earning below the living wage

benchmark, Spectre takes steps to correct this. Overall, the wages of Spectre's employees are significantly higher than the legal minimum wages. In Q3 2022 99.6 percent of their employee wages met the living wage benchmark. To evaluate the wages, Spectre uses the living wage benchmark of the Wage Indicator Foundation, which provides region-specific estimates that are updated quarterly. Additionally, Spectre supports Fenix Outdoor with the provision of wage data for our Fair Labor Association membership, which is then uploaded to the FLA fair compensation dashboard and further analyzed taking the GLWC benchmark into account.

To further promote living wages, it is essential to foster collaboration among all stakeholders in the supply chain. Fenix Outdoor has maintained a collaborative relationship with Spectre for about 10 years. Spectre says it can have a great influence by selectively partnering with brands that prioritize sustainability as a key objective. By aligning with brands that already value environmental and social responsibility, Spectre aims to achieve its own sustainability objectives. ●

(mainly in Vietnam and China) and have helped them to fill it out. Herewith one goal of 2022 was realized. These data sheets are uploaded into the FLA fair compensation dashboard and are further analyzed using available wage benchmarks such as the Global Living Wage Coalition (GLWC). In 2022 we gathered 27 data sheets.

Together with a colleague from the Human Resources department we were able to do a deep-dive analysis of the information on two strategic vendors and their factory sites in Vietnam looking at data from 2020 to 2022. One result was that one vendor meets the GLWC benchmark, which we have set as an orientation. The other partner is slightly paying below if overtime is not added to the evaluation. We asked our suppliers if they had been part of any supply chain programs in 2022. Interestingly only 11.7 % of the surveyed suppliers took part in a wage benchmarking and living wage conversation. Due to the rising workload and demands in this area, we created a new position and hired a new staff member to become the Human Rights and Sustainability Coordinator. From 2023 on, she will do much more focused work on fair compensation of Fenix Outdoor Tier 1 suppliers.

In 2022 Fenix Outdoor engaged with Durham University on a project regarding the complexities of living wages. Students received anonymous but real wage data of factories from different countries and started to investigate benchmarks and reasonings behind different payment systems, such as paid per hour, in-kind benefits and incentives. Their results were presented to the CSO and a sustainability manager of Fjällräven in Stockholm in spring 2022.

The work around transparency and traceability was ongoing, although we have decided to pause the traceability endeavors until the traceability system can be fully integrated into the new PLM system currently being implemented for all brands at Fenix Outdoor. In 2022 we have traced certain styles for Tierra, and we plan to use that information on a product level once the E-Com website is launched in 2023. Disclosing this kind of information to the public is a huge step for Fenix Outdoor.

For Fjällräven, we have again participated in the Fashion Transparency Index as well in sharing sustainability data on the product level with our retail partner. Due to the results, we have started an internal discussion around sustainability in our communication. Here we plan to take bold steps in 2023.

This statement rounds up our endeavor

ors in the section “Society” so far: “There has been more widespread recognition that sustainability has to be holistic: environmental impact is essential, but it cannot come at the cost of human lives or livelihoods.” (Vogue Business: The year fashion finally faced its social impact, published December 29, 2022)

## BRANDS CHARITY ACTIVITIES



### Primus

Primus has partnered with and is sponsoring the Kathmandu-based company Avni Ventures in its work with the Nepalese Army on the Mountain Clean Up Campaigns recovering post-consumer waste from high-elevation mountain terrain. The partnership between Primus and Avni Ventures is focused on the collection of Primus Gas canisters from the mountains of Nepal at elevations of 8,000 meters and above.

Through the partnership, Primus supports Avni Ventures in the proper handling, sorting, reuse and upcycling or recycling of the recovered gas canisters. Timely and proper management of the gas cans is very important as they can pose a safety threat in handling and storage phases as some cans recovered still contained gas.

In the 2021 and 2022 collection project, 3,112 cans of Primus Gas cans were recovered and sorted into four different categories for proper handling. They comprised 2,291 empty or damaged cans, 574 partially full cans, 189 completely full and usable cans and 58 cans that were suitable for gift or souvenir purposes. In total 2,865 cans were recycled, 189 were able to be reused, and 58 were made into souvenirs.

### Fenix North America (all brands): Marshall Fire Recovery Support

On December 30, 2021, the communities of Louisville and Superior, Colorado, experienced one of the most destructive wildfires in the state's history. The Marshall fire burned 6,026 acres of land, destroyed 1,084 buildings, mostly residential, and resulted in two casualties. In response to this devastating event, the brands in the Fenix North America office opened the Arctic Fox Den for a weekend in January 2022, where fire victims were able to pick up vari-

ous items including coats, clothing, backpacks, water bottles, shoes and accessories, such as socks and hats, to help replace what they lost in the fire. The brands donated a mix of samples and new products totaling nearly 142,000 euros. The three-day event was staffed by volunteers from the company and supported about 248 families impacted by the fire.

### Charity partnerships

Society is not only a topic for the supply chain. It also deals with the question of how we engage with our social environment and with stakeholders of various other kinds. Therefore, all entities engage in local sponsoring and charity partnerships. We have donated roughly 96,000 euros from the brands to various causes, and these are mostly described in various communications channels. Sponsorships amounted to about 339,000 euros.

### FRILUFTS RETAIL CHARITY ACTIVITIES

With the aim of better protecting human rights and the environment in the global economy, the German Federal Government passed the Supply Chain Due Diligence Act (SCDDA) in June 2021. As of 2024, all companies with more than 1000 employees are affected, implying that from then on, Globetrotter needs to comply with the law as well. Even though this is a German requirement affecting only Globetrotter at this stage, in anticipation of the corresponding European Corporate Sustainability Due Diligence Directive (CSDDD), we decided to address the SCDDA by the whole Friluft Retail Europe AB.

Social justice, environmental protection and ethics have been the foundation of the Fenix Outdoor constitution and Groupwide management systems for many years. However, to address the SCDDA specifically by our Retail operations, systems need to be developed and/or refined and implemented and we did so in 2022: We have updated the Friluft Retail Code of Conduct for Brand Suppliers (current 2022 version 4.0) to cater for all additional risks and due diligence obligations stemming from the SCDDA. In September 2022 we started to send out this new version of the Code of Conduct to all active vending partners of Friluft Retail. By the end of 2022 we have confirmation from 76.6% (based on total Friluft Retail sales volume) to comply with the CoC requirements.

We have informed internal stakeholders and the brands about the amendments of the CoC. In addition, we established an internal Friluft Retail Supplier Code of Conduct Implementation Policy prescribing targets, internal procedure, ownership, revision, escalation process and so on, and have

informed and trained internal stakeholders who play a key role to pursue the policy.

As part of our prevention measures and risk analysis we continued to develop an Environmental & Human Rights Due Diligence for all vending partners of Friluft Retail. In 2023 we will refine this assessment, set up tools and infrastructure and develop a pathway for implementation.

Suspected violations of the CoC can be reported through existing Fenix Outdoor group's grievance mechanisms. This includes local management, local HR departments or the Compliance Hotline. All Friluft Retail business partners and third parties already have the opportunity to report potential violations via [www.fenixoutdoor.ethicspoint.com](http://www.fenixoutdoor.ethicspoint.com) and [www.fenixoutdoor-mobile.ethicspoint.com](http://www.fenixoutdoor-mobile.ethicspoint.com).

The SCDDA also requires an official policy statement about respect for human rights and the environment and having it adopted and endorsed at the highest management level. We formulated our statement and communicated it internally before it will be presented publicly in 2024.

In terms of awareness and training, internal training on the SCDDA was provided, and this will continue from 2023 forward.

### Ukraine

During March 2022 Globetrotter decided to give all sales from secondhand to Aktion Deutschland Hilft e.V for Ukraine support. A total of 50,000 euros was donated.

At Naturkompaniet a project was initiated where the public could donate clothes and equipment in all stores to support Ukraine. With help from the nonprofit organization Filippus Human Aid a total of 500 pallets were donated and transported to the border. Donations were then distributed to different human aid organizations on-site to help people in need.

### Nature Bonus

Since the start (NAK in 2011; PAR in 2016) Naturkompaniet have donated close to 1,300,000 euros and Partioaitta more than 800,000 euros to various nature or environmental protection projects around Sweden and Finland based on the turnover done in their respective loyalty clubs.

For 2022 Naturkompaniet donated 350,000 euros for organizations and projects working for biodiversity. <https://www.naturkompaniet.se/naturbonusen/tidigare-vinnare/> and Partioaitta 149,000 euros <https://www.partioaitta.fi/365-klubi/ymparistobonus/>.

Globetrotter donated as each year 1.5% to Deutscher Alpenverein (DAV). ●

## Fenix Outdoor sustainable products in 2022

Every year our brands try to renew existing products with more sustainable fibers or engineer new products with sustainable features. Here are the highlights from the past year:



### HANWAG resoling service

In 2022 Hanwag gave 19,631 pairs of shoes a new lease on life. Circularity and repairability are important topics in sustainability and Hanwag's resoling services serve as a prime example of their efforts in both areas. Despite utilizing high-quality materials and outstanding workmanship, intensive use can take its toll on high-quality footwear over time and lead to signs of wear. With functional footwear, if a sole tread wears out and becomes unsafe, then it no longer fulfils its intended purpose. Often, footwear is dis-

posed of and replaced by a new product, even if the other parts of the product, like the upper, are still in good shape. This shortened product lifespan has a negative impact on the emissions associated with the product. The longer boots are in use lower their production associated impacts become. With their resoling service Hanwag extends the life of the shoe and lifts it back up to full functionality. This allows Hanwag users to keep their favourite mountain boots on the trail for many more years.



### Tierra: Belay 120 Hood Jacket

The Belay 120 is a warm, lightweight all-round jacket made with repurposed materials. The outer fabric is 100% recycled polyamide with a fluorocarbon-free DWR. Additionally, the insulation is made from recovered Swedish wool. Tierra collaborated with the Wool Office in Gotland and Germany-based company Lavalan, to collect wool that would otherwise be discarded and transformed it into highly functional insulation. Wool performs well as an insulation due to its unique combination of properties including good warmth-to-weight ratio, moisture transport from the body, the ability to cool when it's hot, maintain warmth when wet, and be naturally antibacterial and odor-resistant. By using Swedish wool, carbon emissions from transportation are also reduced (the garment is also made close by, in Serbia). Further explanation of our wool approach can be found in the CSR report from 2018, page 31.



### Fjällräven: Abisko Lite Fleece Jacket M

Abisko Lite Fleece Jacket is one of four styles made with a CO<sub>2</sub> dyed fabric in Spring 2023. Fabric dyeing and finishing processes account for the biggest part of a product's environmental impact and are areas Fjällräven is focused on improving. CO<sub>2</sub> dyeing is a waterless dye-process which does not require additional chemical agents to bond the dyestuff to

the fabric. It requires less dyestuff than conventional water-bath dyeing and is a closed-loop process, with 95% of the Carbon Dioxide recovered and used again. Additionally, the fabric used is 100% recycled polyester. It has been tested for microfiber shedding according to the standard from TMC (The Microfiber Consortium). The result of fiber release from the fabric is at the lower scale of all the tested materials in the TMC.





**FRILUFTS:  
KALLA Series**

The Kalla, Friluftss’ best-selling, self-inflating mattress series has been updated to 100% recycled polyester in both the top and bottom mattress fabrics for Spring 2023. In addition to lower-impact materials, the Kalla Series is also repairable. The valves can be replaced to extend the life of the product. Also, each mat or pillow is sold with a patch repair kit and instructions so small holes, or broken seams are easy to repair in the field. The products in this series have also been rated “A Greener Choice” by scoring 5 points in the Friluftss Retail product sustainability evaluation.



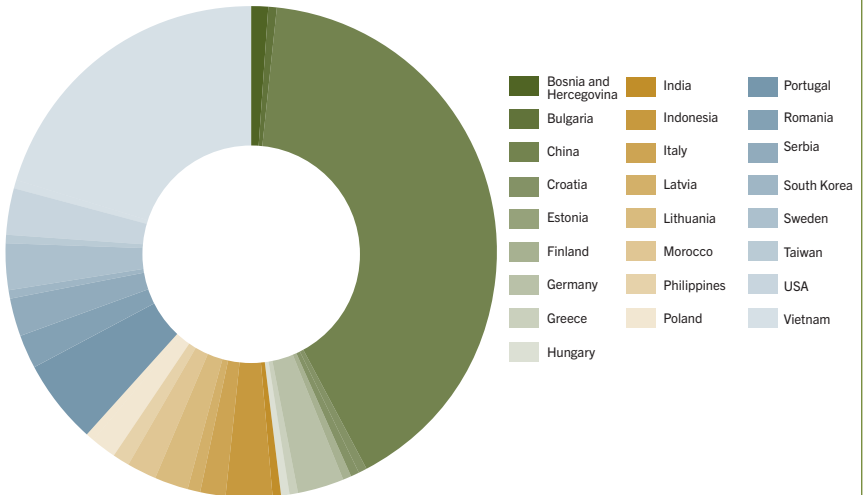
**Royal Robbins: Vacationer Tank**

Spring 2023 Vacationer styles feature unbleached and undyed colourways. This highlights the natural variance of colour in the hemp and organic cotton fibres and results in a striped effect with the undyed recycled polyester in the tri-blend fabric. However, the primary advantage of choosing not to use conventional dyeing processes is the reduction in impact. Conventional dyeing often requires pre-treatment, such as bleaching of fibres, to prepare materials for consistent absorption of dyestuffs. The undyed colourways also avoid this process as well as conventional water bath dyeing. Royal Robbins was able to save up to 80% less energy, water, and chemicals on the undyed colourways compared to the conventionally.

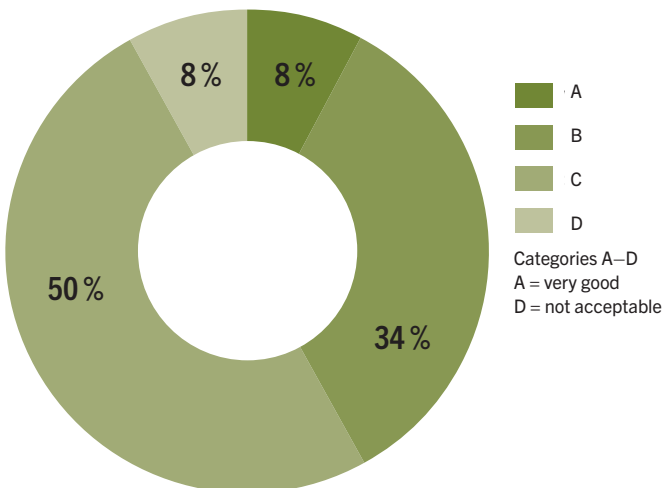
**FACT SHEET SOCIETY 2022**

Indicator	2022	2021
Stakeholder Engagement	Individual interaction, issue based	Stakeholder Roundtable held
Human Rights (HR) assessments	40%	30%
Product Labels/ Violation of Safety Regulations	0	0
Training re: Cases of Corruption	Not specific	Not specific
Cases of Corruption	0	0

**OVERVIEW OF SUPPLIERS BY SOURCING COUNTRY**



**GRADE SUMMARY 2022**





## 5. WELL-BEING: Finding a way to a balanced outdoor lifestyle

Our outdoor community in detail

In 2022, Fenix Outdoor employed 2,837 FTEs in our various entities. However, as 2021 figures needed to be restated, the increase is 9 percent (based on restated 2,598 FTEs). Most of our employees are permanently employed, but we employ seasonal workers in retail and warehouse operations during peak seasons. We also hired 43 female and 63 male apprentices in 2022. By doing so we provide the opportunity for young people to learn a profession. Since most apprentices were hired in Germany, one has to acknowledge the German dual educational system. Apprentices will get a school education tailored toward their profession and on-the-job-training with us. This way, young people and beginners in a job receive a thorough two to three years of education and are afterward well equipped for the global job markets. As stated in previous reports, the use of non-regular staff is not a Groupwide policy, but it is a flexible response to seasonal demands and local specifics. Collective bargaining agreements throughout the Fenix Group do not exist. In Sweden, Norway, Austria and Finland we are following a scheme that is built on national agreements. In Germany, most staff are rep-

resented by workers' councils and by those collective agreements. In other locations local and national schemes exist, which in parallel follow the respective trade-union-negotiated agreements for the industry.

Our policy is to promote equal opportunities for men and women, and our board expressly demands equal opportunity recruitment into managerial positions. The proportion of female middle managers that Fenix Outdoor currently employs is about 44 percent (2021: 44.4 percent), while the proportion of women in top management positions remains 30 percent (2021: 30 percent). Our board is 17 percent female.

The staff turnover rate in 2022 over all operations including the retail business is difficult to assess for the year. However, based on the data received, the turnover rate was about 21.4 percent (2021: 44 percent). The ratio between females and males leaving Fenix Outdoor dropped to 1.3:1 F/M (2021: ratio F/M 1.4:1), meaning that roughly 56 percent of staff members leaving were females (58 percent in 2021). All eligible staff members are entitled to parental leave (i.e., parents with children under a certain age level); the definition differs from

country to country, so an overall percentage value cannot be established. For our biggest operations we have established that 216 employees took parental leave (2021: 126). Of those, 130 were female and 86 were male. After 12 months, 123 returned (2021: 77), of whom 74 were female and 49 were male. The remainder may have stayed away beyond a 12-month period, but this interpretation is not very reliable as there were parents who became parents another time and hence left again within the year or stayed away longer than 12 months. Therefore, we are unable to assess how many of those who did not return after 12 months prolonged their leave or left Fenix Outdoor.

Benefits to employees are given based on local agreements, legal demands and trade union agreements. In some cases, short-term employees are excluded (e.g., from corporate pension schemes or brand purchases).

At Fenix Outdoor, it is important for us that employees not only keep abreast of the latest developments and knowledge but also that they have an opportunity to develop themselves. Fenix Outdoor significantly increased the online training opportunities for our colleagues. In 2022 we provided each

employee with an average of 18.8 hours in personal and technical training (2021: 30+ hours per staff member), including training on CSR and compliance (n= 2,837). However, the figure is less accurate as we changed from online to hybrid training models and not all data was collected or available. The trainings were given to female and male employees in equal amounts. This training enables us to remain flexible, well educated and skilled. We also intend for the training to inspire people and build up their qualifications for their current or new tasks. In 2022 Fenix Outdoor paused its Trainee Program for young professionals called Global Graduates. The original program started in 2011 with three management trainees. The program approach has changed to a focus on the development of internal leadership candidates. This will be kicked off in 2023. Next to that, we support our employees who want to develop their education, such as achieving MBAs.

In 2022 Fjällräven took an important stand for LGBTQ rights by uplifting our partnership with Regnbågsfonden (regnbagsfonden.org) and supporting their vision for a world where everyone has democratic rights and freedoms, regardless their sexual orientation or gender identity. Fjällräven had supported Regnbågsfonden earlier through the Arctic Fox Initiative, but the relationship is now intensified with a high-level and long-term commitment.



Pride parade.

As main partner to Regnbågsfonden, Fjällräven contributes to projects and organizations working in countries where LGBTQ persons are discriminated against, persecuted and killed. Fjällräven's engagement enables Regnbågsfonden to work strategically and grow sustainably. Within the partnership Regnbågsfonden also engages in internal activities focusing on LGBTQ, inclusion and diversity.

### Working hours and wages

We do not exceed locally agreed limits on working hours. Fenix does not require employees to exceed the legal limits on hours of work, and we think that at a mini-

mum we should adhere to the International Labor Organization conventions regarding rights at work and apply them to both internal and external service providers. Our wage levels are competitive, and we offer several benefits to our staff. These differ from entity to entity and depend on legal or negotiated frameworks. The figures given on the accompanying factsheet need to be interpreted with some caution. First, wage entry levels vary around the globe. In a country like Switzerland, the minimum wage level equals the entry level. However, this cannot be compared to the wage levels in Asia, where in general we pay approximately twice the minimum wage as an entry-level wage. Therefore, it requires a thorough analysis to properly compare the data, which we continued in 2022 by using FLA's living wage tool.

In various locations we offer benefits for employees such as health club memberships, subsidized tickets for public transportation, pension and insurance schemes, and external advice on psychological and physical health.

A good work-life balance is important to Fenix Outdoor, and on a case-by-case basis we encourage our employees to participate in outdoor activities. In most locations (business operations permitting), we offer flexible working hours, and in special cases we let people work from home or from a remote location. This forms part of our precautionary approach. Fenix Outdoor strives to take a nondiscriminatory approach by paying equal wages to men and women, and by exceeding the minimum wage levels where possible. We hire local managers for the operations.

### Health and safety in the workplace

Our employees' safety is paramount for Fenix Outdoor. We do not accept hazardous equipment, unbearable surroundings or unsafe premises. Most of our staff members operate under German, Swedish, Dutch, U.S. and Finnish legislation, and the companies in our Group comply with national laws. The workplace should be safe and hygienic, and we take effective steps to prevent potential accidents and to minimize health risks as much as possible, particularly in our factories and logistics operations. Safety awareness is always a priority for us, and safe working procedures should be understood and implemented daily by everyone working in the factory. We ensure there are safety and handling instructions for operational equipment. As legally required, we do have formal or not-formalized internal health and safety committees, in which employee representatives are elected representatives. In many locations where there are no formalized processes and structures, external

advice is sought, and many different schemes exist around the globe. We offer health promotions in various ways, including backbone strength training, gyms and medical precautions such as vaccinations or eye examinations. Health and safety trainings are given according to law and differ at various locations. These may include occupational health and safety instruction for relevant employees, partial e-learnings on those topics for certain target groups, externally provided first aid courses and classes that qualify for the role as fire protection assistant, to name a few.

A figure for days lost due to absenteeism could not be established for the group; a total of 185 days lost were reported. There were 44 work-related injuries (including bicycle accidents on the way to or from the workplace) recorded (2021: 49). Most injuries involved stumbling in the office or cutting injuries when opening boxes and letters with knives or scissors. No fatalities or work-related diseases were reported. Reported cases of work-related illness were not quantified, but factors mentioned included back pains in sitting jobs, impaired vision due to long work in front of a computer screen, and arm and back issues due to heavy lifting of goods.

### Workplace, work-life balance, and employee support

Every year Fenix Outdoor offers its employees the chance to experience the outdoors and learn something about nature survival skills and the handling and functioning of our equipment by giving our staff the chance to have a great time outdoors together. The Fjällräven Classic (offered in Sweden, the USA, Denmark, the UK and Germany) encompassed events that our employees, customers, business partners and followers of our brands participated in.

### Reaching out to our constituency

Globetrotter started a sustainability podcast in 2021 that continued in 2022 called "Horizonte" (German for "horizons"). In the podcast we speak with CEOs, regional managers, sustainability experts, scientists and researchers and activists about the most pressing sustainability topics we have in the outdoor industry and potential solutions.

The podcast is available via multiple platforms such as Spotify and Apple Podcast. It is designed primarily for customers but also for industry peers and sustainability experts. We hope that through this channel we get more people excited about and engaged in sustainability topics.

For example: Our Horizon Podcast No. 11: <https://www.globetrotter.de/magazin/podcast/neue-horizonte/> ●

# Summary from the Group Compensation Report

The Compensation Report of the Annual Report 2022 contains details of the total compensation paid to members of the Board of Directors and the Senior Executives. In accordance with the Ordinance against Excessive Compensation in Stock Exchange Listed Companies, which came into force on January 1, 2014, the Annual General Meeting of Shareholders votes to approve the compensation of the members of the Board of Directors and the Senior Executives. The following is an excerpt from the Annual Report 2022.

## Principles

The Board of Directors of Fenix Outdoor International AG determine guidelines for remuneration to senior executives at market terms, enabling the company to recruit, develop and retain senior executives. The remuneration consists of a fixed salary, pension and other benefits. Total remuneration is to be at market rate and reflects the areas of responsibility of the Senior Executive and the complexity of their role. In addition to the fixed salary component, Senior Executives are also eligible to receive variable compensation, which is related to the achievement of sales and profitability targets. For Senior Executives, variable remuneration is a maximum of 50 percent of their basic annual salary. In 2022 an individual stock option program was offered to the Executive Management to be confirmed by the AGM in April 2023. The details of the report can be found in the Annual Report's Audit Report.

## BOARD OF DIRECTORS COMPENSATION OVERVIEW: Fixed compensation

The compensation paid in 2022 totaled TEUR 1,089, compared with TEUR 899 in the previous year. Two Directors of the Board, Rolf Schmid and Ulf Gustafsson, invoiced consultant fees for support given to the Fenix Outdoor Group – Mr. Schmid through a company controlled by himself, RS Mandate AG, and Mr. Gustafsson through a company controlled by himself, Consilo AB.

## Variable compensation

There is no variable compensation paid to the Board of Directors, except for Martin Nordin as Executive Chairman and Susanne Nordin. In 2022, Martin Nordin received a bonus of TEUR 167. In 2021 a bonus of TEUR 232 was given. In 2021 Susanne Nordin received a gratification of TEUR 102. No variable compensation was given to Susanne Nordin.

The Executive Chairman is entitled to a bonus, based on return on total assets for the Fenix Outdoor Group (Income after financial items plus interest expenses, as a percentage of average total assets). The base is the average repo rate, set by the European Central Bank, for the relevant calendar year plus 10%. The base +1% gives an extra monthly salary; the base +2% gives a further monthly salary, up to 6 monthly salaries. In 2021 the average repo rate was 0.6%. The return on total assets in 2022 was 15.2%. For 2022 Martin Nordin is entitled to a bonus of four months' salary. Total assets are defined as total assets excluding effects from IFRS 16 adjustments.

## SENIOR EXECUTIVES Fixed compensation

At the AGM held in May 2021 the AGM approved a maximum total fixed compensation for 2022 to the Senior Executives of TEUR 2,500. A total of TEUR 2,208 was paid out in fixed compensation in 2022 (previous year TEUR 1,800).

## Variable compensation

In 2022 a total variable compensation to the senior executives of TEUR 446 was given. The variable compensation paid for 2022 is to be confirmed by the annual general meeting in April 2023. In 2021 a variable compensation of TEUR 1,232 was given.

The highest total individual compensation was given to Martin Nordin.

## Compensation to former Board Members

No compensation was paid to the former Board of Directors or Senior Executives.

## Loans, Credits and Guarantees in 2022

No loans or credits were granted by Fenix Outdoor International AG or any other Group company to Senior Executives or the Directors of the Board, and no such loans were outstanding as of December 31, 2022. In the reporting year no collateral or guarantees were granted to Senior Executives or the Directors of the Board.

## SHAREHOLDING IN FENIX OUTDOOR INTERNATIONAL AG

### Board of Directors December 31, 2022

Martin Nordin 18,300,000 A-shares and 242,568 B-shares

Mats Olsson No shares

Ulf Gustafsson No shares

Susanne Nordin 20,000 B-Shares (through company)

Sebastian von Wallwitz 100 B-shares

Rolf Schmid No shares

(Sven Stork, No shares, Permanent Honorary member of the Board)

### Senior Executives as of December 31, 2022

Alex Koska, President 1,000 B-shares

Martin Axelhed, Executive Vice President 6,000 B-shares

Henrik Hoffman, Vice President 10,250 B-shares

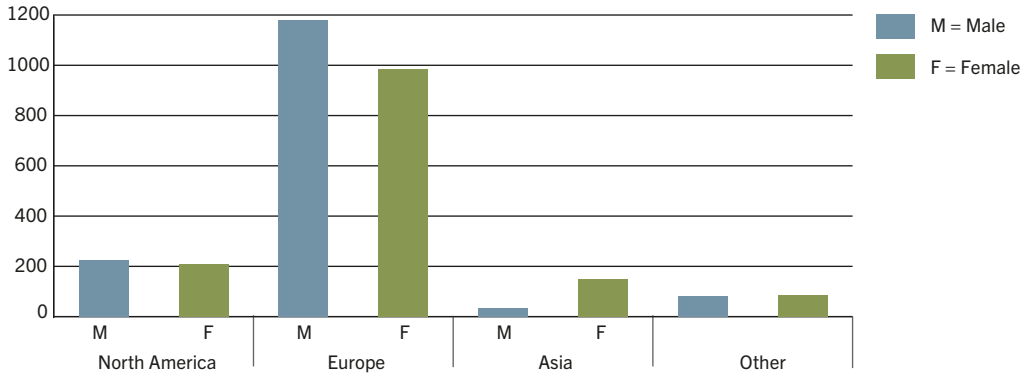
Nathan Dopp, Vice President 1,200 B-shares

Thomas Lindberg, CFO 1,100 B-shares

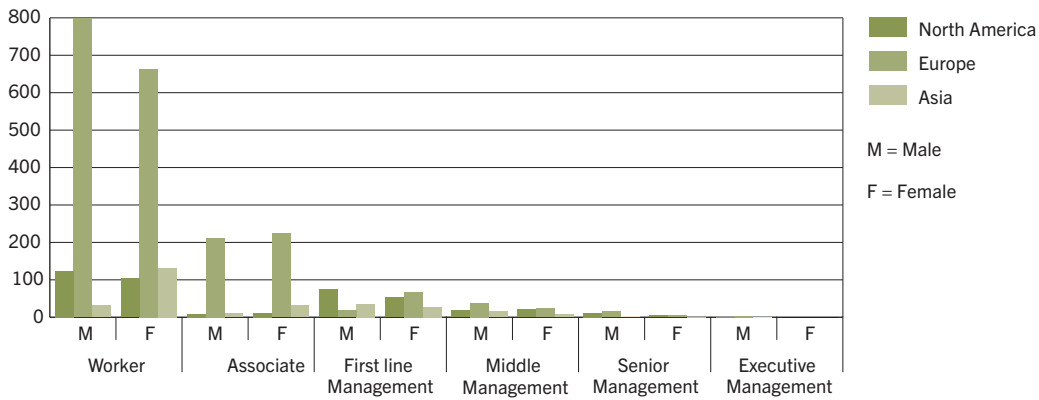
The salary ratio between the highest-paid individual in the company and the average payment in the lowest paid staff category is 58:1 (excluding interns and apprentices); the ratio to the average salary level is 26:1; a ratio between the highest-paid individual(s)' pay rise and the average staff pay rise would be 17:6. However, such a figure is highly dependent on external factors (including exchange rates and costs of living) so the ratio is not definitive. In general, bonus payments are excluded from the assessment. The ratio between the highest-paid individual in the company and the median to the annual median compensation of all employees is 21:1. ●

**FACT SHEET**  
**WELL-BEING 2022**

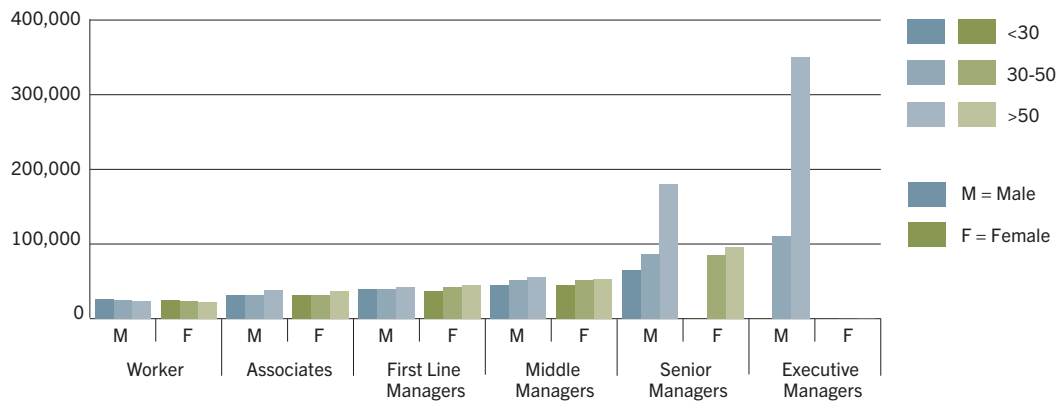
**STAFF DISTRIBUTION BY GENDER**



**DISTRIBUTION OF STAFF BY GENDER AND CATEGORY PER REGION**



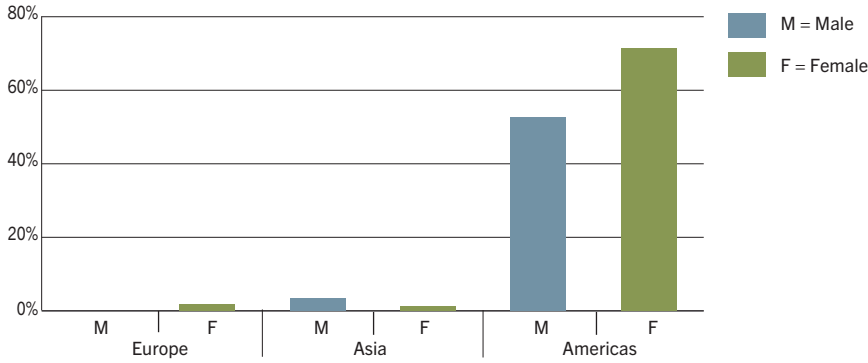
**AVERAGE INCOME LEVELS PER AGE GROUP, GENDER AND STAFF CATEGORY**



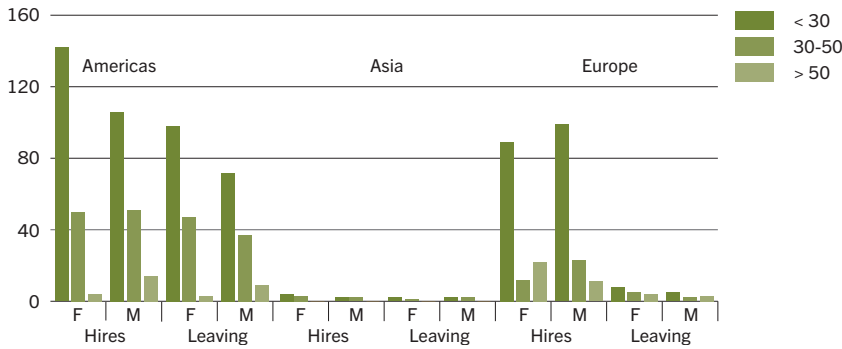
Indicator	2022	2021
Child Labor	0	0
Health and Safety	various	3 entities
Health and Safety audits in suppliers	76	all audited suppliers
Training and education	100+	N/A
Staff Member Survey	N/A	3 internal surveys

FACT SHEET WELL-BEING 2022 (CONT.)

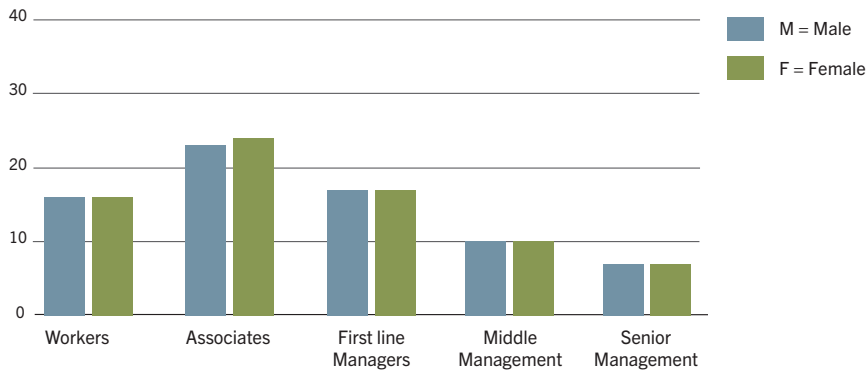
STAFF TURNOVER IN PERCENT PER REGION AND GENDER



STAFF FLUCTUATION PER REGION, GENDER AND AGE GROUP

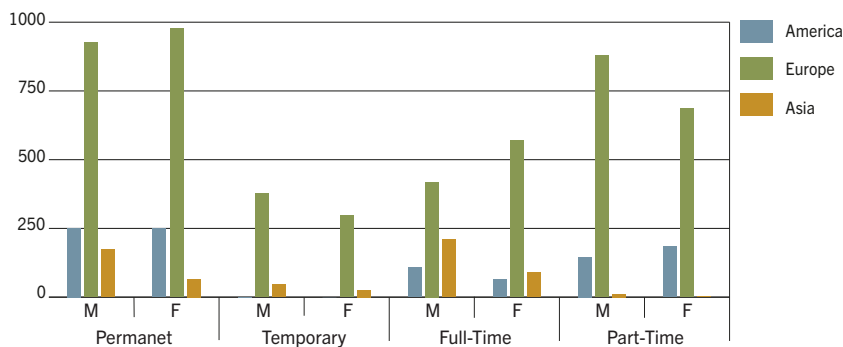


TRAINING HOURS/YEAR/PERSON FEMALE/MALE PER JOB CATEGORY



**TOTAL TRAINING HOURS INVESTED:  
CA. 53,878 HOURS  
(ALL ENTITIES,  
ALL EMPLOYEES)**

DISTRIBUTION OF STAFF BY CONTRACT



# 6. REPORTING: We continue to uphold our commitment to transparency and corporate responsibility.

## Global Reporting Initiative

Fenix Outdoor is pleased to present its 2022 Sustainability Report. We always strive to engage our stakeholders and want to uphold our commitment to transparency and corporate responsibility. Our sustainability reporting takes place on an annual basis.

This report is based on the internationally recognized Global Reporting Initiative (GRI) standards and the principles of the UN Global Compact. It covers the group companies that are included in the consolidated financial statements. The GRI Standard in its most recent version is applied throughout. We report in accordance with the comprehensive reporting level, but we have not yet sought external verification.

The GRI Content Index lists the indicators as defined by the GRI Standard as far as it has been applied. Material topics addressed were raised in Fenix Outdoor's Materiality Matrix. The respective indices are easy to find with page references, and there are further comments for those who need any clarifications. The previous Sustainability Report was published in April 2022, and we will continue to publish on an annual basis for the foreseeable future.

## Report methodology

The reporting period is the business year 2022. The report also discloses information on key events and data from previous years for comparison. If at the time of publication the final figures of 2022 were not yet available, comparable annual figures for 2021 or a comparable time range of 12 months (e.g., October 2021 through October 2022) have been used as the basis for calculation. Certain data sets are constantly used with a year's delay. These are marked accordingly in the report wherever possible. A methodological appendix for some indicators will be available on our website – separately published from this report. As some data are location- and market-specific but have been summed up, the indication of data not corresponding with the actual business year is not possible. Some data only refer to a por-

tion of the business year since the location was not in operation for a full 12-month period. Where no specification for electricity consumption data was available, the country average mix was used or the data from the year before. Since not all emission factors were available for all locations for the recent year, older data sets were used, preferably from publicly available scientific or governmental sources. However, the most recent conversion factors are applied. Water data has been refined – some data has never been metered and hence represents a conservative consumption assumption. Some information on water consumption is only available for the previous year (e.g., the report is for 2022 but data sets are for 2021 or 2020). In contrast to the annual report, the CSR Report also includes data from all Chinese locations (JV) and integrated data (as far as available) where suppliers are working exclusively for Fenix Outdoor. Subsequently, personnel data sets are on a different basis than in the annual report. Relevant CO<sub>2</sub>e emissions from some exclusive suppliers have been included in the offsetting data. Gas consumption data for 2022 for Hanwag (Germany) are based on the period between May 2021 and April 2022. Some emission factors were calculated internally. Some data have been extrapolated and estimations are based on a conservative behavioral assumption (e.g., per capita data from statistical handbooks for the respective region or country). Hence, some data are likely to be overstatements. The reporting entities cover more than 99 percent of the corporate value generation and 99 percent of the Group's employees. However, where needed, calculation and extrapolation of data was done in order to give a fair and realistic picture and to represent the aforementioned coverage.

In most instances we used the overall FTE average given in the annual report; for some data (e.g., water consumption and emissions from travel or staff training hours) FTE data is not suitable; therefore, we used headcounts or internal survey results. Where other bases for calculations are used, this is

stated separately (e.g., n= x, where x is the reference group size).

Around 75 percent of the nonfinancial data is checked internally and all financial data is checked externally, giving a reasonable yet still not fully satisfactory level of confidence for all information provided in this report.

Transportation figures and CO<sub>2</sub>e emission data were supplied by travel agencies, shipping companies and external service providers, as well as suppliers. Where these figures seemed inconsistent and not accurate, we recalculated them, using scientific standards. They therefore constitute a reasonable overview of Scope 1, 2 and 3 emission data. We have adjusted the data using the RFI factor of 2.7. In this report we have fully relied on the accuracy of the sources' data collection and checked only for the data's plausibility. In the USA, Sweden, the Netherlands and Germany we relied increasingly on our own data sets, which are available through our IT system. The calculation of emissions data was based on the Greenhouse Gas Protocol wherever possible. The fleet information was provided by shipping companies and internal sources. In some cases, assumptions were made based on the fuel consumption of certain locations. Data on business travel and commutes were calculated on available information within the Group and provided by individual staff members and carriers.

Other bases of calculation are stated separately. Data for economic factors and personnel information cover all of the Group's consolidated companies. If not listed in full-time equivalent (FTE) numbers, details concerning employee structure are based on numbers of employees. Both refer to the cutoff of data (December 31, 2022) unless otherwise indicated. Capture efficiency is more than 90 percent. However, data on seasonal staff and interns are only available in an overview list, so no analysis of this staff group was possible. Some human resources related data points (salaries per staff category, gender and age group, e.g.) were not available and are therefore based on the 2021 data sets. ●

# GRI STANDARD CONTENT INDEX 2022

Indicators		Reference page or comment	Status
	The organization and its reporting practices		
GRI 2-1	Organizational details	pages 4, 23	
GRI 2-2	Entities included in the organization's sustainability reporting	pages 4, 23	
GRI 2-3	Reporting period, frequency and contact point	pages 39, 43	
GRI 2-4	Restatements of information	pages 34, 39	
GRI 2-5	External assurance	pages 39; no assurance	
	Activities and workers		
GRI 2-6	Activities, value chain and other business relationships	pages 4, 23	
GRI 2-7	Employees	pages 34 ff	
GRI 2-8	Workers who are not employees	page 34	
	Governance		
GRI 2-9	Governance structure and composition	pages 4, 23, 36	
GRI 2-10	Nomination and selection of the highest governance body	according to Swiss law	
GRI 2-11	Chair of the highest governance body	pages 23, 36	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	pages 4, 23, 36	
GRI 2-13	Delegation of responsibility for managing impacts	page 4	
GRI 2-14	Role of the highest governance body in sustainability reporting	page 3, 4	
GRI 2-15	Conflicts of interest	page 36	
GRI 2-16	Communication of critical concerns	page 4	
GRI 2-17	Collective knowledge of the highest governance body	page 36	
GRI 2-18	Evaluation of the performance of the highest governance body	page 36	
GRI 2-19	Remuneration policies	page 36	
GRI 2-20	Process to determine remuneration	page 36	
GRI 2-21	Annual total compensation ratio	page 24, 37	
	Strategy, policies and practices		
GRI 2-22	Statement on sustainable development strategy	page 4	
GRI 2-23	Policy commitments => Precautionary Principle or approach	pages 4–7	
GRI 2-24	Embedding policy commitments	pages 4–9	
GRI 2-25	Processes to remediate negative impacts	pages 4–11; this report	
GRI 2-26	Mechanisms for seeking advice and raising concerns	pages 7–11	
GRI 2-27	Compliance with laws and regulations	page 10	
GRI 2-28	Membership associations	page 6	
	Stakeholder engagement		
GRI 2-29	Approach to stakeholder engagement	page 6	
GRI 2-30	Collective bargaining agreements	page 34	
GRI 3-1	Process to determine material topics	pages 4, 6	
GRI 3-2	List of material topics	pages 8, 9	
GRI 3-3	Management of material topics	pages 3–39	
	Economic Performance		
GRI 201-1	Direct economic value generated and distributed	pages 23 - 25	
GRI 201-2	Financial implications and other risks and opportunities due to climate change	pages 9–11, 13–15	
GRI 201-3	Defined benefit plan obligations and other retirement plans	pages 23, 24, 36	
GRI 201-4	Financial assistance received from government	page 23	
	Market Presence		
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	pages 35, 37; M/F 1:1	
GRI 202-2	Proportion of senior management hired from the local community	page 35, 95%	
	Indirect Economic Impacts		
GRI 203-1	Infrastructure investments and services supported	n/a	
GRI 203-2	Significant indirect economic impacts	pages 10, 11	
	Procurement Practices		
GRI 204-1	Proportion of spending on local suppliers	not formalized; 100%	
	Anti-Corruption		
GRI 205-1	Operation assessed for risks related for corruption	all new operations; standard reviews	
GRI 205-2	Communication and training about anti-corruption policies and procedures	routine training, online and in-person	
GRI 205-3	Confirmed incidents of corruption and actions taken	no cases reported	
	Anti-competitive behavior		
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	none	
	Tax-related impacts		
GRI 207-1	Approach to tax	page 23	
GRI 207-2	Tax governance, control, and risk management	page 23; see also annual report 2022	



Indicators		Reference page or comment	Status
GRI 207-3	Stakeholder engagement and management of concerns related to tax	pages 6, 10	■
GRI 207-4	Country-by-country reporting	page 24, regional reporting	■
GRI 305-4	GHG emissions intensity	pages 13, 14, 21	■
GRI 305-5	Reduction of GHG emissions	pages 13, 14, 21	■
GRI 305-6	Emissions of ozone-depleting substances (ODS)	page 14	■
GRI 305-7	Nitrogen oxides (Nox), sulfur oxides (Sox) and other significant air emissions	pages 14, 21	■
	Waste		
GRI 306-1	Waste generation and significant waste-related impacts	pages 15, 16	■
GRI 306-2	Management of significant waste-related impacts	pages 15, 16	■
GRI 306-3	Waste generated	pages 15, 16	■
GRI 306-4	Waste diverted from disposal	pages 15, 16	■
GRI 306-5	Waste directed to disposal	pages 15, 16	■
	Environmental compliance		
GRI 307-1	Non-compliance with environmental laws and compliance Significant spills	none	■
	Supplier Environmental Assessment		
GRI 308-1	New suppliers that were screened using environmental criteria	100%	■
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	pages 17, 18	■
	Employment		
GRI 401-1	New employee hires and employee turnover	pages 34, 35, 37	■
GRI 401-2	Benefits provided to full time employees that are not provided to temporary or part time employees	page 35; as in previous years various schemes and processes exist	■
GRI 401-3	Parental leave	page 35	■
	Labor/Management Relations		
GRI 402-1	Minimum notice periods regarding operational changes	according to law or workers agreements	■
	Occupational Health and Safety		
GRI 403-1	Workers representation in formal joint management-worker health and safety committees	according to laws	■
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	page 35; no fatalities	■
GRI 403-3	Workers with high incidence or high risk of diseases related to their occupation	logistics worker and shoemakers; all precautions taken acc. to law	■
GRI 403-4	Health and safety topics covered in formal agreements with trade unions	as legally required (focus: offices and stores)	■
	Training and education		
GRI 404-1	Average hours of training per year per employee	pages 35, 38	■
GRI 404-2	Programs of upgrading employee skills and transition assistance programs	pages 35, 36	■
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	not determined: varies according to law per country	■
	Diversity and Equal Opportunity		
GRI 405-1	Diversity of governance bodies and employees	pages 34, 37	■
GRI 405-2	Ratio of basic salary and remuneration of women to men	1:1 nominal; 1.2 to 0.71 : 1 absol.	■
	Non-discrimination		
GRI 406-1	Incidents of discrimination and corrective actions taken	none	■
	Freedom of association and collective bargaining		
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	various Asian locations (ca. 70% of suppliers)	■
	Child Labor		
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	none; Tier 4 suppliers excluded	■
	Forced or compulsory labor		
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	none; connection of suppliers to Xinjiang exist but we do not source anything there	■
	Security Practices		
GRI 410-1	Security personnel trained in human rights policies or procedures	n/a	■
	Rights of Indigenous Peoples		
GRI 411-1	Incidents of violations involving rights of indigenous peoples	n/a	■
	Human Rights Assessment		
GRI 412-1	Operations that have been subject to human rights reviews or impact assessment	100 %; pages 27 - 30	■
GRI 412-2	Employee training on human rights policies and procedures	routine trainings (various teams)	■
GRI 412-3	Significant investment agreements ad contracts that include human rights clauses or that underwent human rights screening	pages 27 - 30; new Code of Conduct	■
	Local Communities		
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	all operations at selected locations; decentralize processes	■

Indicators		Reference page or comment	Status
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	n/a	■
	Supplier Social Assessment		
GRI 414-1	New supplier that were screened using social criteria	100%	■
GRI 414-2	Negative social impacts in the supply chain and actions taken	pages 26 - 33	■
	Public Policy		
GRI 415-1	Political contributions	none	■
	Customer Health and Safety		
GRI 416-1	Assessment of the health and safety impacts of product and service categories	page 10, regular and routine process	■
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	none	■
	Marketing and Labeling		
GRI 417-1	Requirements for products and services information and labeling	various, see also page 10	■
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	page 10	■
GRI 417-3	Incidents of non-compliance concerning marketing communications	page 10	■
	Customer privacy		
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	page 10	■
	Socioeconomic Compliance		
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	none	■



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#### **ACKNOWLEDGMENT**

Without the tireless support of many colleagues around the globe who added the task of sustainability data collection to their normal routine work, this report would not have been possible. The Sustainability Team is most grateful to all those colleagues and valued business partners who eagerly collected information and provided us with valuable feedback and support. A special thanks goes to Saskia Bloch, Kaytlin Moeller, Fabian Nendza and Maria Venus for compiling this report and to all our colleagues around the globe who contributed to this report.

#### **PHOTOS**

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